

A FATEFUL AUTUMN.

THE traditional holiday month is ending and the coming of the heat wave mocks the business man, the politician, and the worker as he returns to his daily task—mocks him the more as he realises that most dwellers in most lands, especially, perhaps, Britain, are face to face with an autumn and a winter that will call for the fullest exercise of all the qualities they can bring to the performance of their several parts in the drama of life. For one and all the continuing trade depression constitutes a common stress, and the sun is veiled with the shadow of the approaching tenth winter of unemployment. But for statesmen of all parties this intimate domestic problem, grave and urgent though it is, is only one of many that will try them to the utmost. Not since the crisis of the Great War has there been an autumn more pregnant with possibilities and more formidable in the greatness and complexity of its problems. Between now and Christmas will take place two of the most fateful Imperial gatherings of this century—the Indian Round Table Meeting and the 1930 Imperial Conference. May we hope that when 1931 dawns, we shall be a step nearer to the development of peaceful and stable government in India, and a further stage on the road towards constructive co-operation between the nations of the British Commonwealth? Meanwhile at Geneva, from next week onwards, the statesmen of Europe will be grappling with the task, set them by M. Briand, of drawing a little closer together in mutual effort to remove the obstructions which impede the return of confidence and prosperity; and the League Assembly will be followed by a meeting of the Preparatory Disarmament Committee, upon the success of whose deliberations the future of the world in no small measure depends.

To the British mind the League Assembly may seem the least important of these gatherings—no more perhaps than the formal annual general meeting of a great organisation. In a world sense it is possibly the most important. It is not merely that the agenda, as a Geneva correspondent points out on a later page, is of more than usual interest. As year after year passes by, an ever growing importance attaches to these rallies of world statesmen and the note that emerges from this sounding-box of world public opinion. Every year that takes us farther away from the last great war brings us nearer to the next, unless the foundations of security can be built in time. And the time allotted for the task is far from limitless. A generation that knows not the meaning of war is fast growing up, and unless the machinery of peace is perfected before the fervour of opinion born of the horrors of 1914-18 has faded away, the task will never be completed. The sand-glass is there for all to see, and every year the contributions which the statesmen can make towards drawing together are watched with a growing eagerness.

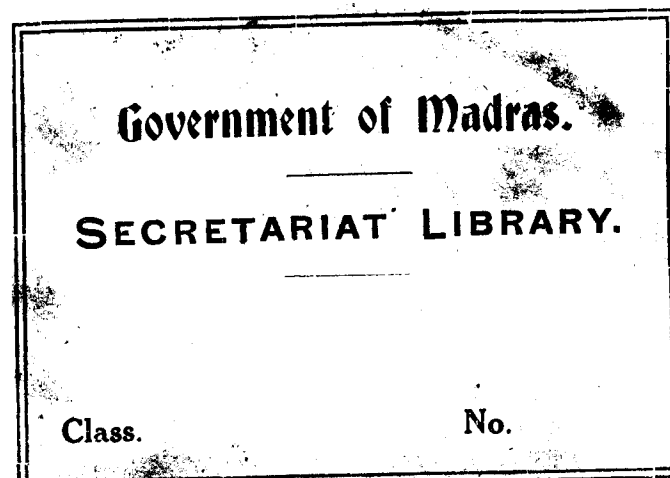
Less urgent, perhaps, but no less intriguing, and more tangible, are the problems that await the Imperial Conference. Here, happily, there is no threat of conflict to be averted, and, with the question of the status of the Dominions settled at the last Conference, no major constitutional difficulty impends. Economics and not politics will hold this stage; the mundane matter of markets, not the high issues of diplomacy; the bread and butter of life, not its dramatic conflicts. But in one way the problem of London is the same as that of Geneva—drawing together. To a great industrial nation in distress the market potentialities of the vast undeveloped areas of the Commonwealth cannot but present an alluring prospect. To the newer countries overseas it is natural amid a world of rising trade barriers to turn with hope to a market where special sentiment may win privileges. Britain's need for markets—markets everywhere—is generally accepted. Within the Empire there are potentialities, which no Government represented at the

Conference can afford to ignore, though here we would venture one word of caution. The results which Empire counsellors achieve in London this autumn will be in proportion to their power to resist chimerical schemes involving vast attempts at sudden trade diversion, and to concentrate upon the definitely practical, if less spectacular, possibilities of closer liaison and co-operation.

Add to this the Indian problem, which alone is big enough to absorb the whole thoughts and attention of the country and its rulers, and it will be realised that in the international and Imperial sphere the concentration of first-rank problems into the next few months is almost unprecedented. So vast and far-reaching are the issues involved that the Government should be assured of a cessation of all petty or petulant attack and of the presence of helpful and constructive criticism from every quarter. That this condition will be realised in Parliament is a hope which is encouraged by recent signs of greater Opposition readiness to abandon partisan obstruction in favour of mutual consultation, for instance, on Unemployment Insurance. But though the Opposition parties may be ready to avoid embarrassing the Government in its conduct of external affairs, embarrassments arise abundantly from the internal situation which confronts it.

It is, indeed, by no means the least of present British misfortunes that these great external problems should crop up in such plenty at a time when the fullest concentration of all who can influence the future of this country, politician, employer, worker, writer, is required for a review of the state of Britain. It would be a hardy philosopher who adapted to the case of Britain to-day the saying that fleas on a dog are a blessing because they prevent him from worrying about being a dog. The dog remains a dog just the same; and however much our thoughts are diverted by India, or Europe, or the Empire, the pressing problems of the reconstruction and re-adaptation of our industrial and economic life remain with us. More than that. The more attention is withdrawn from them, the slower is the dawning of recognition of hard facts and the acceptance of unpleasant remedies. No one likes nasty medicine, and no one will take it until he is persuaded of the utter necessity. This country has got to take nasty medicine, and the sooner it realises the necessity the better; and ingredients of the medicine may consist of tightening the belt, harder work, surrender of treasured theories and privileges, and co-operative sacrifice of varied kinds.

Shall we take the medicine? Is it worth while? Or is Britain down and out—a nation unable any longer to support her present population at a reasonable standard of living, and a decaying force in the industrial world? We reject the defeatist answer. Both in the short and in the long view there are strong elements of encouragement. The report of the Trade Union Council to next week's Congress meeting shows that, the belligerent spirit having been exorcised, organised capital and labour are learning to pull on the rope together. Look deeper into fundamentals, and the fact stands out that, whatever the new difficulties and troubles which we have to meet, three of Britain's supreme assets remain unimpaired—her geographical position, her fuel supply, and the skill of her workers. Sir Otto Niemeyer was telling the Australian people the other day that the courage which has carried them through previous crises will carry them through this. His words may be applied to Britain, too. The British people have weathered a few crises; they will weather this. But with the old determination must be united a measure of imaginative effort (less indigenous, perhaps, in the British mind) suited to create policies of adaptation to the changing requirements of a world in quick transition.



Ch. S. V. 1—5,000—17-10-34.

THE PALESTINE MANDATE.

IN the ordinary course of its duties the Permanent Mandates Commission of the League of Nations, during its recent session, inquired into the outbreak which occurred in Palestine last August, and made its report on it to the Council. The report of the Commission was based on the usual sources of evidence, consisting partly of the regular reports, in print, from the Mandatory Power, partly of discussions, upon these printed reports, with the Mandatory Power's accredited representative, and partly of other information at the Commission's disposal. When this additional information comes from sources other than the Mandatory Power itself the conditions under which the Commission may take cognisance of it are carefully prescribed in the Commission's rules of procedure. Naturally, however, when some special "incident" has occurred, a Mandatory Power frequently furnishes the Commission with additional information (over and above its obligatory report to the League) which it has obtained for its own instruction. For example, in the present case the Commission had before it the British parliamentary paper containing the report of the Shaw Commission of Inquiry. It does not, however, appear to have been supplied with a transcript of the evidence which the Shaw Commission took and upon which their report is based.

In view of what happened in Palestine last August the Permanent Mandates Commission criticises the Mandatory Power under three principal heads. First, in regard to the remoter causes of the outbreak, it blames the Mandatory for its "inaction or partial inaction" in face of its obligations towards the population of Palestine, both Arabs and Jews. The Commission expresses the opinion that the Mandatory has been remiss in promoting agricultural and educational development and in executing public works and also remiss in encouraging co-operation in all these matters between the two communities. Secondly, in regard to the immediate antecedents of the outbreak, the Commission charges the Mandatory Administration with a lack of insight, which rendered it blind to the portents of the coming storm, and with a culpable neglect of precautions. The Commission contests the British Government's thesis (based on the findings of the Shaw Commission) that the outbreak was not premeditated. It censures the inadequacy of the armed forces at the Administration's disposal. Thirdly, the Commission contests another thesis of the British Government (also based on the Shaw Report), namely, that the outbreak was not an outbreak against the authority of the Mandatory Power. The Commission holds that while the Arabs' attacks were of course directed against the Jews and not against the personnel of the British Administration, the law-breakers regarded the presence and status of the Jews in Palestine as being due to the policy of the Mandatory Power, and were consciously resisting the execution of that policy when they attacked the people whom they looked upon as its beneficiaries.

The Mandatory Power's comments upon the Permanent Mandates Commission's report have been published, as usual, at the same time as the report itself. Unfortunately, these comments are couched in somewhat querulous language; and there are two reasons why this is regrettable. It is regrettable, for one reason, because this is the first time that His Majesty's Government in Great Britain have incurred serious criticism on account of the administration of any of the mandates entrusted to them. For ten years they have escaped unscathed while the South Africans have been in trouble in South-West Africa, the French in Syria, the Australians in New Guinea, and finally the New Zealanders in Samoa. The New Zealanders have had the most to bear, for they have been patently single-minded in the whole conduct of their mandate, and the troubles that have come upon them were largely beyond their power to avoid. Yet they have taken with a good grace the Permanent Mandates Commission's criticisms (which, for that matter, are invariably expressed with extreme courtesy and moderation). Now that our turn has come at length—as it was bound to come—for having our whiskers singed, we shall only put

ourselves in the wrong and render ourselves ridiculous if we make a fuss.

There is also a more substantial reason why the tone of the British Government's comments is regrettable. The retorts which are conveyed in this querulous tone are by no means entirely convincing. For instance, in regard to the Commission's judgment upon the remote causes of the outbreak, the British Government complains that this judgment was not foreshadowed in the reports of the Commission upon the work of its earlier sessions; and the British Government finds this "surprising." Actually, it is far from surprising to observers who are acquainted with the conditions under which the Commission has to work. The Commissioners are not empowered to visit the mandated territories themselves or to depute other investigators to take evidence there for them. Normally, they are almost entirely dependent for their information upon the printed annual reports of the Mandatory Powers and upon the oral statements of the Accredited Representatives of the Mandatory Powers who are in attendance to answer questions which the examination of the printed reports may raise in the Commission's mind. Now so long as, on the surface, all is going well in a given mandated territory, it can hardly be expected of even the most honest and upright and successful Mandatory Power that it will give itself away more than necessary. In these circumstances, which are the normal circumstances, if, under the surface, anything is amiss, the Permanent Mandates Commission can only get at it by reading between the lines. The members of the Commission, who include men of great experience in colonial administration, have repeatedly displayed great acumen in discerning the truth under these difficult conditions. They cannot be blamed for failing sometimes—especially when one remembers how delicate a matter it is to cross-examine the Governments of Sovereign States. On the other hand, on those happily rare occasions on which some catastrophe occurs, a sudden flood of light is apt to be thrown not merely upon the catastrophe itself but upon the whole course of administration that led up to it; and then indeed it frequently appears that the Commission's previous reports upon the administration of this or that particular mandate have been too complimentary. This happened in regard to the South African mandate after the Bondelswarts Affair and to the French mandate in Syria after the insurrection of 1925. It was only to be expected that the Palestinian outbreak of last year should let in a flood of light upon the past conduct of the British administration in Palestine which would show, here again, that the Permanent Mandates Commission had erred on the side of thinking no evil in default of adverse evidence. To accuse the Commission of "jobbing backwards" is not, in our opinion, valid criticism.

Again, the British Government refuses to accept the Commission's findings that the outbreak was not unpremeditated and that it was actually directed against the Mandatory Power, on the ground that these findings disagree with those of the Shaw Commission and that the Shaw Commission's report is much sounder evidence than the information on the strength of which the Mandates Commission ventures to take a different view. The British Government, in its comments, refers to this other information as "*ex parte* statements reflecting on the conduct of His Majesty's Government," in contrast to "the considered judgments of the Shaw Commission, based on an exhaustive inquiry on the spot and upon evidence which had been subjected to searching cross-examination by eminent counsel." As it happens, we think well of the Shaw Report, and we defended the Shaw Commission at the time when attacks were made upon its findings by people in this country to whom they were not agreeable. At the same time, we do not see how the Permanent Mandates Commission can be expected to accept, as sacrosanct and above criticism, a British document which has been the subject of unrestrained controversy in Great Britain. After all, the Shaw Report is not an *ex parte* statement from the Mandates Commission's standpoint, inasmuch as it embodies the views of a commission of inquiry which was appointed by the Mandatory Power—that is, by one of the parties to the case.

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Surely the Mandates Commission would have done less than its duty if it had made no attempt to check such a document—however weighty the document may appear to be in itself—by independent evidence. And this once granted, it must also be granted that the Mandates Commission are bound in honour to follow the evidence wherever it may lead them.

For these reasons we regret the tone of the British Government's comments on the Permanent Mandates Commission's report. We regret it further because it threatens to prolong and inflame a controversy which belongs to the past, while what chiefly matters now is the policy for the future. There is one all-important question which has so far been ignored studiously. Is the mandate workable in its present form? Are its terms practically as well as theoretically compatible with one another? This question has been rightly left out of account by the Permanent Mandates Commission, whose duty is simply to report to the Council of the League upon the administration of the mandates in the terms on which these have been conferred. It is, however, a question which must ultimately be faced both by the Council of the League and by the Mandatory Power. In the British Government's comments we detect a tendency to represent the administration of the mandate for Palestine as an onerous and invidious duty which Great Britain has undertaken at the instance of the League of Nations out of international public spirit. This is a misconception of the historical facts. That the task has turned out to be both onerous and invidious is unfortunately true; but we must remember that this task was not thrust upon us. It was originally agreed between the Principal Allied Powers that Palestine should be placed under an international administration; and it was only later that this plan was given up in favour of a British mandate at Great Britain's own desire. Moreover, in asking for a mandate, we insisted that the terms of the mandate should include a Jewish National Home. The mandate is of our seeking and our making; and the responsibility for the consequences rests on our shoulders.

RATIONALISATION AND THE CITY.

WHEN Mr J. H. Thomas, in his speech at Manchester last January, announced, with more enthusiasm than precision, that "the City" was ready to find "the necessary finance" for approved schemes of industrial reorganisation, he risked raising hopes which could not be justified. In the financing of rationalisation schemes based largely, as is bound to be the case, on the merger principle, notions of what is "necessary" may differ widely; and the criticisms levelled by Mr S. S. Hammersley against the policy of the Bankers' Industrial Development Company in connection with his scheme for

an amalgamation of Egyptian cotton-spinning concerns, have revealed the existence in some industrial circles—not confined, we fancy, to Lancashire—of misconceptions which might with advantage be dispelled.

The merits of Mr Hammersley's particular scheme, as distinct from others on similar lines, are not essentially relevant to the main principle involved. The gravamen of his charge against the B.I.D. is that the company is failing to appreciate the "conditions necessary for large-scale amalgamations in the cotton industry, or in any other industry in which the financial position of the units varies greatly." The B.I.D., he complains, declines to approve or sponsor any amalgamation scheme in which it is contemplated that fresh capital raised shall be used in any part to satisfy in cash the claims either of some of the vendor concerns or of creditors of the units to be merged. This attitude, in Mr Hammersley's view, is "of no use to Lancashire," since (a) the better-situated firms in an industry will consent to join forces with "lame ducks" only if they are bought out, wholly or in part, for cash; and (b) the fixed-interest charges on the amalgamation cannot usually be scaled down to an economic figure unless there is cash available for the liquidation of outstanding debts.

In this issue, which is of considerable importance to the whole future of British industrial rationalisation, we consider that the policy of the B.I.D.—a policy, it may be noted, which was enunciated clearly enough in the official pronouncement of the company's scope and objects at the time of its formation—is unquestionably sound. For what is the gap in our existing financial structure which the B.I.D. was specially designed to fill? It is this. In the case of many industries it may be possible to devise schemes for the concentration of production in one or more mergers, which are reasonably capitalised and calculated to lead to lower costs of production and better marketing, but are handicapped from inability, in view of the indifferent profit-earning record of their component units during the post-war trade depression, to obtain through ordinary investment channels the new capital required to re-equip and modernise their plant and organisation. In such instances the backing of the B.I.D. may appropriately be given.

But what claim to special support of this nature can be made out for an amalgamation in whose future some of the participants have so little faith that their sole desire is to "get out from under"? The B.I.D., it may be recalled, was not constituted as an industrial bank, with large resources of its own for investment in approved undertakings. Its functions are essentially those of a medium between industry and the new capital market, and it is from the investing public that all new capital for industrial reorganisation must ultimately be found. To that public the B.I.D., by reason of its unique prestige as a body representative of the Bank of England and of almost every important bank and issuing house in the City, has peculiarly exacting obligations. The

flow of national savings is by no means so ample that we can afford, at a juncture when money for re-equipment is urgently needed on a vast scale, to have any portion of those savings diverted, with the B.I.D.'s blessing, to the unproductive purpose of making good shareholders' past losses or providing gilt-edged compensation to vendors who are out to have their favour courted.

Between vendors and creditors a distinction must clearly be made, and we agree with Mr Hammersley that in mergers for rationalisation there must be a scaling down of prior charges to an "economic figure." Indeed, we regard it as axiomatic that no fresh capital should be put into an amalgamation saddled with debentures and other liens which are not fully secured on tangible assets valued at a very conservative figure, or whose annual service asks for more than an extremely moderate proportion of prospective earnings. But here again we suggest very strongly that it is not the function of the B.I.D. to assist in the questionable process of "handing on the baby" from present creditors to future investors in the "equity" of amalgamations which it is proposed to form.

Whether or not a projected amalgamation is to be enabled to convert top-heavy "obligations" into workable terms of participation in "equity" is, after all, a matter for the promoters of the amalgamation and the creditors jointly to decide. The creditors may drive, in some cases, a hard bargain; and if they have no confidence in the future earning power of the rationalised industry, they may prefer to foreclose without further ado on such saleable assets as exist. On the other hand, the real security for many outstanding loans in our depressed industries is little else but the earning power of the assets pledged, and we find it difficult to conceive that the B.I.D. would be justified in sponsoring new issues for any combine whose creditors, knowing that production and marketing were to be re-organised, and knowing that the B.I.D. would guarantee funds for re-equipment and, if necessary, working capital, still thought it more advantageous to "put in the brokers' man" and have a forced sale of "bricks and mortar," rather than agree to receive for their claims a proportionate recognition in the capital ownership of the new concern. And, when all is said, natural feelings of sympathy for the misfortune of shareholders in old-established companies which have fallen on bad times should not be allowed to blind us to the fact that the purge of bankruptcy is an old-fashioned remedy whose ultimate effects on industry as a whole, and indeed on all concerned, may be healthier in the long run than those produced by too many "facilitated" amalgamations.

In conclusion, we would emphasise a point which appears to be overlooked in industrial circles where, thanks doubtless in part to the revivalist optimism of the late Lord Privy Seal, exaggerated hopes of "rescue" by the B.I.D. have been entertained. It is not the business, and should emphatically not be the business, of a financial institution of this character to "promote" amalgamations, though its advice may often be usefully sought and the experience of its directors drawn upon. Whether with, or without, compulsion from creditors—who alone can apply pressure—it is from the managements of industrial concerns themselves that the initiative must come in framing schemes of rationalisation. It is they who must settle the terms of amalgamation, compound (if they can) with creditors, and—if there is no help for it—bury their own dead. Not till evidence of satisfactory productive plans for the future has been given, and not till all the necessary sacrifices by existing interests have been made, is it proper that the public should be encouraged by what is, in effect, a national consortium of British bankers to invest fresh capital. Public opinion will be rightly critical of the leadership of British industry if the attempt be made to represent "the City" as obstructing rationalisation because it is rigidly setting its face against the easy way of re-financing at the public's expense on the vicious basis of perpetuating inflated capitalisation.

AUSTRALIA FACES THE FACTS.

(BY A CORRESPONDENT.)

THE reports which have reached London of the initial success which has attended Sir Otto Niemeyer's mission to Australia are very encouraging. The economic factors which have combined to create a financial crisis in that Dominion were analysed recently in these columns (*Economist*, July 26), and admit of little dispute. Briefly, the efforts of successive Australian Governments, both Nationalist and Labour, to maintain by legislation an inflated standard of living have broken down in face of a combination of decreased productivity, falling prices and credit stringency abroad.

It is unfortunate for the present Government that it should have come into power at this juncture. Like other Labour administrations, it is embarrassed by its promises made during a long period of opposition, and must now face the bitter experience of not only abandoning its pledges, but also of taking measures to lower the rates of public expenditure and ultimately of wages and the standard of living. It will claim, with some justice, that the greater share of responsibility for the present crisis must rest upon its predecessors in office; but though it is probably too much to expect that the public will accept such a plea in mitigation of what Mr Reeves has called the greatest blunder a Dominion Government can commit—the encountering of a severe economic depression during its term of office—it is entitled to the fullest recognition for the courage with which Sir Otto Niemeyer's unpalatable, if salutary, report has been received.

It would be idle to gloss over the fact that left-wing opinions, shading into avowed Communism, have a certain strength in the Australian Labour movement. They are especially strong in the industrial movement, and are powerfully entrenched in some of the more militant unions. As time goes on and measures are taken to implement the agreement which has been reached at the financial conference summoned to consider Sir Otto Niemeyer's report, it is possible that direct action in the form of industrial disturbances will obstruct Australia's recovery. The High Protectionists also have indicated that while they are in full sympathy with the sections of the report which point out the necessity of lowering production costs, including wages, and of calling a halt to over-borrowing, they do not by any means accept the criticisms of Australia's tariff policy. Protectionism has become as much a fetish in Australia as Free Trade was in Cobden's England, and there will be bitter opposition to any reduction of tariff schedules.

The summaries, however, of Sir Otto Niemeyer's report which have reached London indicate that he has pointed out in plain, emphatic language the obvious causes of weakness which have been repeatedly emphasised by economists and industrial leaders in Australia itself. The chief argument for Protection in Australia is that it has enabled a greater number of people to live at a higher standard of living than might otherwise have been possible. In other words, it has transferred wealth from the landowners to workers in urban industries. The recent crisis has added an important rider to this proposition. When prices are falling in the export markets and the transference becomes a heavy burden instead of merely a sharing of good fortune, the protected industries become clearly uneconomical and the stability of the whole community is endangered by an increasing volume of unemployment.

There has been some effort on the part of left-wing Labour leaders to interpret Sir Otto's mission as impertinent dictation by London capitalists. If Australia had been able to carry through its programme of rapid development and high standards of living without resorting to London for loans which it is now having some difficulty in meeting, there might be some reason for such an attitude. But the plain fact is that Australian Governments and the commercial community also are gravely embarrassed by shortage of funds in London with which to meet short-term obligations, and still more seriously embarrassed by the prospect of more substantial loans maturing in two years' time. Failure to meet these obligations

would be a calamity for Australia, ruining its credit and causing far greater economic sacrifices than any entailed in the suggestions put before the various Governments by Sir Otto Niemeyer's report.

Fortunately, these suggestions have been accepted, and there is no longer any doubt that the crisis has passed as far as the meeting of the short-term obligations is concerned. In order to get the accommodation needed, the State and Federal Governments have agreed to cut down their expenditure, balance their Budgets, reduce their borrowing programmes, and curtail all further external loans till the short-time indebtedness is dealt with. These measures will involve retrenchment in the public services, salary cuts, and probably a considerable increase in the already large volume of unemployment; but there is good reason to hope that they will be carried through.

Whether Australia will go on pursuing what Sir Otto Niemeyer has called the path of financial peace is a rather larger question. Sacrifices which may be accepted for a short time become rather more irksome when they must be endured for a longer period. If the present falling tendency of prices persists, lowering Australia's receipts from export produce, there may well be a prolonged period of financial strain, in which rigid economy, hard work, and lower standards of living are imperative. This would be a bitter experience for a people which has been habituated to easy living over a long period, during which constantly rising prices and easy borrowing gave successive bonuses to export producers.

There are, however, several favourable factors in the situation. Sir Otto Niemeyer has pointed out that, with the present crisis over, Australia has two years' breathing space before any further large debts mature. In that two years there may well be a recovery from the present world depression, which would greatly ease the situation. There is no reason to doubt the capacity of Australians to grapple with their problems. Political parties are very evenly balanced, and since the Labour Government itself has taken hold of the situation there is a substantial majority opinion in favour of facing the facts. Opposition will doubtless spring up, and the trade unions may be expected to fight wage reductions, but the programme as a whole should go through.

One final reflection is provoked by the situation. This is not the first time that Australian and New Zealand finance has been in difficulties. The columns of the *Economist* in 1878, for example, contain many criticisms of the reckless banking policy which treated real estate as credit security; and those criticisms were fully justified by later crises. In the meantime, admittedly, banking policy has been greatly improved. Indeed, it is a saving feature of the present situation that the Australian and New Zealand banks are in a thoroughly sound position; and Governmental extravagance is easier to deal with, after all, than unsound banking policy. But the time appears ripe for another step in advance. The very presence of a Bank of England mission in Australia raises the question of the desirability of developing closer banking co-operation along Imperial lines. A central bank in each of the Dominions, working in close touch with the Bank of England, might do much, by forestalling exchange difficulties and generally guiding the flow of capital and credit, to prevent such crises as the present arising in the future.

THE LEAGUE ASSEMBLY.

(BY A GENEVA CORRESPONDENT.)

THE eleventh Assembly of the League of Nations, which opens on September 10th promises to be of interest and importance. Strong delegations have been announced from most of the leading countries, and two Dominion Premiers are coming—General Hertzog and Mr Scullin, if he is sufficiently recovered from his illness. Sir Robert Borden will be Canada's first delegate instead of Senator Dandurand, and will represent the Dominion for the last Session of the Council during Canada's present period of office. Canada, Cuba and Finland are

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due to retire this year, and it will not be easy to settle who their successors shall be. Ireland is to be a candidate, on the assumption that Canada's is a Dominion seat—a thesis by no means generally recognised—but China is competing. Norway is likely to follow Finland, and a South or Central American State will doubtless replace Cuba. There are many who, taking a long view of politics, consider it essential to put China on the Council, despite the easy criticism which such a step offers.

The two outstanding subjects of a fully charged agenda (which itself is a striking illustration of the extent to which the League is occupied with international affairs) are the consideration of the proposed amendments to the Covenant to bring it into harmony with the Briand-Kellogg Pact, and M. Briand's ideas for a European federation. The latter is not strictly on the agenda, but it can scarcely be avoided in the general debate, and, if the European conference on the subject which precedes the Assembly reaches anything definite it seems bound to become an Assembly matter. The replies which M. Briand has received and the controversy in France itself show how very far the project is from meeting any general conception of the way in which saner European co-operation should be promoted. The political situation is not very promising for the present, and Germany's renewed emphasis on treaty revision—supported by Italy—has set French and Polish breasts fluttering once again.

The proposed amendments to the Covenant will probably lead to discussion over a wide field of League constitutional policy, which has been the subject of controversy from the beginning. The main points proposed are the elimination of all private right to war, the acceptance of a unanimous report of the Council under Article XV. (excluding the votes of the parties) as binding, and the acceptance of a majority vote of the Council to ask for the advisory opinion of the Court. France, Poland and others are anxious that, with the elimination of war and the acceptance of obligations to peaceful settlement, the League should undertake the further obligation of enforcing settlements; this is not likely to be accepted, and the amendments as they stand are of great constitutional importance in the development of international relations without adding still larger, though perhaps strictly logical, commitments. Logic has frequently been the bane of international conferences.

Other projects also are to be examined in connection with the League's organised methods for keeping peace. The efforts of the London Naval Conference will enter into discussions on the future work of disarmament and the meeting of the Preparatory Disarmament Commission in November. There will probably be a final decision on the draft Treaty of Financial Assistance for States victims of war or threatened by war. Then there is the General Convention for Strengthening the Means to Prevent War, by which States would agree beforehand to accept provisional measures of the Council to avert any complication of the situation while it is *sub judice*, and there are various proposals for ensuring speedy and safe League communications by wireless and by air during times of emergency. The Assembly is also expected to see a development in the wider acceptance of the General Act, whose ratification is gradually growing, and

Mr Henderson is credited with the intention of making this a General Act Assembly, as Mr MacDonald made the last an Optional Clause Assembly.

On nearly every phase of League work there are important stages to be considered—in financial and economic questions, transit and opium questions, mandates and minorities problems, slavery, and traffic in women and children—and these obviously contain elements of great significance in many of the vital controversies of the moment. Two other subjects may be selected for mention—the elections of the judges of the Permanent Court of International Justice, and the reorganisation of the League Secretariat. The nine years' term of office of the judges ends this year, and all the judges have to be elected for the next nine years. Sir Cecil Hurst stands again for Great Britain, and Mr Kellogg and several other leading American jurists have been nominated in the place of Mr Charles Evan Hughes (resigned). The report on the reorganisation of the Secretariat raises again the different conceptions of what the League should be, and is far more than a mere office question. In view, particularly, of Italy's attitude, the subject will require careful handling if the Secretariat is to be maintained as a body of objective officials under obligations to the League as a whole and not to their individual Governments. Development in the latter direction would be unfortunate, and there is little doubt that the majority of the States are opposed to it, but most of them suffer from temptation through the desire to have as many fingers in the pie as possible.

Notes of the Week.

Rumour.—When times are awry the wish becomes more easily than ever the parent of the thought. Malaise begets credulity, and Rumour, that opportunist, is ever on the tiptoe to spring to the offensive, drive logic out of the arena, and enjoy an hour of triumph. The past week in the City has seen Rumour's chance and her seizure thereof. Markets dull and idle, tone despondent, defeatism in the air, a heat wave to dull the intellect—the conditions combined to breed a ready appetite for any fairy story with a happy ending. And, obeying the eternal laws of supply and demand, out came fairy stories galore. Mr MacDonald had decided to adopt Protection—his fairy wand glittering with promises of lower income tax—and Mr Snowden had resigned. Mr MacDonald was about to resign, and Mr Snowden and Mr Lloyd George would form a Centre coalition. The "dole" was to be reduced, with refreshing results to the Exchequer. All this, mark you, Sir, in the "dog days," when even a Cabinet meeting is impossible and few prominent politicians are in Town. We are grateful. Rumour has excluded the annual reappearance of the sea-serpent from the daily Press. But readers of our Stock Exchange columns will see that there are those who are not grateful. Stock market "bears," acting, poor souls, on mere cold logic, were caught napping and temporarily discomfited. Let them console themselves. Next time, perhaps, the lying jade will play their game.

The Government and its Supporters.—When Mr MacDonald took office over a year ago we ventured to suggest that the chief menace to his security would come not from the Opposition parties, but from the danger of a mutiny in his own ship. Subsequent events have proved this forecast to be even truer than we supposed, for while, on the one hand, the debilitating split in the Conservative Party has developed more rapidly and more deeply than was expected, the restless Left Wing of the Labour Party has come out into the open with something very nearly a condemnation of the Government and its works. The Independent Labour Party has issued a manifesto, the burthen of which is that, not only has the Government failed to carry out Labour policy, but that it has made no

attempt to do so. Rebels within the party will also be on the warpath at the Labour Party Conference, to be held shortly at Llandudno, when resolutions will be discussed expressing dissatisfaction with the choice of Ministers and putting forward claims, rather reminiscent of those of the Press Lords, that certain Labour interests should dictate how the Cabinet should be composed. At the same conference the Cabinet will come under fire for their continuance of the Honours system. So Mr. MacDonald, in facing a Titan's autumn task, has the additional burden of feeling the growing dissatisfaction in the ranks behind him. It will be easier to assess how deep and wide this dissatisfaction is when, a week hence, the Trade Union Congress concludes its deliberations at Nottingham. If the Nottingham discussions are mainly confined to the report of the Council to the Congress, they will be concerned more with economic and industrial than with political problems. And if the discussions live up to the tone of that report, they should be of practical usefulness, for its most striking point is the prominence which it gives to the progress of discussions between organised employers and employed of the practical means to oil the wheels of industrial re-organisation. It is one of the cheering signs of these rather dark days that all parties to industry are showing greater inclination to realise that they are in the same boat and that, if the boat is to get anywhere, they must row the same stroke.

Affairs in India.—It would require the exercise of hardy optimism to regard recent news from India as satisfactory or reassuring. In an appreciation of the situation, published on Tuesday, the Government of India reported that though "the situation in most provinces is distinctly easier, there is no province in which the conditions are normal, or in which it can be safely said that some activities of the Civil Disobedience movement may not assume fresh vigour." Since then there have been three bomb outrages in Calcutta, including the attempt of terrorists on Monday to murder Sir Charles Tegart, the Police Commissioner, while the explosive character of the position on the Frontier has been unhappily illustrated by the death of Captain Ashcroft and nine other ranks in a clash with a *lashkar* of the *Hathi Khel* Wazirs. But what strikes us as being, in one sense, perhaps the most serious feature of a situation which is already grave, and holds obvious potentialities of increasing gravity, is the atmosphere of uncertainty and conflicting influences which is clouding the whole Indian scene. On the one hand, we have non-official opinion in Bombay, and (with strong opposition from a large dissenting minority) in Calcutta, apparently so impressed with the serious economic results of the boycott that there is a tendency to urge the Government to make, without further ado, a declaration of policy in advance of the reforms contemplated by the Statutory Commission. On the other hand, there have been further important arrests of members of the All-India Congress Working Committee for defying the notification proscribing the Committee as an unlawful assembly; the so-called "peace parleys" between the Viceroy and Sir Tej Bahadur Sapru and Mr Jayakar over the contents of Mr Gandhi's letter look like being interminably prolonged; and meanwhile the weeks are passing without any clear indication whether an adequately representative Indian delegation to the Round Table Conference can ever be secured. It has, indeed, been suggested in some quarters that the Conference may be postponed until next summer, a course which, in our view, would merely prolong the present damaging state of uncertainty and confusion. We are by no means inclined to criticise the Government of India and the Imperial Government for their patent desire to avoid either compromising the deliberations of the Round Table Conference or aggravating, by a stern exercise of authority, a situation which the intransigence of extremists has already tragically embroiled. At the same time, one is left with the impression that the Government is in the unhappy position of an engine driver watching a rising pressure gauge without being sure whether to damp the fire or open the throttle.

The Right of Secession.—The word "secession" has an ill-omened sound. It suggests "civil war," "slavery," "disaster." Fortunately, however, the position of the Union of South Africa in the British Empire to-day is so different from that of the Southern States in the North American Union last century that we can hear the word "secession" resuscitated by the South African Dutch Nationalists with equanimity. The Imperial Conference of 1926 took formal note, in explicit terms, of the fact that the position of the self-governing Dominions of the Crown overseas was constitutionally and politically identical with the position of the United Kingdom in the British Empire. (We say "took note," because the constitutional development of the British Commonwealth of Nations is something which happens of itself; the findings of Imperial Conferences usually register accomplished facts.) The attitude of the Conference of 1926 made a deep impression upon General Hertzog; and, upon his return from London to South Africa, he communicated this impression frankly and emphatically to his followers. Previously, he reminded them, he had shared the view that the British version of Dominion self-government was a sham—a story told to throw dust in the eyes of the world. His experience in London had convinced him that the story was true; that, as far as the attitude and intention of His Majesty's Government in Great Britain were concerned, the national independence of the Dominions was a reality. The point which brought conviction to General Hertzog's mind was his perception that the United Kingdom really had put the Dominions on a footing of complete constitutional equality with itself. And what could this mean but independence? For nobody could deny that the United Kingdom was an independent State. Just when he had got into these smooth waters, General Hertzog struck a snag. (He is a philosopher, and had been reading General Smuts's book on "Holism" on the voyage home.) However independent the United Kingdom might be, there was one thing that it could not do. It could not secede from the British Empire. And, since the status of the Dominions was defined as identical with the status of the United Kingdom, the question arose whether the right of secession did or did not exist for them. The inevitable answer is that the right of secession does exist for every fully self-governing Dominion and therefore—on the principle of constitutional equality—for the United Kingdom too! This second part of the answer is pertinent when read together with General Hertzog's premise (which was quite correct) that in practice a secession of the United Kingdom from the British Empire is "unthinkable." Why is it "unthinkable"? Not because the other self-governing members of the Commonwealth could or would attempt to coerce the United Kingdom if she elected to secede; but because secession could not be put forward in this country as a serious practical programme without rending the country from top to bottom and producing civil war and revolution. In other words, the sanction which keeps the United Kingdom from exercising its right of secession is a sanction internal to the United Kingdom. If General Hertzog applies this analogy to the position of the Union of South Africa, he will find that the situation is just the same. General Hertzog has already assured us that the question is academic. We can assure him that this academic question had already received its academic answer before he propounded it.

Election Prospects in Germany.—As the date of the general election in Germany approaches the political situation begins to come into focus. We can discern two dominant factors. The first is the elimination of the two foreign complications which have overshadowed the internal politics of Germany since the end of the war, that is, the Reparations Question and the Occupation of the Rhineland. Now that Reparations have been settled definitively and the evacuation of the Rhineland is complete, the internal politics of Germany are likely to be governed, more than they have been hitherto, by internal

issues. The second factor is the break-up of the German Conservative Party—a portent which the Conservative Party in this country should "behold and tremble," since the antecedents of it are singularly like the symptoms of trouble in the bosom of the British Conservative Party to-day. In Germany, the Conservative Party was stampeded last year by what is called, in the American language, a "red-blooded he-man executive," Herr Hugenberg—a Press Lord with embarrassing political enthusiasms. The old-fashioned Conservative leader, Count Westarp, was thrust aside in order to give Herr Hugenberg elbow room for a crusade. Herr Hugenberg's paynim was the Reparations Settlement. He ran full tilt against it, and was brought up short by President Hindenburg and by the facts. Indeed, the shock which his "impossibilist" policy administered to his party was so severe that it broke them; and a majority have now seceded to found a new "People's Conservative Party" under the leadership of Herr Treviranus, supported by a number of distinguished and experienced men including Count Westarp himself and General von Lettow Vorbeck. The destiny of Herr Hugenberg's "rump" is fairly clear. It will gravitate towards the Hitlerite anti-Semitic Fascists who call themselves the "National Socialist German Workers' Party," and who correspond on the extreme right to the Communists on the extreme left. On the whole, this development seems healthy, inasmuch as it brings German party politics within sight of something like a two-party system, or, more accurately, a system of two alternative coalitions. The Social-Democrats provide the permanent nucleus for the left wing coalition; the People's Party (the late Herr Stresemann's group) may conceivably co-operate with the new and moderate "People's Conservative Party" to make a permanent nucleus for a right wing coalition, with the Catholic Centre Party and the Democrats still hovering in between. On such lines, there is some prospect of the political life of the Reich becoming more stable—a consummation which everybody desires.

The Political Crisis in Poland.—It may or may not be pleasant to be a dictator (*respice finem*); but there is no doubt at all that it is extremely unpleasant to be a dictator's handyman—the business manager who has to work the pseudo-parliamentary machine, to absorb the shock of constitutional opposition, and to take the blame if the oilcan runs dry and the cylinders of the ramshackle contraption begin to "seize." When it comes to this, there is usually a race between the dictator and his "devil" to see which of them can "give notice" first. In Turkey, the other day, the Dictator, President Mustafa Kemal, won the race and threw poor Izmet Pasha to the wolves. It looks as though Marshal Pilsudski's Izmet Pasha, who is called Colonel Slawek, had taken his Turkish colleague's fate to heart; for he has now thrust his own resignation into the Marshal's hands on the score of overwork. Marshal Pilsudski has had to accept this resignation perforce and to assume the premiership himself; but he has declared emphatically that his own objections to overwork are as great as those of his right-hand man. It is a strange situation, for a work-shy dictator is no dictator at all. Readiness and ability to perform a superhuman amount of work and assume a superhuman burden of responsibility are the sole justifications for supermen; and in Poland, as things are, the hard work will have to be done and the heavy responsibility will have to be shouldered by the Dictator, or by somebody in the Dictator's entourage, if the dictatorship is to endure. The constitutional opposition to the dictatorship is mounting fast and is discovering how to express itself in effective forms. This is natural and healthy; for Poland has now safely come through the throes of her rebirth and is evidently capable of leading a normal national life. It will not be surprising if Marshal Pilsudski finds himself compelled to hold a general election, and if the electors return a parliament strong enough to insist successfully upon its constitutional rights.

Perurritania.—With "the Balkans" lost, as respectable members of the League of Nations, to the idyllic world of political "opera bouffe" where should we be without our few remaining "unstable" South American republics? The news from Lima this week has followed the best traditions. On Monday, President Augusto Leguia, putting a good face on the success of revolts at Callao and at Arequipa in the Southern Provinces, attends the races; midnight finds him feverishly at work constructing a new Cabinet, only to be confronted by a military committee, to whom in the small hours of the morning he hands his demission; next day he embarks on a cruiser *en route* for Panama and safety, popular indignation swells, the safe-conduct is cancelled and the cruiser is ordered by wireless to bring the ex-President back to Callao and trial. Picturesque politics, such as these, with no great harm done, are after all a pleasant contrast to the drab economic issues of the Old World; and if we cannot take the *coup d'état* very seriously, it is because both General Ponce and Colonel Cerro, who seized Lima and Arequipa, respectively, and had both apparently strong claims to the presidential succession, know perfectly well that the ultimate repository of power over Peru is to be found in the capital of another, greater country to the north. With this in mind, the successful claimant to the tenancy of the presidential palace—according to the latest reports the key is now in Colonel Cerro's pocket—is unlikely to exceed the limits of a president's "poetic licence." As for Señor Augusto Leguia, his fate is that which has befallen many speculators before him who have failed to "get out on the top of the market." President since 1924, and dictator since 1929, he had a good run for his money, and if at the end (did he overlook Signor Marconi's contribution to science?) he "missed the bus," he seems to have his optimism largely to blame.

Farmers and Import Boards.—In a speech at Swindon last Saturday the Minister of Agriculture threw a little fresh light on the Government's agricultural policy, though his statement in some respects was calculated to provoke as many questions as it answered. Starting from the premise that a good cultivator, producing crops in the proper way, in the right ground and at the right time, ought to be reasonably assured of a fair return for his output, and that the consumer should not be called upon to pay "a higher price than a well-ordered marketing system ought to require," Dr. Addison stated that the Government did not intend to tax imported wheat. ("What sense is there in artificially raising the price of four loaves in order that the grower, represented by the fifth, should be decently paid?") On the other hand, they ruled out "any blind system of bounties." The objective, therefore, must be to afford a secure home market by the compulsory absorption of home products of good quality through a quota system, protection against "the variation or insufficiency of the price of imported supplies" being provided by the use of import boards to make bulk purchases from abroad. The whole question of such boards would, he added, be gone into at the Imperial Conference. We should like, however, to have heard from Dr. Addison a much fuller explanation of how an import board would secure a fair price for the producer, except at the consumer's expense. Would a "standard" internal wholesale price for wheat be fixed which would enable the import board to make, on its foreign purchases, sufficient profits to cover losses on quotas delivered by British producers at a higher price? The whole scheme must be enunciated in much fuller detail before the public can have adequate material for passing judgment on it.

The Bromley Election.—Mystification as to the domestic split or splits within the Conservative Party has been deepened by the by-election at Bromley, where polling takes place on Tuesday next, September 2nd. The contest was necessitated by the death of Colonel James, who held the seat for the Conservative Party at the last general election by a majority of over 7,000. The local Conservative Association adopted Mr. E. T. Campbell as its champion, and a three-cornered contest

with Liberal and Labour candidates was expected. But a surprise was in store. A fourth candidate appeared in the shape of a Mr. V. C. Redwood, representing the United Empire Party, Lord Rothermere's recently-created organisation, and claiming the personal support of Lord Beaverbrook. The latter has not appeared in Bromley, has disavowed his support in a public letter, and his Press has not rallied to the cause. On the other hand, while Mr. Baldwin has blessed Mr. Campbell, who in turn pledges his loyalty to the official leader of his party and refuses to support Lord Beaverbrook's revolt, the Rothermere Press has brought all its big guns into play on behalf of Mr. Redwood, who as singer and as Australian politician has enjoyed the experience of a varied career. Even the services of the air heroine, Miss Amy Johnson, are mobilised in the effort to seduce Bromley from its allegiance to Mr. Baldwin. The whole episode would have its amusing side if times were not such as to make such fantastic electioneering deplorable. The one clear point about the election, whatever its result, is that Lord Rothermere and his new party will shrink from no wrecking tactics so long as Mr. Baldwin is official Conservative leader. What is not clear is where the relations between the two Press Lords stand. Once again we are reminded that the greatest strength of a harassed Government lies in the internecine strife in the largest Opposition party. But in this particular contest it may be the Liberal who is the *tertius* or, rather, *quartus gaudens*.

British Production.—The Board of Trade's index number of industrial production confirms the impression conveyed by the *Economist's* indices of industrial activity, and by those of the London and Cambridge Economic Service, that productive activity in the United Kingdom suffered a severe decline during the June quarter:—

BOARD OF TRADE INDEX.				
1924 = 100.				
	March Quarter.	June Quarter.	September Quarter.	December Quarter.
1929.....	110.5	112.0	110.6	113.9
1930.....	110.9	103.4	...	...

Industrial production, which was well maintained during the March quarter, especially in the heavy industries, experienced a sharp setback during the second quarter of 1930. The figures for the respective groups are set out in the following table:—

1924 = 100.					
Group.	Year 1928.	Year 1929.	June Quarter, 1929.	March Quarter, 1930.	June Quarter, 1930.
1. Mines and quarries....	89.2	96.8	92.6	102.0	87.4
2. Iron and steel, and manufactures thereof	102.3	114.0	117.8	113.8	95.5
3. Non-ferrous metals....	119.3	120.5	128.7	105.7	123.7
4. Engineering and ship- building.....	113.1	121.0	124.7	125.5	124.3
5. Textiles.....	99.9	98.5	99.8	92.4	78.4
6. Chemical and allied trades.....	110.3	115.8	114.6	104.9	104.9
7. Paper and printing....	(a)	(a)	(a)	(a)	(a)
8. Leather and boots and shoes.....	102.0	98.5	100.7	108.5	104.5
9. Food, drink and tobacco	101.9	106.0	109.0	96.9	104.9
10. Gas and electricity.....	126.0	135.8	(b)	(b)	(b)
Total of manufacturing in- dustries (2-10)*.....	109.4	115.5	116.9	113.2	107.5
Total of all groups (1-10)*	105.5	111.8	112.0	110.9	103.4

* Including also various industries not specified above.
(a) Not fully available. Returns received included in general index.
(b) Figures for gas not available. Returns for production of electricity included in general index.

It will be seen that the decline was almost general, with the exception of the non-ferrous metals and food groups, which show a slight seasonal increase. This recession is most pronounced in the mines and quarries, iron and steel, and textile groups. It is noteworthy that activity in these three groups was below the average level of 1924. The extent of the depression in the textile industry is shown by the fact that production during the June quarter was only 78.4 per cent. of that in 1924. The latest information indicates that production in the iron and steel, and as the other industries show no signs of an early improvement the average may be expected to decrease still further during the current quarter.

The World Rayon Surplus.—In an article in the Stock Exchange section of this week's issue the position of the shares of British artificial silk companies is reviewed. In this connection the following note by a trade correspondent as to the world position of the industry is of special interest. Estimates, he writes, of world production in the first half of 1930 show a surplus of output over sales amounting to 3,381,000 kilos., which in view of the already heavy stocks cannot but be regarded as a very serious matter. Few countries have escaped the worst effects of the position and, whilst in other times of depression in the industry the United States has proved an exception, this is not the case to-day. It has been necessary drastically to curtail production in the States, and even so stocks are unhealthily large, and it is not certain that a very large price cut recently effected will result in their being cleared. In the European countries where there is always a large surplus produced for export, the position has been very difficult, although thanks largely to an unprecedented drop in prices, there have been months this year when the export trade was so stimulated as largely to relieve the position. With world conditions as they are, however, the poorer countries are restricting purchases of rayon as much as those of any other commodity, and, where price is a factor, Japan, now a very important element in the rayon world, has got the business. This has been and will continue to be very serious for the Continental companies, who, moreover, are not backed by exceptionally large capital resources. Ever increasing tariff walls render the position more and more difficult, and it is not impossible that some considerable reconstructions will be necessary. It is impossible for Britain to ignore this state of affairs in the export markets; nevertheless her industry is far from being dependent thereon. The financial strength of the dominating British company enables it to keep out of unprofitable export business, whilst the home demand, though at lower prices, is good. Actually, in June, sales in this country exceeded production, and it may be taken therefore that, whatever the position is in other countries, Britain is relatively better off; and though her smaller producers are gradually being eliminated under stress of competition, the established concerns are likely to weather the storm with less damage than are those in any other country.

Co-operators and Trade Barriers.—A correspondent writes:—At the International Co-operative Congress, held at Vienna this week, the delegates from forty countries, representing co-operative organisations with an aggregate membership of 56,000,000, have been seeking an economic programme and policy. The attempt to develop international trading and banking relations has confronted the national co-operative societies with the problem of tariffs and trade barriers. Since the International Co-operative Congress at Basle in 1921 an expert committee of the International Co-operative Alliance has been at work investigating the problem, and their report was submitted to the Central Committee on the eve of the Congress at Vienna. This is now being referred to the organisations of the various countries. But the main conclusions against tariffs have been so well established that the Central Committee of the Alliance, recognising the vital importance of the barriers to free international exchange, recommended a resolution to the Congress urging that "all consumers, all co-operative organisations, and the workers of all countries should bring their influence to bear upon their respective governments, and through them upon the League of Nations, in order that by the conclusion of liberal long-term commercial agreements, by the establishment of uniform Customs nomenclature, by national and international traffic agreements, by customs unions, and by all other appropriate means, the free exchange of goods and unrestricted communications may, as far as possible, be restored." During 1929 the imports of the national wholesale societies in eighteen countries amounted to £81,699,852. Figures such as these illustrate the interest that the co-operative movement takes in matters affecting the free interchange of

commodities, and prove the enormous field of exploration that exists for the extension of commercial relations between these societies. Hence the importance of the investigation which will follow the decision of the Congress at Vienna. The growth of the co-operative movement in this country has been mainly along distributive channels. But in most European States the development of co-operation production has been the dominant phase; this is particularly the case in Scandinavia. Now that the wheat pools are becoming such a powerful factor, the problem of bringing the producers and consumers into friendly relationship is the urgent concern of the International Co-operative Alliance. At the outset it is faced with the barriers that have grown up between the nations; and its initial work of organising public opinion in the direction of the free interchange of commodities in order that consumption shall be increased to foster production has received encouragement from the proceedings at Vienna. The meetings between the various sections responsible for the financial operations of the movement in the various countries have convinced the leaders that Customs barriers are obstacles to the development of international co-operation; and that the policy so long advocated by British co-operators is the line to be followed throughout the world.

Transference of the Unemployed.—Hopes placed in the policy of "transferring" the unemployed, writes a correspondent, seem destined largely to be disappointed. The last Report of the Ministry of Labour disclosed the fact that during 1929 only some 32,000 persons were transferred from the districts scheduled as depressed mining areas, and an analysis of some 40,000 unemployed workers in the depressed mining areas made during October and November, 1929, disclosed the magnitude of the difficulties which hamper the successful execution of this policy. Out of these workers, all of whom were between 18 and 45 years of age, only some 7,500 were both available and suitable for immediate transfer; nearly 10,000 required a course at one of the Transfer Instructional Centres; a further 4,000 were fitted for and in need of more specialised training; while the remainder, nearly 20,000 in all, were mostly married men, many of whom could not be transferred because of their domestic responsibilities. The principal obstacle in the way of transference—apart from the question of mobility, and the complications often created by inadequate housing in the areas to which it is desired to send unemployed workers—is the unsuitability of the unemployed for such work as is available. A solution of this problem has been attempted by the institution of training centres, but the total number benefited by all the various training schemes was only some 20,000 in 1929, of whom roughly 4,800 were women and girls. Moreover, these figures, which show the number of entrants only, do not take account of the wastage involved from failure to complete the courses offered or from other causes, and which amounts to between 5 and 10 per cent. From many points of view these results are distinctly disappointing, and show that the methods of training and transference, which naturally commend themselves to commonsense as immediate and practical methods of dealing with the unemployment problem, cannot operate on a sufficiently large scale to make a substantial impression on the body of unemployed as a whole.

Gold: A Belgian View.—The Governor of the National Bank of Belgium, in his speech at the annual meeting of that institution, took a share in the controversy over the adequacy and distribution of the world's stocks of monetary gold. In general, he sought to refute the contention that the maldistribution of the world's gold was a primary cause of the recent collapse in commodity prices and setback to trade, and argued that nowhere during the last two years had industry and commerce, deserving of credit, failed to obtain it upon reasonable terms. The real causes

of the depression were, he said, under-consumption, intensified by the consequences of the Wall Street boom and collapse; artificial interferences with prices in Canada, the United States and Brazil; over-borrowing in Australia; political agitation in India and Egypt; and the unsatisfactory internal condition of China and Russia. This, on the whole, is a typical diagnosis of the orthodox banker, who takes the view that there is plenty of money about, and that he would be only too glad to lend it to reputable borrowers at remunerative rates. It is doubtful, however, if views of this character probe sufficiently deeply into the causes of the trade depression. It may be granted that "short" money is cheap and credit plentiful to-day, but this is the consequence of the depression, and cannot therefore be adduced as a reason why the cause of the depression was unconnected with monetary problems. Again, the attempts to regulate prices in various countries, and the difficulties of Australia and other countries whose main business is the production of primary materials, were all consequences, not causes, of the initial world-wide fall in commodity prices. Finally, it has never been disproved that the fundamental cause of inflation on Wall Street was not to be found in America's huge gold accumulations. Thus it is clear that the evidence cited by the Governor of the Belgian National Bank represents mainly symptoms of a more deep-seated *malaise*, and in diagnosing the real trouble it is impossible to ignore the fact that in 1929 France and the United States between them not only absorbed the whole of the year's output of gold, but also made substantial inroads into existing stocks, and that in the same year commodity prices collapsed all over the world at a sensational rate. This diagnosis of the trouble was given by Sir Henry Strakosch, in his memorandum published with the *Economist* of July 5th last, and his conclusions are supported by Sir Josiah Stamp in this week's *Nation*. It is arguable that even with the present real distribution of the world's gold there is sufficient credit available to finance a moderate revival in world business, if only traders would recover their confidence, but it is another matter to contend that in creating conditions of "under-consumption" the inadequacy of monetary gold supplies, in their recent distribution, played no part.

An American Sidelight.—The news that "racketeers" in New York City have recently sought to extend their "sphere of influence" beyond the "bootlegging" business, and have engaged in the manipulation of prices of such innocent commodities as eggs and milk is not to be taken as an indication of any moral regeneration on their part. Revolvers, shotguns and nitro-glycerine appear still to have a definite place in this remarkable side-line of the economic system of our transatlantic neighbours. As a result of the widespread drought, "gangsters" are reported to have taken advantage of the possibility of a food shortage, and by means of superior organisation, upheld, if necessary, by violence, have succeeded in obtaining control of markets and concessions and in forcing up the price of commodities. Evidence was recently given before the Assistant Attorney-General, who is conducting an inquiry into the matter, to the effect that a "milk ring," supposed to have been liquidated, had been reformed under the leadership of one Abe Tiger, and had succeeded in raising the price of loose milk from 13s. 8d. to 17s. 8d. per 40-quart can. A still larger "gang" had been engaged in trying to put out of business the Utah Poultry Producers' Association, whose aim it was to supply eggs in sufficient quantity to make possible a reduction in the retail price of five cents per dozen. The "racketeers" have adopted all the usual methods of intimidation and coercion, and it is reported that "retailers who tried to deal with the Utah Association had the tyres of their lorries systematically slashed with ice-picks, while their lorry-drivers were beaten and the more persistent threatened with death." To conclude from these stories of economic terrorism in the vein of Mr. Edgar Wallace that the distributive trade in the United

States has fallen largely into the hands of desperadoes would, of course, be ridiculous. But the "racketeer," the "hi-jacker" and the professional "gun-man" are a reality which prompts the reflection that in the youth and vigour of American civilisation, there are elements strangely reminiscent of another renaissance five hundred years ago.

Australia's Foreign Trade.—Our Melbourne correspondent writes:—The preliminary statement of Australian trade for the year ended June 30, 1930, shows a decrease of £43,886,287 in exports of merchandise, due mainly to the lower prices for wool and the smaller wheat harvest, while there is an increase of £23,884,384 in gold exports resulting from the transfer of gold from the trading banks to the Commonwealth Bank for export to assist Government finance. Imports of merchandise show a relatively small decrease, but the decline is becoming more pronounced, as merchandise imports for the month of June were only £6,355,944, against £12,706,487 for June, 1929. The totals for the last two financial years are summarised as follows:—

	1928-29. £	1929-30. £
Imports:		
Merchandise.....	143,299,604	130,840,475
Gold	348,277	293,794
Total imports	143,647,881	131,134,269
Exports:		
Merchandise.....	141,866,297	97,980,010
Gold	2,984,155	26,868,539
Total exports	144,850,452	124,848,549

As the amount to be remitted abroad on Government and private account for interest and other payments is estimated at £35 millions on the 1927-28 basis (with some addition since), the amount available out of an export trade of under £100 millions wherewith to pay for imports, in the absence of fresh external borrowing, would be only about £65 millions, instead of £130 millions. But although Australian public borrowing abroad has been at a standstill during the twelve months the Governments have obtained temporary accommodation to enable them to keep up a large proportion of their expenditure, and this has been reflected in imports. Allowance has also to be made for the overlapping of demand from the country producing classes after earlier periods of a more favourable character, and for the overlapping of importers' orders. This overlapping, and the fact that gold was available for export, have constituted reserve resources, the benefit of which has now been exhausted, the position of country producers being now very different from what it was at the middle of last year. Amongst imports for 1929-30, apparel and textiles and manufactured fibres amount to £32,548,858, or a decrease of £4,162,058, which includes a decrease of a million in corn and flour sacks owing to the smaller harvest. The group of metals, metal manufactures and machinery amounts to £36,346,960, or a decrease of £6,640,473, due largely to a decrease of £4,703,947 in the sub-heading of vehicles (motor cars, etc.), the imports of which were only £9,126,601, against £13,850,548 for 1928-29. A comparison of some of the principal exports is as follows:—

	1928-29. £	1929-30. £
Wool	61,448,288	36,506,779
Wheat and flour	26,334,799	14,982,293
Butter	7,545,430	6,697,752
Frozen meat	5,054,330	4,955,974
Fruits, dried and fresh	3,243,942	5,034,202
Hides and skins	9,291,037	6,592,739
Sugar	5,223,346	2,217,176

The apparent reduction in butter and sugar is partly due to a change from domestic to export values in the statistics.

Overseas Correspondence.

UNITED STATES.

Drought and the Crop — Trade and Prices — Rural Situation — Money Policy.

(FROM OUR CORRESPONDENT.)

NEW YORK, August 20.

OWING to the strenuous efforts made by President Hoover to relieve what he believes are distressing conditions in some of the agricultural States the public mind has become more confused. Undoubtedly a good deal of politics is entering into the farm relief situation. At any rate, pessimism is cooling off under sober thought and recent rains which have broken the drought in many important sections of the country.

The two great crops which are sold for cash and transported over the railroads, namely, cotton and wheat, have been little affected by the dry weather. Prices of both are the lowest in several years, but crops were raised cheaper than in recent years, and the return to growers will at least enable them to carry on until another harvest with the help of bank credit and the lending agencies set up by the Government. The distress among wheat farmers has been exaggerated. The most damage has been done to feed crops, but even there the recent rains will do much. However, the scarcity of corn and hay in some sections, coupled with low market values for livestock, are ensuring a lean year for stockmen. At most the troubles in the agricultural regions are unlikely to do more than retard a general business recovery a few months.

No convincing signs of such improvement are yet to be seen, and hopes, which first were placed on a spring revival and later deferred to the autumn, are now centring on next spring; but it looks as though the curve of depression were flattening out. As expected, foreign trade was particularly poor in July. Both exports and imports fell to the lowest figures in dollars in nearly ten years, or since the post-war depression period. Exports were \$269,000,000 and imports \$219,000,000. Virtually all classes of commodities were affected, but cotton was particularly hard hit. In July of last year exports were \$401,000,000 and imports amounted to \$353,000,000. In the seven months the country's exports have fallen approximately three-quarters of a billion.

With commodities moving slowly into domestic consumption and with foreign shipments declining, the fall in prices continues. The Bureau of Labour statistics index for July stands at 84, against 86.8 for June and 98 a year ago. Again the principal decline took place in farm products, which dropped 6½ per cent. Of the 550 commodities tabulated, increases were reported in only 57 instances. Declines were suffered in 236 cases, and 257 were unchanged. Since the first of the month wheat and cotton have further declined, but corn and some other farm products have advanced. With the harvests now fairly well known, there is more reason to look for stability. Softening of retail prices meanwhile continues, while some basic commodities are dull. Copper has dropped again, and a cut in mid-Continent crude oil prices is talked. However, the feeling is growing that at least a temporary halt to price recession is near.

Appointment of Governor Roy Young, of the Federal Reserve Board, to President Hoover's special committee on farm aid probably does not mean that the Federal Reserve Banks will do more than they have been doing to assist the agriculturists. The banks have consistently pursued a cheap money policy for a long time, but while they can force out credit they cannot keep it out when demand for it is declining. It merely becomes excess bank reserves or returns in currency deflation. The Reserve Banks can, of course, discount paper for the quasi-governmental farm banks, but no need of such discounting has yet appeared. They also could make preferential loans on farm paper, as

they did ten years ago, but during the post-armistice depression the scheme did not work well. Commercial banks which borrowed from the Reserve to make such loans were limited to a charge of 1 per cent. over the rate at which they borrowed from the central banks, and they were reluctant to do business on so small a margin.

Anyhow, the difficulty from a credit standpoint is not lack of credit, but timidity on the part of country bankers. Rural bank losses on bad loans have been mounting, and more failures are on the way, but the trouble is mainly one of "slow pay" and not of real insolvency on the part of borrowers. Inflation continues to be the policy of the Federal Reserve Banks, but its principal effects will only be felt later. Last week's statement revealed moderate increases both in bill holdings and in Government securities, and only a small decline in member bank borrowings. Still the total amount of Reserve Bank credit outstanding is only \$959,000,000, compared with \$1,310,000,000 a year ago, and the reserve ratio stands at 82 per cent. Gold reserves are only \$15,000,000 lower on the week and are up \$6,000,000 on the year.

This week the Reserve Banks are holding off the Government security market, and the scanty supply of bills does not suggest any great increase in that portfolio. Dealers are now believed to have the smallest supply of bills for several years, and some difficulty has been found in filling some large foreign orders. However, the Reserve Banks look with disfavour on a further reduction in rates for the purpose of increasing the supply, especially since this is the season when ordinarily rates begin to stiffen. Aggregate volume of bills outstanding is rising with the season, the first monthly increase this year being reported for July, amounting to \$45,000,000. The gain does not reflect increasing trade activity here, but rather a transfer of financing from the London to the American banks. This transfer on goods stored abroad or shipped between foreign countries is placed at \$53,000,000. The American Acceptance Council reports that dollar acceptances used to finance foreign transactions total \$495,000,000, a record amount, which compares with \$280,000,000 a year ago.

The gold outflow has slackened for the moment, and this week approximately \$4,000,000 has come in from Japan, China and Uruguay. Bankers expect that the movement to Paris will be resumed before the end of the month. During July excess of gold exports was \$20,600,000, and so far in August the net loss is \$15,800,000, the bulk of the metal going to France. The country is still the gainer by approximately \$186,000,000 for the first seven and a half months of the year.

Nothing but ease in money is in prospect until business demands increase considerably, and bond prices are buoyant. Only professionals are taking advantage of cheap credit to operate in the share market, but the bear side is becoming more nervous on the failure of prices to break through the early summer low levels. Call money is difficult to place at 1½ per cent. outside the Stock Exchange, while the official rate, after a week at 2½ per cent., has broken to 2 per cent. Meanwhile time money rates have risen ¼ per cent. Commercial borrowing is beginning to rise, according to the member banks' weekly report, mainly on country demand. Money markets were quite unaffected this week by payment of \$120,000,000 for the latest Treasury bill issue, most of the amount being off-set by the \$104,000,000 bill maturity. However, the volume of bills outstanding is steadily increasing, and, with Government expenditure rising on farm relief and building projects undertaken to alleviate unemployment at the same time that revenues are falling on lower imports of commodities, some uneasiness is felt over the prospect of a Treasury deficit. That the cut in the income tax rate voted last year can be maintained along with the Government's appropriations for farm relief and public works in a poor business year is subject to doubt.

The Treasury has served notice of its next tax date financing (September 15), when \$350,000,000 of 3½ per cent. certificates fall due. Later in the month a Treasury bill issue of \$50,000,000 must be retired or refunded. It is likely that both issues will be replaced, since current cash demands on the Treasury and lower collections do

not promise reduction in the floating debt. There is some discussion as to whether the Treasury may wish to retire or refund a portion of the \$1,500,000 3½ per cent. notes of 1932 now outstanding. The issue can be called on the next tax date, and the present is regarded as a favourable time for such an operation.

FRANCE.

Balance of Payments — Est Railway Bond Redemption — French Loans in America — Wheat Situation.

(FROM OUR CORRESPONDENT.)

PARIS, August 27.

M. P. DROMEL, commenting on recently published estimates of M. Meynial, regarding France's balance of payments in 1929, has produced the following statement of the position:—

Credits.	Million Francs.	Debits.	Million Francs.
Freight	3,100	Deficit on foreign trade...	10,000
Insurances	500	Foreign payments by Government	2,850
Nett balance of interest payments	5,500	Money sent home by foreign workers in France	2,500
Expenditure by foreign tourists	8,500	Foreign issues in France	1,100
Receipts from German Reparation payments	6,600	Foreign bill purchases by Treasury	1,450
French loan issues abroad	200		
Sales of foreign exchange by Bank of France ...	6,550		
	31,050		17,900

"Our balance of accounts for 1929," M. Dromel writes, "shows a balance of assets of about 13,150,000,000 francs. Now, during the same year we imported only 8,500,000,000 francs of gold. We therefore must have invested the balance of 4,650,000,000 francs (say £37,500,000) abroad. The statistics show no trace of this, because these exports of capital consisted either of short-term investments in foreign markets or in direct purchases of foreign securities, operations which entirely elude the statisticians."

The Est Railway Company, which in 1925 made a bond issue of \$20,000,000 at 7 per cent. in the United States, has given notice that it intends to exercise its right to pay off the outstanding portion of the issue by anticipation. The amount outstanding is \$19,439,700, which is to be reimbursed on November 1st next at 105 per cent. The necessary funds will be provided in the form of a portion of the stock of foreign bills in the possession of the Treasury, through the intermediary of the Caisse d'Amortissement. This stock of foreign exchange was accumulated by the Treasury, it will be recalled, in view of the then pending date of payment of the \$400,000,000 owing to the United States Government for the American army stocks in France, which were taken over by this country after the war. The payment at the original due date (August 1, 1929) became unnecessary owing to the ratification of the Washington Agreement, under which this item of commercial debt was incorporated in the system of annuities provided for by the Agreement. The Treasury received authority in the Finance Act of last April to advance the necessary amount of foreign exchange to liquidate the Est Company's loan. The amount thus borrowed will be repaid by the company to the Treasury by a series of annuities. Other outstanding French issues in the United States are:

- (1) French Government 1921 7½ per cent. Loan of \$100,000,000, issued by Messrs J. P. Morgan and Company at 95, and reimbursable on or before June 1, 1941.
- (2) French Government 1924 7 per cent. Loan of \$100,000,000, issued through a syndicate of American banks at 94, and redeemable on or before November 1, 1949.
- (3) 20-year 7 per cent. Gold Loan of \$25,000,000 for the Department of the Seine, issued in January, 1922, at 90½, and redeemable on January 1, 1932.
- (4) City of Bordeaux 1919 Gold Loan of \$15,000,000 at 6 per cent., issued at 92½ and redeemable on November 1, 1934.

(5) City of Lyons 1919 Gold Loan of \$15,000,000 at 6 per cent., issued at 92½ and redeemable on November 1, 1934.

(6) City of Marseilles 1919 Gold Loan of \$15,000,000 at 6 per cent., issued at 92½, and redeemable on November 1, 1934.

(7) City of Soissons External Reconstruction Secured Gold Loan of \$6,000,000 at 6 per cent., issued at 85½ through White, Weld and Company (secured on war damages due from the French Government), and redeemable on November 14, 1936.

(8) Nord Railway Company 6½ per cent. Loan of \$15,000,000, issued in October, 1914, at 88½ and redeemable in totality on October 1, 1924, at 102, or by annual drawings not later than October 1, 1950.

(9) P.L.M. Railway Company 6 per cent. Loan of \$40,000,000, of which \$30,000,000 was issued in April, 1922, at 83, and \$10,000,000 is for issue in April, 1932, at 83½, the whole being reimbursable not later than August 16, 1958, or by anticipation (at 103) on February 15, 1932, or at any subsequent date before 1958.

(10) P.L.M. Railway Company 7 per cent. Loan of \$20,000,000, issued in September, 1924, at 93½, and redeemable on or before September, 1958, or by anticipation (at 103) on September 15, 1932, or at any subsequent date prior to 1958.

(11) Paris-Orleans Railway Company External 5½ per cent. Loan of \$10,750,000, issued in February, 1928, at 96, and redeemable between March 1, 1933, and March 1, 1937, at 101, or between March 1, 1938, and March 1, 1968, at 100.

(12) French National Mail Steamship Lines (Messageries Maritimes) External 7 per cent. Loan of \$10,000,000, issued in December, 1924, at 91, and redeemable (at 103) on December 1, 1929, or subsequently not later than 1949.

The wheat situation continues to attract close attention here, in view not only of the fact that agriculture remains the greatest French industry, but also because of the serious effect the threatened shortage of home-grown breadmaking materials, as the outcome of the disappointing harvest, may have on the exchange value of the franc in the coming year. The situation is rendered all the more difficult because the worst of the bad weather occurred after practically all crop estimates had been made up, and nobody has as yet any reliable idea as to the extent of the damage done. All that is known is that what was expected to prove a new high record yield has seriously disappointed all hopes, while the quality is also proving much below the average. On the average, France finds it necessary to import about 10,000,000 quintals of foreign wheat every year. There is good reason for the anxiety which is being shown that every effort shall be taken to prevent the French wheat grower from being compelled to sacrifice his crop at any price he can get, in order to recoup his expended capital, and at the same time to make the stock of wheat actually in hand go as far as possible. The Government is taking active steps in both senses. An effort is being made to stabilise wheat quotations (in which connection the grain market has been thoroughly reorganised); while plans are also being worked out to ensure delivery of grain to the market in more or less equal monthly quantities. In order to render it possible for these to be put into effect, the Government proposes to furnish the growers with the means to finance their crops and at the same time to arrange for wheat to be stocked against the time when it will be actually needed.

GERMANY.

Floating Debt — Cartel Prices — Unemployment.

(FROM OUR CORRESPONDENT.)

BERLIN, August 27.

DR DIETRICH, the Minister of Finance, has in the past week given a survey of the situation of the Reich's cash situation. All floating foreign debts have been paid, and the total floating indebtedness has been reduced by 500 million marks. This includes, however, some 360 millions which represent merely a formal reduction, for the Reich was permitted to delay the payment from September 1, 1929, until the coming into effect of the Young Plan, of the difference between the Dawes and the Young payments; and following the coming into operation of the Young Plan this sum was struck off the floating debt. In addition to this, the Reich has been enabled through the first tranche of the Kreuger loan to consolidate more than 200 millions of the floating indebtedness. (The apparent roughing 300 millions, was also placed at the disposal of the Reich on the basis of advance payments to a change from the floating debt.) Hence,

in effect, what has happened is simply that a proportion of the floating debt has been funded. The plan upon which the budget of 1930 was based, which provided for the amortising in the current fiscal year of the 350 millions of "transitional" credit—the so-called Schacht credit—has proved to be impossible of realisation. The repayment was made, the creditor banks received their money, but the means were secured by the incurring of other short-term indebtedness.

All this need give rise to no misgivings. The German people would be asking too much of itself if, in this year of unprecedented economic depression, it cherished the hope of reducing the national indebtedness. It is quite proper for the national treasury to take advantage of the liquidity of the money market to meet its repayment obligations without burdening the taxpayers further in doing so. In one respect Dr Dietrich has been much more fortunate than his predecessors, and especially than Dr Hilferding, last winter's Minister of Finance. The deficit in the Budget does not make itself felt directly in a shortage of funds in the treasury, since the ministry can sell treasury certificates and treasury bills. Hence the Minister of Finance was fully justified in declaring that the situation of the treasury in the coming months furnished no ground for particular uneasiness. Unfortunately, however, he added that "the new Reichstag will have a number of months' time for undisturbed, objective labour," and would not need to make any "over-hasty decisions" in politico-financial matters. Naturally the newly-elected Reichstag will have to consider calmly the Government's projected autumn plans for financial reform, which (it has not yet been made public or, probably, formulated completely by the Cabinet) is to bring a final new regulating of the German financial system. But it will first have to see to it—and as soon as possible—that the deficit in the current Budget is compensated for by economies or by new receipts. For if this should not be done, the result would be a grave new increase of the floating indebtedness—it amounts to-day to some 1,400 million marks—and that, in view of the ever-present possibility of a new stiffening of the money market, might again cause such crises as those of last winter.

The Government has scored a small success in its battle against excessively high cartel prices. The programme for combating unemployment contemplated, among other things, important orders from the postal department, which were to include building operations. Among the industries in the building field which are strictly bound by cartels, are the cement industry and the linoleum industry. The Reichspost imposed upon both these industries, as a condition to the granting of orders to them, an important reduction of their prices. While the cement syndicate has so far not accepted this demand, linoleum prices have been actually reduced, and the Post Office thereupon granted its orders, whereas it would otherwise have got along with substitute materials. Naturally this success can become of general economic importance if other important industries follow the linoleum industry.

The German labour market grows steadily worse, although in former years no increase in unemployment worth mentioning set in at this season. The unemployment insurance department, it is true, reports for August 15th 3,000 less recipients of benefit than at the end of July, but this decline is only due to the fact that a great number of unemployed have exhausted their right to receive unemployment insurance. The "Krisenfürsorge" (emergency aid), which takes over a part of these unemployed who are no longer covered by insurance, shows an increase of 17,000 persons receiving support. The unemployment insurance department now has 1,494,000 unemployed to support, and the emergency aid 420,000. The number of unemployed recorded in the official employment agencies—this is the most nearly complete figure—increased from 2,765,000 on July 31 to 2,845,000 on August 15. Moreover, in July, according to the "Institut für Konjunkturforschung," the percentage of workers employed on full time in all industries has dropped from 75.2 to 73.6 per cent.

Union Bank of Switzerland

(Union de Banques Suisses)

ZURICH.

Bahnhofstrasse 45

Basle, Berne, Geneva, Lausanne, Locarno, Lugano, Montreux, St. Gall, Vevey, Winterthur, etc.

Capital & Reserves - Fr.131,500,000

Total Assets - - - - Fr.992,000,000

ALL BANKING TRANSACTIONS

INVESTMENT FACILITIES. Administration of Private Estates.

SWEDEN.

Trade Depression — Production — Money — Stock Markets.

(FROM OUR CORRESPONDENT.)

STOCKHOLM, August 18.

THERE was never any doubt that the international depression would reach Sweden sooner or later, although for a long time the resistance of Swedish industry to its influence was remarkable. The first serious sign of the depression in Sweden appeared in the June statistics, which appeared in the middle of July. Whereas imports and exports in May had a value of Kr. 154 and Kr. 160 millions respectively, and whereas the corresponding figures for June a year ago were Kr. 145 and Kr. 169 millions, the import figures for June this year did not exceed Kr. 124 millions, and the export figure was Kr. 134 millions. As regards the most important staple articles, the most marked reduction in exports was in pulp, of which shipments in June were about 25 per cent. lower than last year. The pulp industry had succeeded in effecting large sales at an earlier stage, but the difficulties in making buyers accept delivery have steadily increased. At the same time, prices have progressively fallen. Strong sulphite, for example, fell from about Kr. 205 at the end of last year to about Kr. 165 at the beginning of August. In the same way shipments of iron ore have receded. Whereas normally the months of May, June and July show a rising curve with the culmination in July, this year the opposite has occurred. From 927,000 tons in May, 1929, shipments fell in June, 1930, to 803,000 tons, and in July to 773,000 tons. Last year the amount in the last-mentioned month was 1,128,000 tons. The tendency cannot be mistaken, even though the results for the first seven months of the year are comparatively good, thanks to active exports in the beginning of the year.

The depression has affected different industries very differently, however, and some industries are still carrying on comparatively satisfactorily. This is especially true of mechanical engineering and, strangely enough, of the timber industry. Timber prices are very low, it is true, but they have remained more or less unchanged during recent months. It is a favourable sign that delivery is promptly accepted, so that shipments have been on a relatively high level. *Svensk Finanstidning's* index of production for June shows, however, that the most important industries have reached the limit of resistance to the progressive international depression. All the industries represented in the index reduced their production so considerably in June that the decline cannot be explained by the usual seasonal slackening in the summer, but must be attributed to limitation of output due to the depression, even though the Whitsun holidays also affected the situation. Whereas during the first five months of the year the general index number constantly maintained a higher, and even considerably higher, level than last year, in June it fell for the first time below it and reached 123 (1923-24 = 100), as compared with 140 in May.

In the second quarter the average of the index of production was 134, compared with 149 in the first quarter. The seasonal change last year was responsible for a

decline only from 140 to 136, and in 1927 from 117 to 115. The decline is emphasised this year by the fact that there was a strike at a number of paper mills, lasting for two months, during which production was reduced by about 33 per cent. Even if the calculations are adjusted on this basis, the slackening due to the depression is still very marked in the second quarter.

It is evident that the progress of the depression must have affected other activities as well. Its effects are not yet visible in the labour market, but they are all the more clearly visible in the money and exchange market and on the Stock Exchange. Especially noteworthy are the reduced demands for credit and the large increase of short money. The liquid resources of the commercial banks have reached such dimensions that it is clearly difficult for them to employ them profitably. And this in spite of the fact that they have restricted their demands on the Riksbank to such an extent that the latter has lost its control of the market. The low-water mark of rediscounting which was reached in the spring has of recent months been surpassed. It is significant that, whereas the Riksbank's portfolio contained domestic bills for so small an amount as Kr. 50 millions on the last Saturday in July, the commercial banks had on deposit, without interest, at the Riksbank no less than Kr. 35 millions.

The considerable exchange realisations which, in the first half of the year, corresponded to the decline in credit demands, did not continue in July. On the contrary, the Riksbank was compelled to assist the market, though this was a reflection of the large subscriptions to foreign loans by Sweden, especially during June. It should be noted, moreover, that the normal tendency of the Swedish krone at this time of the year is firm owing to the surplus of foreign exchange usually available. This year, on the contrary, it has been quiet, and offers of foreign exchange have been conspicuous by their absence. This again in a way reflects the depression. It should, however, be remembered that the Riksbank still disposes of an exchange reserve of over Kr. 350 millions, an exceptionally large sum.

Finally, as regards the Stock Exchange, markets have been remarkably quiet and uninteresting of recent months, with quotations practically unaltered. The only exception was Kreuger and Toll, which recovered, in the beginning of July, part of the excessive losses occasioned by the crisis in New York at midsummer. That the Stock Exchange has remained so steady must be attributed to the hopes that the autumn will bring improvement.

BELGIUM.

National Bank and Gold — Budget — Economic Crisis.
(FROM OUR CORRESPONDENT.)

LOUVAIN, August 18.

ON August 1st the National Bank of Belgium instituted new terms for the purchase and sale of gold, which may be regarded as the final stage in the return to normal monetary conditions. Hitherto the Central Bank has not been compelled to accept gold bullion offered for sale, and has only been obliged to exchange bank notes against gold bills and paper carrying a title to payment in gold currencies. Under the new régime the National Bank will purchase and sell gold ingots of 12½ kilos., 99.5 per cent. fine, at the purchase rate of 4,763 Belgas, or 23,815 francs per kilogram pure gold, i.e., 100 per cent. fine. The selling price will be 4,780 Belgas, or 23,899 francs. The margin between the two rates makes up the charge payable for mintage. As to the gold reserve guaranteeing the redemption of the note circulation, Belgium remains, as before, governed by the gold exchange standard. There is no question of issuing gold coins. New 5- and 10-franc coins in pure nickel have just been put in circulation to replace partially the Treasury notes of 5 and 20 francs current. These new coins bear respectively the headings: "10 francs or two Belgas" and "one Belga or five francs." Though much cleaner than the paper money

for which they are a substitute, they have the disadvantage of being rather heavy. As to the designation "Belga," this is the sole new token of its existence in the economic life of the Belgian people. One realises daily more and more that its adoption has been a useless intricacy and that it will never replace the franc as a denomination of currency.

The preparation of the general Budget for 1931 is in hand and appears to be giving rise to difficulties in the realisation of the necessary equilibrium. On account of economic crisis, estimated revenue cannot be placed at a figure higher than last year, whereas estimated expenditure for 1931 shows an increase of about 1½ to 2 milliard francs. Only very few heads of the estimated expenditure are susceptible of reduction, and it is at present anticipated that the balancing of revenue and expenditure will entail an increase in postal tariffs, as well as in those of the telephonic service; perhaps it will even become necessary to raise railway freight rates and fares. Parliament will very likely have to face the restoration of a few of the taxes which were cut from the Government's Taxation Reform Bill, despite the opposition of the Minister of Finance. Finally, the structure of the Budget itself will probably have to be altered so as to carry to the heading of "extraordinary expenses" (i.e., amounts chargeable to capital account) expenditure which has been financed in 1930 by means of tax receipts. Such a device would be very questionable finance and the Budget for 1931 will, as a whole, be much less sound than the preceding one.

As is the case in all Western European countries, agriculture has suffered greatly in Belgium from bad weather. Nevertheless, as Belgium is mostly interested in the rearing of cattle and in the production of milk, butter and eggs, the damage suffered is smaller than in neighbouring countries, such as France. While the big farming enterprises show symptoms of being in straits, the small ones, which are the most numerous in Belgium and are, as a rule, equipped for intensive cultivation, are struggling through this period of general depression without getting seriously hurt. A general Act has recently been passed obliging exporters of eggs to affix their trade mark on exports, the intention being to give a complete guarantee of genuineness to the foreign buyer.

Among business people profound pessimism prevails. Nevertheless, statistics available show that Belgium, which has undoubtedly suffered from the present economic crisis, has resisted better than many other countries. The latest available return on employment, drawn up in the beginning of July, gave 50,000 as the unemployed total, of whom only 12,000 were wholly without work. Unemployment has affected mainly the textile industry and the Port of Antwerp. The output of the Belgian collieries for the first six months of 1930 was slightly higher than in the corresponding period of 1929, while Belgium exports have declined in value by 15 per cent., or exactly as much as those of Great Britain. The decrease in exports is due largely to diminished demand for diamonds from the United States of America, where the general crisis has checked purchases of gems.

The banks have had abundant funds at their disposal, since the Stock Exchange has been weak and idle and conditions in the money market very easy. For the first six months of this year dividends disbursed amounted to 2,500 million francs, against 1,850 millions for the corresponding period of last year. At the "Caisse d'Epargne" the excess of deposits over withdrawals increased one milliard, against an increase of 500 millions last year.

Since the beginning of the year only two big failures have been registered, namely, that of a Ghent textile enterprise and of a similar concern at Verviers. The very small number of bankruptcies is astonishing when the fall in the price of raw materials is taken into account. Public opinion, however, is very anxious with regard to the economic situation. The Government has instituted a "High Economic Council" commissioned to inquire into the present position of affairs and to propose means of alleviating the economic trend. This Council, which will be presided over by M. G. Inchausti, is composed of about

thirty personages, among whom are representatives of bankers, industrialists, trade unions and Parliament, as well as two economists and a few Government officials. It is not known when the Council will start working, but the members are not likely to meet before the end of September.

AUSTRIA.

New Loan — Money — Unemployment — Grain Problems.

(FROM OUR CORRESPONDENT.)

VIENNA, August 19.

DURING the last few weeks the feature in the Austrian situation has been the issue of the State Investment Loan. Subscriptions were exceedingly good. In several foreign countries subscribers were not very eager for the first few days, but, when it was seen that a surprising success was being registered with the domestic allotment in Austria itself, more interest was shown in England and America. Against the Austrian allotment of 50 million schillings par value, subscriptions were made for 152 millions, the greater portion being for scrip restricted as non-negotiable for six months. As the restricted scrip had been assured preferential treatment, some of the subscriptions for unrestricted scrip could not be met by allotments to a greater extent than 10 per cent. The savings banks and insurance companies have fought to get as much scrip as possible, and none has remained with the banks. Furthermore, important subscriptions have been made in Austria against the English quota. For some time the loan has been quoted in Vienna itself at about ½ per cent. above par.

The big subscriptions in Austria have proved that there must still be plenty of capital in this country. It is worthy of note that the savings deposits continue constantly to increase, the accretion for this year alone being from 2.4 milliard to about 2.7 milliard schillings, and scarcely any regression was recorded even in the month of July, when the loan was issued. From this it would appear that only a very slight amount of savings has been converted into subscriptions to the State Loan. It must also not be forgotten that there is a boom in life insurance business, that receipts of premiums in this branch of insurance have gone up by 15 per cent. during the last year, and that such premiums are calculated to amount to about 150 million schillings per year.

The loan has had several immediate effects. An unpleasant one is that the high rate of interest which it offers has automatically caused a stiffening of credit conditions for all the other public bodies which desire to contract loans, e.g., the Federal countries of Lower Austria and Tyrol, and the townships of Linz, Gratz, Innsbruck, Klagenfurt, Mödling and Baden. Existing investment stocks declined till their yield accorded with the rate of interest borne by the State Loan. The quotations on mortgages were, however, maintained by the Bank of Issue, 7 per cent. mortgages continuing at 97. Naturally, the big interest paid on the new loan and its absolute security are reducing the public demand for stocks and shares. Turnover on the Vienna Stock Exchange continues very small; recent figures show that in June the number of transactions fell by 29 per cent. as compared with the preceding month, and that the money changing hands in share transfers receded from 65 to 39 million schillings.

The issue of the new Loan has led to a great consolidation of the position of the National Bank of Austria. Holdings of foreign assets, which at the beginning of the year amounted to 545 million schillings and at the end of June to 687 million schillings, have now risen to 743 million schillings, and to this must be added the unchanged holdings of gold amounting to 168 million

schillings. On the other hand, there is no increase in demand for money from the business community. The bill portfolio hovers just over a hundred million schillings, though at the beginning of the year it amounted to about 300 millions, at which time, however, the end of the year and the effects of the collapse of the Bodencredit-Anstalt were still exerting their influence. Total circulation remains constant, and the cover is calculated at 81 per cent., whereas the notes are really covered by gold and foreign assets to an extent of nearly 90 per cent.

The National Bank is therefore confronted with the question whether or not it should augment its gold holdings; a reduction of the Bank rate is in general not considered opportune, as sound bills of exchange are still not available in abundance; moreover, it is feared that foreign capital might be withdrawn again. Recently foreign capital has been engaging more extensively in Austria, though on short terms only, and it is estimated that short-term indebtedness to foreign lenders aggregates about 30 million dollars. Still, it is rather strange to have a private discounting rate of 4 per cent. and a Bank rate of 5½ per cent., though actual costs of credit—not only in Austria—by no means coincide with nominal rates. It should also be mentioned that the influx of foreign values is at the present time being swollen through the Austrian foreign tourist traffic. In addition, within the last few weeks the sale of the Hungarian annuity of the State Railway Company to an English group and of the shares of the Telephongesellschaft Berliner to a German-American consortium has caused an influx into Austria of about one million pounds sterling in foreign values.

There is another unfavourable circumstance of importance in this connection. Though the deficit in the balance of foreign trade during the first half of this year has gone down to 461 millions, in comparison with 509 million schillings in the corresponding period of last year, both imports and exports have diminished. Exports have sunk from 1,046 to 936 millions and imports still further, namely, from 1,554 to 1,399 million schillings, so that for deliveries from abroad less foreign values were necessary. The slackness in Austrian industry finds expression in the fact that imports of raw materials and semi-finished goods sank by 15 per cent. below last year's figures, while, on the other hand, exports of finished goods receded by 10 per cent. Another symptom of crisis which is causing anxiety is the rise in unemployment. For the first time, an increase was observed this year in unemployment during the summer months, and there are now about 157,000 registered unemployed in receipt of benefit in Austria—exactly twice as many as in the corresponding season of last year. This is apart from the 30,000 persons who no longer have a right to the benefit, and 55,000 persons in receipt of the old-age pension. The closing down of factories owing to industrial fusions is the more burdensome to the labour market because the discharged hands, especially in small industrial towns where there are only one or two factories, have no prospects of getting other jobs, and consequently swell the ranks of the standing army of unemployed.

The agrarian community of interests of the South European States has again given impetus to the consideration in Austria of the creation of a State monopoly in grain. This is the more surprising as only last month it was decided to increase the taxes on sugar and beer and distribute the 96 million schillings anticipated from the increase as subsidies to the farmers producing grain. In addition, the land tax is to be reduced. A State monopoly administration would take over the grain from the farmers in Austria at a price which would pay the farmers, buy the additional quantity required from abroad at the world market price (the duty on grain would, of course, be dropped), and then sell to the Austrian consumers at an appropriate average price. Naturally, the whole affair amounts to elimination of private enterprise, to which there is rooted objection, partly arising from the fact that similar control of supplies during the war and for some time afterwards led to very unhappy results.

ROUMANIA.

Politics and Business — Agrarian Problems — Commercial Treaties.

(FROM OUR CORRESPONDENT.)

BUCHAREST, August 23.

IN spite of the holiday season, there has been a great deal of political activity behind the scenes during the month of August. Rumours of a divergence of opinion between the King and Mr Maniu, the Prime Minister, and the sudden arrival in Roumania of Mr Titulescu, gave rise to a great amount of speculation which sometimes degenerated into the wildest conjectures with regard to the political intentions of the King. The Government was at last obliged to take counter-measures and to issue a declaration that these rumours belonged to the realm of mere fable. Nevertheless, it seems that there was some ground for the general uneasiness, if only to judge by the emphatic statements of all the political parties, who have declared themselves, with striking unity, to be opposed to the idea of a dictatorship. That the political parties should condemn the idea is easily understandable. Whether a dictatorship could be established successfully depends upon whether men of sufficient force and standing are available. At any rate, political instability and unrest is the least desirable of all things at the present juncture. But it is always possible that the grave economic conditions of Roumania may have an influence on the political situation, and for this reason the immediate outlook is obscure.

The economic situation is indeed sufficiently alarming to cause the Government very grave concern. In Roumania, as in other parts of Europe, there is reduced activity in commerce and industry, and unemployment is spreading. In view of the approaching winter, the prospect is not encouraging. Two reports on the situation, one by Mr Madgearu, the other by Mr Manoilescu, both members of the Government, have been submitted to the economic commission of the Cabinet. Both reports bear principally, as is natural, on the excessive indebtedness of the agriculturists. But whereas the Madgearu report limits its remedies to the forced reduction of interest on existing debts and the creation of new facilities at reduced interest by loans on the cereals deposited in warehouses and by the creation of an agricultural mortgage credit institute, Mr Manoilescu suggests the conversion of the old debts by means of the issue of a State loan, the old debt being administered under the supervision of the State.

Neither report seems to insist sufficiently on the absolute necessity of a reduction in the cost of agricultural production, of which the high interest rates prevalent form only one, though an important, part. Furthermore, while Mr Madgearu alludes to the necessity of attracting foreign capital to supplement the limited resources of this country, he omits to mention that the legislation affecting credits, introduced by the Government of which he forms part, as well as the dilatory methods of the Roumanian courts with regard to the protection of the creditors, have been largely instrumental in preventing the foreign capitalist from investing in Roumanian enterprise. As to the conversion scheme of Mr Manoilescu, which, it is rumoured, is favoured by the economic commission, the adoption of this plan would undoubtedly react on the existing Government loans and throw an additional burden of almost crushing proportions on the already strained resources of the State, at least during the first few years, during which the peasant, who is notoriously insolvent, can hardly be expected to meet his commitments.

Commercial treaties are the order of the day. The conclusion of the treaty with England gives rise to hopes of intensified commercial relations between the two countries. It is also not without political importance in view of the geographical position of Roumania, and this aspect seems underlined by the visit of the British naval squadron to Roumanian waters. The treaty with France

is still in preparation, but its conclusion is expected shortly. Special interest is aroused by the meeting of Roumanian, Yugoslavian and Polish representatives in Warsaw towards the end of the month. Coming after the recent agreement between Roumania and Yugoslavia, and the previous meeting of Hungarian and Roumanian representatives, it is expected that a further step will be made towards the formation of the block of the agricultural States of Eastern and Central Europe. As a measure of defence of the agricultural interests, the importance of these conventions, as far as Roumania is concerned, cannot be over-estimated. They may even produce an effect on the unsatisfactory commercial relations between Poland and Germany, and thereby be of far-reaching influence on the economic constellation of Europe.

Letters to the Editor.

"INSURANCE OR DOLE?"

TO THE EDITOR OF THE ECONOMIST.

SIR,—The stimulating article in your issue of August 23rd rightly suggests that our unemployment policy is based on the belief that the present abnormal economic depression will quickly pass. We certainly appear to be relying on our national genius for "muddling through" in the hope that "something will turn up." May it not be, however, that certain fundamental truths must be more widely appreciated before any real solution can be found to this difficult problem?

Unemployment means that a latent power to create wealth is permitted to lie idle, and, poverty being an unsatisfied desire for wealth, there is an obvious maladjustment of economic conditions whenever unemployment and poverty exist side by side. Our present method of attempting adjustment is to take wealth from him who has and give it to him who has not. Already, however, this policy is bringing the most evil results, due to the ignoring of simple economic facts. Exceptions do not disprove the universal rule that the one and only incentive for work is to obtain wealth for the immediate or deferred satisfaction of needs, and that if these needs can be satisfied in any other manner, the work will not be given. Expenditure incurred on the satisfaction of needs without the production of wealth is just as unproductive as expenditure on war, and involves a similar disastrous wastage of wealth. It would, indeed, appear that the adoption of a convenient monetary system has blinded us to the principles of barter which must always underlie our economic life and which require that payment should be made in accordance with the productive capacity and not in accordance with the needs of the individual.

Unless our industrial system is to stand condemned as failing to promote the welfare of mankind, it is essential that we should revise our conception of the relations between the State and the individual. While, under the influence of Socialist doctrines, we aim at a redistribution of wealth by taking the wealth of one man and using it for the welfare of another, we are adding to the burden of poverty and forcing the nation into bankruptcy. On the other hand, a *laissez faire* policy is admitted even by the Liberal Party to be impracticable. The main duty of the State in industrial and sociological matters must therefore be to assist the individual to create wealth under conditions which give him a fair and just return for his productivity in industry, at the same time ministering to his needs by the establishment on a strictly actuarial basis of those social services which are considered essential to his welfare. Special cases will always require special treatment, but as a rule the consumption of wealth by the individual must be limited to his production of wealth, and increased welfare must be won from the increased production of wealth and from its more efficient conversion into welfare.

On these lines alone can a high general level of prosperity be attained. Without relaxing our efforts to stimulate industry in other ways, our first step forward must be to organise the latent but unused powers to create wealth so that the present lack of wealth is remedied. Unemployment benefit must be sharply distinguished from relief, and, with proper exceptions for the old and the sick, relief must only be given in return for work provided by the State, whenever possible designed to supply the workers with their own needs, or, in other cases, of general benefit to the community. No question of "suitable employment" can be allowed to arise; application for work must be open to all who desire it, and payment must be based on the work done. We must

accept the principle of "work and maintenance," and although there must remain a great difficulty in providing productive work which will not compete unfairly with private enterprise, the difficulty is not insuperable. Moreover, even if the work should not be productive, it would at least cure three of our present evils—the hardships inflicted on members of un-insurable trades, the penalising of casual labourers by the rules under which they now draw unemployment pay, and, most important of all, the growing disinclination for work among the dole-fed section of the population.—I am, Sir, your obedient servant,

Palmerston House,
34 Old Broad Street,
London, E.C.2.
August 27, 1930.

FREDERICK GEIDT.

Books and Publications.

ALL THAT IS UNDER HEAVEN.

FROM 530 B.C. to 1930 A.D. is a long step, yet a recently published book by Liang Chi-Chao,* describing the world which existed in the Far East during the three hundred years between 530 and 230 B.C., suggests a number of reflections curiously applicable to the circumstances of China to-day. The period with which the author deals was a strenuous, combative age. Periods of warfare (all against all) alternate in the story with periods of universal peace; phases of political disunity precede and follow all-embracing empires. "The contending states" of 530-230 B.C. merge into the Empire of Tsin and Han; the Empire of Han breaks up into "the Three Kingdoms" and their barbarian successor-states; the successor-states merge into the Empire of Tang and Sung, which breaks up in the fullness of time under the impact of other barbarians. And so it goes on through the ages, until in 1911 we latter-day spectators from another world have beheld the latest of these empires go to pieces to make way for the present bout of anarchy, which has lasted twenty years already and may well last another two centuries if the rhythm of Chinese history continues in the tempo of the past.

Yet, if one element in the rhythm of Chinese history is cyclic, there is another element which is constant, unflagging, sustained. This element is the movement of expansion which has persisted through all the changing fortunes of Chinese society. Inwardly, the society may be at peace or in conflict with itself, prosperous or stricken by war and famine, conscious of misery or of well-being; but every mental and material state through which Chinese society passes seems to promote its expansion in one way or the other. When war and famine stalk through the Middle Kingdom, the Chinese peasant and the Chinese merchant flee to the outer darkness in order to escape the scourge of the Chinese war-lord. When a philosopher-king sits upon the Imperial throne, he brings the outer barbarians within the pale of civilisation—exerting the glamour which a Solomon cast upon a Queen of Sheba by preference to the brute-force of a Cæsar or a Jenghis Khan. But always—by whatever arts and in whatever circumstances—the boundaries of the society are enlarged. The Chinese mind has never been bounded by the walls of a city-state or by the frontiers of a nation. From the outset, "All that is under Heaven" has been its habitat; and in the course of ages "All that is under Heaven" has steadily expanded.

In those three centuries of "the contending states," which were the Golden Age of Chinese philosophy, the Middle Kingdom scarcely yet extended beyond the basin of the Yellow River, and the present sites of Peking and Shanghai were still barbarian soil. That age of strife, and the age of the Pax Tsinica which succeeded it, expanded the borders of Chinese society southward to the southern watershed of the Yangtse and northward to the line of the Great Wall. And now, in these latter days, in the present age of iron, the indomitable, innumerable pioneers of Chinese expansion are venturing across the

* "History of Chinese Political Thought." By Lian Chi-Chao. (Kegan, Paul, Trench, Trübner & Co., Ltd.) 10s. 6d. net.

South Seas into tropical archipelagos and beyond the Great Wall into the frozen wilderness of the North. One runs into China at Penang and Singapore; and realises that the historical mission of the British Empire in Malaya may well be to lay the foundations for a new Chinese province on the Equator. And one may read in the latest news from China how the northward-flowing tide of Chinese colonisation, having submerged Manchuria and Inner Mongolia already, is at this moment gathering head before it pours over the Outer Mongolia in an irresistible flood.

But to these two influences discernible through the history of China and actively operative to-day, a third factor is now added which did not exist in the early Tsin period. Western civilisation, which had no use for the Kingdom of Heaven, brought to China its presiding spirits of nationalism and class war; and, as the present author points out, "during the last two decades China has tried to transplant one after another the political institutions of Europe on to her own soil. . . . It is like plucking the flowers of a neighbour to embellish the dying branches of one's own tree." The essential feature which emerges to-day from the conflicting accounts of civil dissensions and anarchy in China is that "All that is under Heaven" is reeling under the impact of the modern world. From that impact and its resulting throes of dissolution we may be certain that some re-birth will come. It remains to be seen what consequences it will have on Western society.

BOOKS RECEIVED.

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

(It would be a convenience to our readers if publishers would make a point of notifying us of the prices of books sent for inclusion in this column.)

The Reconstruction of India. By Edward J. Thompson. (London) Faber and Faber, Ltd., 24, Russell Square. 10s. 6d. net.

This interesting and suggestive book will be reviewed at greater length in a subsequent issue of the *Economist*.

Wages in the United States, 1914-29. (New York) National Industrial Conference Board, Inc., 247, Park Avenue. \$2.50.

A useful statistical analysis of wages and real earnings in the United States during the past ten years.

The Hague Rules Explained, being the Carriage of Goods by Sea Act, 1924. By Sanford D. Cole. Third edition. (London) Effingham Wilson, 16, Copthall Avenue. 6s.

A new edition of a useful little book, incorporating a statement of the effect of recent interpretations of the Hague Rules.

Russian Agriculture During the War. Rural Economy. By Alexis N. Antsiferov. In collaboration with Alexander D. Bilimovich, Michael O. Batshev and Dimitry N. Ivantsov. *The Land Settlement.* By Alexander D. Bilimovich. (London) Oxford University Press, Warwick Square. 18s. net.

A volume in the series published by the Carnegie Endowment dealing with the economic and social history of the war, which has particular interest in view of the post-revolution agricultural experiments of Russia.

Proceedings of the Preliminary Conference with a View to Concerted Economic Action. (Geneva) League of Nations.

OFFICIAL PUBLICATIONS RECEIVED.

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

Report on the Work of the Imperial Shipping Committee, June, 1926, to May, 1930. Cmd. 3646. 6d. net.

Guide to Current Official Statistics of the United Kingdom. Vol. VIII. 1929. 1s. net.

Department of Overseas Trade: Economic Conditions in Spain, June, 1930. 2s. net.

Indian Statutory Commission: Vol. XVII. Selections from Memoranda and Oral Evidence by Non-Officials. Part II. 16s. net.

The Stock Exchange.

ARTIFICIAL SILK COMPANIES.

THIS year's industrial depression has spared neither "old" nor "new" industries, and the artificial silk trade has experienced its effects with especial severity. In Great Britain, the numbers of unemployed in the silk and artificial silk trades, despite a recent reduction, are three times as high as a year ago, and four-and-a-half times as high as two years ago. Exports in the first seven months of 1930 have fallen off in value by 21 per cent. as compared with the corresponding months of 1929, while the average export price of artificial silk yarns this year has been 3s. 6½d. per lb., as compared with 3s. 11d. in the year 1929 and 4s. 6½d. in 1928. The industry, indeed, has borne more than a normal burden of depression, since its selling prices were not on a firm basis before the slump began, while, even under the most favourable conditions, a period of "over-production" would have been inevitable by reason of the recklessness with which new bubble companies were formed during the recent share boom. The depression, which has unfavourably affected even the world's strongest producers, has, indeed, rung the death-knell of many smaller concerns.

From the investor's viewpoint, British artificial silk concerns fall into one of four groups: (1) Courtaulds, the oldest and strongest producer, which occupies a class by itself; (2) British Celanese, also a large producer, but much more of an enigma to the investor; (3) the smaller concerns which have at least a reasonable prospect of "making good"; and (4) the host of recent flotations whose future is more than doubtful.

Courtaulds goes back, as a limited company, to 1904. Its leadership has been obtained and retained not merely by its being first in the field, but by virtue of enterprise on the technical side, consistently conservative finance, and vigour in building up world-wide connections. These have been achieved through the medium of share-holding interests in such concerns as the American Viscose Corporation, La Soie Artificielle de Calais, S.A., Glanzstoff-Courtaulds, Courtaulds (Canada) Limited, etc., and working agreements with Vereinigte-Glanzstoff-Fabriken A.G., and Snia-Viscosa. Its fortunate shareholders in the past have received handsome capital bonuses of 100 per cent. in 1919, 200 per cent. in 1920, 66½ (in preference shares) in 1924, and 100 per cent. in 1927. Two years ago, its £1 ordinary shares touched 105s. 7½d.; they have been dealt in, this week, at 40s. 7½d.

The company's most recent period of rapid expansion occurred after the War, its profits rising from £1,804,796 in 1920 to £5,111,413 in 1925. Since then the annual total has fluctuated considerably. If the 1925 figure be taken as 100, the subsequent totals have been, 1926, 75; 1927, 94½; 1928, 101; 1929, 73. The extent to which the published figures coincide with actual trading results, however, cannot be exactly estimated. The profits brought in from subsidiaries are believed to have been conservatively stated; many of the assets in the balance sheet contain substantial hidden reserves; the chairman, Mr Samuel Courtauld, is famous for the restrained nature of his published statements; and depreciation has been on a generous scale—as, indeed, is highly necessary in an industry like artificial silk, in which the factor of obsolescence looms so largely.

The fall in the price of the shares this year reflects fears regarding the effect of trade depression on immediate earnings, rather than any doubts as to the maintenance of the company's future strategic position. In 1929, earnings per share fell from 19.9 per cent. to 18.9 per cent., and dividends from 15 per cent. to 10 per cent. (all free of tax) though actual earnings, for reasons we have previously suggested, may have been higher than

these figures. The company did not repeat its customary allocation of £1,000,000 to reserve, but wrote £1,651,856 off its Continental Investments. The directors' report, published in February last, was gloomy in the extreme, though its tenor showed that the then possibility of a budgetary change in the silk duties filled the directors' minds. In April, certain price reductions were announced, but in June the company re-engaged certain of its employees who had previously been dismissed. The market, however, has been unable to make any guess at the potential profits for 1930, though its views are, on the whole, conservative—possibly as a result of the reduction in the interim tax-free dividend from 4 per cent. to 3 per cent. On the basis of last year's figures, the yield at the present market price of the shares is no more than 6.84 per cent. on earnings, and 4.92 per cent. on dividends (both tax free).

British Celanese has had a more chequered history. It owns exclusive rights in the Dreyfus patents for the manufacture of cellulose acetate silk in the British Empire except Canada, where the company owns 20,270 shares in the Celanese Corporation of America. It also holds 27,200 shares in the Celanese Corporation of America. The company's keenest critics have admitted the excellence of its technical achievements. Its ability to pay dividends, however, has been much less conspicuous, and it was only in 1928 that preference dividend arrears were cancelled by an ordinary share issue. The total gross profits rose sharply in 1927-28, but suffered a setback the following year, when—to the surprise of some observers—the company reduced its allocation to depreciation reserve. The following group-off may be found instructive:—

Years ended February 28th.	Total gross income.	General expenses and debenture charges.	All other deductions (deprec. reserve, royalties, etc.)	Amount remaining after all deductions
1925	409,800	169,259	240,541	£
1926	448,946	208,524	240,422	Nil
1927	799,452	222,817	576,635	Nil
1928	1,680,331	338,972	861,996	429,363
1929	1,301,518	647,032	551,330	103,156

From 1924-25 to 1926-27 total deductions exactly equalled the company's gross income. In 1928-29 they fell with the gross income, despite an increase of £258,060 in general expenses and debenture service. The allocation to depreciation reserve itself declined in 1928-29 from £378,261 to £200,000. If the allocation had been maintained at the previous level no earnings would have been available from the year's operations for either the £2,000,000 of 7 per cent. cumulative first preference shares or the £4,250,000 of 7½ per cent. participating second cumulative preference shares.

The movements of the ordinary shares (of 10s., with 4,422,667 in issue) have been meteoric. In 1928 they touched 136s. 3d. This week they were dealt in at 7s. 6d. No dividend has ever been paid on the shares.

Investors, indeed, have found the company's frequent estimates of probable earnings somewhat difficult to follow. On the chairman's showing, from £75,000 to £80,000 per month is required to cover depreciation and preference requirements. The trading profit for the twelve months to February 28th last was stated to be "in excess of £1,100,000," but this figure was struck before providing for debenture service, depreciation and research expenses. If debenture service was on the same scale as in 1928-29, a maximum of about £765,000 would be available for depreciation and preference dividend. Investors must be satisfied that the company's management must be doing well if it can maintain such a position.

THE WEEK IN THE MARKETS.

THE LONDON STOCK EXCHANGE.

SETTLING DAYS.

TICKET.
September 9.

ACCOUNT.
September 11.

Markets opened, to outward appearance, with the lassitude characteristic of recent weeks. Subsequent developments, however, went some way to support the view that the bear movement had been overdone. On Wednesday sentiment abruptly changed, and on Thursday morning prices were run up in a large number of cases, with all the usual manifestations of "House" activity. Many bears were caught, but some of the more influential held their ground, and prices, as expected, became easier. The more conservative sections of the "House," while welcoming the improvement in prices, were distrustful of its permanence, on the ground that no single substantial basic factor in the situation had been changed. The rumours circulated as regards a change of Government, or of official policy on fiscal questions, a reduction in Bank rate, etc., were, *prima facie*, so utterly fantastic as themselves to throw doubt on the whole movement—the real origins of which were obviously "technical" and psychological.

Gilt-edged prices were well maintained, though business fell off slightly and a small amount of profit-taking chiefly affected Conversion issues. Funding Loan, however, remained in demand. India stocks obtained some support. Australian issues came into favour, the market having been impressed by the genuineness of the efforts being made to improve the financial situation.

In the foreign bond market Brazilians were again marked down in sympathy with the milreis, but comparatively little stock came out. Peruvian stocks were extensively marked down on the "revolution," business becoming largely nominal. The strength of silver was more than adequately reflected in quotations for Chinese issues. European descriptions were steady on a small investment inquiry, the new Austrian stock hardening.

Home rails recovered sharply, though the best prices were not held. Like the preceding downward movement, the improving tendency was not accompanied by any appreciable expansion of business. The week's traffic returns were as bad as expected, but the market ignored them. All stocks rallied, but Great Western were particularly prominent, a considerable bear position being open. Underground issues were again firm. The foreign railway markets were largely idle, though their tone was steady in sympathy with developments elsewhere. Canadian Pacific showed outstanding strength.

The industrial market opened with a marked reluctance among operators to undertake fresh commitments, the carry-over revealing the existence of bear accounts in a number of shares. The *volte-face* on Wednesday was heralded by firmness in New York, and by various rumours with a pseudo-political context. The speed with which many bears rushed to cover was symptomatic of the condition of the market, but the volume of business was disproportionate to the recorded changes in prices, apart from the "automatic" execution of orders on which previous limits had been placed. The advance, while it lasted, particularly affected tobacco shares, Imperial Chemical, United Molasses and Unilever. In some quarters the recovery in the last-named shares was associated with the emphatic denial by a well-known house that it had recently been selling these or any other shares. The Columbia Graphophone report (discussed on page 414) was regarded as affording strong circumstantial evidence of an increase in the real earning power of the group. Support was also forthcoming for Cables and Wire-
less. Motor shares had a firmer appearance, Singers showing a quotable improvement after the "curtain lecture" delivered by the directors (dealt with on page 414). Coal and steel shares were quiet and irregular, apart from an improvement in Staveley on the favourable dividend. Courtaulds were actively dealt in, but British Celanese remained dull. The passing of the Calico Printers' Ordinary dividend did not come as a surprise, and textile shares

(Continued on page 412.)

of the 50 per cent. increase in turnover, described by the directors as having occurred last year, it is doubtful whether all preference dividends have been covered. Clearly, much depends on what the directors consider necessary to set aside for depreciation, but, in view of present conditions in the industry, and the fact that part of the company's productive capacity has been standing idle, total charges of every kind can scarcely be less than in 1927-28. The accounts will be made up to June 30th last, and the annual meeting will be held next month.

During the recent boom a host of smaller artificial silk companies was formed. The task of distinguishing, respectively, between those which have and have not a reasonable chance of survival is naturally difficult, not to say invidious. On the one hand, there is some measure of agreement that such companies as Harbens—which has an issued capital of £583,800 and earned 2.8 per cent. for its ordinary shares last year—and British Enka—which has an issued capital of £1,250,000—have at least a *locus standi* in the industry, though the latter company, despite its substantial backing, had a debit to profit and loss of £239,601 at December 31st last. The Branston company was initially regarded as having promise, but its immediate prospects have been affected by the closing down of operations this year and the loss of working capital as a result of an investment in Kirklees, another artificial silk producer, which made a loss of £22,428 last year. The position of these two concerns was discussed in last week's *Economist* (page 375).

Among the remaining concerns, some, like the Yorkshire Artificial Silk and the Western Viscose, have gone into liquidation; some, like the Scottish Amalgamated, are contemplating such a course; and some, like the British Acetate, are considering reconstruction schemes. Others, like the Rennes, the Rayon Manufacturing, and the International, have endeavoured—usually with ill-success—to obtain new money on high-yielding prior stocks; while others are carrying debit balances. A receiver was appointed for the Atlas Company this week. The rock on which many of these companies have split has been shortage of working capital, aggravated in some cases by underwriting failures. When all allowance has been made for the extravagances of "boom finance," the experience of these concerns still affords strong presumptive evidence that, save in a few exceptional instances, artificial silk is not an appropriate industry for any small concern with limited financial resources.

At the moment, the affairs of the industry appear to be taking a slightly better turn. Despite an appreciable falling off in production, British stocks of artificial silk yarn increased by 1,401,700 lbs. in the first quarter of 1930. During the second quarter, however, only a further 202,600 lbs. was added, some 89,800 lbs. being actually taken from stock in June. The outstanding feature of business this summer has been a more active demand for crêpe fabrics. Demand for viscose has been concentrated largely on the fine filament yarns—a feature which has benefited companies like Courtaulds and Harbens. The price situation, however, shows as yet no definite signs of stability, and the tendency of consumers to hold back orders for the autumn may unfavourably affect producers, unless an early announcement is forthcoming, either of specified price reductions or of the trade's decision to make none.

In these conditions, those companies which have closed down their factories, either from shortage of capital or inability to compete at present prices, would appear to have meagre chances of restarting in the near future. The elimination, temporary or permanent, of these weak producers may, however, *pro tanto*, improve the outlook for the remaining concerns. Until, however, the danger of further price-cutting has passed, profit margins are likely to remain narrow, and the earnings even of the stronger producers may be restricted for some months to come.

LONDON ACTIVE SECURITY PRICES AND YIELDS.

NOTE.—Shares with a New York quotation, or with definite American interest, are distinguished by italics.

In calculating the yields on the stocks and shares quoted below allowance is made for interest accrued since the last payment. Where stocks are definitely redeemable at a certain date the yield includes any profit or loss on redemption; where stocks are redeemable at or before a certain date the final date of redemption is taken when the stock stands at a discount and the earliest date when the quotation is above par. The return on ordinary stocks and shares is calculated on the dividends paid by the company during the last year.

Year 1929.		1930 (to date).		Name of Security.	Aug. 20, 1930.	Aug. 27, 1930.	Rise or Fall.	Present Yield.	Year 1929.		1930 (to date).		Name of Security.	Aug. 20, 1930.	Aug. 27, 1930.	Rise or Fall.	Present Yield.
High.	Low.	High.	Low.						High.	Low.	High.	Low.					
British Funds.																	
56 1/2	52	57 1/2	52 1/2	Consols 2 1/2 %	55 1/2	56	+ 1/2	4 9/32					Dominion and Foreign Railways.				
88 1/2	81 1/2	90 1/2	82 1/2	Consols 4 %	88 1/2	89	+ 1/2	4 10/32					G.W. of Brazil £10. ...	2 1/2	2	- 1/2	15 0/0
80 1/2	72 1/2	83 1/2	74 1/2	Conv. Loan 3 1/2 %	79 1/2	78 1/2	+ 1/2	4 9/32					Int. Ry. Cent. Am. no par.	1 1/2	1 1/2	...	...
100	93	100 1/2	93 1/2	Do. 4 1/2 % 1944-64	105	105 1/2	+ 1/2	4 12/32					Leopoldina Ord. Stk.	34	33	- 1	15 3/0
91 1/2	82 1/2	93 1/2	85 1/2	Funding 4 1/2 % 1960-90	91 1/2	92	+ 1/2	4 8/32					Nitrate Ry. (£10.)	60 1/2	60 1/2	...	19 17/0
100 1/2	97 1/2	101 1/2	98 1/2	Treasury 4 1/2 % 1932-34	101 1/2	101 1/2	+ 1/2	4 2/32					Paraguay Cen. D. Db.	34	33	- 1	15 3/0
101 1/2	97 1/2	103 1/2	100 1/2	Treasury 5 % (B)	102 1/2	103 1/2	+ 1/2	4 2/32					Salvador Ord. (£10)	70 1/2	70 1/2	...	NIL
95 1/2	90	96 1/2	91 1/2	Victory Bonds 4 %	96	95 1/2	+ 1/2	4 16/32					San Paulo Ord. Stk.	165 1/2	165 1/2	...	7 5/0
103 1/2	99 1/2	104 1/2	100 1/2	War Loan 5 % 1924-47	104	104	...	4 16/32					St. Paul Ry. Ord. £5.	75 1/2	75 1/2	...	7 5/0
101 1/2	99 1/2	103 1/2	100 1/2	War Loan 4 1/2 % 1929-42	103 1/2	103 1/2	+ 1/2	4 17/32					Utd. Havans Ord. Stk.	7	7	...	NIL
65 1/2	60	66 1/2	61 1/2	Local Loans 3 1/2 %	65	65	...	5 12/32									
51 1/2	44	49	40 1/2	India 2 1/2 %	45	45	...	5 12/32									
71 1/2	60 1/2	73 1/2	63 1/2	Do. 3 1/2 %	54	54	...	5 12/32									
92 1/2	80 1/2	94 1/2	78	Do. 4 1/2 % 1958-68	86	86	...	5 7/6									
105 1/2	99 1/2	105 1/2	100 1/2	Palestine 5 % 42-57	103	104	+ 1	4 12/0									
109 1/2	103 1/2	108 1/2	104 1/2	Sudan 5 % Bonds	108	108	...	5 2/10									
104 1/2	98 1/2	108 1/2	97 1/2	Uster 4 1/2 % 45-75	93	93	...	4 19/0									
Dominion and Colonial Governments																	
99 1/2	90 1/2	95 1/2	84	Australia 5 1/4 % 1945-75	91 1/2	93 1/2	+ 2	5 9/0									
107 1/2	102 1/2	106 1/2	102 1/2	Canada 4 1/2 % 1940-60	104	105	+ 1	5 4/10									
97 1/2	91 1/2	95	92 1/2	Ceylon 6 % 1935-51	104	105	+ 1	5 4/10									
104 1/2	99 1/2	104 1/2	99 1/2	Gold Coast 4 1/2 % 1956	102	102	...	4 19/8									
104 1/2	98 1/2	104 1/2	103	Kenya 5 1/4 % 1948-58	102	102	...	4 18/32									
99 1/2	94 1/2	99 1/2	91 1/2	Nigeria 5 % 1950-60	102	101	+ 1	5 14/0									
104 1/2	98 1/2	104 1/2	99 1/2	N.S. Wales 5 1/2 % 35-55	102	103	+ 1	4 16/32									
104 1/2	98 1/2	104 1/2	99 1/2	N.Z. 5 % 1946	102	103	+ 1	5 13/32									
100 1/2	95 1/2	100 1/2	98 1/2	Queensland 5 % 40-60	102	102	...	4 18/0									
104 1/2	98 1/2	104 1/2	99 1/2	S. Africa 5 % 1945-75	102	102	...	4 17/7									
97 1/2	93 1/2	97 1/2	93 1/2	Stras. Set. 4 1/2 % 35-45	97	97	...	4 17/7									
Foreign Governments																	
88 1/2	83	89 1/2	82 1/2	Argentina 4 % Recies	86	86	...	5 6/9									
103 1/2	100	105	102 1/2	Austria 6 % 1923-43	103	104	+ 1	5 11/32									
62 1/2	54 1/2	61 1/2	52 1/2	B. Aires (Prov.) 3 1/2 %	59	58	- 1	6 1/9									
109 1/2	105	112 1/2	108 1/2	Bulgaria 7 1/2 % 1927-40	111 1/2	112	...	6 2/9									
91 1/2	84 1/2	87 1/2	80 1/2	Brazil 5 % Fund. 1914	83	83	...	8 17/0									
102 1/2	99 1/2	102 1/2	99 1/2	Do. 6 1/2 % (1927)	100	100	- 1/2	8 10/0									
95 1/2	93 1/2	99 1/2	92 1/2	Chili 6 % (1929)	99	99	...	6 2/9									
114 1/2	105 1/2	114 1/2	109 1/2	China 5 % (1912)	113	113	+ 6	14 1/9									
77 1/2	75 1/2	81 1/2	78 1/2	Czechoslovakia 8 %	80	80	...	3 15/0									
95 1/2	88 1/2	96 1/2	89 1/2	Danish 5 %	90 1/2	90 1/2	...	7 12/0									
95 1/2	88 1/2	96 1/2	89 1/2	Danish 6 1/2 %	90 1/2	90 1/2	...	5 7/2									
95 1/2	88 1/2	96 1/2	89 1/2	Estonia 7 % 1927	84 1/2	84 1/2	...	8 5/1									
100 1/2	95 1/2	100 1/2	98 1/2	Finland 6 % 1923	95 1/2	95 1/2	...	6 6/0									
19 1/2	16 1/2	21 1/2	19 1/2	French 4 % (British)	20 1/2	20 1/2	...	4 18/5									
21 1/2	18 1/2	21 1/2	20 1/2	Do. 5 %	20 1/2	20 1/2	- 1/2	5 0/7									
107 1/2	100 1/2	109 1/2	103	German 7 %	106	106	...	6 10/8									
93 1/2	84 1/2	93 1/2	86 1/2	Greek 6 % Stab. Ln.	90	90	...	6 17/8									
103 1/2	95 1/2	104 1/2	100 1/2	Do. 7 % Refugee	102 1/2	102 1/2	...	6 11/2									
103 1/2	95 1/2	104 1/2	100 1/2	Hungary 7 1/2 %	101	101	...	7 11/8									
100 1/2	95 1/2	100 1/2	98 1/2	Japanese 4 1/2 % 1935-65	101	101	+ 3	5 19/6									
100 1/2	95 1/2	100 1/2	98 1/2	Do. 5 % (1924)	101	101	...	5 18/5									
100 1/2	95 1/2	100 1/2	98 1/2	Mexican 5 % (1899)	101	101	...	5 17/32									
105 1/2	101 1/2	104 1/2	100 1/2	Norwegian 6 % 1921	102	102	...	7 15/0									
106 1/2	100 1/2	106 1/2	96	Peru 7 1/2 % 1922	100 1/2	98 1/2	- 2	8 3/32									
93 1/2	83 1/2	92 1/2	83 1/2	Poland 7 %	91	90 1/2	- 1/2	4 14/9									
106 1/2	99 1/2	106 1/2	101	Siam 6 % 1924	104	106	+ 2	4 3/32									
80 1/2	75 1/2	86 1/2	71 1/2	Swedish 3 1/2 % 1908	84	82 1/2	- 1 1/2	4 4/9									
104 1/2	98 1/2	104 1/2	99 1/2	S. Paulo Coffee 7 1/2 %	79	79	...	9 18/5									
23 1/2	17 1/2	19 1/2	16 1/2	Turkish 4 1/2 % United	21	21	- 1/2	5 13/11									
93 1/2	81 1/2	89 1/2	81	Uruguay 5 % 1919	88	88	...	5 13/11									
Investment Trust Companies.																	
96 1/2	86 1/2	96 1/2	81	Anglo-American Deb.	91	91	...	6 14/32									
105 1/2	99 1/2	104 1/2	99 1/2	B'ingham 5 % 1946-56	104	104	...	4 14/5									
105 1/2	99 1/2	104 1/2	99 1/2	Bristol 5 % 1948-58	101	102 1/2	+ 1	4 16/7									
101 1/2	95 1/2	100 1/2	94	Danish (Munc.) 7 %	94 1/2	94 1/2	...	7 11/2									
99 1/2	95 1/2	99 1/2	96	E. London 5 % 1960-70	98	99	+ 1	5 1/2									
104 1/2	100 1/2	104 1/2	99 1/2	Johannesburg 5 1/4 % 1937-52	100	100	...	5 10/0									
66 1/2	60	66 1/2	60 1/2	L.G.O. 3 1/2 %	64	64	...	4 13/9									
67 1/2	61 1/2	67 1/2	62 1/2	Met. Wk. Bd. B 3 %	66	66	...	4 11/32									
104 1/2	99 1/2	104 1/2	103	Port of London 5 % 1950-70	103	103	...	4 16/11									
British Railways.																	
108 1/2	103 1/2	111 1/2	104 1/2	Seine (Dept. of) 7 %	109 1/2	109 1/2	...	6 4/9									
98 1/2	93 1/2	93	86	Sydney 5 1/2 % 1954	88 1/2	89 1/2	+ 1	6 5/0									
90 1/2	78 1/2	94	62 1/2	G. Western Ord. Stk. £1	68	69	+ 1	10 17/32									
15 1/2	10	13 1/2	5 1/2	L.&N.E. 2nd Pref. Stk. £1	6	6 1/2	+ 1/2	16 4/4									
39 1/2	22 1/2	39	16 1/2	Do. 5 % Def. Ord. Stk. £1	17	18 1/2	+ 1 1/2	8 4/6									
86 1/2	82 1/2	94 1/2	82 1/2	Do. 5 % Pref. 1955	84	84	- 1/2	10 2/6									
61 1/2	49 1/2	63 1/2	37 1/2	Do. 4 % Pref. 1955	39 1/2	39 1/2	...	12 10/0									
59 1/2	47 1/2	57 1/2	33 1/2	L.M.S. Ord. Stk. £1	32	36	+ 4	7 1/7									
74	63 1/2	73	59 1/2	4 % Pref.													

NEW ISSUE PRICES.

Stock or Share.	Issue price.	Amt. paid.	Price, Aug. 20, 1930.	Price, Aug. 28, 1930.
Austrian Govt. International Loan, 1930 7%	95	50	8-1 pm	8-1 pm
Courage and Co., 5% debts.	98	fy. pd.	4-5 pm	5-6 pm
Edmundson's Electricity 5% debts.	93½	4½	2½-2½ pm	3-3½ pm
Ferranti 7% cum. pref.	20½	5½	4½-5½	4½-5½
German 5%	90	fy. pd.	32½-32½	32½-32½
Japan 5½ stock	98½	3½	1½-2½ pm	1½-2½ pm
Kelly's Directories 6½ debts.	97½	25	3½-3½ pm	3½-3½ pm
London Electric Railway 5% debts.	21½	fy. pd.	1-1½ pm	1-1½ pm
Marks and Spencer, 7% cum. pref.	102	fy. pd.	3½-4½ pm	3½-4½ pm
Do., 6% debts.	96	fy. pd.	3½-4½ pm	3½-4½ pm
Newcastle-upon-Tyne Electric 5% debts.	25½	10½	9-9½	9-9½
Parkinson & Cowan, ord.	21½	6½	6½-7½	6½-7½
Do., 7% cum. pref.	96	7½	5-5½ dis	5-5½ dis
Phillips Glow Lamps, 10 fl. units	81	£1	6d-1½ pm	6d-1½ pm
San Paulo C. 7%	95	41	2½-2½ dis	3-2½ dis
Simonds, H. and Co., 6½ cum. pref.	98	41	3½-4 pm	3½-4 pm
Skoda Works 5% debts.	97½	27½	2-2½ pm	2-2½ pm
South Metropolitan Gas 5% debts.	95	fy. pd.	1-1½ pm	2-2½ pm
Tampin & Sons, Brewery	£3	30½	13½-14½	15½-16½
Unilever new ord.	20½	20½	18½-19½	18½-19½
U. Molasses 6% pref.	20½	20½	18½-19½	18½-19½

(Continued from page 409.)

generally remained steady to firm. The Waring and Gillow revelations had been largely discounted, though some of their details left an unpleasant impression. Shipping shares were undecided, a small decline in Royal Mail following the announcement of the Lamport and Holt receivership (dealt with on page 413). Bank shares recorded numerous gains, after an uncertain opening, but insurance shares remained quiet.

The rubber share market, after its own fashion, reflected the tendency in other parts of the house. Offerings of stock tended to dry up, and, on the commodity showing signs of steadiness, numerous shares were harder. Tea share market conditions were unchanged, business being meagre, and price changes in a downward direction. Sentiment in oil shares changed abruptly for the better on Wednesday, the improved tone of Amsterdam—a large seller for some days previously—having a particularly favourable effect on the Royal Dutch group.

The tone of the mining market was as dull as ever at the beginning of the week, but a certain liveliness subsequently made itself felt. In the Kaffir section, Randfontein improved substantially on an increasing demand from the Cape, while Gold Fields, Rand Selection and West Rand also hardened. The Northern Rhodesian issues at first attracted less attention than for some time past, but the market shared in the general upward swing in mid-week and several counters, led by Chartered and N'Changa, recorded substantial gains. Tin shares, with the exception of Kramat Pulai and Sungei Besi, were inactive until the latter part of the week despite an improvement in the price of the metal. Lake View and Star were a good feature in the Australian market. Tintos were harder after initial weakness.

"FINANCIAL NEWS" DAILY BARGAIN INDEX.

(Approximate number of Bargains recorded in Stock Exchange Lists.)

	Aug. 21	Aug. 22	Aug. 25	Aug. 26	Aug. 27	Aug. 28
Government and Municipal Loans	1,170	1,198	1,521	1,161	1,220	1,120
Transport, Communications, and Public Utilities	751	825	910	782	758	866
Commercial and Industrial*	1,495	1,448	1,881	1,376	1,385	1,714
Banks, Insurance and Financial	290	389	395	382	456	446
Minerals (including Nitrates)	284	365	400	307	380	439
Oil	180	67	221	199	199	220
Rubber, Tea and Coffee	72	131	127	197	87	101
Total	4,242	4,423	5,455	4,304	4,485	4,906

* Including iron and steel and breweries.

"FINANCIAL NEWS" DAILY AVERAGE OF 30 INDUSTRIAL ORDINARY STOCKS. (1928 = 100.)

	Highest of 1930. Apr. 17.	Lowest of 1930. (Aug. 26.)	Aug. 21.	Aug. 22.	Aug. 25.	Aug. 26.	Aug. 27.	Aug. 28.
90-8	72.6	73.4	72.9	72.6	72.6	74.6	75.6	

FOREIGN STOCK EXCHANGES.

NEW YORK.

The tone of the New York markets was appreciably firmer, though spells of irregularity followed every movement towards a higher price level. On the whole, the volume of trading showed a measurable increase, a small amount of public buying making itself felt. For the most part, however, outside investors remained distrustful of the position, being impressed by the divergence of view between some of the service agencies, whose prophecies are still conservative (with Babson as a possible exception), and that of the majority of New York brokerage houses, who look for a further price improvement. The bulls emphasised the more favourable steel outlook, as revealed by the increase in the Steel Corporation's operations from 62 to 66 per cent. of capacity, and in the rate for the whole industry from 54½ per cent. to 58 per cent. Though the bears were quick to exploit any signs of weakness, and were particularly successful in their attacks on Vanadium Corporation, many of the leading investment stocks advanced appreciably, the list including Steel Corporation, Allied Chemical, Eastman Kodak, Sears Roebuck and Warner Brothers, the receivership suit against the last-named concern being dismissed. Oil stocks continued to show scattered liquidation, but hardened as the week progressed. That the general situation is, at least, not depreciating is suggested by a further small increase in car loadings and a slight improvement in the employment situation. The bond market shows continued strength, and money remains cheap. Outside call money has even been obtainable at 1½ per cent. The general feeling is that while there is little chance of an early resumption of a bull market, many high-grade common stocks are in a buying range.

	Aug. 14, 1930.	Aug. 21, 1930.	Aug. 28, 1930.		Aug. 14, 1930.	Aug. 21, 1930.	Aug. 28, 1930.
U.S. 3½ T. Bds.	105	106	105½	Phelps Dodge	33	30½	30½
Do. 4½ T. Bds.	112½	112½	112½	Pullman	68½	68½	69
Lb. Ln. 3½ "32-47	100½	100½	101	Sears-Roebuck	59½	62	71½
Do. 4½ "32-47	102½	102	102	Studebaker	28	28½	30½
Do. 4½ "33-38	103	102½	102½	Un. Fruit	85	85½	87½
Atchafalpa	210½	211	218	U.S. Leather	8	8	8
Ches. & Ohio	46½	47	47	U.S. Rubber	19	20½	20½
Erie	37	38½	39½	U.S. Steel	158½	167	170½
Illinois Central	115	111½	112	Westinghouse	136½	144½	149½
N.Y. Central	157½	158	161½	Woolworth	55½	59½	62½
Pennsylvania	72½	71½	72½	Worthington Pump	109	122½	129
Southern Pacific	115½	115	115	Am. Pow. & Light	78	81½	85
Southern Ry.	78½	75½	82	Am. Tel. & Tlg.	204½	210½	213½
Union Pacific	211	211	215½	Electric P. & L.	62½	67½	72½
Am. Can.	117½	126½	130½	Int. Tel. Tel.	43	44½	40
Allegheny Corp.	19½	20½	20½	Nat. Pow. & L.	43	44½	47½
Amer. Smelting	65½	66½	68	Radio Corp.	38½	39½	40½
Anacosta	45½	45½	44½	Utilities P. & L.	30½	32½	35
Bethlehem Steel	78½	80½	82½	W. Union Tlg.	166	167	168
Chrysler Motor	27½	27½	28½				
Corn Produce	87½	90½	93½	Associated Gas "A"	42	42	30½
Eastman Kodak	200½	208	218	Mid-Cont. Pet.	23	23½	22½
Gen. Electric (New)	70½	69	72½	Pan. Amer. B.	58	57½	54
Gen. Motors	43½	44½	44½	Sinclair Oil	23	23	20½
Int. Harvester	74½	77½	80	Std. California	62	61½	60½
Montg. Ward	31	32	35½	Do. N.J.	69½	70½	68½
Natl. Biscuit	77½	81	83				

By courtesy of the Standard Statistics Company, Inc., of New York and 13, Copthall Avenue, London, we print the following index figures of American values calculated on closing prices (1926 = 100) :—

	1928.		1929.		1930.		
	Lowest.	Highest.	Lowest.	Highest.	Beginning of Year.	Aug. 20.	Aug. 27.
335 Industrials	132.5	186.4	134.5	218.9	146.0	138.3	139.9
33 Rails	120.5	139.7	127.8	173.5	134.3	120.6	121.5
14 Utilities	128.3	180.6	177.6	330.4	202.2	213.8	216.5
Total, 402 Stocks ..	130.3	178.9	140.3	228.1	153.0	147.4	149.1
Average yield of 50 Industrial Common Stocks ..	3.32%	4.42%	3.10%	5.23%	4.83%	4.69%	4.61%

DAILY AVERAGE OF 50 INDUSTRIAL COMMON STOCKS (1926 = 100).

	Highest of 1930. Apr. 10.	Lowest of 1930. (Aug. 24.)	Aug. 20.	Aug. 21.	Aug. 22.	Aug. 24.	Aug. 25.	Aug. 26.	Aug. 27.	Aug. 28.
202.4	149.6	163.0	161.0	162.7	164.0	161.6	164.2	165.6		

TOTAL DEALINGS IN NEW YORK.

	Aug. 21.	Aug. 22.	Aug. 23.	Aug. 25.	Aug. 26.	Aug. 27.	Aug. 28.
Stock Exchange—Shares (Thous.)	1,711	1,333	689	1,587	1,744	2,198	1,435
Bonds (Value—Thous. \$)	7,020	6,925	3,449	6,711	9,728	9,700	8,133
Curb—Shares (Thous.)	329	301	122	309	328	399	325

* 2-hour session.

INVESTMENT NOTES.

Waring and Gillow.—This company's annual report, published on Monday last, came as a shock to investors, in view of the fact that, as recently as June 4th, the chairman, Lord Waring, informed the Press that record profits had been earned. In point of fact, the net profit for the year ended January 31st last was only £54,234, as compared with £209,760 in 1928-29 and £147,151 in 1927-28. In a letter published in the Press last Monday Lord Waring stated that he based his prediction on the profits anticipated to accrue to the company on the sale of a certain property. We understand that the property referred to was the Princess' Theatre site. It would be interesting, however, to know how such a transaction could possibly affect the accounts for the year which ended on the previous January 31st, and also how any such profit could, at any time, be included among the distributable earnings. At a meeting on August 18th the creditors refused Lord Waring's offer of second debentures in satisfaction of their claims, but decided to adjourn for three weeks to allow him to make satisfactory financial arrangements, covering the payment of their claims in instalments in six, nine and twelve months. These negotiations are, it is stated, progressing satisfactorily. Lord Brentford and Sir Harry Peat have been appointed to handle the settlement of the claims, with power to co-opt two others, and have invited the creditors to appoint a representative. Several creditors had served writs on the company, many of which have been withdrawn in response to the committee's recommendation of a moratorium, and it is hoped the few outstanding will be withdrawn. This will facilitate the work of the committee and obviate the necessity for the appointment of a receiver by the trustee for the debentureholders. On the completion of negotiations with certain holders, the company will collect its debts, paying the committee £10,000 per week, which will be deposited. Payments to creditors will be made in 1931 on March 1st, June 1st and September 1st, together with interest at the rate of 5 per cent. per annum. It appears that Waring and Gillow disposed of the site, referred to above, between January 31, 1927, and January 31, 1928, part of the payment taking the form of a mortgage of £172,585, against which there was a reserve of £45,000, and a further sum of £127,585 has now been drawn from the profit and loss account, making the "reserve against a mortgage debt" £172,585. Efforts are being made to find a new purchaser, but in view of the present conditions in the real estate market a quick sale is scarcely to be expected. Of the "debtors" total, in the balance sheet, of £812,992, some £98,691 is due by the chairman, but is secured. After paying the preference dividend of £45,000, and transferring £127,585 to the mortgage reserve, there remains £57,253 to be carried forward, as compared with £175,604 brought in from the previous year. Creditors amounted to £623,726, and a bank loan of £119,340 is shown, against which appears a cash credit of £191,155. Despite Lord Waring's statement, disquieting rumours had already caused the market to mark down the shares, which slumped only a little further last Monday. Their slight subsequent fractional increase may, possibly, reflect the market's hope that the outstanding creditors will agree to the proposals, thus giving the committee a chance to do its work without encumbrance.

Lamport and Holt.—The appointment by the Court, on Wednesday, of Sir William McLintock as receiver and manager of Lamport and Holt, Ltd., may be regarded as a more or less inevitable step in the clearing up of the affairs of the Royal Mail group. Lord Kysant is chairman of Lamport and Holt, while another of his lordship's companies was the joint plaintiff in the motion for a receiver. In this instance, knowledge as between the right and left hand may be confidently assumed. Sir William McLintock, further, is a member of the Advisory Committee to the Royal Mail group, whose appointment and duties we discussed in the *Economist* of June 14, 1930 (page 1335). This week's development, in fact, brings Lamport and Holt closely under the control of those who are charged with the duty of re-organising the position of the whole Royal Mail group. Their action may conceivably be interpreted in some quarters as suggesting that they regard the company as one of the group's less profitable properties, and that while operations may be continued for the present, their ultimate intention is to dispose of the assets when a favourable opportunity offers. The company has had a long history, having been first established in 1845, and it is only of comparatively recent years that it has fallen on bad times. Its preference dividends were, in fact, paid up to June, 1925. The last balance sheet, which we analysed in detail in the *Economist* of June 14, 1930, afforded presumptive evidence of the over-valuation of many of the company's investments and loans, which accounted for £6,875,000 out of a balance sheet total of £8,059,000. The company has lately not been paying its way, net losses being made, after charging debenture interest, of £66,000 in 1925, £110,000 in 1926, and £70,000 in 1929; while the "profits" of 1927 and 1928 were microscopic. All these figures, however, are meaningless, their dimensions being dependent on the amounts written-off for depreciation of the fleet and the investments which, in the latter case at least, were

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	£13,164,170

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shown by the last balance sheet to have been inadequate. On the basis of that document, we calculated that approximately 77 per cent. of the company's ordinary capital was then unrepresented by any existing assets. The actual position will, of course, be ascertainable only when Sir William McIntock has gone fully into the "inside" figures, but the 6 per cent. cumulative preference shareholders, at least, will hope that, if and when the company's assets are disposed of, something will be left over for them. The majority of the share capital is, however, held inside the Royal Mail group. An analysis of its distribution, made some months ago, suggested that approximately 69½ per cent. of the then total was held, in the aggregate, by the Royal Mail Company, its directors, and other companies in the group. The 6 per cent. cumulative preference shares of £1 were quoted this week at 2s. 0½d., and the 5 per cent. redeemable debenture stock at 38s.

Columbia Graphophone.—The complete report of the Columbia Graphophone Company for the year ended June 30, 1930, adds considerably to the preliminary figures discussed in the *Economist* of August 16th last (page 329). Profits and their appropriation in the last three years have been as follows:—

	15 months to June 30, 1928.	Year to June 30, 1929.	Year to June 30, 1930.
Issued ordinary capital ...	491,046	1,069,550	1,282,871
Net profits	471,305	505,121	580,159
Preference dividends	26,250	21,000	21,000
No. of times covered	18.0	24.1	27.6
Ord. Capital {			
Earned £	445,055	484,121	559,159
Paid £	291,186	480,904	513,149
Earned %	91.7*	45.3	43.5
Paid %	60*	45	40
To reserve	5,700	Nil	Nil
Increase in carry-forward	148,169	3,217	46,011

* Equivalent rates for 12 months, 73.4 per cent. and 48 per cent., respectively.

The report does not directly throw any light on the question whether last year's increase in the parent company's profits was due mainly to increased trading or to slightly less conservative dividend distributions by the subsidiaries—exclusive of the American subsidiary, which made a loss, written off out of its own balance-sheet surplus. The accounts, however, certainly convey the impression that the real earning power of the group, as a whole, has been maintained to an extent which speaks well both for the management and for the company's strong competitive position in the gramophone trade. The figures may also reflect the coming into production of factories which were under construction last year in such overseas countries as Argentina, Brazil, Chile, France, Germany, Italy, Japan, Spain and Turkey. It is not clear to what extent the company has continued its practice of writing-down, out of earnings, the values of all its factories. Some £402,255 of a total premium of £1,710,080 from the issue of shares last year has, however, been applied in writing-down the value of "certain newly acquired assets" and in augmenting the internal reserves included in the balance-sheet item "trade creditors, reserves and credit balances"—the remainder having been carried to reserve account. The company has also carried out a detailed investigation of the accounts of all subsidiary companies. This has confirmed the board's view that, on a conservative basis of valuation, the net assets represented by the investments in subsidiary companies (matrices, patents, trade-marks and goodwill being excluded), before making the provision from share premiums referred to above, exceed the value at which those investments are carried in the balance sheet. Contrary to general expectation, the company has not, apparently, as yet used the proceeds of the last share issue to extend its gramophone interests. For the most part the new money would seem to have been invested in gilt-edged securities (which are shown,

for the first time, in the balance sheet at £900,715), or left on deposit at the bank (cash having risen by £542,861). The chairman's speech at the last meeting suggested that the intention of the company was to use this money to enter the radio industry. It may be, therefore, that the board wisely decided, after making the issue, to hold its hand until the general trade depression had passed. This point may possibly be made clear at next Thursday's meeting. The shares rose from under 60s. to 65s. 7½d. after the publication of the report.

Singer and Company's Accounts.—The report of Singer and Company, one of the "big three" in the British motor-car industry, has been published this week. Profits and their distribution are shown below:—

	YEARS ENDED JULY 31.	1928.	1929.	1930.
Paid-up { 7% Cum. Pref. £1.....	£	£	£	£
Ordinary £1	666,760	333,173	333,173	333,173
Profit on trading	192,184	209,269	206,362	
Depreciation	12,766	23,323	49,083	
Net profit*	171,223	173,922	144,266	
Preference dividend	...	21,182	23,322	
Ordinary {				
Earned per share	25.7%	22.9%	18.2%	
Paid, subject to tax	(a) 20.0%	17½%	(b) 18.43%	
Equivalent, "tax free"	16.0%	14%	14.3%	
Amount of dividend	£	£	£	
and bonus	133,352	116,683	122,905	
Reserve for income tax	5,000	5,000	...	
Employees' funds	...	1,000	...	
Expenses of preference issue	...	5,260	...	
Contingencies	5,000	5,000	...	
Inc. or dec. in carry forward	+27,871	+19,797	-1,960	

* After allowing for miscellaneous receipts and expenses.

(a) Plus capitalised bonus of 50 per cent. in 7% cumulative preference shares.

(b) Paid by allotment of preference shares to ordinary shareholders in proportion of 1 to 7, some £95,251 being thus capitalised, while company paid income tax of £27,654 to Inland Revenue.

The report is of interest for several reasons. Firstly, it records a check to the remarkable increase of profits during recent years, which has made the company's history one of the most remarkable in the whole motor trade. The conditions responsible for this development have been common to the whole industry, and are due mainly to general economic depression. The company's stocks of finished cars, and work in progress, are valued this year at £597,509, against £361,843. The actual decline in profits is, however, due partly to a larger allowance for depreciation of plant, etc. The second feature of the accounts is the directors' decision to pay the year's ordinary dividend, not in cash but in preference shares, in order to conserve the company's resources for capital purposes. This is an unusual, but in the circumstances a commendable, decision. It may, however, involve those shareholders in a "loss" who may endeavour to "cash" their dividend by way of a sale of their new shares on the Stock Exchange. The directors, presumably, have this contingency in mind, since they take the unusual course of admonishing shareholders against parting with their interests at an unduly low value. They declare that they "view with dismay the low price at which small holders dispose of their shares," which is "detrimentally affecting the monetary interests of the large shareholders"—especially, it would seem, those of the directors and their friends, who are described as holding approximately one-third of the capital. Another, and possibly sounder, argument might have been that depressed share quotations increase the cost of raising new capital, and, in the case of a conservative company, such as Singer and Company undoubtedly is, may result in the shareholders making what is virtually a compulsory subscription, as in the present instance. The directors declare categorically that the market price does not represent the intrinsic value of the shares, and recommend that these should not be sold in future at less than 20s. per preference share and 35s. per ordinary

share, which they declare to be the value on an *assets' basis* (the italics are the directors'). The shares were dealt in before the report at 14s. 4½d. and 18s. 9d. respectively, but improved on its issue to 15s. 7½d. and 20s. Shareholders will doubtless regard the advice as valuable, since it comes from so influential a quarter, but will regret that the directors have not, by defining such a notoriously elusive term as "assets' basis," rendered their statement something more than an *obiter dictum*.

Calico Printers' Association.—The general depression in the export trade of Lancashire and the Indian boycott of printed piece-goods have adversely affected the results of this company. For the financial year ended June 30th last, net profit has fallen to £69,186, compared with £140,173 in 1928-29, and £421,316 in 1927-28. An interim dividend on the preference shares amounting to £75,402 has already been paid for the half-year ended December 31, 1929. Some £50,000 is being transferred from reserve to profit and loss account, and a final preference dividend will be paid, but the ordinary dividend is being passed.

	1928.	1929.	1930.
Net profit	421,316	140,173	69,186
Brought forward	52,998	172,704	61,536
Preference dividend	150,805	150,805	150,805
Rate %	5	5	5
No. of times covered	2.7	0.9	0.4
Ordinary capital:			
Earned £	270,511	Dr. 10,632	Dr. 81,619
Paid £	150,805	100,537	Nil
Earned %	13.4	Nil	Nil
Paid %	7.5	5	Nil

To reserve

Carried forward

In the following table, the percentage earnings and payments on the ordinary capital are set out over a period of ten years.

ORDINARY CAPITAL.						
Year to June 30.	Earned %	Paid %	Year to June 30.	Earned %	Paid %	
1921	7.5	5.0	1926	3.2	7.5	
1922	7.5	7.5	1927	3.6	7.5	
1923	27.3	12.5	1928	13.4	7.5	
1924	16.9	10.0	1929	Nil	5.0	
1925	22.3	15.0*	1930	Nil	Nil	

* Including 5 per cent. bonus.

The balance-sheet position remains liquid, while reserve funds total £1,260,000. The market had discounted the passing of the ordinary dividend, the shares showing no change on the publication of the preliminary figures.

Crompton, Parkinson Results.—This large electrical manufacturing firm continues to increase its earnings, the net profit for the past year being £103,613, an increase of £21,041. After paying the preference dividends, a dividend of 30 per cent. has been declared on the ordinary capital, and £15,000 has been carried to the reserve fund.

	Year ended June 30.	1928.	1929.	1930.
Net profit	£	70,826	82,572	103,613
First preference dividend	£	17,073	13,658	13,658
No. of times covered		4.14	6.04	7.59
Second preference dividend	£	9,803	19,606	19,606
No. of times covered		1.70*	2.48	3.11
Ordinary {				
Earned %	35.1% p.a.	49.3%	46.9%	
paid %	20% p.a.	30%	30%	
Amount	25,000	30,000	45,000	
To reserves	...	13,500	15,000	
Increase in carry-forward	18,950	5,848	10,389	

* Fifteen months.

During the year 200,000 5s. ordinary shares were issued at a premium of 5s. per share. In 1929 no amount was shown as having been written off for depreciation, but this year £12,000 was set aside. Stock increased by £16,967 to £198,733, and debtors at £287,709 showed an in-

crease of £34,626, cash being £11,488 greater at £23,345. The cash received for the new shares was partly used to repay a loan of £30,000 to the bankers, and also to reduce the debt to F. and A. Parkinson by £31,884 to £14,786. Creditors appear at £98,168, an increase of £6,753 over the figures of the previous year, while the unclaimed mature debentures have evidently been claimed. The surplus of liquid assets over current liabilities at £198,100 is £93,298 greater than in 1929. The ordinary shares at 23s. 9d. per 5s. share yield £6 6s. 3d. per cent.

Port of London Authority.—At a time when most company reports reflect the unsatisfactory commercial situation, the expansion shown in the recent returns of the Port of London Authority is the more gratifying. According to the twenty-first annual report, for the year ended March 31st last, the total net register tonnage of vessels using the Port of London in the calendar year 1929 was 57,578,355 tons, against 55,423,681 tons in 1928, while the net register and deck cargo tonnage of shipping paying river tonnage dues inwards and outwards during the year ended March 31, 1930, totalled 43,138,737 tons, an increase of 2,327,699 tons, or 5.7 per cent. Of this total, 26,481,107 tons used the wet docks of the Authority (an increase of 5.4 per cent.) while 2,280,292 tons of imports were received for warehousing or immediate delivery—an increase of 200,776 tons or 9.7 per cent. The total revenue was £6,103,295, total expenditure, £4,520,238, and interest on Port stock and other fixed charges £1,459,009, leaving a surplus of £124,048, which, with the £396,584 brought forward raises the total surplus to £520,632. In view of the satisfactory outlook the Authority decided to continue its considered policy of returning profits to traders by way of reduced charges. The introduction of a revised schedule of rates, as from January 1st last, was also facilitated by the relief from local rates under the Local Government Act, 1929 (amounting to approximately £150,000) obtained by the Authority. It remains to be seen, however, to what extent traffic this year will be affected by the prevailing depression. Whereas the total imports and exports of the United Kingdom increased in 1929 from £1,920 millions to £1,952 millions, the corresponding figures for the first seven months of 1930 show already a decline of £141 millions, chiefly arising during the past four months. In some quarters, however, the view is taken that the steady growth in the traffic handled by the Authority can be attributed more to the increasing popularity of London as a Port than to general trade conditions. The heavy burden of depression in the North of England and the slow but steady southward "shift" of trade is reflected, indeed, in many British port returns. While the values of total imports and exports for London showed an increase of 1.8 per cent. in 1929, compared with an increase for the United Kingdom of 1 per cent., the Liverpool figures declined by 1.7 per cent., and those of Glasgow by 7.4 per cent. The Port of London Authority has always endeavoured to cater for the needs of users, and in twenty-one years has spent no less than £17,000,000 on improvements. In view of the complaints frequently made by traders regarding the high level of British port charges as a whole, as compared with those of their Continental rivals, we trust that the Port Authorities will endeavour still further to carry on the good work of rate reduction in the future.

British International Pictures.—Mr John Maxwell, at the general meeting of British International Pictures, Ltd., last week, gave some interesting statistics of the capital invested in the film industry. There are approximately 55,000 cinema theatres in the world—about 20,000 in the United States and Canada, 4,000 in this country and 1,800 in Australia and New Zealand. Approximately 250 million people attend cinema theatres throughout the world each week. In the United States the total investment in the film industry exceeds £400,000,000, but in this country the amount invested

is no more than £80,000,000. As regards the production of films the United States is spending about £25 millions a year on new films out of a total world expenditure of about £35 millions. The rentals paid by the cinemas for film hire are calculated at about £50 millions a year in the United States and about £8 millions in this country. Of this amount, the bulk goes to American companies. Mr Maxwell emphasised the importance of increasing British film production in order to retain a greater part of this expenditure at home. In America it is estimated that 30 per cent. of the revenue of film-producing companies is derived from export sales, and that each foot of film exported brings back \$1 of trade for other American industries. Mr Maxwell added that in the case of his own company export sales were rapidly approaching 30 per cent. of their total sales. The most striking development in the film industry this year, according to Mr Maxwell, has been the desire of British theatre owners to hire British talking pictures. The American talking picture has for the most part proved foreign to the taste of English audiences. Similarly, French and German audiences require talking pictures in their own language, a demand which has led to foreign companies making French and German versions of British film productions in British studios. This is a development of great importance, for it is impossible for French and German companies to make a sufficient supply of films in their own countries, and it is equally impossible for them to transfer their artists to Hollywood from Paris or Berlin. Mr Maxwell ended with an appeal to the American film companies for a more enlightened attitude towards British pictures. While in foreign markets British films have an open door, they are barred in the United States. Surely it is unwise for the big American film companies, drawing such large profits from Great Britain, to close their theatres to the films of British film-producing companies. The cinema subsidiary of British International Pictures paid £500,000 last year in film hire to American companies, yet these companies barred the film productions of their British customer. As Mr Maxwell said, greater success and profit must surely come to both parties from mutual co-operation.

Shell Union Oil Corporation.—The passing of the quarterly dividend of 35 cents in respect of the quarter ending September 30th has been explained by the directors of the Shell Union Oil Corporation as being dictated by the decreased earnings of the company. The latter's reduction has been due partly to the curtailment of production, in conformity with the "restriction" agreements in the various fields, and partly to the unsatisfactory price levels prevailing in the markets. Although, after making its usual liberal allowance for depreciation, the company was operating at a profit, there was as yet no indication of any early improvement in the unsettled conditions prevailing in the industry. For that reason the directors considered it prudent to conserve cash resources so that the company would be able to continue its normal programme of development without further financing. A summary of the trading account for the first six months of the year as compared with the first six months of 1929 is as follows:—

	6 months. 1929.	6 months. 1930.
Gross income*	34,311,066	25,959,685
Depreciation, depletion, drilling expenses &c.	24,801,407	23,084,686
Interest	...	3,155,876
Profit and loss before Federal tax	9,509,659	Dr. 280,977
Preference dividends	...	1,100,000
Available for common	9,509,659	Dr. 1,380,977
Common dividends paid	9,139,055	9,149,415
Earnings per share	73 cents	...
Dividends per share	70 cents	70 cents
Surplus or deficit	370,604	Dr. 10,529,844

Common shares outstanding 13,055,793 13,069,391
* Including a half interest in the income of Comar Oil Company.
The failure to earn preference dividends in the first half-year is explained by the loss suffered in the first quarter,

which is always the worst of the year for the big oil-marketing companies. In the second quarter the company was operating at a profit and, after paying its preference dividends, earned more than half its common stock quarterly dividends. In the third quarter the company should show even better results, this quarter being the period when the consumption of gasoline reaches its maximum. It may be added that oil companies' profits are largely determined by the amount of depreciation and depletion allowed. In this connection the practice of the Shell Union is extremely conservative. The company is writing down heavily the cost of the marketing plant acquired at somewhat high prices in the period of recent expansion. Further, at the end of each quarter it writes down its stocks of oil to or below current market prices. There is, therefore, no question of the company taking an inventory loss at the end of the year. The common shares have fallen from a high level this year of 25½ to 14, the lowest price since 1928.

Warner Brothers' Affairs.—A factor in the recent liquidation in American industrial shares has been the crisis in the affairs of Warner Brothers Pictures. On August 7th the directors passed the quarterly dividend of \$1 on the common stock (the last quarterly dividend of \$1 having been paid on June 2nd). The controller of the company stated that the dividend had been passed to conserve the cash resources, which might be needed for future production and expansion. On August 12th it was announced that plans for new financing were being discussed by Goldman Sachs, the company's bankers, and Hayden Stone, and on August 14th an offer was made to shareholders of the right to subscribe for one new share for each four shares held, at \$20 per share. After giving effect to this financing, it was calculated that the current assets of the company on August 1st totalled \$41 millions, while current liabilities were less than \$17 millions. Last week, however, an application was made in the Courts for the appointment of a receiver on the ground of mismanagement, but the suit was dismissed. The earnings of the company in its last financial year amounted to \$6.34 per share. When the issue of the new shares was made, the earnings of the company for the nine months ended May 31, 1930, after depreciation and Federal taxes, were estimated at \$11,750,000—or slightly more than \$4 per share on the 2,823,796 shares of common stock outstanding. It would appear, however, that the earnings in the third quarter (i.e., the three months ended May last) had fallen precipitately, and in the fourth quarter may be still worse, since June, July and August are normally the months when cinema earnings are at their lowest seasonal level. The common shares have fallen from a high level of 80½ to the low level of 25½.

Selection Trust.—Our mining correspondent writes:—A noteworthy expansion was recorded in profits for the year ended March 31st last, the net surplus being £307,830, against £223,350. At £77,630, income from dividends shows a moderate increase, and sundry receipts have risen from under £1,000 to nearly £9,100, but the lion's share of the increase is attributable to profit on realisation of investments, which is shown at £242,600, against £156,470. The latter increase is the more re-

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markable in view of the market conditions prevailing during the period. The capital has been increased, both by the allotment of bonus shares in respect of the preceding year's profits, and also by the subscription in January last of a further 160,000 ordinary shares at par. The directors recommend a balance dividend of 27½ per cent., making a total of 30 per cent. for the year, against a cash distribution of 10 per cent. (plus 10 per cent. in scrip) for 1928-29, the amounts absorbed being respectively £209,000 and £60,000. An issue of £300,000 of debentures was also made last year. With these additional resources, the company's interests in Rhodesian and Jugoslavia undertakings were substantially increased. Investments now stand at £1,518,680, as against £905,540 twelve months ago. The last figure is arrived at after deducting expenditure on mining ventures, which is now set out separately. A new item in the balance sheet is a loan to an associated company of £77,250. Cash and debtors total less than £29,000, while on the other side are secured advances for £89,860, and a secured bankers' overdraft for £85,730. It would thus appear that some financing will be required to provide the £192,500 which will be absorbed by the final dividend. The directors state that quoted securities represent approximately 90 per cent. of the total investments, and have a market valuation substantially in excess of their book value.

CAPITAL ISSUES.

ISSUES OF THE WEEK.

By Prospectus or Offer for Sale.

Net total recorded, January 1 to August 23, 1930, £190,577,481.
Total, including conversion recorded, January 1 to August 23, 1930, £280,698,712.

National Savings Certificates.

Net sales week ended August 23, 1930, £250,000.
Total receipts, April 1, 1930, to August 23, 1930, £2,650,000.

	Nominal Capital.	Conversions or Repayments.	New Cash Subscriptions.	First Payment.	Further Liability.
To the Public.					
Total issued to the public, week ended Aug. 30, 1930 ...	Nil	Nil	Nil	Nil	Nil
To Shareholders only.					
Parana Plantations, £400,000 6% cum. part. debentures at par.	400,000	...	400,000	40,000	360,000
Total issued to shareholders only, week ended Aug. 30, 1930 ...	400,000	...	400,000	40,000	360,000
Total offered for Subscription—Including Conversions.					
Jan. 1 to date—£					
1930 281,348,712	191,227,481				
1929 224,241,811	192,916,211				
1928 453,722,587	281,612,964				
1927 247,161,259	140,690,269				
1926 128,360,577	128,360,577				
1925 130,822,951	130,822,951				
1924 202,230,317	202,230,317				
1923 202,230,317	202,230,317				
Whole year—£					
1929 488,764,940	285,239,400				
1928 693,100,056	269,058,073				
1927 365,165,970	230,782,600				
1926 232,214,500	209,326,101				
1925 271,399,173	271,399,173				
1924 573,675,653	573,675,653				
1923 573,675,653	573,675,653				

By Stock Exchange Introduction.

	Amount of Capital Introduced.	Prices at which Dealings Began.	Total Cash Involved.
Amount previously recorded.....	16,402,378	...	18,085,457
Total, week ended August 30, 1930	Nil	...	Nil
Total to date, 1930	16,402,378	...	18,085,457
Total to date, 1929	29,199,581	...	40,187,723

WEEKLY TRAFFIC RETURNS. RAILWAYS OF GREAT BRITAIN AND IRELAND.

		Week ended Aug. 24, 1930. (000's omitted.)					Aggregate 34 weeks, 1930. (000's omitted.)					
(b) Week ended Aug. 22, 1930.	(c) Week ended Aug. 23, 1930.	Miles Open.	Passen- gers, &c.	Merchan- dise, &c.	Coal and Coke.	Total Goods.	Total for Week.	Passen- gers, &c.	Merchan- dise, &c.	Coal and Coke.	Total Goods.	Total Receipts.
Great Western...	3,751	309	212	120	332	641	641	8,222	7,128	4,019	11,147	19,369
Do. for 1929...	3,751	312	226	130	356	668	668	8,492	7,551	4,231	11,782	20,274
Lon. & N. Eastern (c)	6,362	426	350	258	608	1,034	1,034	12,201	13,093	8,636	21,729	33,930
Do. for 1929...	6,361	462	417	290	707	1,169	1,169	12,617	13,990	9,069	23,059	35,676
Lon. & Mid. & Scot.	6,955	587	519	261	780	1,367	1,367	18,121	17,938	8,494	26,432	44,553
Do. for 1929...	6,957	645	591	280	871	1,516	1,516	19,120	19,084	9,143	28,222	44,555
Southern	2,179	399	79	32	111	510	510	11,073	2,591	994	3,585	14,658
Do. for 1929...	2,175	419	84	38	122	511	511	11,247	2,625	1,100	3,725	14,971
Total of above	19,248	1,721	1,160	671	1,831	3,552	3,552	49,617	40,750	22,143	62,893	112,511
Do. for 1929...	19,244	1,838	1,318	738	2,056	3,894	3,894	51,476	43,250	22,543	66,793	113,621
Metropolitan (c)	59	31.2	3.9	...	...	...	34.1	1,113	134.4	...	...	1,247.4
Do. for 1929...	59	31.8	3.8	...	...	...	35.6	1,095	129.6	...	...	1,224.6
† Undg. E. R. (c)	...	291	...	...	...	...	291	10,231	...	...	...	10,231
Do. for 1929...	...	278	...	...	...	...	278	9,622	...	...	...	9,622
Lon. & Sub. Gr'up	...	44.3	...	...	...	...	44.3	1,499	...	...	...	1,499
Do. for 1929...	...	42.6	...	...	...	...	42.6	1,400	...	...	...	1,400
B'f' & Co. D'wnb	...	80	3.3	6	...	...	3.9	96.1	24.8	...	...	120.9
Do. for 1929...	...	80	4.7	8	...	...	5.5	96.3	30.0	...	...	126.3
* Great Northern b	562	15.8	14.2	...	...	...	30.0	...	...	...	...	915.0
Do. for 1929...	562	16.4	15.0	...	...	...	31.4	...	...	...	...	966.9
Great Southern b	2,187	38.3	43.3	...	...	...	81.6	...	...	...	...	2409.5
Do. for 1929...	2,187	42.3	42.7	...	...	...	89.0	...	...	...	...	2501.8

* Aggregate 33 weeks.
† Includes receipts from independent omnibuses during current year.

OVERSEAS RAILWAY RECEIPTS.

Name.	Weeks.	Ending.	Present Mileage.	Gross Receipts for Week.	Total Gross Receipts.
				1930. + or -	1930. + or -
INDIAN.					
Assam Bengal	30	July 26	1,306	Rs. 3,66,000 + 22,241	Rs. 63,44,009 - 3,765
Barsi L. Ry.	18	Aug. 2	202	22,200 - 21,100	8,43,300 - 1,83,900
Bombay & N. Western	18	July 26	2,079	5,06,841 - 96,890	1,24,06,923 - 5,86,255
Bombay-Nagpur	17	July 26	3,139	1,19,700 - 2,57,024	2,87,93,343 - 19,38,680
Bombay, Bar., & C.O.I.	17	Aug. 16	3,026	15,56,000 - 2,37,000	3,99,62,000 - 21,79,000
Madras & S. Mahr.	17	July 26	3,228	13,89,000 - 5,06,559	2,73,30,584 - 43,79,744
† Rohilk. & Kumaon	18	Aug. 2	561	87,614 - 9,137	23,20,613 + 1,05,713
South Indian	17	Aug. 2	2,371	11,48,668 - 65,555	2,12,12,832 - 5,52,739

† Including Lucknow-Bareilly State Railway.

CANADIAN.

Canadian National	33	Aug. 21	20290	4,348,600 - 865,154	141,497,330 - 29,248,511
Canadian Pacific	33	Aug. 21	15242	3,426,000 - 387,000	107,471,000 - 24,792,000

SOUTH AMERICAN.

Antofagasta (Chili and Bolivia)	34	Aug. 24	804	£ 18,840 - £ 20,630	£ 944,590 - £ 358,825
Argentine N.E.	8	Aug. 23	753	15,800 - 1,224	117,700 - 3,700
Argentine Trans. & Gen. R.	8	Aug. 23	111	3,108 - 25,000	22,947 - 1,103
B.A. & Pacific	8	Aug. 23	2,806	123,000 - 174	939,000 - 302,000
B.A. Central	8	Aug. 24	24	14,579 + 174	109,689 - 6,355
B.A. Gt. Southern	8	Aug. 24	5,009	187,000 - 46,000	1,428,000 - 417,000
B.A. Western	8	Aug. 24	1,926	70,000 - 15,000	549,000 - 162,000
Central Argentine	8	Aug. 23	3,359	202,000 - 58,000	1,523,000 - 395,000
Central Uruguay	8	Aug. 23	273	26,409 + 2,532	210,970 + 21,918
C. Urug. (East Ext.)	8	Aug. 23	311	5,560 + 1,244	43,176 + 2,765
C. Urug. (N. Ext.)	8	Aug. 23	185	5,575 + 590	25,865 + 2,374
C. Urug. (W. Ext.)	8	Aug. 23	211	2,877 + 409	21,866 + 3,009
Corrientes Central	8	Aug. 23	1,218	65,000 - 10,000	497,000 - 62,000
Entre Rios	8	Aug. 23	804	24,600 + 1,800	187,700 + 14,100
G. Westn. of Brazil	34	Aug. 23	1,035	6,900 - 5,400	460,800 - 96,000
Leopoldina	34	Aug. 23	1,856	37,134 - 35,647	1,166,170 - 308,574
Leopoldina Term. & Gen. R.	34	Aug. 23	1,856	37,134 - 35,647	1,166,170 - 308,574
Nitrate (monthly)	77	Aug. 15	410	13,813 - 21,960	285,854 - 236,504
S. Paulo	35	Aug. 24	1,534	42,115 - 4,178	1,397,453 - 277,927
United of Havana	8	Aug. 23	1,369	38,130 - 13,183	287,508 - 123,077

OTHER OVERSEAS.

Gt. Southern of Spain	33	Aug. 16	104	£ 104,846 - £ 10,846	£ 3,346,552 - £ 624,738
Mexican Railway	8	Aug. 21	483	216,100 - 13,200	1,662,300 - 104,500
Paraguay Central	8	Aug. 23	274	3,520 - 930	32,480 - 3,490
Salvador	8	Aug. 23	100	1,922 - 968	18,577 - 11,100

TRAMWAYS WEEKLY GROSS RECEIPTS.

Anglo-Argentine	33	Aug. 19	329	£ 75,140 - £ 6,458	£ 2,732,875 - £ 116,103
B. Aires Lacroze	8	Aug. 24	19	10,651 - 1,099	83,831 - 7,590
Liverpool Corp.	34	Aug. 23	124	29,608 + 308	626,010 + 276
Madras Electric	77	Aug. 15	...	Rs. 48,656 + 2,174	694,713 + 35,626
L.O.C. Tramways	20	Aug. 20	166	80,448 + 979	1,677,670 - 10,580

* Including motor buses. † Monthly. ‡ Fortnightly figures.

MONTHLY TRAFFICS.

	Month Ended.	Description.	For Month.	Aggregate.
Algoma Central & Hudson's Bay Railway Co.	12 June 30	Gross	\$ 137,419 - 56,541	2,137,893 - 224,838
Brazilian Traction, Light & Power Co.	8 July 31	Gross	\$ 4,081,018 - 254,877	28,367,377 - 5,543
		Net	\$ 2,451,294 + 11,189	16,

COMPANY MEETINGS, &c.

TAVOY TIN DREDGING CORPORATION, LIMITED.

INCREASE OF CAPITAL APPROVED.

The annual general meeting of Tavoy Tin Dredging Corporation Limited, was held, on the 26th instant, in London, followed by an extraordinary general meeting to consider resolutions providing for the increase in the capital of the company necessary to carry through the proposed scheme of amalgamation.

Mr Louis Hardy, who presided, recalled that within three or four years of the formation of the company, the whole of its original capital had been repaid in dividends, and, in addition, a reserve fund had been built up sufficient to offset the cost of all the plant, &c.; during 6½ years no less a sum than £318,854 had been distributed in cash as dividends, free of tax.

The technical managers of the corporation had satisfied the directors that the only method of achieving the necessary consolidation of the interests of this company and its three allies in Burmah was the complete fusion of the four companies. The terms provisionally agreed were, the directors believed, fair and equitable to all concerned, and on the completion of the amalgamation the issued capital would be only £359,031, which, apart from the issue of debentures, would be covered by the whole of the assets of the four properties. To provide the corporation with liquid resources, to place it in a position of financial strength, arrangements had been made for the issue of £125,000 in 7½ per cent. debenture stock at par, repayable in ten years, and with an option to convert at any time within the next three years into fully-paid shares on the basis of four for every £1 of debenture stock, the London Tin Corporation had offered to subscribe for the whole of the £125,000 of debenture stock at par free of cost to the corporation, but the board had insisted that the prior right to subscribe must be reserved for shareholders of this company and its three affiliates.

The board attached no little importance to that right. Apart from placing the finance of the corporation on such a sound footing that there need be no anxiety for the future, it was the fact that the option to convert provided shareholders to put up the debentures with an opportunity of reaping the full ultimate benefit of any improvement in the price of tin and in conditions generally; the option was equivalent to a free call of Tavoy shares at 5s. per share for a period of three years, and there was reason to believe that tin prices were now at bottom.

The report and accounts, and the proposed increase of capital were unanimously approved without question or comment.

OFFER TO NEW READERS.

Any reader who makes his first acquaintance with this journal with this week's issue is invited to fill up the attached: To Publisher, "Economist Newspaper, Ltd.,"

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CAPITAL AND RESERVES:
Fmk. 426,000,000.
TOTAL ASSETS (30/6/30):
Fmk. 3,065,966,000.

KANSALLIS-OSAKE-PANKKI

(National Joint Stock Bank)

HEAD OFFICE: HELSINKI
(HELSINGFORS), FINLAND

Established 1889.

Government Returns, &c.

NATIONAL ACCOUNTS.

As is shown from the Treasury Return printed below, the total ordinary revenue for the week ended Aug. 23, 1930, amounted to £17,779,400, against ordinary expenditure of £6,242,900. After allocating £2,999,000 to the Sinking Fund, and having allowed for an increase in Exchequer Balances of £89,500, the week's operations, as shown below, reduced the National Debt by £8,448,000 to £7,660,000,000:—

(000's omitted.)

National Savings Certificates.....	+ 250	Public Department Advances ...	£ 2,109
		Treasury Bills.....	6,598
		Post Office and Tel. Money	...
	+ 250		8,698

A complete analysis of the National Debt at the end of last quarter was printed in the *Economist* of July 5, 1930.

REVENUE.	Estimate for the year 1930-31.	Total Receipts into the Exchequer.			
		April 1, 1930, to August 23, 1930.	April 1, 1929, to August 24, 1929.	Week ended August 23, 1930.	Week ended August 24, 1929.
ORDINARY REVENUE.					
Inland Revenue—					
Income Tax	260,000,000	50,364,000	47,762,000	4,047,000	2,922,000
Sur-tax, including Arrears of Super-Tax	64,500,000	12,460,000	10,510,000	160,000	150,000
Estate, &c., Duties	83,000,000	36,430,000	34,760,000	3,400,000	2,120,000
Stamps	27,000,000	5,450,000	8,940,000	60,000	410,000
Excise Profits Duty and Corporation Profits Tax	1,700,000	...	10,000	...	...
Land Tax and Mineral Rights Duty	800,000	140,000	150,000	...	...
Total Inland Revenue ...	437,000,000	104,844,000	102,132,000	7,667,000	5,603,000
Customs and Excise—					
Customs	122,710,000	47,487,000	48,448,000	3,050,000	3,572,000
Excise	129,860,000	49,400,000	50,500,000	7,210,000	2,850,000
Total Customs and Excise ...	252,570,000	96,887,000	98,948,000	10,260,000	6,422,000
Motor Vehicle Duties (Exchequer Share)	4,950,000	1,374,088	1,594,000	...	...
Post Office (Net Receipts)	10,125,000	6,250,000	5,500,000	Dr 750,000	Dr 185,000
Crown Lands	1,300,000	600,000	560,000	130,000	90,000
Receipts from Sundry Loans	33,000,000	15,535,228	10,171,735	...	14,718
Miscellaneous Receipts	34,500,000	10,260,042	11,429,178	472,399	35,450
Appropriation from Rating Relief Suspense Account ...	16,000,000	16,000,000	...	...	...
Total Ordinary Revenue ...	789,445,000	251,750,358	230,334,913	17,779,399	10,914,168
SELF-BALANCING REVENUE.					
Post Office	60,275,000	22,050,000	22,100,000	1,950,000	2,450,000
Motor Vehicle Duties apportioned to Road Fund	23,560,000	6,420,912	5,969,000	...	...
Total Self-Balancing Revenue ...	83,835,000	28,470,912	28,069,000	1,950,000	2,450,000
Total		280,221,270	258,403,913	19,729,399	13,364,168

EXPENDITURE.	Estimate for the year 1930-31 (including Supplementary Grants).	Total Issues out of the Exchequer to meet payments.			
		April 1, 1930, to August 23, 1930.	April 1, 1929, to August 24, 1929.	Week ended August 23, 1930.	Week ended August 24, 1929.
ORDINARY EXPENDITURE.					
Interest and Management of National Debt	304,600,000	136,450,586	145,961,631	550,903	1,143,081
Payments to Northern Ireland Exchequer	6,000,000	1,873,293	1,621,488	17,000	...
Payments to Local Taxation Authorities	3,300,000	1,090,984	1,677,303	...	224,689
Other Consolidated Fund Services	...	1,561,287	...	...	2,901
Supply Services (excluding Post Office)	418,933,000	161,851,800	134,833,162	5,675,000	3,350,000
Total Ordinary Expenditure ...	732,833,000	301,266,663	285,654,871	6,242,903	4,720,671
Sinking Fund	55,400,000	17,711,902	17,047,423	2,999,000	1,599,000
SELF-BALANCING EXPENDITURE.					
Post Office	60,275,000	22,050,000	22,100,000	1,950,000	2,450,000
Road Fund	23,560,000	6,420,912	5,969,000	...	...
Total Self-Balancing Expenditure	83,835,000	28,470,912	28,069,000	1,950,000	2,450,000
Total		347,449,477	330,771,294	11,191,903	8,769,671

The aggregate revenue and expenditure to Aug. 23, 1930, is shown below:—

FINANCIAL YEAR, 1930-31, APRIL 1 TO AUGUST 23.

(000's omitted.)

Expenditure	£ 301,266	Revenue	£ 51,750
Sinking Fund	17,712	Decreases in balances	3,338
		Net Amount borrowed	63,690
			318,978

POSITION OF THE FLOATING DEBT.				
Ways and Means Advances Out- standing	Aug. 23, '30.	Mar. 31, '30.	Aug. 23, '30.	Aug. 23, '30.
Advances by Bank of England ..	...	...	...	...
Advances by Public Departments ..	37,500,000	48,530,000	36,170,000	2,100,000
Treasury Bills outstanding	777,165,000	588,885,000	641,375,000*	6,600,000
Total Floating Debt	814,665,000	637,415,000	677,545,000	8,700,000

* Includes £10,000, the proceeds of which were not carried to the Exchequer within the period of the account.

TREASURY BILLS BY PUBLIC TENDER.

Tenders for £35,000,000 in Treasury Bills were opened on Aug. 22, 1930, and the total amount applied for was £43,315,000. Tenders were accepted for bills at three months, dated Monday to Friday, at £99 9s. 4d., and Saturday at £99 9s. 5d., about 24 per cent. and above in full. The amount allotted was £35,000,000.

Date.	Amount Offered.	Amount Applied For.	Treasury Bills at 3 Months. Average Rate.
1930.			
Aug. 1	35,000,000	41,390,000	2 4 3-71
Aug. 8	35,000,000	43,160,000	2 6 2-4
Aug. 15	35,000,000	44,805,000	2 4 4-37
Aug. 22	35,000,000	43,315,000	2 2 1-33

The Bankers' Gazette.

BANK OF ENGLAND.

Return for Week ended Wednesday, August 27, 1930.

ISSUE DEPARTMENT.

Notes Issued—	£	Government Debt	£ 11,015,100
In Circulation	360,868,170	Other Government Securities	232,892,601
In Banking Department	53,971,431	Other Securities	11,628,688
		Silver Coin	4,463,611
		Amount of Fiduciary Issue	260,000,000
		Gold Coin and Bullion	154,839,601
	£414,839,601		£414,839,601

BANKING DEPARTMENT.

Proprietors' Capital	£ 14,553,000	Government Securities	£ 49,141,247
Reserve	3,681,377	Other Securities	...
Public Deposits	18,172,678	Discounts and Advances	£ 6,459,675
Other Deposits	...	Securities	22,187,201
Bankers	£ 62,599,815	Notes	28,646,876
Other Accounts	33,798,732	Gold and Silver Coin	1,048,095
7-Day and other Bills	91,398,547		
	2,047		
	£132,807,649		£132,807,649

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

Both Departments.		Amount, Aug. 27, 1930.	Inc. or Dec. on Last Week.	Inc. or Dec. on Last Year.
Note circulation	£	360,868,170	— 922,914	— 3,176,714
Public deposits	£	18,172,678	— 2,872,821	— 2,345,212
Bankers' deposits	£	62,599,815	+ 934,446	+ 4,609,664
Other deposits	£	33,798,732	+ 204,381	+ 2,342,094
Seven-day bills	£	2,047	+ 500	+ 48
Total outside liabilities	£	475,441,442	+ 2,656,408	+ 3,254,404
Capital and rest	£	18,234,377	+ 46,769	+ 1,260
Government debt and securities	£	293,048,948	— 228,119	— 26,669,957
Discounts and advances	£	6,459,675	+ 345,130	+ 2,707,036
Other securities	£	33,815,889	+ 3,247,320	+ 2,835,809
Other coin in issue department	£	4,463,611	— 1,511	— 380,051
Silver coin in issue department	£	155,887,696	+ 522,181	+ 18,254,019
Gold and bullion (Bank's reserve)	£	55,019,526	+ 1,445,095	+ 21,430,733
Reserve of notes and coin in banking department	£	...	...	...
Proportion of reserve to outside liabilities—				
(a) Banking department only ("proportion")		48%	+ 2%	+ 18½%
(b) Gold stocks to deposits and notes ("reserve ratio")		32½%	+ 1%	+ 4½%

(000's omitted.)

Date.	Issue Department.		Banking Department.			Gold in or out of Bank.	Rate.
	Notes Issued.	Circulation.	Public Deposits.	Bankers' Deposits.	Other Deposits.		
1930.							
July 9	415,708	363,804	9,264	69,533	36,237	614 out	3 3
16	415,479	365,121	10,397	69,588	35,506	231 out	3 3
23	414,119	364,138	9,904	67,266	36,207	1,371 out	3 3
30	412,279	368,377	9,088	60,971	37,405	1,847 out	3 3
Aug. 6	412,584	372,378	8,866	61,552	36,787	302 in	3 3
13	413,092	367,379	12,256	66,253	34,020	505 in	3 3
20	414,334	361,791	21,045	61,665	33,594	1,213 in	3 3
27	414,840	360,868	18,173	62,600	33,799	504 in	3 3

(000's omitted.)

Date.	Issue Department.		Both Depts.		Banking Department.			Reserve & the "Proportion."
	Govt. Debt and Securities.	Other Securities.	Gold Coin and Bullion and Reserve Ratio.	Govt. Securities.	Dis- counts & Advances.	Other Securities.		
1930.								
July 9	243,907	11,629	156,585	32½%	54,126	5,266	19,911	52,782
16	243,906	11,629	156,371	32½%	55,696	6,218	20,392	51,251
23	243,904	11,629	155,034	32½%	51,356	7,098	22,102	50,896
30	243,901	11,629	153,250	32½%	51,666	6,741	22,292	44,873
Aug. 6	243,906	11,629	153,585	31½%	53,146	7,950	23,614	46,617
13	243,786	11,754	154,105	32½%	54,346	8,665	22,744	46,726
20	243,906	11,629	155,366	32½%	49,371	6,115	25,434	53,574
27	243,908	11,629	155,888	32½%	49,141	6,460	22,187	55,020

BANKERS' CLEARING RETURNS (000's omitted).

	Town.	Metropolitan.	Country.	Total.
1930.				
January 1 to August 13	24,850,054	1,162,383	1,884,767	27,897,204
Week ended August 20	682,227	32,028	55,718	769,973
Week ended August 27	653,541	27,472	46,657	727,670
Total to date, 1930	26,185,822	1,221,883	1,987,147	29,394,847
Total to date, 1929	26,354,845	1,259,320	2,034,135	29,648,300
Increase or decrease in 1930	— 169,023	— 37,437	— 46,993	— 253,453
	— 0.6%	— 2.9%	— 2.3%	— 0.8%
Total for year, 1929	39,935,924	1,881,789	3,078,764	44,896,477
Do. 1928	39,311,117	1,854,190	3,039,422	44,204,729
Increase or decrease in 1929	+ 624,807	+ 27,599	+ 39,342	+ 691,751
	+ 1.6%	+ 1.5%	+ 1.3%	+ 1.6%

PROVINCIAL CLEARING RETURNS

(000's omitted.)

Week ended Aug. 23.	Month of July.		
---------------------	----------------	--	--

IMPERIAL BANK OF INDIA.—In rupees (000's omitted).

ASSETS.	Aug. 2, 1929.	July 4, 1930.	July 11, 1930.	July 18, 1930.	July 25, 1930.	Aug. 1, 1930.
Total securities	23,477.72	29,875.52	29,393.30	29,566.68	29,473.30	31,467.49
Loans	9,592.27	10,787.55	10,644.68	12,082.33	14,488.99	16,241.41
Cash, credits	24,511.78	31,726.60	31,321.15	30,855.52	30,889.88	31,274.49
Inland bills	3,241.10	2,844.50	2,944.12	2,967.07	2,814.47	2,191.01
Foreign bills	31.88	31.44	42.82	51.26	45.15	39.73
Dead stock	2,824.24	2,777.74	2,777.84	2,780.00	2,781.14	2,779.93
Bal. with other banks	26.95	15.03	4.00	13.91	12.64	4.43
Cash	32,152.33	15,376.66	15,844.35	18,623.35	22,266.63	23,504.24
LIABILITIES.						
Capital paid up	5,625.50	5,625.50	5,625.50	5,625.50	5,625.50	5,625.50
Reserve	5,275.50	5,325.50	5,375.50	5,375.50	5,375.50	5,375.50
Total deposits	85,335.95	80,565.05	80,630.31	84,359.90	90,371.11	95,117.97
The above includes—						
Deposits in London	1,021	1,041	1,044	1,026	1,019	1,063
Advances in London	908	2,286	2,168	3,207	5,213	6,215
Cash, &c., at other banks in London	200	108	31	104	92	28

BANK OF FRANCE.—In francs (000's omitted).

ASSETS.	Aug. 23, 1929.	Aug. 1, 1930.	Aug. 8, 1930.	Aug. 15, 1930.	Aug. 22, 1930.
Gold	38,803,741	46,061,058	46,656,474	46,952,230	47,194,609
Foreign assets					
Sight deposits	7,247,270	7,067,125	7,063,861	7,055,150	6,805,684
Bills discounted	18,631,161	19,061,986	18,893,163	18,883,775	18,881,178
Commercial bills discounted at home	8,254,903	4,778,235	5,354,584	5,213,106	5,121,602
Advances against sec. to the State	8,811,552	8,504,399	8,504,399	8,504,399	8,504,399
Other advances	2,367,332	2,841,210	2,788,648	2,751,901	2,737,783
Other assets (excluding forward exch.)	2,385,394	3,662,693	3,201,078	2,807,681	2,866,368
LIABILITIES.					
Notes in circulation	64,353,864	74,008,401	72,970,882	72,678,937	72,016,512
Public deposits	13,618,649	8,900,073	10,259,628	10,017,705	10,175,975
Private deposits	6,376,091	6,492,772	6,717,062	7,018,948	7,369,296
Other liabilities	2,152,749	2,575,460	2,511,635	2,452,652	2,549,839

THE REICHSBANK.—In Reichsmarks* (000's omitted).

ASSETS.	Aug. 24, 1929.	Aug. 7, 1930.	Aug. 15, 1930.	Aug. 22, 1930.
Reichsbank shares not yet issued	177,212	177,212	177,212	177,212
Gold and bullion	2,177,022	2,619,025	2,619,025	2,619,999
Of which deposited abroad	149,788	149,788	149,788	149,788
Reserve in foreign currencies	12,213	317,312	311,113	356,065
Bills of exchange and cheques	2,042,533	1,588,595	1,418,138	1,346,737
Silver and other coin	144,307	153,634	167,172	179,380
Notes of other German banks	23,916	14,389	19,142	23,227
Advances	43,685	55,735	77,370	57,130
Investments	92,744	100,867	100,867	102,677
Other assets	548,198	684,915	679,419	685,239
LIABILITIES.				
Reduced capital	122,788	122,788	122,788	122,788
Increase of capital (shares not yet issued)	177,212	177,212	177,212	177,212
Reserve	319,608	371,139	371,139	371,139
Notes in circulation	4,153,109	4,398,283	4,229,137	4,049,763
Other daily maturing obligations	444,841	421,695	446,946	600,182
Other liabilities	344,272	222,221	222,221	224,372

* Equal to one billion paper marks or one Rentenmark.
The gold reserve is calculated in accordance with the new legal prescription of one pound of fine gold equals 1,392 Reichsmarks.

NATIONAL BANK OF BELGIUM.—In Belgas (000's omitted).

ASSETS.	Position, May 28, 1914.	Aug. 22, 1929.	July 13, 1930.	Aug. 7, 1930.	Aug. 15, 1930.	Aug. 21, 1930.
Gold	232,650	528,548	844,257	833,291	874,492	875,133
Foreign bills and balances abroad	1,944	4,133	4,358	4,588	4,588	4,657
Silver and other coin	697,600	789,859	776,499	767,699	775,520	768,816
LIABILITIES.						
Notes in circulation	934,150	2,603,276	3,083,291	3,061,446	3,071,197	3,042,423
Current accounts	112,125	100,747	79,333	123,372	141,748	149,395

(b) In thousand francs.

BANK OF JAVA.—In florins (000's omitted).

ASSETS.	Position, May 31, 1914.	Aug. 23, 1929.	July 31, 1930.	Aug. 7, 1930.	Aug. 15, 1930.	Aug. 23, 1930.
Gold	22,971	147,676	165,600	165,500	165,100	167,200
Silver	29,785	24,226	165,600	165,500	165,100	167,200
Discounts, advances, and other investments	77,567	204,788	111,900	117,000	115,400	117,600
LIABILITIES.						
Notes in circulation	109,499	304,391	266,500	270,700	269,300	262,200
Deposits and bills payable	11,250	73,316	43,500	42,100	41,000	49,600

SWISS NATIONAL BANK.—In francs (000's omitted).

ASSETS.	Position, May 31, 1914.	Aug. 23, 1929.	July 31, 1930.	Aug. 7, 1930.	Aug. 15, 1930.	Aug. 23, 1930.
Gold	171,175	506,857	610,116	610,177	626,508	628,725
Foreign bills and balances abroad	209,776	332,977	332,191	337,497	343,278	343,278
Discounts	132,059	35,574	34,322	32,379	32,714	32,714
Advances	103,000	54,626	43,443	40,621	37,952	37,771
LIABILITIES.						
Notes in circulation	275,925	843,515	928,307	900,704	879,210	872,462
Deposits	33,750	71,060	171,219	183,400	232,286	234,116

BANK OF SWEDEN.—In kronor (000's omitted).

ASSETS.	Aug. 24, 1929.	Aug. 2, 1930.	Aug. 9, 1930.	Aug. 16, 1930.	Aug. 23, 1930.
Gold	233,307	242,604	242,565	242,564	242,476
Government securities—Swedish	2,959	21,406	21,167	19,972	19,475
Other Swedish bonds quoted on foreign bourses	70,155	65,992	65,992	65,992	65,992
Bills payable in Sweden	177	103	103	103	103
Balance abroad	206,760	57,832	54,021	67,603	62,190
Advances made on Government securities and bonds	70,577	113,881	107,590	106,430	106,201
LIABILITIES.					
Notes in circulation	488,522	555,535	524,893	524,746	511,700
Government deposits	160,549	103,741	104,119	117,128	111,246
Private deposits	5,019	8,338	22,018	18,945	23,610

† The sum of the items "Bills payable in Sweden" and "Advances made on Government Securities and Bonds" excludes advances and cash credits which are not available as cover for the note issue.

BANK OF NORWAY.—In kroner (000's omitted).

ASSETS.	Position, May 31, 1914.	Aug. 15, 1929.	July 31, 1930.	Aug. 7, 1930.	Aug. 15, 1930.
Coin and bullion—Gold	44,224	146,765	146,558	146,556	146,540
Balance abroad and foreign bills	28,533	36,244	22,313	23,829	20,398
Discounts and loans	8,816	21,392	48,037	48,037	49,037
LIABILITIES.					
Notes in circulation	113,484	309,721	314,814	310,718	308,359
Deposits at sight	7,188	81,375	60,267	57,511	59,009

BANK OF SPAIN.—In pesetas (000's omitted).

ASSETS.	Position, May 30, 1914.	Aug. 24, 1929.	July 26, 1930.	Aug. 9, 1930.	Aug. 16, 1930.	Aug. 23, 1930.
Gold	521,775	2,564,584	2,472,273	2,473,150	2,473,384	2,473,603
Silver	728,600	718,378	721,027	717,461	715,930	718,972
Loans & Discounts	800,725	2,141,233	2,023,506	2,077,435	2,054,307	2,018,592
Spanish 4% stock	344,475	344,475	344,475	344,475	344,475	344,475
Advances to Treasury	150,000	150,000	150,000	150,000	150,000	150,000
LIABILITIES.						
Circulation	901,550	4,306,824	4,396,498	4,486,343	4,484,209	4,447,205
Deposits	477,500	949,722	824,937	804,909	815,221	823,797

BANK OF PORTUGAL.—In escudos (000's omitted).

ASSETS.	Aug. 14, 1929.	July 23, 1930.	July 30, 1930.	Aug. 6, 1930.	Aug. 13, 1930.
Coin and bullion	9,793	8,955	8,934	8,919	8,904
Of which gold	8,577	8,577	8,577	8,577	8,577
Balance abroad	342,506	158,515	169,449	188,363	92,883
Discounts	308,797	325,833	348,045	365,802	406,208
Government loans	1,744,246	1,530,996	1,530,996	1,530,684	1,530,372
LIABILITIES.					
Notes in circulation	1,904,295	1,921,972	1,950,811	1,952,372	1,941,785
Deposits	50,785	76,234	80,988	75,493	88,457

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

ASSETS.	Aug. 15, 1929.	July 23, 1930.	July 31, 1930.	Aug. 7, 1930.	Aug. 15, 1930.
Cash Reserve—					
Gold coin and bullion	168,634	168,564	168,564	168,570	168,589
Foreign exchange	218,322	269,446	273,208	272,759	271,961
Other for exchange	365,542	440,009	470,223	470,118	469,963
Bills discounted	217,293	79,284	115,426	101,161	86,857
Govt. debts	109,623	101,437	101,437	101,391	101,392
LIABILITIES.					
Share capital	43,200	43,200	43,200	43,200	43,200
Reserve fund	9,283	10,272	10,272	10,272	10,272
Notes in circulation	957,766	884,987	1,020,603	952,148	930,813
Deposits	124,047	180,717	114,576	167,629	173,238

† In dollar and sterling only.

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

ASSETS.	Aug. 15, 1929.	July 23, 1930.	July 31, 1930.	Aug. 7, 1930.	Aug. 15, 1930.
Metal reserve—					
Gold coin and bullion	162,734	162,635	162,635	162,640	162,640
Drifts and notes	35,737	35,124	34,059	42,922	37,336
Silver coin and bullion	8,706	12,176	12,235	12,096	12,054
Inland bills, warrants and securities	303,759	180,252	202,658	185,403	179,513
Advances to the Treasury	88,821	75,547	72,255	71,311	70,852
LIABILITIES.					
Share capital (gold crowns 30,000,000)	34,756	34,756	34,756	34,756	34,756
Notes in circulation	435,341	371,621	466,247	429,064	408,482
Current accounts, deposits, &c.	127,635	91,900	33,280	52,838	63,051

* Calculated at pre-war parity of exchange.

NATIONAL BANK OF YUGOSLAVIA.—In dinar (000's omitted).

ASSETS.	Aug. 22, 1929.	July 31, 1930.	Aug. 15, 1930.	Aug. 22, 1930.
Cash Reserve—				
Gold	93,771	97,496	97,585	97,738
Other coin and notes	18,245	18,258	18,179	18,093
Foreign credits	241,477	225,222	242,319	18,427
Bills	1,332,895	1,167,624	1,194,706	203,281
Government advances	4,234,606	4,078,455	3,076,458	2,000,708
LIABILITIES.				
Notes in circulation	5,335,930	5,316,948	5,392,591	5,379,966
State credits	227,866	151,965	149,967	148,265
Deposits	1,213,005	1,406,039	1,396,777	1,361,422

Cash reserve is calculated as follows: One gold dinar as one dinar, one pound sterling as 25 dinars, one dollar as 5 dinars, one lire as one dinar, one Swiss or French franc as one dinar, &c.

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

		in millions (000's omitted).				
	Aug. 15, 1929.	July 23, 1930.	July 31, 1930.	Aug. 7, 1930.	Aug. 15, 1930.	
ASSETS.						
Gold and silver holdings ...	1,552,910	1,591,127	1,592,247	1,593,347	1,594,579	
Balances abroad and foreign currencies	1,533,473	902,226	910,026	938,940	1,021,169	
Discounts and advances ..	1,521,899	863,502	845,944	822,759	805,471	
Advances to the Treasury ..	3,545,635	3,279,302	3,279,302	3,279,302	3,279,302	
LIABILITIES.						
Capital paid up	500,000	500,000	500,000	500,000	500,000	
Reserves	1,169,125	1,253,881	1,253,890	1,253,926	1,253,900	
Bank notes in circulation ..	4,016,043	3,312,312	3,435,194	3,554,657	3,626,311	
Sight liabilities	2,127,953	1,479,638	1,444,759	1,318,399	1,336,758	
Deposits	454,256	285,235	284,901	284,830	284,641	

SOUTH AFRICAN EXCHANGE RATES.

The South African Banks quote the following rates:—

	Union of South Africa.		Union of South Africa.	
	From August 27 1929.		From November 25, 1929.	
	London on South Africa.		South Africa on London.	
	Buying.	Selling.	Buying.	Selling.
T.T.	11% dis.	1% dis.	par to 1% pm.	1% prem.
Demand	11% "	1% "	1% "	1% "
30 days	12% "	1% "	1% "	1% "
60 days	13% "	1% "	1% "	1% "
90 days	14% "	1% "	1% "	1% "
20 days	15% "	1% "	1% "	1% "

OVERSEAS DOMINION RATES.

COMMONWEALTH OF AUSTRALIA AND DOMINION OF NEW ZEALAND.

	London on Australia and New Zealand.				Australia and New Zealand on London.			
	Buying.		Selling.		Buying.		Selling.	
	Aus.	New Zealand.	Aus.	New Zealand.	Aus.	New Zealand.	Aus.	New Zealand.
	T.T.	Demand	30 days	60 days	90 days	T.T.	Demand	30 days
	92 1/2	93 1/2	93 1/2	95 1/2	105 1/2	106 1/2	106 1/2	106 1/2
	92 1/2	93 1/2	93 1/2	95 1/2	105 1/2	106 1/2	106 1/2	106 1/2
	91 1/2	92 1/2	92 1/2	94 1/2	104 1/2	105 1/2	105 1/2	105 1/2
	90 1/2	91 1/2	91 1/2	93 1/2	103 1/2	104 1/2	104 1/2	104 1/2

INDIA COUNCIL REMITTANCES.

The total remittances from the Government of India to the Secretary of State for India in Council from April 1 to August 23, 1930, were £4,773,491, of which £4,720,000 was remitted by purchases of sterling in India and £53,491 was transferred from the Paper Currency Reserve in England to the Treasury Account of the Secretary of State for India in Council to meet sales of sterling in India.

BULLION.

The following statistics of imports and exports of gold for week ended Aug. 28, 1930, are issued by the Statistical Department of H.M. Customs and Excise:—

Imported into Great Britain and Northern Ireland.		Exported from Great Britain and Northern Ireland.	
From—	£	To—	£
France.....	3,128	Denmark	275
Brazil.....	336,270	Germany	63,558
British South Africa	803,852	Netherlands	384
Hong Kong.....	10,000	France.....	208,535
Australia.....	250,000	Switzerland	294,674
		Austria.....	2,730
		British India	60,527
		Other Countries	178
Total declared value of imports	1,403,250	Total declared value of exports	630,861

GOLD MOVEMENTS.

The arrivals and withdrawals of gold during the past week, as announced by the Bank of England, have been as follows:—

1930. ARRIVALS.		1930. WITHDRAWALS.	
Aug. 22	£	Aug. 22	£
Sovs. from abroad	412,000	Sovs. sold	6,989
Aug. 23	Nil	Sovs. for export	6,000
Aug. 24	Nil	Aug. 23 Bars sold	8,741
Aug. 25	Nil	Sovs. for export	2,000
Aug. 26	164,000	Aug. 25 Bars sold	27,531
Aug. 27 Sovs. from abroad	56	Aug. 26 Bars sold	Nil
Foreign coin bt.	Nil	Aug. 27 Bars sold	22,724
Aug. 28	Nil	Aug. 28 Bars sold	73,985
Total arrivals ...	576,056	Total withdrawals.....	73,985
Net arrivals, £502,071.			

GOLD.

The Bank of England gold reserve against notes amounted to £154,333,732 on the 20th instant (as compared with £153,091,518 on the previous Wednesday), and represents an increase of £8,373,648 since January 1st last. The consignment of bar gold from South Africa, which arrived this week, amounted to £804,000, of which £30,000 had been sold forward, leaving about £774,000 available in the open market yesterday. There was a good demand for Switzerland and France, the former securing £436,000 and the latter £289,000 at the fixed price of 85s. 0½d. per fine ounce. Home and Continental trade requirements absorbed £29,000 and £20,000 was taken for India. Movements of gold at the Bank of England during the week show a net influx of £503,972. Of the receipts, £576,000 was in sovereigns, and withdrawals consisted of £58,995 in bar gold and £13,100 in sovereigns.

SILVER.

Although the week under review opened with an advance in quotations to 16½d., subsequent movements have tended towards a lower level. A Reuter message from Shanghai dated August 23rd, stated that "The Indian Government has sold to the Hong Kong and Shanghai Bank 5,000,000 ounces of silver for delivery next week.

It is understood that a similar quantity will be sent in a later delivery." This announcement was followed by bear selling, and silver was offered freely from both China and the Indian Bazaars, with the result that on the 23rd instant prices fell ¼d. from 16½d. to 16¼d. There was a recovery to 16½d. on the 25th instant—the next working day—China being inclined to buy, but with silver freely offered from America, a somewhat easier tendency has since been apparent, and the price for both deliveries had again receded by to-day to 16¼d.

The following were the United Kingdom imports and exports of silver registered from mid-day on the 18th instant to mid-day on the 25th instant:—

IMPORTS.		EXPORTS.	
	£		£
Mexico	129,387	British India	70,368
Other countries	26,998	Other countries	7,291
	£156,385		£77,659

INDIAN CURRENCY RETURNS (in lacs of rupees).

	Aug. 22.	Aug. 15.	Aug. 7.
Notes in circulation	17,237	17,062	16,935
Silver coin and bullion in India.....	11,925	11,923	11,796
Silver coin and bullion out of India	3,228	3,227	3,228
Gold coin and bullion in India	1,957	1,839	1,839
Securities (Indian Government)	127	73	72
Securities (British Government)			

The stocks in Shanghai on the 23rd instant consisted of about 102,800,000 ounces in sycee, 147,000,000 dollars, 2,500,000 Saigon dollars and 3,820 silver bars, as compared with about 102,400,000 ounces in sycee, 147,000,000 dollars, 3,700,000 Saigon dollars and 3,840 silver bars on the 16th instant.

GOLD AND SILVER PRICES.

	Gold Per Ounce.	Silver—Per Ounce.		Date.	Silver. Cash.
		Cash	Forward		
1930.	s. d.	d.	d.		d.
Aug. 22.....	85 0	16 1/2	16 1/2	Aug. 31, 1923	30 1/2
" 23.....	85 0	16 1/2	16 1/2	" 29, 1924	34 1/2
" 24.....	85 0	16 1/2	16 1/2	" 28, 1925	32 1/2
" 25.....	85 0 1/2	16 1/2	16 1/2	" 27, 1926	29 1/2
" 26.....	85 0 1/2	16 1/2	16 1/2	" 26, 1927	25 1/2
" 27.....	85 0	16 1/2	16 1/2	" 30, 1928	26 1/2
" 28.....	85 0	16 1/2	16 1/2		

NOTICES.

The Midland Bank announces the opening of a new office, to be known as the Malmesbury Park branch, at 336 Holdenhurst Road, Bournemouth, under the management of Mr R. L. Cullum.

The Westminster Bank announce the opening, on August 18, of a new branch at 12 The Square, St. Anne's-on-Sea.

The directors of Williams Deacon's Bank, Ltd., at their meeting on the 14th inst., announced that the percentage of assents referred to in the chairman's circular of July 25th, regarding the alliance with the Royal Bank of Scotland, has been exceeded.

Barclays Bank (Dominion, Colonial and Overseas) announce the opening of a branch at Bellville (Cape Province).

The Midland Bank announces the opening of new branches at 83-85 High Street, Sidcup, Kent, and 91 High Street, Wealdstone, near Harrow, Middlesex. An office has also been opened at 72 Station Road, Taunton, Somerset.

Company News.

SUMMARY OF BALANCE SHEETS.

COLUMBIA GRAPHOPHONE COMPANY, LIMITED.

LIABILITIES.		ASSETS.	
Amount.	Compared with June 30, 1929.	Amount.	Compared with June 30, 1929.
Ord. shares, 10s. fully paid	1,282,871 + 213,321	Matrices, patents, goodwill, &c.	1
7% pref., £1.	300,000	Office furniture, &c.	1
Reserve account	2,751,552 + 1,502,896	Properties	247,000 + 21,000
Creditors	380,450 + 170,070	Plant	58,000 + 2,000
Due to associated cos.	21,196 - 76,214	Investments in associated cos. at or under cost	2,493,305 + 56,459
Res. for income-tax and contingencies	88,803 + 29,661	Due by associated cos.	441,471 + 328,788
Profit and loss	628,301 + 46,088	Prepaid expend.	11,065 + 4,353
		Stocks	250,323 + 10,218
		Debtors	369,433 + 19,430
		Investments in Govt. and other public funds at cost	900,715 + 900,715
		Cash	681,858 + 542,862
Total	5,483,173 + 1,845,822	Total	5,483,173 + 1,845,822

SINGER AND COMPANY, LIMITED.

LIABILITIES.		ASSETS.	
Amount.	Compared with July 31, 1929.	Amount.	Compared with July 31, 1929.
6½% Reg. Notes	120,650 - 15,081	Properties	793,799 + 96,591
Creditors	146,652 - 26,643	Plant, &c.	539,822 + 78,714
Employees' old age account	5,457 - 144	Bank deposit	135,000
Bankers	43,826 + 43,826	Stocks	597,509 + 236,166
Debentures	135,000	Debtors	19,622 + 7,339
Ord. shares £1	666,760	Cash	374 - 216,591
7% cum. pref.	333,173	Stamp duty	5,260
Share premium account	209,248		
General reserve	88,537		
Contingencies account	10,000 + 5,000		
Profit and loss	221,823 - 11,999		
Total	1,981,126 - 5,041	Total	1,981,126 - 5,041

WARING AND GILLOW, LIMITED.

LIABILITIES.		ASSETS.	
Amount.	Compared with Jan. 31, 1929.	Amount.	Compared with Jan. 31, 1929.
6% cum. pref. (£1)	750,000	Cash	191,155 - 191,717
Ord. shares (10s.)	500,000	War Loan and French Rentes	5,574 + 5,574
Management shares (£1)	5,000	Debtors	710,679 - 147,568
6% debentures	947,660 - 12,100	Bills receivable	3,622 + 2,419
Interest accrued	4,762 - 40	Balance of purchase price (leasehold property)	172,585 + 172,585
Unclaimed divs.	3,366 + 173	Due by Chairman man on loan account	34,999 + 34,999
Reserve for amortisation of leases	57,909 + 15,328	Additions to loan account	63,692 + 63,692
Advance from bankers	119,340 + 119,340	Stocks	628,603 + 62,127
Creditors	623,726 - 50,746	Investments in subsidiary co.'s	90,870 - 37,712
Owing to subsidiaries	455 + 455	Owing from subsidiary co.'s	73,343
Capital reserve	62,565	Expenditure on special advertising	60,049 + 60,049
General reserve	50,000 + 25,000	Plant, &c.	55,853 + 145
Reserve against mortgage debt	172,585 + 172,585	Freehold and leasehold property	1,286,097 + 25,551
Profit and loss	79,753 - 255,851		
Total	3,377,121 + 14,144	Total	3,377,121 + 14,144

DIVIDEND ANNOUNCEMENTS.

Name of Company.	Rate % per Annum, except where marked % or Stated in Cash.		Dividend for Whole Years.
	Interim or Final.	Method of Payment.	Latest Year.
RAILWAYS.			
Buffalo and Lake Huron Ry.	...	Less tax	5/- p.s.
MINING.			
North Broken Hill	1/- p.s.	Sept. 29	...
OTHER COMPANIES.			
Artisans', Labourers' and General Dwellings	3%*	Sept. 9	Less tax
Barnsley Brewery	7½%*	plus bonus	us of 2½%
Blakey's Protectors	10%*	...	Less tax
Bushell Watkins and Smith	5%*	...	Tax free
Carter and Co.	5%*	...	...
Charles Clifford and Son	18½%*	...	...
Cork Gas Consumers'	10%*	...	...
Crompton Parkinson	5%*	...	...
Dorking Water	5%*	...	...
Equitable Loan of Scotland	5%*	...	...
European Gas	5%*	...	...
Farnham Gas and Electricity	5%*	...	...
Frederick Gorrings	5%*	...	...
Frederick Lawrence	5%*	...	...
Friars Investment Trust	5%*	...	...
Harrogate Gas	5%*	...	...
Hector Powe	5%*	...	...
Hellenic and General Trust	5%*	...	...
Hine, Parker and Co.	5%*	...	...
Hurst, Wilson and Co.	5%*	...	...
Imperial Chemical Industries	5%*	...	...
Industrial Finance and Investment	5%*	...	...
London and Thames Haven Oil Wharves	5%*	...	...
Marple Dairy (Def.)	5%*	...	...
Metropolitan Gas (of Melbourne)	5%*	...	...
Newcastle-on-Tyne Elec. Supply	5%*	...	...
Paterson Simons and Co.	5%*	...	...
Planters' Stores and Agency	5%*	...	...
Preston Gas "A"	5%*	...	...
Prince of Wales' Theatre, Birmingham	5%*	...	...
Saxone Shoe	5%*	...	...
Scottish General Investment	5%*	...	...
Selection Trust	5%*	...	...
Sir J. L. Hullett and Sons	5%*	...	...
St. James's Buildings	5%*	...	...
Staveley Coal and Iron	5%*	...	...
Thomas Wolfe and Son (1907)	5%*	...	...
United Flexible Metallic Tubing	5%*	...	...

* Plus capital bonus of 25 per cent.

At a meeting of directors of the Bradford Dyers' Association, Ltd., held on August 18th, it was decided to declare an interim dividend on the ordinary shares on account of 1930 at a rate of 5d. per share (2½ per cent.), subject to Income tax. Warrants will be posted on September 1.

REPORTS AND NOTICES.

We are informed that Sir Basil Blackett has been elected a director of De Beers Consolidated Mines, Limited.

Sir Charles H. Bedford has resigned his seat on the board of Service Petroleum Company, Ltd., on account of pressure of other work.

The London Committee of the Companhia de Mocambique state that the Customs Receipts for the Port of Beira during June amounted to £29,321, as compared with £16,801 for the corresponding period of 1929.

RUBBER, &c.

ANGLO-JAVA RUBBER AND PRODUCE COMPANY, LIMITED.—The directors are asking stockholders to release the company from all liability to pay the interest (at the rate of 7 per cent. per annum, less tax) which would be payable on the debenture stock on October 1, 1930, and April 1, 1931, respectively, in consideration of the allotment to each debenture stockholder in respect of each £50 of stock held of (28) 8 per cent. cumulative preference shares of 2s. each, now increased at meeting to 35 shares for each £50 of Debenture Stock credited as fully paid, which will be created for this sole purpose. While it is hoped that a sufficient improvement in the price of the commodity will have taken place to enable the company to resume the payment of interest on the debenture stock on October 1, 1931, it is also proposed to authorise the trustees at their absolute discretion at any time prior to that date, to release the company from all liability to pay the interest to become payable on the stock on October 1, 1931, in consideration of the allotment to each debenture stockholder of a further (14) 8 per cent. cumulative preference shares in respect of each £50 of stock held.

LARAS (SUMATRA) RUBBER ESTATES, LIMITED.—A circular has been issued by this company to holders of 7 per cent. first mortgage debentures, asking them to release the company from all liability to pay the instalments of interest (i.e., at the rate of 7 per cent., less tax, per annum), which would be payable on the debentures on October 1, 1930, and April 1, 1931, respectively, in consideration of the allotment to each debenture holder in respect of each £100 debenture held of (56) 8 per cent. cumulative preference shares of 2s. each in the capital of the company, now increased at meeting to 70 (shares for each £100 Debenture credited as fully paid, which will be created for this sole purpose, and to authorise the trustees of the debenture trust deed on behalf of all the holders of the debentures at the absolute discretion of the trustees at any time prior to October 1, 1931, to release the company from all liability in respect of the instalment of interest to become payable in respect of the debentures on October 1, 1931, in consideration of the allotment to each debenture holder of (28) 8 per cent. cumulative preference shares in respect of each £100 debenture held by him. Notwithstanding the authority proposed to be given to the trustees in respect of the interest payable on October 1, 1931, it is to be hoped that a sufficient improvement in the price of rubber may have taken place by that date to enable the payment of the debenture interest to be resumed.

MISCELLANEOUS.

ASSOCIATED LEAD MANUFACTURERS, LIMITED, AND GOOD-LASS, WALL AND COMPANY, LIMITED.—At separate class meetings of the preference and ordinary shareholders of the Associated Lead Manufacturers, Ltd., and Goodlass, Wall and Company, Ltd., which were held respectively in London and Liverpool on August 25th, the scheme of arrangement and amalgamation was passed by overwhelming majorities at both meetings.

IMPERIAL AND INTERNATIONAL COMMUNICATIONS, LIMITED.—Traffic receipts for month of July, 1930, amounted to £437,220, as compared with £514,994 for July, 1929. Aggregate receipts for seven months of 1930 were £3,244,943 as compared with £3,623,143 for first seven months of 1929. The relation between trade and telegraph receipts is illustrated by the appended figures of the foreign trade of the United Kingdom, shown side by side with the Communications Company's traffic receipts calculated on a daily basis:—

Imperial and International Communications, Ltd., Traffic Receipts, £000 per day.			United Kingdom Imports and Exports, including Re-Exports, £000,000 per day.	
Month of	1929.	1930.	1929.	1930.
January	18.26	16.75	6.23	5.42
February ...	17.90	16.43	5.60	5.31
March	17.37	15.88	5.39	5.00
April	17.19	15.20	5.80	4.62
May	16.18	15.04	5.85	4.87
June	16.15	13.78	5.03	4.47
July	16.61	14.10	5.42	4.60

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS.

Company.	Period Ending.	Balance from Last Account.	Net Profit After Payment of Deben-ture Interest.	Amount Available for Dis-tri-bution.	Appropriation.					Corresponding Period Last Year.	
					Dividend.			Carried to Reserve, Deprecia-tion, &c.	Balance Forward.	Net Profit.	Divi-dend.
					Prefco.	Ordinary.					
						Amount	Amount.				
		£	£	£	£	£	%	£	£	£	%
Breweries and Distilleries.											
Power (John) and Son	June 30	23,944	28,860	52,804	27,200	...	...	2,500	23,104	32,724	...
Motor and Cycle.											
Singer and Company	July 31	89,218	144,266	233,484	23,322	{ 95,251a 27,653b }	...	...	87,258	173,922	17½
Shops and Stores.											
British Overseas Stores	June 30	2,752	51,232	53,984	15,938	24,570	7	10,000	3,476	45,360	6
Waring and Gillow	Jan. 31	175,604	69,562	245,166	45,000	...	...	142,913	57,253	187,731	15
Textiles.											
Kirklees, Limited.....	June 30	Dr. 14,502	Dr. 24,428	Dr. 38,930	...	...	...	...	Dr 38,930	...	...
Waterworks.											
Luton Water	June 30*	13,467	4,752	18,219	...	4,455	4	...	13,764	4,771	4
Woking Water and Gas	June 30*	7,283	8,474	15,757	...	7,345	{ 10 7 }	1,200	7,212	9,319	{ 10 7 }
Other Companies.											
Associated British Cinemas	Mar. 31	10,371	210,199	220,570	38,750	54,250	8	110,000	17,570	83,420	NH
British Dardet Threadlock (D.D.G.)	June 30	...	567	567	...	...	...	...	567	...	...
British Instructional Films	Mar. 31	...	3,184	3,184	...	...	...	1,110	2,074	...	...
British Internat. Pictures...	Mar. 31	11,112	177,948	189,060	20,000	46,500	8	74,550	48,010	194,651	15
Crompton Parkinson	June 30	50,359	103,614	153,973	33,264	45,000	30	15,000	60,709	82,572	30
Columbia Graphophone.....	June 30	261,573	580,159	841,732	21,000	513,149	40	...	307,583	505,121	45
Fletcher and Cartwrights ...	July 31	12,844	32,389	45,233	...	19,440	9	13,200	12,593	...	...
Lawrence (Frederick)	June 30	3,938	26,038	29,976	9,600	10,725	15	2,095	7,556	18,975	20
Murdoch (John G.) and Co.	Mar. 31	21,891	72,538	94,429	6,600	41,750	10	22,678	23,401	74,928	10
United Indigo and Chemical	June 30	15,578	11,950	27,528	7,500	4,375	5	...	15,653	17,822	7½

* For Half-Year.

- (a) Ordinary dividend of one preference share for every seven ordinary shares held.
(b) Allotment with income tax, which company will pay to Inland Revenue.

RHODESIAN GOLD OUTPUT.

Month.	1927.	1928.	1929.	1930.
January	£ 206,094	£ 217,027	£ 195,481	£ 194,953
February	195,996	196,649	191,786	185,967
March	213,708	204,000	200,435	192,392
April	204,876	206,234	203,780	193,522
May	207,818	200,130	203,798	201,101
June	223,418	218,745	204,603	190,909
July	207,448	206,877	196,016	...
August	199,860	214,077	196,528	...
September	193,646	201,625	190,354	...
October	197,501	192,032	198,308	...
November	200,481	201,689	195,386	...
December	208,016	189,319	197,884	...
Total Gold.....	2,458,862	2,438,404	2,374,359	...

Increasing Interest in South American Markets

THE Bank of London & South America welcomes and fosters the ever increasing interest in the fast growing markets of Latin-America. With Branches and Sub-Branche in South America, in London, Bradford and Manchester; in France, Belgium, Portugal and U.S.A. with the concentrated experience of 67 years this Bank is singularly well equipped to provide up-to-date market information and to undertake Banking Business of every description. Status reports are supplied on request, and a Monthly Review of Market information in English or French is issued free on application.

BANK OF LONDON & SOUTH AMERICA LIMITED

quotations to R. Tokenhouse Yard, London, E.C.2 at lower level. A Reuter mess. Street. BRADFORD: 33 Huxtergate. 44 that "The Indian Government Bank Limited" Shanghai Bank 5,000,000 ounces of silver for den.

Commercial Reports.

THE CORN TRADE.

Mark Lane, Thursday evening.

A spell of warmth and sunshine during the past week has considerably improved harvest conditions, farmers being able to make good progress with the ingathering of cereal crops. Only small quantities of native wheat are, so far, reaching the Statute markets, while of variable quality, fine dry milling samples are scarce. On the import market, trade was of a spasmodic character, with buyers disinclined to operate beyond pressing requirements. Prices generally continue to sag under the weight of daily offerings, particularly from North America, and which are expected to be increased now that new crop supplies are moving. The Canadian new crop will have to be marketed without Government aid, though it is reported that the banks will render financial support on the basis of current world's prices only. A bearish factor was the initial low payment by the Canadian Pool to farmers of 60 cents per bushel for the 1930 crop, being 40 cents per bushel under last year. This should ensure a regular flow of supplies for export, as it is scarcely likely that the policy of withholding stocks, similar to last year, will be repeated, particularly in face of greater competition by other exporters for European custom. Russia is shipping freely, large tonnage bookings being recorded for all positions up to November, while fair quantities are moving from the Danube to United Kingdom and Continental countries. Owing to the failure of the maize crop and an abundance of wheat, it may be more profitable for American farmers to utilise the latter for feed, which would mean an increase in domestic consumption compared with last year. Offerings, however, of winter wheat for export are still quite liberal, and prices kept in check by outside competition. Shipments are on a larger scale, and floating supplies also increased. Flour is in quiet demand and prices are drooping in sympathy with wheat. Feeding stuffs were less in request, and most descriptions obtainable at lower prices, large shipments and increasing arrivals of maize being contributory factors. It is interesting to note that further supplies of South African maize have been booked to Canada, presumably for seeding purposes.

WHEAT.—Easier. No. 1 Northern Manitoba, ex ship, 37s. 3d.; No. 2 ditto, 36s. 9d.; No. 3, 35s. 9d.; No. 5 Manitoba, 33s. 3d.; No. 6 ditto, 28s.; No. 1 hard winter, 37s. 3d.; No. 2 ditto, 36s. 9d.;

No. 2 mixed Durum, 32s.; Barusso, 62½ lbs., ex ship to arrive, 35s.; Australian, 36s. 9d.; choice white Karachi, 36s. per 496 lbs.; English, new, 7s. 7d.-7s. 9d. per 112 lbs.

FLOUR.—Quiet and tendency easier. London straight run, 33s. per sack for country deliveries and 32s. London area. Of imported, Manitoba patents, 29s. 6d.-32s. 6d.; Buffalo, ditto, 30s.-32s.; Australian, 27s. 9d.-28s. per 280 lbs., ex store.

MAIZE.—Lower. Plate to be landed, 26s. 6d.; ex ship, 25s. 3d.; July-August, also August-September, 25s. 3d.; September-October, 25s. 3d.; Bessarabian, landed, 27s.; No. 2 white flat African, ex ship, 25s.; No. 6 yellow ditto, 25s. per 480 lbs. Yellow maize meal, £8 5s. per ton, f.o.r. London. Yellow African, ex ship, £6; white, £5 15s. per ton.

BARLEY.—Dull. Californian, old, landed, 30s.-35s.; new, ex ship, 29s.-38s., as to sample; Chilian brewing, landed, 33s.-37s.; Chevalier, 38s.-44s.; Australian, 32s.-34s.; Smyrna, 30s.-32s. per 448 lbs. Black Sea, ex ship to arrive, f.a.q., 28s. 3d.; new, September-October, 17s. 3d. Danubian, ex ship, 18s. Persian, new, ex ship, 16s. 6d.; old, landed, 18s. per 400 lbs. English, new malting, 8s. 9d.-10s. per 112 lbs.

OATS.—Weaker. Plate, landed, 15s. 9d.; ex ship, 15s. Chilian tawny, ex ship to arrive, 15s. German, landed, 12s. 9d. Mixed Canadian feed, landed, 13s. 3d. per 320 lbs. English, new, 5s. 4d.-5s. 8d. per 112 lbs.

COMPARATIVE AVERAGES OF GRAIN.

The following table gives the estimated sales of home-grown wheat during the harvest years 1929-30, 1928-29, 1927-28, 1926-27:—

	1929-1930.	1928-1929.	1927-1928.	1926-1927.
Estimated sales of home-grown wheat—				
1 week to Aug. 23	Cwts. 76,956	Cwts. 60,511	Cwts. 60,132	Cwts. 54,327
51 weeks to Aug. 23	9,704,126	9,829,886	11,184,664	11,846,414
Average price of English wheat per cwt.	s. d. 8 5	s. d. 11 5	s. d. 9 9	s. d. 12 5

The following is a statement showing the Quantities Sold and the Average Price of British Corn in the past two weeks, and for the corresponding week in each of the years from 1926 to 1929:—

Weeks ended.	QUANTITIES SOLD.			AVERAGE PRICE PER CWT.		
	Wheat.	Barley.	Oats.	Wheat.	Barley.	Oats.
1930.	Cwts. 62,816	Cwts. 4,818	Cwts. 11,133	s. d. 8 5	s. d. 6 8	s. d. 6 5
Aug. 16	76,956	9,001	17,126	8 5	6 9	6 3
Aug. 23	15,413	16,770	28,876	13 1	12 6	9 1
Aug. 21, 1928	40,219	8,588	23,173	12 6	12 7	10 0
Aug. 20, 1927	80,132	122,300	51,024	9 9	14 0	9 4
Aug. 25, 1926	60,511	15,907	26,544	11 5	9 10	8 10

AMERICAN WHEAT MARKETS.

The following table shows wheat quotations in recent weeks, with comparative figures for 1929:—

NEAREST FUTURE.	Jan. 2, 1929.	Aug. 28, 1929.	Jan. 2, 1930.	Aug. 13, 1930.	Aug. 20, 1930.	Aug. 27, 1930.
Winnipeg (No. 1 Manitoba)	122	152½	148½	93½	92½	88½
—Cents per 60 lb.						
Chicago (No. 2 Winter)	116½	130	130½	88½	89	86½
—Cents per 60 lb.						

The visible supply of wheat in Canada at 51,541,000 bushels shows a decrease on the week of 2,812,000 bushels. Supplies a year ago stood at 62,157,000 bushels.

THE COAL TRADE.

Our Sheffield correspondent writes: There has been rather increased activity in the export market with no further decline in prices, whereas the demand for industrial fuel still tends to shrink. Supplies of secondary qualities and smalls continue excessive and stocks are large. In the home coal department considerable business has been done in sales of best qualities for winter stocking chiefly in the South of England. The South Yorkshire Coal Owners' Association have notified that house coal prices will be increased next week to the figures obtaining in October last year. Owing to further stoppages of furnaces, sales of coke have again declined, but the contracts for coke for central heating are being considered, and the demand from this source should soon help producers in disposing of their output. Best steam coals are quoted at 14s. 6d. and 15s. f.o.b., and blast furnace coke at 11s. 6d. upwards.

Our Glasgow correspondent writes:—Washed nuts continue to be the only firm feature of the Scottish coal market, and this is probably due more to the restricted supplies as a result of curtailed outputs of round coal than to pressure of demand. Higher prices are being asked for forward delivery of all classes of nuts, but in view of the prospects of better supplies over the next month or two, when normally coal outputs should be increased, buyers are not keen to commit themselves forward. Large coal generally is dull.

The Swedish State Railways have asked for tenders for 20,000 tons of steam coal and 8,000 tons bunkers, for shipment October-December, but there appears to be little hope that any Scottish offers submitted will be accepted. Current prices for shipping business are approximately as follows (f.o.b. district ports):—LANARKSHIRE: Ell best, 13s. 3d.; splint best, 15s. 6d.; splint second, 14s.; navigation, 15s. 6d. to 16s.; navigation second, 14s. 6d.; Hartley, 15s.; all per ton f.o.b. Glasgow; steam, 12s. 6d.; trebles, 13s.; doubles, 12s. 6d. to 13s.; singles, 12s.; pearls, 11s. 6d.; dross, 9s. 6d., all per ton f.o.b. Grangemouth. FIRE: Screened navigation, 16s. 6d. to 17s. 6d.; first-class steam, 11s. 9d.; third-class steam, 10s. 9d.; trebles, 13s. to 14s.; doubles, 12s. 6d. to 13s.; singles, 11s. 6d. to 12s.; pearls, 11s. 3d.; all per ton f.o.b. Burntisland or Methil. LOTHIAN: Prime steam, 11s.; secondary steam, 10s. 9d.; trebles, 13s.; doubles, 12s. 9d.; singles, 11s. 6d. to 12s.; pearls, 10s. 6d. to 10s. 9d.; all per ton f.o.b. Leith. Ayrshire: Unscreened navigation, 16s.; jewel, 16s.; steam, 13s. 3d.; trebles, 13s. 6d.; doubles, 13s.; singles, 12s. 3d.; pearls, 11s. 9d.; dross, 10s. 6d.; all per ton f.o.b. Ayr or Troon.

Our Cardiff correspondent writes:—There has been no material change this week in the state of business on the Cardiff coal market. Shipments at the South Wales docks last week totalled 522,800 tons, compared with 498,900 tons the previous week, but they were still more than 100,000 tons less than in the corresponding week last year. Collieries have been almost entirely dependent on their contract commitments, but these have not been heavy enough to absorb the current reduced rate of production, and in many parts of the coalfield pits have been working irregularly. The ascertainment for the three months ended July will be issued on Tuesday next, and it is expected to show a substantial decrease in production and an increase in costs, compared with those for the three months ended April. The colliery owners and the workmen's representatives are at present considering their respective proposals for a new wages agreement, and the first meeting of the Conciliation Board for the consideration of these will be held early next month. The following are the current approximate quotations:—Best Admiralties, 20s.; seconds, 19s. 3d. to 19s. 9d.; best dries, 18s. 6d. to 19s. 3d.; Black Veins, 18s. 3d. to 18s. 6d.; Eastern Valleys, 17s. 6d. to 17s. 9d.; Western Valleys, 18s. to 18s. 3d.; best small steams, 13s. 3d. to 13s. 6d.; cargo smalls, 12s. to 12s. 6d.; coking smalls, 13s. 6d. to 13s. 9d.; anthracite best large, 36s. to 37s. 6d.; Red Vein large, 22s. to 27s.; machine made cobbles, 40s. to 45s.; French nuts, 43s. to 46s.; stove nuts, 39s. 6d. to 43s. 6d.; rubbly culm, 11s. 6d. to 12s. 6d.; foundry coke, 30s. to 35s.; patent fuel, 20s. to 21s. 6d.; pitwood, ex ship, 27s. to 27s. 3d.

IRON AND STEEL.

We extract the following from the weekly report of the London Iron and Steel Exchange:—Notwithstanding the generally lethargic condition of the iron and steel markets, there are signs that an improvement in demand is at hand. The volume of inquiry has increased and in some cases buyers appear willing to enter into long-distance contracts. This is taken as an indication that the usual autumn buying movement will not be long delayed. In the pig-iron department more business has been stirring than for several weeks past, and the recent reductions in prices appear to have created some interest amongst consumers in forward purchases. Stocks of pig iron, however, are large in some of the producing districts and competition from Indian iron and cheap Continental iron is being experienced. Irregular conditions continue to rule in the semi-finished steel department. The Continental steel-makers claim that they are maintaining the official prices; but little business has been reported and British buyers are still antagonistic to the Cartel's new selling arrangements. One consequence of this is that the British makers are securing a certain amount of business that formerly went to the Continent. The demand for finished steel appears to be improving slowly; but it is still rather spasmodic. There has been slightly more demand from home buyers of late, and the inquiry from overseas markets has been rather more active. The total volume of business has not been large, but it is sufficient to encourage hopes that a revival is at hand.

Our Middlesbrough correspondent writes:—With the holidays over, conditions on the market for Cleveland iron are becoming normal. So far no important volume of fresh business has occurred as a result of the recent reduction in prices, but the tone is better and it is expected that consumers will now be more disposed to contract ahead rather than limit their purchases to immediate requirements only. The effect of the lower prices will be to reduce, if not entirely shut out, the competition of Midland and Continental

NATIONAL PROVIDENT INSTITUTION
DISTRIBUTION OF PROFITS
DECEMBER 31st, 1930.

INTERIM BONUSES INCREASED.

48 Gracechurch Street, London, E.C.4. Conditions should stimulate our Australian varieties received fair sale. Singapore pines very steady. The market for fish is dull. The canned meat trade is

irons from this district and thus enable stocks in the hands of local makers to be liquidated. There was more interest shown in business at Tuesday's weekly market; a few sales were made to consumers for delivery over a month or two and merchants also made moderate purchases to cover over-sales and in anticipation of new business. Prices were at the recently amended figures, viz.: No. 1, 66s.; No. 3, 63s. 6d.; No. 4 foundry, 62s. 6d.; and No. 4 forge, 62s. f.o.b. or f.o.t. In hematite, deliveries are being gradually resumed under contracts, but there is not much new buying coming forward so far. As, however, stocks are now being reduced to some extent, producers are not willing to cut prices and adhere to a minimum of 71s. for mixed numbers. As it is unlikely that any further concession in prices will be obtainable, consumers are expected to come on the market very shortly to make fresh purchases. Shipments of pig iron have improved, the clearances to 26th inst. being 15,160 tons, against 14,288 tons to July 26th. In the manufacturing departments no orders of importance are reported this week. Most of the mills laid idle for the holidays have now resumed operations, but in one or two instances the stoppage will be extended until the beginning of next week. Prices for steel materials under the rebate scheme are unaltered, viz.: Plates, $\frac{3}{4}$ in. up, £8 15s.; joists, £8 10s.; sections, £8 7s. 6d. Other quotations £8 15s.; iron crown bars, £10 15s.; and 24-gauge galvanised corrugated sheets, £11 17s. 6d., all for home use. There is no movement in the ore trade. Best rubio remains nominally 19s. c.i.f. and the in current freight Bilbao to Middlesbrough, about 5s. 6d. Coke is in slow demand, supplies of good furnace qualities being still offered at 16s. 6d. delivered consumers works for early delivery. The furnaces damped down last week are now in operation again, which restores the total in blast in the district to 25.

Our Sheffield correspondent writes: While the position of the iron and steel trade remains unchanged as regards output and sales, there are signs that the depression has run its course, and the tone in industry is more confident than at any time during the present year. These indications are slight but significant. An increase of inquiries raises hopes that consumers are realising that the conditions of the markets for material are exceptionally favourable, and that a buying movement may follow at any moment. Unfortunately, the state of the principal overseas markets constitutes a hindrance to a full revival of trade. Exports continue at a low level, although a considerable weight of electrical apparatus and machinery is going abroad. Requirements of builders of commercial vehicles are being maintained, whereas trade in the touring car section is very poor. There has been no further decline in the turnover of the tool, cutlery and plate sections. Prices of iron and steel material are low and unchanged.

MISNAMED "EMPIRE" POLICIES THE CENTRAL URUGUAY RAILWAY. THE "COLGRAPH" ACCOUNTS WARING & GILLOW CROMPTON PARKINSON

In the Weekly feature

"CONCERNING CARS" The Motoring

Editor Discloses and Discusses

MORRIS 1931 PROGRAMME

SEE

The

Investors' Chronicle
and
Money Market Review

THIS WEEK.

The *Investors' Chronicle* may be obtained at all bookstalls and newsagents throughout the country, price 6d., or from

The Publisher:

"THE INVESTORS' CHRONICLE"
quotations to a lower level. A Reuter message from London, E.C.2. stated that "The Indian Government Bank Limited" had Shanghai Bank 5,000,000 ounces of silver for delivery.

Our Glasgow correspondent writes:—The dullness which has prevailed in the West of Scotland iron and steel trade for some time continues, and the only improvement noticeable at the moment is the greatly increased number of inquiries coming on the market just recently. The orders placed are sufficient to keep operating plants steadily employed, but their number is unusually small. Buyers are still confining their purchases to materials for immediate requirements, and this is evident in practically every branch of the industry. During the present week several orders for steel structures for export have been placed with Glasgow firms, involving quite a considerable tonnage, and most of the local structural steel concerns have a fair amount of work on hand at present.

Our Cardiff correspondent writes:—General conditions in the Welsh steel and tinplate industries are unchanged. Business in tinplates has been done at the minimum price of 18s. per basis box, f.o.b. works port, but wasters are the only firm spot at from 15s. 9d. to 16s. 9d. per box. The demand for galvanised sheets continues inactive, but manufacturers are adhering to their minimum price of £11 17s. 6d. per ton f.o.b. Welsh steel bars have ruled between £6 3s. 9d. and £6 5s. per ton net, with foreign bars offering at £4 17s. 6d. per ton. Shipments last week were heavier than in the preceding week, and stocks have accordingly been reduced, the official figures giving the total of 119,592 boxes compared with 138,843 boxes in the previous week, and 186,639 boxes at the corresponding period last year.

OTHER METALS.

TIN.—The standard market displayed quiet features and, with sellers prominent, values pursued a downward course, while influenced by lower Eastern cables. The close was firmer on lighter offers. Standard cash changed hands at £134 5s. to £132 10s., and £135 10s.; three months, £135 10s. to £134 5s. and £137 5s. In the East sales were reported at £137 17s. 6d. to £137 and £138 10s. ton c.i.f.

COPPER in moderate support, with slight price fluctuations. Standard cash sold at £46 17s. 6d. to £46 16s. 3d.; three months, £47, £47 1s. 3d. and £47.

LEAD was a generally idle market, though sellers refrained from pressing and tone fully steady. Good soft foreign pig, August, sold £18 5s. to £18 7s. 6d.; September, £18 3s. 9d. to £18 2s. 6d. and £18 3s. 9d.; November, £18 2s. 6d. to £18 1s. 3d. and £18 2s. 6d.; December, £18 1s. 3d. to £18 2s. 6d. ton.

SPELTER in fair request at irregular prices, closing firm. August, sold, £15 13s. 9d.; September, £15 17s. 6d., £15 16s. 3d. and £15 18s. 9d.; October, £16 5s. to £16 3s. 9d.; November, £16 6s. 3d. to £16 3s. 9d. and £16 7s. 6d.; December, £16 8s. 9d. to £16 11s. 3d. and £16 10s. per ton.

ALUMINIUM steady. Home trade, £95; export, £100 per ton.

QUICKSILVER maintained. Spot, £22 2s. 6d. per bottle.

ZINC OXIDE quiet at £25 to £32 per ton, as to quality, delivered United Kingdom.

TIN PLATES steady. I.C. coke, prompt and forward, 18s. per box, f.o.b. Swansea.

ANTIMONY.—Quiet and tendency easier. English regulus, quoted £38 to £45; Chinese ditto, spot, £27; August-September, £25 5s.; crude, August-September, £14 12s. 6d. per ton c.i.f.

ANTIMONY OXIDE.—August-September, £27, with spot lots selling at £30 ton.

ANTIMONY ORE.—60 per cent., August-September, 4s.; ditto, 50 per cent., 3s. 6d. per unit c.i.f.

WOLFRAM quiet. Chinese spot, 18s.; August-September, sellers, 18s. 9d.; Burmese, spot, 18s.; August-September, 17s. per unit c.i.f.

THE COTTON TRADE.

LIVERPOOL, August 27th.

During the past week prices reached their new low level, October being quoted at 5.89 and January at 5.97, but since then values have improved some 33 points, on shorts covering mainly on the statement issued in New York that the Federal Farm Board was prepared to advance loans up to 90 per cent. of the value of cotton. The advance has had the effect of causing the South to hold and also raising the basis. We have still before us the weight of the hedges, both of the American and other growths, against this, trade demand which, at present, seems to be from hand to mouth and so helping to steady prices somewhat. There is no sign of the trade making long distant contracts. Weather conditions in the Eastern belt continue to be very favourable. Temperatures continue high in the West and Central belts and cause some shedding, but beneficial rains have fallen in the Western area and the drought can now be said to have broken. The United States Census reported ginnings to August 6th as 573,000 bales against 304,000 last year and 280,000 in 1928, the total being higher than expected, and reflected early maturity of the crop owing to the favourable conditions in Georgia and South Texas. Spot sales for the week 21st to 27th (inclusive) are 23,000 bales, of which 8,930 are American, 2,900 Brazil, 1,600 Argentina, 2,500 Peru, 2,250 Egyptian, 3,050 African, 1,650 East Indian, and 120 sundries. Imports for the same period are 18,551 bales, of which 4,120 are American, 3,023 Argentine, 5,053 Peru, 3,817 Egyptian, 315 African, 2,205 East Indian, and 18 sundries.

Quotations to-day are: American Middling, 6.59; Egyptian Sakel, 12.40; Uppers, 8.40; Brazil Fair, 5.84; Peru G.F. Smooth, 6.84; West African Middling, 6.59; and East African G.F., 7.44.

MANCHESTER, August 27th.

At the lower level of values buyers have tested prices on a freer scale. Traders, however, still fear a downward reaction in raw cotton rates, with the result that there is much hesitancy in placing orders. At the same time, the turnover has shown a slight expansion without there being any need for producers to restart idle machinery. The conditions in India are still against active operations, but during the week there has been more price testing and a few more orders have been booked, chiefly for Madras and Karachi. There has been a little more inquiry for China, and demand for South America and Egypt has also been slightly better. Shippers with connections in the other markets have reported more price testing. Spinners of American yarns have complained of the poor bids put forward. At the same time, sales have been rather larger than recently. Only restricted operations have occurred in Egyptian numbers. Buyers all round are impressed by the bearish cotton position, and larger orders will not be given out until there is plenty of evidence for arriving at the view that prices have grounded.

Statement of the Cotton Trade.

	1930.				Corresponding Date.	
	Aug. 6.	Aug. 13.	Aug. 20.	Aug. 27.	1928.	1929.
Raw Cotton—Mid. American..... per lb.	7.29	7.15	6.49	6.59	10.58	10.39
Sakellaridis Fully Good Fair..... per lb.	12.15	11.95	10.85	10.40	19.05	17.05
Egyptian..... per lb.	11.11	11.11	10.1	10.1	16	15.2
Yarns—32's twist..... per lb.	11.11	11.11	11.11	11.11	16.1	16
40's twist..... per lb.	20	20	19	19	29.1	26.1
60's twist (Egyptian)..... per lb.	20	20	19	19	29.1	26.1
32-in. Printers, 116 yds., 16 by 16, 32's and 50's..... s. d.	20 6	20 6	20 0	20 0	25 3	25 6
36-in. Shirtings, 75 yds., 19 by 19, 32's and 50's..... s. d.	23 0	23 0	22 6	22 6	28 9	28 6
40's..... s. d.	12 7	12 7	12 4	12 4	15 3	15 3
38-in. ditto, 38 yds., 18 by 18, 10 lb..... s. d.	11 4	11 4	11 1	11 1	14 1	13 9
39-in. ditto, 37½ yds., 16 by 15, 8½ lb..... s. d.	11 4	11 4	11 1	11 1	14 1	13 9

THE WOOL TRADE.

Our Bradford correspondent writes:—Perhaps the most timely subject on which to offer comment is the differences in the estimated decrease in the forthcoming Australian new clip, the first sale of the season being held at Perth on September 9th. A new South African season also opens at Port Elizabeth on Monday, when about 3,000 bales of new Karroo wools are expected to be available. Regarding the Australian clip, one official report states that the shrinkage will be about 112,000 bales, while the Australian Mercantile, Land and Finance Company, Ltd., estimate a decrease of 200,000 bales. We do not think that too much importance need be attached to either estimate. The fact of there being a carry-over of about 108,000 bales counter-balances any anticipated falling off in supplies, and with Australia continuing to enjoy a bountiful rainfall, it should help to give plenty of feed and water as Spring approaches, besides helping young lambs in particular. We look for a good commercial clip, and anticipate a steady demand for the new wools when the season opens. There is no change in consuming centres. A fairly good tone obtains in Bradford for merinos, which undoubtedly are in the best position of any class of raw material. It is with great difficulty that more than 28d. can be made for warp 64's tops, and there have been considerable sales at 4d. less. Most spinners have bought something, but no party seems prepared to purchase big weights to cover their requirements to the end of the year, which has been customary in the past. What is wanted above everything else is more business in yarns and piece-goods, and until these orders materialise, we are not likely to see anything more than hand-to-mouth buying in wool and tops. Crossbreds are still on the easy side, and good 46's carded tops can be bought to-day at 14-14½d.

HIDE, LEATHER AND ALLIED TRADES.

Very little alteration occurred in the prices for cattle hides at the auctions held at Manchester this week; warbled cows were 4d. per lb. dearer and bulls cheaper by a similar amount, but apart from these, other classes were unchanged. Calf skins are not quite so good a market. Shearlings are firm to a slight advance, but the market for lambskins still remains unsatisfactory and values are weaker. A better atmosphere prevails in the market for foreign hides. In the South American market a fair amount of business has been transacted for various destinations at prices which show a hardening tendency. Sales of Argentine ox have been made to America, Russia, Europe and the home trade at the equivalent of 6½d., with 5½d. paid for light ox, and 6½d. for cows. The market for dry hides has improved and B.A. Americanos have changed hands at 7½d., Inservibles at 4½d., and M.V. Americanos at 7½d. A fair amount of business has been passing in Cape hides, firsts and second dries being on offer at 8d. and 7d., with drysalted, 20-30 lbs., quoted at 7½d. and 6½d. for the same selections. Australians were inclined to weaken, but with a fair amount of business passing at the lower quotations values are again firming up. Producers and merchants of sole leather have experienced quite a satisfactory turnover since last writing, with the demand covering most descriptions. Dry

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hide bends have been in demand for the manufacturing end of the trade: English and wet-salted bends in the medium to heavy weights have also been responsible for a good call, and a satisfactory feature of the business passing is that a large part of the inquiry is on account of the better quality leather. The offal market, which has inclined to be slow of late, is also showing an improvement. Prices for most classes are firmly held. Business with upper leather merchants and manufacturers has also been better with a firmer tone noticeable for certain lines. Willow calf still accounts for the bulk of the sales being made, but at the same time the turnover in connection with black and brown glacé kid is satisfactory. Box calf sales show an upward trend, but against this the call for semi-chrome upper leather is very poor. Patent and reptile upper leathers are neglected. Reports of trade with curriers this week are just a shade better.

OVERSEAS PRODUCE.

SUGAR.—Previous quotations were repeated for all British refined goods on the spot, but there is only a comparatively small business doing as trade buyers are not inclined to exceed pressing requirements. However, they are inclined to show more interest in forward deliveries where an appreciable discount in price is marked. The suggestion put forward by Cuban producers not to export more than 2,800,000 tons to the U.S.A. for a few years, subject to native crops of the latter and production of their preferential sugars not being increased, has been received with mixed feelings. Terminal sections opened firmly, but soon assumed a quieter tone. Moderate sales in raw, include December delivery, 5s. 3d. to 5s. 2½d.; March, 6s. 3½d. to 6s. 3d.; May, 6s. 6d. and August 6s. 9½d. Parcels of some home-grown granulated, October-December delivery ex store, London, receive attention at 19s. Continental kinds dull. Cuban receipts last week 36,579 tons, against 31,828 same time last year; exports, 69,374, against 108,021; stocks, 1,292,801, against 792,323. Messrs. Willett estimate stocks on plantations and in transit to ports of shipment in Cuba at 1,488,000 tons. Stocks of raw sugar in the three chief ports of the United Kingdom for week ending August 23rd, 140,137 tons, against 101,117 last year.

COFFEE.—Demand continues steady, both on home and export account. All desirable qualities of which supplies are limited, realise very steady rates. Brazilian qualities for shipment show a downward tendency.

COCOA.—Sales in spot goods have been small, and prices moved against the seller. In forward positions, a smart decline was registered, mostly West Coast African, as a large crop movement there, coincides with general slackness of consumption. Accra F/F October-December, London contract, sold down to 29s.

TEA.—During the week, 45,650 packages Indian were submitted to auction. Good competition ensued for the finer qualities at advancing rates, clean common ruling steady, but most others manifested slight irregularity and weakness. Ceylon sales of 30,653 packages attracted fairly good general support, and prices were scarcely changed. Demand for China descriptions quieter of late, but prices hold together very well. Java and Sumatra sales generally steady.

RICE.—Market generally quiet, but sellers adhere to steady asking prices. Two Stars, spot, London, quoted 13s. 1½d.

BEANS.—A quiet market, but prices show no material change where sales result.

PEAS.—Steady but slow. Japanese current crop, August, 17s.; September-October, new, 18s. 9d.

POTATOES.—Trade in the Spitalfields market remains quiet, with ample supplies on offer. Quotations: Lincoln King Edward, 6s.-6s. 6d.; whites, 4s. 6d.-5s. 6d. Essex King Edward, 5s.-6s.; whites, 4s.-4s. 6d. Bedford King Edward, 5s.-6s.; whites, 4s.-5s. per cwt.

SPICE.—Pepper steady on the part of sellers, though business was conducted on quiet lines. Lampong black, spot, London, quoted 6½d.; May-July, 5½d.; July-August, 5½d.; August-October, 5½d.; Muntok, white, spot, 8½d.; May-July, 7½d.; July-August, 7½d.; and August-October, 7½d. London stocks 20 tons higher on the week respecting black at 827 tons, against 1,173 same time last year; white, 27 up, at 410, against 327 last year.

FRUIT.—Currants: The spot position remains steady, with inquiries chiefly for Australian descriptions. Sultanias: Spot market quiet, but prices firm for new crop Cretans to arrive. Smyrna, common to good, 37s.-50s.; Cretan, 34s.-55s. Raisins dull. Valencia, 1 boxes, 34s.-35s.; new crop, 30s.-32s. 6d. to arrive. Dates slow of sale. Evaporated fruits: Apricots moved off more freely, but demand generally quiet.

CANNED GOODS.—The general position of fruit remained unaltered, but a return to better climatic conditions should stimulate consumption. Both English and Australian varieties received fair attention, but Californian proved slow of sale. Singapore pines steady. The market for fish is dull. The canned meat trade is

COMMERCIAL TIMES—WEEKLY PRICES CURRENT.

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

LONDON, TUESDAY.			FRUIT (continued)			WOOL—			HIDES—		
CEREALS AND MEAT.			Spanish Onions,			English Southdown, washed			Wet salted—Australian		
GRAIN, &c.	s.	d.	Valencia—	s.	d.	per lb.	s.	d.	per lb.	s.	d.
Wheat, No. 3, N. Man.	496	10	case 4s.	5	0	16½	10		West Indian	0	44
Eng. Gaz. av.	35	3	case 5s.	6	0	16½	10		Cape	0	30
Barley, Eng. Gaz. av.	8	5	Onions, Oporto	case	5	0	25		Dry and Drysalted Cape	0	40
Oats,	6	3	Chestnuts, Huolva	bags	0	0	13		Market Hides, London	0	60
Maize, La Plata, landed	480	10	Grapes, Lisbon	boxes	9	0	10½		Best heavy ox & heifer	0	54
Flour, Lon. stan. ex mill,	s. d.		LARD—				9½		Best cow	0	30
280 lb.	31	6	Irish bladders	62	0	72			Best calf	0	30
Rice, No. 2 Burma, per cwt.	11	10	American boxes	56	15	62				0	8
Sago, Pearl, per cwt.	18	9	SEEDS—						INDIGO—		
Taploca, per cwt.			Pepper, per lb.						Benigal gd. red-vio.		
E.I. flake, fair spot	17	6	Muntok, fair White	0	0	0			to fine—per lb.	5	6
Medium pearl	20	0	Black Lampong	0	0	0			LEATHER—		
Potatoes, good English,	6	0	Cinnamon—1st sort, per lb.	0	11	0			Sole Bonds 8/14 lb.—		
per cwt.	6	0	Cloves—Zanzibar	per lb.	1	0½	1		per lb.	1	3
Beef, per 8 lbs.			Ginger—per cwt.	0	0	38			Bark Tanned Sole	2	6
English long sides	5	0	African	0	0	30			Shoulders from DS Hides	0	7
Argentine chilled hinds.	4	10	Jamaica, ord. to good	50	0	90			Do. Eng. or WS	do.	0
Mutton, per 8 lbs.	5	8	Mace	per lb.	1	11	2		Bellies from DS	do.	0
English wethers	3	4	Nutmegs 65's	1	0	1½			Do. Eng. or WS	do.	0
N.Z. frozen	3	4	SUGAR—						Dressing Hides	1	6
Pork, English, per 8 lbs.	5	8	(Duty, 11s. 8d. per cwt.)	19	6	22			B. Eng. Calif, 20/30 lb.	3	9
			B.W.I., crystallised	19	6	22			Aust. Bonds	1	0½
BACON— OTHER FOODS.			Java, white, c. & f. India,	8	6	0			VEGETABLE OILS—		
Irish	96	0	Aug.-Sept.						Linseed, naked, p. ton net	32	0
Danish	88	0	REFINED—London—	20	1½	0			Rape, refined	35	10
Canadian	92	0	Gube Crystal	24	6	25			Coconut-seed, crude	27	0
Dutch	75	0	Cube	23	0	23			Coconut, deo.	33	0
HAMS—Irish	0	0	Crusher	20	9	21	7½		Palm	22	0
Canadian	0	0	Granulated	19	10	21	7½		Oil Cakes, Linseed, Eng.,	9	15
American	84	0	Home Grown (prompt)	19	10	21	7½		per ton	9	15
BUTTER			TEA—						Oil Seeds—Linseed—		
Irish creamery per cwt.	128	0	Indian & Ceylon—per lb.	0	8	2	2		La Plata, p. ton		
Australian	118	0	Pekoe	0	8	2	6		Calcutta—per ton		
New Zealand	126	0	Broken Pekoe	0	10	2	6		Sept.-Oct. 14/16/3	0	0
Danish	142	0	Orange Pekoe	0	10	2	6		Sept.-Oct. 17/7/6		
CHEESE—			Broken Orange	0	9	4	1½		Turpentine, per cwt.	36	3
Canadian	74	0	TOBACCO						MINERAL OILS—		
New Zealand	71	0	(Duty 6/10-11/2½ per lb.)						Petroleum—Oil, per 8 lbs.	1	0
English Cheddars	78	0	Europe growths, 6/9½						Water-White	1	0
Dutch	48	0	Virginia leaf—						Lubricating—	1	0
COCOA—			Common to fine	0	10	2	6		Pales	10/5/0	21/7/6
(Duty, British grown,			Rhodesian leaf	0	9	1	6		Reds	11/10/0	18/15/0
9s. 4d.; foreign, 14s. cwt.)			Nyasaland leaf	0	10	1	8		Cylinder	12/0/0	29/10/0

quiet, but steady for hams and tongues. Trade in condensed milk and milkpowders is steady, with a better demand. Quotations: English, full cream, sweetened, 5-cwt. casks, 40s. The market for honey continues weak on liberal offerings, but buyers were more in evidence. Jamaica white, 47s. 6d. to 50s.; good amber to fine pale, 40s.-45s.; New Zealand, 65s.-87s. 6d. cwt.

MEAT.—According to the official report, prices in the Smithfield market showed a weakening tendency. Beef, per 8 lbs.: English long sides, 5s. to 5s. 8d.; Argentine chilled hindquarters, 4s. 10d. to 5s. 4d. Mutton, per 8 lbs.: English, 5s. 8d. to 7s. 4d.; New Zealand wethers, 3s. 4d. to 4s. 4d. Pork, per 8 lbs.: English (under 10 st.), 7s. 4d. to 7s. 10d.

RUBBER.—Quietness again governed this market and prices at times disclosed slight irregularity. Standard sheet, spot and September, sold, 4½d.; October, 4½d.; October-December, 4½d. to 4½d. and 4½d.; January-March, 5½d. to 5½d. and 5½d.; April-June, 5½d. to 5½d. and 5½d.; July-September, 5½d. to 5½d. London stocks increased 394 tons on the week, landings being 1,586, deliveries 1,192, stocks 80,618 against 34,653 last year. Liverpool stocks, 625 higher, landings 857, deliveries 232, and stocks 29,673 against 7,285.

HEMP.—Business in Manila qualities confined to a narrow compass and rates disclosed slight weakness, as sellers were inclined to meet buyers. J2, October-December, quoted £22 10s.; K ditto, sellers, £20 10s.; L1, £20 10s.; L2, £18 15s.; M1, £19; M2, £18 10s.; G, £23 5s.; H, £21 5s. c.i.f. Receipts last week cabled 16,000 bales against 26,000 last year and 29,000 in 1928. Estimate for next week 26,000, and week after 23,000. Manila shipments last week: United Kingdom, 4,000; Continent, 2,000; U.S.A., 5,000; Japan, 6,000; local consumption, 1,000; stocks, 143,000.

VEGETABLE OILS AND OILSEEDS.—The feature of the markets is the further weakness in linseed. Old crop Argentine linseed offers freely, and for August and September shipment to Hull is quoted around £14 15s. or less. The yield of the new crop is anticipated to be favourable and export will begin in December, and actual business in this is reported done at £13 10s. Cottonseed is a shade steadier, with old crop Egyptian offering at £6 15s., and new crop for September and October loading held for £7. Linseed oil is in poor request, and values have sharply declined. Current value of raw oil, August delivery, ex Hull, being £32, and for September-December £31. Cotton oil is quiet. Crude Egyptian offering at £26 10s. Other seed oils are barely steady. Demand for oilcakes and meals is fair. The market for copra remains very dull, and the trend of prices is weak. Straits S.D. September, to Rotterdam, quoted £16 15s.; October, £17; Dutch East Indies, September, £16 15s. Palm Kernels, September-October, to Hamburg, quoted £12 5s. c.i.f.

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THE MONEY MARKET.

THE past week has seen no appreciable change in the general conditions of ease which characterise the present situation of the money market. On Monday calling-in operations and some considerable credit displacements resulted in a fair demand for loans at from $1\frac{1}{2}$ to 2 per cent.; but on the following day the effect of Monday's Government dividend disbursements, amounting to over £9 millions, were felt more fully, and fresh money was obtainable

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down to $1\frac{1}{2}$ per cent., at which figure old day-to-day loans were also renewed by lenders outside the clearing banks. These rates continued to prevail during Wednesday and Thursday, supplies being increased by the large excess of Treasury bill maturities.

Notwithstanding the monetary ease, discount rates from Monday onwards had a firmer tendency under the influence of the unfavourable course of the leading foreign exchanges. The three months' bill rate by Wednesday was appreciably firmer at $2\frac{1}{4}$ per cent., with 2 per cent. offered by the clearing banks for October bills and $2\frac{3}{4}$ per cent. generally asked for six months' bills. On Tuesday a moderate Continental demand was reported for 90-day bills at $2\frac{1}{2}$ per cent., but on the following day this demand appeared to have been satisfied. The new six months' Australian Commonwealth bills changed hands round $2\frac{1}{2}$ per cent., giving a useful turn to the market.

On Monday £215,000 in gold was withdrawn from the Bank of England, the purchaser being generally believed to be Switzerland. This week's supply of fine Cape gold available in the open market amounted to the substantial sum of £1,169,000. Of this total £35,000 was disposed of to the trades, and £960,000 was bought on Tuesday for shipment to Paris at the higher price of 85s. 0 $\frac{1}{2}$ d. per ounce fine, the franc being quoted on that day at 123.74; and on the following day the balance of £174,000 was also purchased for Paris, notwithstanding a rise in the franc quotation to 123.77. On Wednesday the Bank statement showed that 400,000 sovereigns had been set aside, making a net efflux for the week of £381,398.

Though French francs cheapened on Thursday to a point which gives ground for hoping that the threatened renewal of a gold drain to Paris may be averted for the time being, the distinct weakness of sterling in terms of the dollar has gone far to damp the somewhat premature optimism which inspired, last week, talk in some quarters of the market of a reduction in Bank rate to $2\frac{1}{2}$ per cent. It is true that the technical position of the Bank is strong, and that trade depression may reduce the volume of this season's import financing, but with open market rates at their present level, it seems probable that more of that financing will be effected in London than was at one time expected. Moreover, present rates appear to be attracting a certain amount of not particularly desirable foreign finance paper. Thus, on the whole, we should look for a gradual narrowing of the present margin between open market and Bank rates, rather than for any further reduction in the latter.

	Aug. 14, 1930.	Aug. 21, 1930.	Aug. 28, 1930.	Sept. 4, 1930.	Previous Rate and Date Changed.
Bank Rate	3%	3%	3%	3%	3% (May 1, '30)
Banks' Deposit Rate	1	1	1	1	1 $\frac{1}{2}$ (May 1, '30)
Discount Call	1	1	1	1	1 $\frac{1}{2}$ (May 1, '30)
Houses' Notice	1 $\frac{1}{2}$	1 $\frac{1}{2}$	1 $\frac{1}{2}$	1 $\frac{1}{2}$	1 $\frac{1}{2}$ (May 1, '30)
Market rate (3 months' bills)	2 $\frac{3}{4}$	2 $\frac{3}{4}$	2 $\frac{3}{4}$	2 $\frac{3}{4}$	...

The week's Bank return reflects chiefly the effects of Government dividend disbursements. Public deposits were reduced by £10,255,376, but Government securities have declined by £1,260,000, and a further £627,977 of "other" securities have been allowed to run off. Bankers' deposits were £4,827,899 higher, but, despite the loss of gold referred to above and an increase of £2,114,331 in the active circulation, the reserve proportion was well maintained at 47 $\frac{2}{3}$ per cent., a figure which compares very favourably with 26 per cent. in the corresponding week last year.

NEW YORK.

On Tuesday, when markets reopened after Labour Day holiday, money on call was steady at 2 per cent., but on Wednesday the rate advanced to $2\frac{1}{2}$ per cent., the influences usually apparent at the beginning of the month drawing funds away from New York. Acceptance dealers

report that the supply of cotton bills is noticeably small, and it is believed London is attracting much of this business. There have been no further movements of gold to France during the week, but \$2 millions were shipped on Wednesday to Canada, and on Tuesday the import was announced of \$725,000 from Brazil.

THE STOCK MARKETS.

A firmer tone again obtained in the stock markets, industrial share prices further recovering, though public interest was not conspicuous. Gilt-edged stocks were slightly easier on the resumption of gold exports to France, but India stocks showed a welcome recovery. Home railways remained out of favour. The strength of industrial stocks was exemplified, not only by the attention paid to the recognised market leaders, but by improvements in less active sections, such as steels and textiles. Rubber shares were harder, despite the decline in the commodity to a new low "record." A moderate selective business was done in mining shares.

THE COMMODITY MARKETS.

The announcement of a pending increase in the price of house coal led to a temporary increase in sales, but the general situation in the coal trade remains depressed. Although activity in the iron and steel industries continues on a low level, there is evidence of a slight improvement, particularly in the pig-iron section. Falling prices of raw cotton resulted in a slight increase in demand, but the market in manufactured goods remains dull. The wool trade remains quiet. Hides and leather are slightly firmer. The jute trade is depressed; the supply of the raw material is far in excess of demand and the stocks of manufactured goods are very large. Wheat prices declined sharply.

THE FOREIGN EXCHANGES.

No great activity was apparent in the Foreign Exchange market this week, and the tendency of sterling was rather dull compared with several of the leading currencies. New York opened at 4.87, but the rate gradually fell away to 4.86 $\frac{1}{2}$, or $\frac{1}{8}$ lower than last week. Montreal gained $\frac{1}{4}$ at 4.86. Paris, after touching 123.73, declined to 123.81, or 4 points worse than last week. Brussels lost over a point at 34.84 $\frac{1}{2}$. Milan was better at 92.91, a gain of seven points on last week. Madrid was again erratic, and closed weaker on balance at 46.00. Amsterdam went against this country and gained $\frac{1}{4}$ at 12.08 $\frac{1}{2}$. Berlin, after moderate fluctuations, was unchanged at 20.39. Switzerland gained a point at 25.04 $\frac{1}{2}$, after touching 25.03 $\frac{1}{2}$. Stockholm was firm at 18.10, Oslo unchanged at 18.16 $\frac{1}{2}$, as was Copenhagen at 18.16. Of the South American exchanges, Rio was again uncertain, but gained $\frac{1}{8}$ d. on balance at 4 $\frac{3}{4}$ d. Buenos Aires was very weak, and declined steadily from the opening level of 40d. to 38 $\frac{1}{2}$ d., though it later recovered to 39 $\frac{3}{4}$ d. Montevideo lost $\frac{1}{2}$ d. at 40 $\frac{1}{2}$ d. In the Far East the rupee was steady about 1s. 5 $\frac{3}{4}$ d., as was the yen at 2s. 0 $\frac{3}{4}$ d. Batavia was firm at 12.08 $\frac{1}{2}$. In the forward markets dollars were less in demand at lowered premiums of $\frac{1}{8}$ and $\frac{3}{8}$ cent. Paris was more sought after at 3 and 7 centimes premium, against 2 $\frac{1}{2}$ and $\frac{1}{2}$ last week, as was Brussels at 1 centime premium for both periods. Milan was quoted at 10 and 31 centesimi discount, whilst Madrid went to 1 $\frac{1}{2}$ and 4 centimos premium for one and three months respectively. Amsterdam was weaker at $\frac{1}{8}$ and $\frac{1}{4}$ cent premium. Berlin remained unchanged at 1 and 3 pfennigs discount. Switzerland was static at $\frac{1}{4}$ centime premium for one month, but was more in demand for three months' delivery at 1 $\frac{1}{2}$ centimes premium, against 1 centime last week. Silver advanced by $\frac{1}{4}$ d. for both spot and forward at 16 $\frac{1}{4}$ d., on better support from China. The silver exchanges were not greatly affected, Hong Kong remaining unchanged at 1s. 4d., whilst Shanghai gained $\frac{1}{4}$ d. at 1s. 7 $\frac{1}{2}$ d.

ECONOMIST INTELLIGENCE BRANCH.

Our Intelligence Branch, which has been amalgamated with Moody's Investors Service, Ltd., is available to our readers for the supply of economic, statistical and other information, at a charge proportionate to the work involved. Inquiries should be addressed to Moody's Economist Services, 6, Bonville Street, London, E.C.4.

THE REGIMENTATION OF TRADE.

Novum omne pro magnifico. Among the values which the "classical" economists had to consider there did not figure—fortunately for them—that which to-day attaches to "news." It is a value which has a regrettably distorting effect, well illustrated during the past week by the reception accorded in the Press to two closely related expressions of opinion on trade policy—that of the National Association of Merchants and Manufacturers, and that of the Trades Union Congress. The first, issued as a counter-blast on more or less traditional "City" lines to the "heretical," and therefore widely advertised, pronouncement of the recent so-called "Bankers' Resolution," has received a minimum of publicity. The second, acclaimed (or assailed, according to taste) as a novel departure from the accepted rules of Labour's fiscal policy, has attracted so much limelight, directed exclusively upon its least familiar aspects, that its full implications, as a coherent whole, are in danger of being obscured by this selective illumination. The result is that a foreign observer, unused to the working of the contemporary British Press, might be led to conclude not only that the "City" is allowing the case for Free Trade to go by default, but that there is a fundamental cleavage of opinion on trade policy between the Government, whose attitude towards tariffs is officially one of uncompromising opposition, and the organised ranks of industrial Labour. In reality, such is by no means the case. The signatories of the "Reply to the Bankers," who form an impressive body of opinion, representative of bankers, manufacturers and trading interests, have lent weighty support to the Free Trade Cause, and the pertinent questions which they address to those who subscribed to the "Bankers' Resolution" cannot be lightly disregarded. What are the grounds, they ask, for the recent "conversion"?

"Four years ago a number of distinguished bankers and commercial leaders signed a plea for the removal of tariffs and restrictions upon trade, on the ground that they raised prices, diminished production, created artificial dearth, and led to the impoverishment of Europe. Quite recently a resolution signed with some of the same names has been published, appealing for 'reciprocal trade agreements between the nations constituting the British Empire,' and contemplating, as a condition of securing such agreements, the imposition of duties 'on all imports from all other countries.' The only reasons offered for this change of attitude are the disappointment of the hopes expressed four years ago, the increase of trade restrictions in the interval, and the growing sale of 'surplus foreign products in the British market.'"

"We cannot think these reasons adequate for the sudden reversal of the system of free ports and open markets on which British commerce has been founded now for many years."

The "Reply" goes on to draw attention to some of the glaring fallacies in the Protectionist argument and to re-state in simple terms the general case against tariffs, whose alleged advantages are demonstrably inapplicable to the circumstances of this country. "It will not be seriously disputed," say the signatories, "that tariffs are levied in order to raise prices." But how, they ask, can a tariff help British producers, whose need, if they are not to be perpetually out-competed in foreign markets, is essentially to reduce their costs of production? Apart from the fact that experience shows that a policy of tariff retaliation merely encourages and does not allay fiscal warfare, and that a large-scale diversion of our foreign trade would be attended by serious and incalculable reactions on our exports and our income from foreign investments, what evidence is there, they inquire, that the general expansion of our trade would be aided, or the total volume of employment in this country increased, by imposing taxes which would raise the cost of living, enhance labour charges on production, and diminish the purchasing power of the home consumer?

Turning from "the City" to this week's conference at Nottingham, we cannot find in the proceedings of the Trade Union Congress any evidence that industrial Labour has made up its mind either to "plump" for a Protective tariff or to accept the validity of the thesis

put forward by the proponents of so-called "Empire Free Trade." The report, in which the General Council's Economic Committee explored the possibilities of a "Commonwealth group," and whose cautious and in the main very sensible terms we have already analysed in detail (*Economist*, July 5, 1930), was carried by 1,878,000 votes against 1,401,000; but from the debate on the report and from the President's inaugural address to the conference little emerged from which either of the rival camps of Protectionists can derive much satisfaction. There was not the least likelihood, Mr Beard, the President, declared, that the trade union movement would ever adopt a policy of all-round Protection, though trade unionists were not disposed "to make a fetish of Free Trade or to maintain that at no time and in no circumstances whatever must the principle of 100 per cent. Free Trade be questioned." Mr Bevin, moving the adoption of the Economic Committee's report, explicitly derided "the tariff solution." In conceivable circumstances (by these he appeared to mean primarily the case of a nationalised industry menaced by import-dumping conducted by private enterprise) the use of a fiscal weapon might be necessary, but "it could not be the basis of a solution of any problem at all, least of all the problem of unemployment"; and as for the suggestion that the problems of Empire development could be settled by tariff arrangements—"no more crazy idea was ever submitted to intelligent people."

What, then, has the Nottingham conference done to elucidate the attitude of the industrial side of the Labour Movement towards the question of British trade policy? It has demonstrated, as we see it, four things. Firstly, it has revealed not so much a weakening of Labour's fidelity to Free Trade ideals as a growing, and healthy, disinclination on the part of trade unionists to accept "*laissez faire*" as a self-evidently valid policy to be unquestioningly followed. Secondly, it has shown that Labour is as alive to the fallacies of protectionist argument as are the signatories to the "City" manifesto quoted above. In the third place, both the tenor of the speeches which followed Mr Bevin's and the size of the vote against the Economic Committee's report are strong evidence that though trade unionists are ready to explore actively the possibility of developing more effectively the resources of the Empire, a very substantial section, if not indeed the majority of their ranks, appreciate that success in this direction would not of itself solve the difficulties of our exporting industries, and that any attempt to form an exclusive "Commonwealth group" on lines of "Economic Imperialism" would be disastrous. Fourthly—though this is really a complement of the first line of thought noted—the conference has demonstrated how strikingly Labour is turning from the old conception that if once the instruments of production were socialised all would be well (foreign trade somehow looking after itself), and is approaching the view that its key problem is to achieve in the first place "conscious control and regulation" of supplies of foodstuffs and raw materials and of the outward flow of British products.

In this notion that foreign trade can be "rationalised" or "regimented" there are both considerable potentialities and obvious dangers; and though we found little ground for quarrelling in any vital respect with the Economic Committee's report on the problems of increasing British markets, whether in the Empire or elsewhere, we should like to be reassured that the leaders of the T.U.C. will not allow themselves to drift on the tide of political expediency into accepting, as a substitute for a tariff, crude schemes of import control by the State—devices whose aim would be equally Protectionist and whose effects might be even more vicious.

In urging the need for closer and more continuous consultation with the Dominions on market possibilities, the General Council of the Congress have done good work, and

we do not dispute their general thesis that the present circumstances of Britain call for a maximum not only of individual effort but of concerted, co-operative planning, if our vital foreign trade and our domestic production are to be maintained. But in the detailed application of that thesis to practical requirements much foresight and close thinking are wanted. The best hope for the future in this respect is that the *rapprochement* which the past three years have brought about between organised labour and capital in industry may be developed and strengthened by continuous discussion and consultation.

THE LENA CASE.

THE judgment given in the Arbitration Court in the case of Lena Goldfields v. the Soviet Government this week has clearly an economic and political significance considerably wider than that attaching to the interests of investors in this particular company. Indeed, at a time when the interests both of England and the U.S.S.R. in the expansion of markets were pointing to the advisability of a closer commercial *rapprochement*, if only a settlement of outstanding difficulties could be secured, the Lena award has inevitably reopened so many old sores, and raised in such an acute form the whole question of Anglo-Soviet relations, that a dispassionate examination of the facts of this potential *cause célèbre* and what they seem to imply appears desirable.

For an adequate appreciation of the situation leading up to the final collapse of this important mining concession, it is necessary to hark back to 1921, when Lenin introduced the New Economic Policy into Russia, and so put an end to the active revolutionary era and the period of "war communism." In that year it became apparent that the available capital resources of the U.S.S.R. were likely to prove wholly insufficient to repair the ravages of the Revolution and the civil wars, and to set Soviet national economy on a sound financial and technical footing. The introduction of "N.E.P." was consequently accompanied by the resuscitation of private enterprise in the distributive and other trades, and to some extent in industry, and by the launching of a new scheme whereby foreign capitalists would be offered "Concessions" on Soviet territory, and would be asked to develop certain branches of the Soviet economy—particularly manufactures, mining and agriculture—on terms which provided for the division of profits between Government and concessionaire in agreed proportions, and which undertook to secure for foreign enterprise privileged conditions of working as compared with State-owned enterprises.

In pursuance of this policy, a concession agreement was signed in November, 1925, between the Soviet Government and Lena Goldfields, Ltd., a company which united the former owners of Lena Goldfields of Siberia and a number of enterprises interested in the former Sysert mining district and the South Altai mixed ore deposits of Southern Siberia. By this agreement the company was granted the concessionary right to enterprises in the gold mining and subsidiary industries for a duration of thirty years in the Lena-Vitim district and for a duration of fifty years in the Ural-South Altai district. Relations between the company and the Government continued on fairly amicable lines until the latter part of 1928, when, before Lena had had occasion to voice any strong discontent, the Soviet Government apparently began to protest that certain provisions of the concession agreement—the provision of capital for prospecting in the Altai, the smelting of copper in the Degtiar copper foundry, the construction of mines and works, the production of gold in the Lena-Vitim area according to plan, and the payment of agreed deductions from the output of the various enterprises—had not been fulfilled. The company retorted that the Government, on its part, had violated both the spirit and the letter of its concession obligations, in that it had failed to transfer to Lena, in the specified time, the whole of the properties which formed the subject of its concession; that it had prevented the company from securing supplies of raw materials, food, clothing and other goods, and from

selling its products freely in the markets of the U.S.S.R.; that it had failed to secure for the concession, on a footing of equality with State enterprises, the necessary facilities for transport; that it had failed to give adequate protection to the properties, and had terrorised its employees; and that, to cut a long story short, it had deliberately put such obstacles in the way of the company as to make the fulfilment of its part of the bargain a virtual impossibility.

For these reasons, Lena informed the Soviet Government, on March 7th of this year, that it could no longer continue to operate the concession. Work was stopped, and both parties proceeded to discuss the composition of the Arbitration Tribunal for which the concession agreement provided. Following negotiations extending over several weeks, the personnel of the Court was satisfactorily arranged, and sittings were about to open in Berlin, when, on April 29th, Lena informed the Government that "resumption of work had become entirely impossible." On May 1st the company followed up this repudiation of responsibility by the withdrawal of power of attorney from its local representative, and an intimation to its foreign employees in Russia that they could return home, thereby irrevocably abandoning the whole enterprise before the Court had met. The Soviet Government regarded this as a breach of paragraph 86 of the agreement, in accordance with which the Concession could only be wound up by the decision of an Arbitration Court, and refused to have anything more to do with the process. The Court, consequently, met in London with Dr. Otto Stutzer, of the Mining Academy in Freiburg, as the super-arbitrator, and Sir Leslie Scott, K.C., as the nominee of Lena Goldfields, the Soviet Government being unrepresented. On Tuesday last the Court decided that the Soviet Government had, in fact, rendered the continuation of the concession impossible, and ordered it to pay the company the sum of £12,965,000 sterling as compensation, all moneys due to the company to carry interest at the rate of 12 per cent. per annum.

From whatever angle it be viewed, this result can hardly be considered a matter for satisfaction. It is possible, and, indeed, probable, that had the Soviet Government been represented, and submitted its own case, the findings of the Court would not have been materially different. Indeed, the Arbitration Court seems to have been at pains to do its best to arrive at an unbiased conclusion on the necessarily one-sided evidence laid before it; and though it is arguable that the amount of compensation awarded is somewhat exaggerated, we are not concerned to dispute in general the justice of the Court's findings. What we regret is that the Soviet Government, which would have been well-advised to waive any imagined juridical right to abstain, has, whether by deliberate or mischance, left its whole attitude to foreign capital operating in the U.S.S.R. in a state of damaging obscurity and uncertainty.

In this issue, which is a matter deeply affecting international relations between the Soviet Government and foreign countries, it has been suggested in some quarters that the attitude adopted by the Soviet Government towards the Lena Goldfields is indicative of a more general *volte face* which has occurred throughout the Soviet economic system. Up to the beginning of 1928, it is said, the New Economic Policy was still a *sine qua non* of Russian economic development, and the Soviets still relied to some extent on foreign concessions for the reconstruction of their industry. With the introduction of the Five Year Plan, or Piatiletka, in that year, the official viewpoint, it is argued, tended to become more and more hostile to foreign capitalists in a nascent Socialist State, and the Government has now decided that the Piatiletka can provide enough working capital from within to allow of adequate financing of industrial operations, so that the period when concessions were welcomed for what they would bring has passed. On this showing, the attack on Lena Goldfields is but symptomatic of a change of heart which would make all capitalist enterprise in Russia virtually impossible.

It seems difficult, however, wholly to reconcile this reading of the situation with other facts. For the truth appears to be that, far from decreasing the urgency of

Russia's need for foreign capital and foreign technique, the Piatiletka, by aiming at a trebling of the total output of Russian industry in five years, has emphasised the acute shortage of capital resources in every branch of Soviet economy. Indeed, not only were concessions not considered to be obsolete in 1929, but they were actually incorporated in the Five Year Plan, and Lena Goldfields formed an essential part of the whole scheme, in that the company was responsible for the production of 35 per cent. of the total output of gold in Russia. There is no clear evidence that the Soviet Government was particularly anxious to acquire the Lena properties at this juncture, and there is even less conclusive proof of organised hostility to concession holders as a whole. The fact that, out of fifty-nine different concessions, only a handful have been liquidated, suggests *prima facie* that the Soviet antipathy to the Lena Goldfields may have been brought about by conditions peculiar to that company, and should not necessarily be regarded as the prelude to a concerted attack on concessions in general.

However that may be, and whatever may be the precise rights and wrongs of the parties to this unfortunate dispute, the fact remains that the Lena case threatens to be of great disservice to the future of Anglo-Russian commercial relations. A concession, of course, which forms a sort of capitalist oasis in a collectivist Sahara, is a very different matter from a foreign trade contract; and even were the Government of the U.S.S.R. to pursue the most outrageously confiscatory policy in relation to its concessionaires, it does not follow that there would be any serious risk of the repudiation of contracts made with importers and exporters abroad. None the less, it would be idle to pretend that the breakdown of the Lena concession will not administer a serious shock to the barely nascent confidence of bankers, traders and industrialists of this country in the good faith of the Soviet authorities. It seems likely, in addition, to complicate regrettably the proceedings of the forthcoming bi-lateral conference on claims and counter-claims. There is no reason to suppose that the Soviet Government will pay the compensation awarded against it, and the addition of this claim to the already astronomical figure of paper demands against the U.S.S.R. on private account, will not facilitate a settlement of the whole debt question. There is also the danger, which, we hope, need not be taken too seriously, that the Lena case may be used as an excuse for a recrudescence of anti-Soviet propaganda, whose only results, in our opinion, would be to exacerbate international relations to no purpose or advantage.

RESTRICTION SCHEMES AND PRICE CONTROL.

IN a recent series of articles we attempted, so far as the defective available statistics permitted, to examine the part played in the depression of the past twelve months by the antecedent accumulation of stocks of certain staple commodities. The evidence by no means tended towards the same conclusion in all cases: stocks of a number of raw materials and foodstuffs were sufficiently heavy a year ago to make the situation precarious, but on the other hand, many other important commodities whose prices have since fallen to an equally severe extent were not apparently being carried in unduly large quantities before the onset of the depression. It would therefore be straining the evidence to attribute the current slump primarily to a predisposing condition of unstable equilibrium brought about by a preceding abnormal accumulation of stocks.

Once started, the depression has run true to type in that it has been accompanied by an almost universal increase in stocks, but one feature which has distinguished this trade cycle, at least in degree, from its predecessors, has been the variety of the steps taken to combat "over-production"—by restriction of output where possible, and failing that, by restriction of sales. Restrictive schemes

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for control of the output of staple foods and raw materials are by no means of recent development—nitrate restrictions began early in the eighties; coffee valorisation schemes came in virtually with the century—and some of the most important, as for example those concerning sugar and rubber, were abandoned before the present depression was even in sight, but the onset of the trade difficulties of last autumn intensified the efforts of the producers of wheat, tea, copper and tin to check the supply of their commodities to the market; nitrates and mineral oil remained under partial restriction; and the coffee control system, which has now been abandoned, remained in force during the first months of the depression.

As this policy of restriction on the part of producers, often aided by their Governments, for the purpose of maintaining the price of their products, threatens to become the rule rather than the exception—among other commodities which are or have been subject to some degree of output or export control can be cited: diamonds, camphor, quinine, citrate of lime, Egyptian cotton, currants, mercury, potash, pulpwood, Japanese silk and sulphur—it is pertinent to consider how far it is possible that such a policy should succeed in its object, and how far such success is desirable from the standpoint of public welfare.

On the question of possibility, experience of past schemes has abundantly illustrated the obvious fact that attempts at market control divorced from control over production cannot be applied with success for more than a short period. It is also obvious that no scheme of output restriction can be effective unless the parties to it possess some degree of monopoly of the commodity in question. One hundred per cent. monopoly, or anything approaching it, is by no means necessary, but the restrictive agreement must cover a preponderant share of the potential supply if it is to exercise the desired influence on the market, as the experience of the two North American wheat control organisations, in the face of competition from the Southern Hemisphere, has only too painfully shown. In the second place, it is impossible to exercise effective restriction, monopoly or no monopoly, if there is even potential competition, whether from the creation of new sources of supply or from substitutes. These were the twin rocks on which the Stevenson rubber scheme was shipwrecked, for not only were rubber plantations developed in new regions, but the use of reclaimed rubber reduced the demand for the crude material by 15 per cent. Thirdly, unless the product be one the output of which is almost wholly controlled by human agencies, restriction is apt to prove a two-edged sword. All vegetable crops and, to a less extent, animal products such as wool and silk, are susceptible of such wide variations from natural causes within the limits of acreage set by the producer that the best-laid schemes for their control are liable to go seriously agley.

Thus, effective restriction seems possible only in the case of a limited range of products, almost wholly confined to minerals, and even within that range only where there is an absence of serious competition, actual or potential, from alternative sources of production or from substitutes. Even where it can be effectively maintained, restriction can only give the control of price which is its ultimate object if the demand for the commodity in question is inelastic—that is, if the price can be raised

without a disproportionate check to consumption. This depends on conditions (as, for example, the relation of the cost of the raw material in question to the total cost of the finished goods in whose manufacture it plays a part) which vary with individual commodities, but it is probable that the peculiar psychological conditions of a trade depression tend to increase inelasticity of demand in general, since a rise in price may promote, and a fall discourage, confidence in the future movement of prices.

If the possibilities of supply control are limited, the possibilities of price control are therefore still more so. The question remains whether such control, within the narrow limits of its possibility, is desirable in the interests of the general prosperity. It is usually assumed by its advocates that such control will only be exercised for the purpose of securing a "fair price," but outside the nursery, whose denizens have the advantage of a right of appeal to beings of superior wisdom, the question of what is or is not "fair," whether in the matter of wages, prices or methods of trench warfare, is rarely susceptible of a satisfactory answer. The answer it is liable to receive is well illustrated by the following quotation from a chapter in a recent American book* dealing, *inter alia*, with the British rubber restrictions: "As evidence of how an appetite may grow with indulgence, it will be observed that the average spot price in July, October, November and December, 1925, was three times as great as the price considered fair when restriction was first adopted." It is true that it may be demonstrated by the analytical methods of the professional economist that in certain circumstances the exercise of monopolistic powers of control purely in the monopolist's own interest redounds incidentally to the interest of the community, but it is doubtful whether the necessary conditions present themselves in the concrete cases which arise at the moment, and more than likely that restriction of output, if it could be successfully practised, would be made to profit the restricters at the expense of everybody else.

Supposing, however, that the price fixed were "fair," would that justify restriction as a policy? A successfully sustained system of control would have the great advantage of creating confidence in prices, though the fate of copper, wheat and rubber prices, in spite of attempts at control, must have been somewhat detrimental to the psychological effect of restriction in general. Unfortunately this advantage has to be paid for too dearly. If the slump in prices affected only one commodity, it might be arguable that it was being relatively "over-produced" and that its producers were in consequence receiving less than their fair share of the world's goods in exchange for their contribution. The remedy, then, would be to produce less and so to command more of other people's products for each unit of their own output. But if all producers try to do this simultaneously, their efforts neutralise each other, as do those of a circus audience if every member tries to get a better view of the performance by standing on his seat. If every association cut down its output by 50 per cent., thinking to command twice as much per unit, the amount of every other commodity commanded by each unit of it (apart from differing demand conditions which may be neglected for the purpose of this argument) would remain unchanged, but everybody would be only half as well off. If some commodities are being over-produced relatively to others, the conscious and deliberate adjustment of the balance could only be effected by an omniscient being who, if he combined wisdom with his knowledge, would undoubtedly operate by expanding the output of those which were scarce instead of by restricting the more abundant. But for ordinary mortals to attempt to achieve the same results by restriction of output is to court failure at three stages of the process: failure to maintain control of output; failure to produce the desired effect on price; and stultification of the ultimate object through retaliation by holders of other commodities, among which labour might prove by no means the least important.

* *International Control of Raw Materials*. Brookings Institution.

BRITISH COKE PRODUCTION.

(BY A CORRESPONDENT.)

SINCE the production of pig-iron depends in modern conditions on the existence of adequate supplies of metallurgical coke, the coke-oven industry is one of the most important basic industries in the Kingdom. Its magnitude may be gathered from the fact that in 1929 some 9,500 coke ovens in use (the total in existence may be put at, roughly, 14,000) carbonised nearly 20 million tons of coal, and produced, roughly, 13½ million tons of coke, in addition to other by-products. The capital invested in the industry was estimated, in evidence before the Royal Commission on the Coal Industry of 1925, to be about £40,000,000; and the coke-oven industry, together with its sister, the gas industry, accounts for the consumption of, roughly, one-seventh of all the coal raised from the coal mines in Great Britain.

The organisation of the industry depends to a large extent on the ownership of the plant, and stretches backwards into the coal-mining industry on the one hand, and forward into the iron and steel industry on the other. Figures produced before the Samuel Commission in 1925 showed that the total tonnage of coke produced was divided, roughly, as follows between different classes of owners:—

Coke ovens owned by—	Proportion of Total Output of Coke. Per cent.
Colliery companies	41.6
Iron and steel companies	7.0
Coal, iron and steel companies combined	38.0
Independent coking and by-product companies.....	13.4
	100.0

Although these figures relate to the year 1924, there is no evidence that the position has altered in any important respect since that date.

Each of these several classes of coke-oven owners has somewhat different problems to face. Thus, the iron and steel concerns, which are also coke producers, are primarily interested in obtaining supplies of fuel for their blast furnaces; whereas the collieries are chiefly concerned to broaden the market for their coal and, by improved preparation for sale, to increase their aggregate financial returns. This divergence of interest naturally reflects itself in differing attitudes towards rationalisation. In the case of the iron and steel firms, coking plant can only be modernised as part of a general scheme of rationalisation, while in the case of the collieries the improvement of coking plant is bound to be connected in fact (though not in theory) with the general reorganisation of the coal industry which, it is to be hoped, will now be carried out under the new Coal Mines Act.

Nevertheless, there are certain general considerations which apply to all owners of coking plant; and the first of these is cost. Coke ovens fall naturally into two different classes, the beehive oven and the by-product oven, which are distinguished from one another by the nature of their products. The beehive oven is the original and simple form of coke oven, which was intended to produce coke and nothing else. The by-product oven, on the other hand, is more complicated, and, as its name implies, is designed not merely to fulfil its primary function of producing coke, but also to separate and preserve the various gases and by-products such as tar, benzol and ammonia, which are given off in the process of coal carbonisation. Although the quality of the coke differs but little as between the beehive oven and the most modern by-product oven, in other respects the beehive is by comparison very wasteful and inefficient. A large number of beehive ovens are still in existence in this country, but they are comparatively little used, and of the 9,500 ovens in production in 1929 only 1,400 were beehives. The major part, therefore, of the output of coke in Great Britain is produced in by-product ovens of one type or another.

The manufacture of by-product ovens has now been in progress for many years, and the efficiency of the various types available varies very greatly. Owing to the accelerated rate of progress in technical advance, which

has been a feature of the last ten years, the most modern types of oven are relatively very much more efficient than the older types. Consequently, in order to arrive at a true estimate of the efficiency of the coke industry as a whole, it is very necessary to have some evidence about the average age of the industry's plant; and such evidence has recently become available in the Report of the Departmental Committee on Area Gas Supply, which was published a few weeks ago. The coke ovens covered by the investigations made for the Departmental Committee were responsible in 1928 for nearly two-fifths of the total tonnage of coal carbonised in Great Britain. Even assuming, then, that the results of this examination of conditions in Yorkshire—an area relatively modern in equipment—may be applied to the entire country, it appears that some 80 per cent. of existing coke ovens are more than ten years old, 60 per cent. more than 15 years old, and as much as 40 per cent. more than 20 years old. Now it is generally assumed in the coke industry at the present time that the amortisation period of even the most modern types of by-product ovens is 13 to 14 years. It is, therefore, not unreasonable to infer that 60 per cent.—and, in fact, the figure is quite possibly larger—of the country's coke-oven plant is at the present moment obsolete.

These figures justify the presumption that a very large measure of modernisation is urgently required in the coke-oven industry. The presumption is strengthened by a comparison of the respective costs of old-fashioned and of up-to-date plant. Such a comparison is given in the following table, which is taken from a paper read at the World Power Conference in 1928:—

COMPARATIVE CONVERSION COSTS PER TON OF COKE.

Costs.	By-product Ovens.	
	"Waste-heat" Plant.*	"Regenerative" Plant.
	s. d.	s. d.
Wages.....	3 9.0	1 9.5
Materials	2 6.5	2 3.5
Repairs	2 7.6	1 1.0
General charges	1 0.0	1 0.0
Depreciation.....	0 9.5	0 9.5
Total	10 8.6	7 8.0

* The figures in this and the following table refer to a waste-heat plant erected in 1905.

These figures relate, it is true, to different years—those of the waste-heat plant to 1927 and those of the "regenerative" plant to 1928—but, as wages and prices (other than the price of the converted coal, which is not included above) were fairly steady in 1927-28, the comparison is not vitiated by this fact. On the contrary, the table very plainly shows how great are the savings possible in the most modern type of plant, particularly in respect of wages. The next table, which is taken from the same source and gives the details of the labour costs in the two types of plant, emphasises the great extent to which labour has been superseded by mechanical devices in the most modern coking plant.

LABOUR COST PER TON OF COKE.

Category.	"Waste-heat" Plant.		"Regenerative" Plant.	
	s.	d.	s.	d.
Coal handling (including crushing, drying and blending)	0	7.5	0	1.5
General foreman	0	1.3	0	1.3
Ovens.....	1	7.0	0	8.0
Coke handling	0	1.5	0	0.8
By-product plant	0	4.5	0	4.7
General labour (including mechanical and electrical)	0	11.2	0	5.2
Total	3	9.0	1	9.5

These two tables of costs are a clear indication that, other things being equal, the substitution of the most modern types of oven for the obsolete types at present in use will bring a decrease in costs of production of the order of magnitude of 30 per cent.

A second factor which will determine the producers' attitude towards modernisation is the possibilities of the market. Of the total output of metallurgical coke nearly two-thirds is used in British blast furnaces. The expansion of the market for coke, therefore, depends in the first instance on the recovery of the British iron and

steel industry; but as the cost of steel is to a large extent influenced by the cost of coke, the coking industry by its own action can materially help this recovery.

Since coke is only one of the products of the coking industry, attention must also be paid to the other by-products. There is little doubt that the growing needs of the chemical industry will supply a large part of the solution of this problem, while another part of the solution might be provided by the formation of a marketing association to deal, perhaps, with coke itself, as well as with by-products.

Another vital issue is that of the surplus combustible gas produced in coke manufacture. This has been occupying the attention of the official National Fuel and Power Committee. A scheme for the establishment in South Yorkshire of a gas network similar to those now working in many districts of Germany was put forward early this year, and it now appears that the Sheffield Gas Company have taken the first step towards putting this scheme into operation. Its success will prove of the highest importance. If the South Yorkshire scheme works well, similar schemes will doubtless be prepared for other areas; and the general adoption of such schemes wherever possible would clearly be a strong additional inducement to the coking industry to modernise its plant.

But modernisation and rationalisation of the coking industry are too important to wait solely on success elsewhere; and it is therefore greatly to be hoped that the coking industry will take immediate and vigorous action to bring all its plant thoroughly up to date. Technical progress abroad, particularly in Germany and America, has made rapid strides in recent years; and the British coking industry is, therefore, faced with the need to act quickly and well if it is to recover its former position and hold its own in the future.

THE PROSPERITY OF SIAM.

(BY A CORRESPONDENT.)

PEACE and progress in Siam offer a pleasant contrast to the disorders afflicting other parts of Asia at the present time. Siam has no foreign enemies and few serious internal problems. Her native statesmen and foreign advisers guide her on a path of steady advance without rash experiment. Financially, the country is solvent and strong. The monetary system was strained by the war, and Treasury notes became for a while inconvertible; but this trouble was removed by the Currency Act of 1928, which fixed a new "gold exchange" standard at 11 baht or ticals to the pound sterling, and there has subsequently been no material fluctuation in the sterling rate. A debt redemption fund, for the discharge of foreign liabilities, receives all surpluses of the Budget, and, thanks to this wise precaution, two foreign loans carrying interest at 6 and 7 per cent., and amounting to £5,000,000, can be repaid without difficulty in 1932 and 1934, the earliest permissible dates. The outstanding debt will thus be reduced to £6,500,000, and at lower interest rates.

The Budget also indicates prosperity; revenue in the present year should amount to £9,500,000, and expenditure to £9,000,000. Though the Excise income shows a tendency, perhaps not regrettable, to decline, the loss is being made good by the growing proceeds of the Customs, and a cautious but regular policy of developing the productive sources—railways, mines and forests, and irrigation—is being carried on. Specially profitable are the canals in the river basins, the Menam and Prasak barges, which are now being supplemented by minor works and combined into a larger network. In order to combat the shortage of local water reserves in dry seasons, the Irrigation Department has also secured a stock of small pumps for lifting water, and is in a position to supply these to the cultivators.

It is pre-eminently on the rice crop that the fortunes of the Siamese State and the equilibrium of the Budget depend. A cultivator in the valleys will sow annually some 10 acres of paddy, seldom varying the crop or resting the land, still less often making good its exhaus-

tion by the application of adequate manure. He is a diligent but not a progressive husbandman, falling into debt in bad years and hoping for a stroke of fortune which will release him when the trouble is over. Fate may, however, be adverse, the estimated outturn in the more advanced rice districts having varied from nearly 1,600 lbs. of paddy per acre in 1926-27 to 650 lbs. in 1928-29. In the latter case the cultivator borrows, perforce but lightly, from the Hindu moneylender-merchant or the local Chinese shopkeeper. His dealings with the Chinese are normally in kind, cash being needed only to pay his land revenue and his capitation tax; and the variability of the weights and measures used in the village shops and markets makes him an easy prey. The metric system was nominally introduced by a law of December, 1924, which allowed a minimum period of five years before the use of the kilogramme and its parts should become compulsory. Five years have elapsed, but the Chinese storekeeper smiles, produces his familiar lumps of metal and his responsive hand balance, weighs out his goods by the old names, and blandly invites his customer to estimate the number of grammes and kilogrammes received. Novelties and complications are not for him, and it is scarcely surprising that the metric system has not yet been declared in force throughout the country.

The Siamese Government, on the other hand, is not forgetful of the interests of the cultivator. Complaints of the quality of exported rice have led the Government and the millers to concert plans for standardised grades, the effect of which may be perceptible in course of time. Indiscreet haste is unsuited to a land of peace. More definite progress has been made in co-operative organisation, which is at present confined by executive order to rice growers. The earliest societies were founded in the districts of Lopburi and Pitsanulok in the year 1916, and followed the Raiffeisen principle of joint liability and moral security. So far as societies formed during recent years are concerned, in deference to the wishes of the Siam Commercial Bank, which has advanced a sum of 500,000 ticals (£45,000) on a State guarantee, the lands of the co-operators have been taken in joint mortgage as security for the bank's loans, and the clarity of the co-operative ideal has to that extent been dimmed. The societies in all number nearly one hundred, each with a membership of fifteen to fifty farmers. Though small, they are effective, training the Siamese peasant in the ways of foresight and thrift, and assisting him to purchase seed and cattle and to market his produce without pressure from alien creditors. Many of the cultivators are now free from debt and are extending their area under rice.

Rice represents 70 per cent. of the total exports of Siam in an average year. The exports of 1928-29 were valued at £23,000,000, of which £16,000,000 consisted of rice. The area under this crop has increased by 150 per cent. in the last generation, and the produce contributes to the payment of an export duty as well as of the land tax. Thanks to this large sale, Siam enjoys regularly a favourable trade balance, which amounted in 1928-29 to £6,000,000. Internal development is thus facilitated by the cheap purchase of machinery from abroad. It is, however, noteworthy that British goods, particularly of iron and steel, are expensive in comparison with those of European rivals. Their superior quality is not disputed, but consular reports comment freely on the difference of price. The British Empire, however, still holds 70 per cent. of the import and 80 per cent. of the export trade of Siam, though much of this passes through Penang, Singapore and Hongkong to other countries.

It is important in this connection to consider the possible consequences of a ship-canal, such as has from time to time been projected, through the isthmus of Siamese territory dividing Lower Burma from the peninsula of British Malaya. The narrowest point is the Isthmus of Kra, where a cutting of no more than twenty-five or thirty miles (according to the exact route taken) would be required. While access to Bangkok would thus be afforded by a more direct route than *via* Singapore, it is unlikely that the Chinese or Japanese trade would be diverted to any considerable extent. Siamese trade is

already carried in Norwegian rather than in British bottoms, and it is possible that the British share in this business would be further diminished. British ships would still prefer to visit Singapore, while minor nations might use the more direct channel. Prophecy is uncertain, in view of the cost of digging through a considerable range of hills, but the possibility of a Kra canal and its economic reactions should not be overlooked.

Notes of the Week.

The Verdict of Bromley.—The result of the Bromley by-election, in which the official Conservative candidate got home by a comparatively narrow margin of 1,606 votes over the Liberal, seems likely to occasion some uncomfortable reflections for the managers of all three orthodox parties. Even allowing for the fact that the election was fought on a stale register and in the middle of the holiday season, when many electors were away from home, a poll of 39,000, as compared with 54,000 at the last General Election, in an electorate numbering 74,000, indicates a remarkable apathy and lack of interest. Though it is not quite certain that Mr. Redwood's surprisingly large total of 9,483 adherents should be regarded exclusively as a deduction from the Conservative vote (the "United Empire" candidate probably drew a considerable measure of support from that body of unattached opinion which is always inclined to vote for any freak cause), neither the Government nor the Liberal Party can derive much encouragement from the heavy fall in their candidates' respective polls. On the other hand, the Conservative Party can hardly fail to be impressed uncomfortably with the unexpectedly strong pulling-power apparently exerted by Lord Rothermere's Press, at any rate in constituencies of the Bromley type, even when the official Conservative candidate takes up an attitude on the tariff question which differs from that of Lord Beaverbrook by little else than the degree of emphasis placed on fidelity to the present Conservative Party leadership.

The Liberal Statement of Policy.—The National Liberal Federation has issued, six weeks in advance of the annual meeting which is to be held in Torquay, a list of resolutions which virtually constitute a statement of party policy. First in this declaration of faith comes the question of tariffs. The view is reiterated that "there is no hope of economic recovery unless we maintain the system of open markets upon which the very existence of this nation depends. . . . We depend for our livelihood upon a vast export trade, and it is impossible to maintain exports if we shut out imports. . . . If we cannot meet our competitors at home we cannot meet them abroad." Further, on the question of Empire development the Federation takes the stand that this cannot be promoted by exclusive tariffs against other countries, but should be encouraged by the establishment of a permanent Imperial Economic Council and a permanent Imperial Secretariat, with different sections to deal with different branches of policy. The Liberal taxation policy is to combine ruthless economy in expenditure with the revision of existing taxation, combined with the possible introduction of new forms of taxes—an interesting suggestion of which we hope to hear more. In addition, the Party is asked to approve of "a systematic policy of capital investment," and to commit itself to the assistance (by advances under Government guarantee) of industries which are prevented by lack of capital from carrying out necessary reorganisation; to capital assistance for schemes of agricultural development; to the development of such public works as create favourable conditions for industry; to a clear differentiation between unemployment insurance and relief; and, finally, to various measures of constitutional reform, including the adoption of a new electoral system, preferably proportional representation. The programme should give ample scope for discussion when the Federation meets.

The Unrest in Latin America.—Last week we chronicled the revolution in Peru—the departure of Señor Leguia and the recall by wireless of the cruiser on which he had taken his leave. The cruiser is now in port again with the ex-President still on board, "too ill to land." The illness appears to be a *crise de nerfs*, and we may conjecture that Señor Leguia's successors are as much embarrassed by his present position as he himself is agitated. Colonel Cerro should have read up the history of 1688 before launching his glorious revolution in the New World. He would have learnt how ill-pleased the revolutionary leaders were with the officious person who brought King James II back and how expeditiously they bundled him off again lest the smooth course of the Revolution should be upset by the ex-autocrat suffering some mishap. That wireless message was a blunder which Colonel Cerro should beware of making worse. Meanwhile, it is satisfactory to learn that Señor Leguia's relations and associates have found asylum in the American Legation. Colonel Cerro has now assumed the Presidency with the acquiescence of General Ponce, who made a simultaneous pronouncement and seemed inclined for a moment to dispute the spoils with his colleague; so that Peru, after exchanging one dictatorship for two Juntas, may congratulate herself on seeing one of these hydra's heads struck off. This is a step towards political stability; but other features in the situation are less reassuring. There have been one or two political murders, and public references which the new Government has made to "the territorial mutilation" of Peru (by the settlement of the Tacna-Arica dispute, which actually restored some territory to Peru *de facto*) open up vistas of foreign complications. There are also hints of an anti-foreign movement in the charge that Señor Leguia has "put the country at the mercy of foreign lenders and imperilled national sovereignty." In this connection, "anti-foreign" virtually means "anti-United States"; and two United States citizens have been arrested and placed on trial for alleged misconduct when they were in Señor Leguia's service—one of them as Head of the Peruvian Air Force, the other as Director of Irrigation Works. The Peruvian situation has been under discussion between President Hoover and his Secretary of State, Mr. Stimson, and it is announced that the United States Government will not here apply the principle which it follows in Central America of refusing recognition to any Government that attains power by way of revolution. The attitude of the United States towards new régimes in South America will continue to be determined by general considerations of international law and by particular considerations of expediency. Thus, the recognition of Colonel Cerro's régime by the United States is not ruled out *à priori*, but it is evident that the State Department at Washington is not inclined to accord recognition at this stage. These alarms and excursions in Peru seem to have produced a repercussion in the Argentine, where emergency measures have been taken to guard the President's residence and other public buildings against—nobody quite knows what. Do the Argentinos, in these latter days of their prosperous, stable respectability, look back wistfully to their revolutionary past, and did the news from Peru strike a chord in their hearts?

Reichswehr and Red Army.—Since Germany and Russia are the two Powers which suffered the greatest losses in the war (save for Austria-Hungary, which has ceased to exist and is therefore out of the reckoning), the idea of a Russo-German coalition for a war of revenge was bound to suggest itself. In fact, it has been with us ever since the peace-settlement—in some minds as a bogey, in others as a ray of hope. There have, indeed, been moments when the idea came within range of possibility—for instance, in 1920, when the Red Army, striking at Warsaw, actually traversed a corner of the former German territories that had been transferred to Poland under the Treaty of Versailles; or again in 1923, towards the end of the struggle in the Ruhr, when the German people as a whole were in a despairing mood and when the annihilation of the value of the mark left the once-privileged classes momentarily in a position where they

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had nothing to lose. In such situations it was conceivable that the German nation might have acquiesced in a Machiavellian alliance between their "Die-hards" and the Communist Power in Russia with the object of overthrowing the European peace-settlement by force of arms and perhaps afterwards deciding, by ordeal of battle with one another, whether the new Europe was to be "White" or "Red." But any such prospect faded away with the revaluation of the mark, the settlement of Reparations, the conclusion of the Pact of Locarno, the entry of Germany into the League of Nations, the general adherence to the Kellogg Pact and all the other international measures which have been taken to restore Germany to her natural place in a comity of nations which has put a ban upon war. At Locarno the Germans, while refusing to accept the present Polono-German frontiers as unalterable in perpetuity, pledged themselves never to attempt to alter them by violence; and therewith the idea of a German-Russian military understanding virtually ceased to be a matter of international concern. It has remained a matter of internal politics in Germany; for the constitutional parties—from the Social Democrats to the Moderate Conservatives—have still some fear that the men of violence on the extreme left and right might make an unholy alliance to overthrow the present Republican régime, and that they might seek to strengthen their hands in this everyday more forlorn enterprise by securing Russian support. This scare has just had a revival, which may be traced partly to the excitement over the imminent general election, partly to recent visits of one or two German officers—or ex-officers—to the U.S.S.R., and partly to a report that General Heye, the present Chief of the Army Direction, is about to retire and that General von Hammerstein—reputed to be one of the "political generals"—is to succeed him. This scare deserves attention because it has been taken up by *Germania*, the newspaper which is the organ of the Centre Party. The Reichswehr Ministry has now formally denied that Lieutenant Amlinger, the officer whose visit to Russia has evoked the most comment, was charged with an official mission and has stated that he had already retired from the Reichswehr before the visit was paid. For foreign observers, the moral of this incident is not that the scare deserves after all to be taken seriously by Germany's neighbours, but that the majority of the German nation who desire peace and stability at home and abroad are sharply on the watch to see that the present régime in Germany shall not be threatened by irresponsible intrigues.

The Dissolution of the Sejm.—Last week we discussed the portent of Marshal Pilsudski's assumption of the Premiership. On Saturday the premier-dictator dissolved both chambers and ordered elections for November. But he did not let the unfortunate Polish senators and deputies go without verbal castigation. In an interview he declared that "the Constitution . . . at present is like a piece of rotting meat mixed with foul bacon and putrid cabbage, and as much unwashed as the spirit of the deputies, who in Poland are an infamous band. The entire work of the Parliament stinks so that the air is poisoned." This seems a little hard on a Parliament which was first prorogued and then dissolved without ever being permitted to meet in the

extraordinary session which had been demanded by more than one-third of the deputies in accordance with constitutional requirements. Marshal Pilsudski really need not exert himself so violently nowadays, for since the deposition of his fellow-dictator, Professor Valdemaras, from the curule chair in Lithuania, the Marshal remains pre-eminent among living heads of states—without peer and without competitor—in the art of vituperation. The bacon and cabbage might have been spared. Yet, in Poland, blessed are those deputies who are castigated with tongues alone. At Vilna and Novogrodek three White Russian deputies and one senator were arrested immediately after the dissolution of Parliament, when their immunity expired. And at Warsaw, on August 29th, the leader of the Polish Peasant Party, Pan Jan Dabski, was assaulted on the threshold of his suburban residence and castigated—not with tongues—by four persons alleged to have been wearing the uniforms of a major, a captain, a lieutenant and a corporal in the Polish Army. What will the Opposition Parties do between now and November? The first thing that they ought to do is to combine, for in this last Seym they had between them 314 deputies against the Government's 130. Even a partial combination would produce the foundations for an alternative Ministry and would make the constitutional position clear. It is truly said that countries get the Governments which they deserve. We have all taken our schooling in parliamentary government by finding ourselves "up against" outocracy. Marshal Pilsudski might claim with some plausibility that he is educating his countrymen in the rough political school in which Englishmen were educated three centuries ago.

France and Mr Hearst.—We shall not, we hope, be accused of lack of sympathy with the perhaps understandable distaste of France for the company of Mr W. Randolph Hearst, if we regret his expulsion from French territory as a petulant, and rather childish, act of reprisal scarcely consonant with the dignity of the French nation. However mischievous the activities of the Hearst Press may be, and with whatever justice its policy may be regarded as inimical to France, the bodily location of Mr. Hearst seems a matter of small importance. Some have limelight thrust upon them; to others the achievement of limelight has its uses. After the flood of limelight which the European Press has combined to throw on the movements of the self-effacing Mr Jack Diamond, France should have been wiser than to endow Mr Hearst with an equally needless illumination.

The Protection of Dyestuffs.—The Dyestuffs (Import Regulation) Act, 1920, is due to expire next year unless it is prolonged by Parliament. It is therefore disappointing that the Dyestuffs Industry Development Committee in its Report* just issued makes no definite recommendation on this point, but confines itself to suggesting that the Government, the users and the manufacturers "continue to consider the problem." Fortunately, the body of the report is as suggestive as its recommendations are indefinite. The Committee states, without hesitation, that a substantial dyemaking industry has been built up and maintained by the operation of the Act; that the quality of British dyes, which before and during the war left much to be desired, now compares very favourably with that of foreign material, and that the effect on the other chemical industries has been satisfactory. On the other hand, "the achievement of that object has admittedly laid a serious burden upon the colour-using industries." This burden has apparently taken three forms: until very recently prices have been extraordinarily high as compared with Continental prices for corresponding goods, though lately this has to a large extent been remedied; secondly, the import licensing system has operated in such a way that "there has been throughout the period of the Act considerable interference with the users' ability to obtain supplies of dyestuffs of proved quality"; and lastly, the procedure for

obtaining licences has involved delay which has seriously handicapped producers of novelties by preventing their access to developments and improvements in the world's market until their contemplated products ceased to be novel. Since the report states that there has been a tendency for British makers to concentrate on those materials for which there is a comparatively large demand and leave the more diversified for foreign makers, even going so far as to enter into an agreement with foreign producers by which the British manufacturers are excluded from the production of one complete range of dyes, one is tempted to wonder whether some part of the loss of markets, both at home and abroad, to British textiles may not be indirectly the work of the protection of dyestuffs. The Committee speak, moreover, of "lack of research of an original character," though it appears that the British dyestuffs industry has played a distinguished part in the development of the new technique demanded by the development of the rayon industry. One of the advantages which protectionists claim for their system has certainly not accrued in this instance: the industry has so far shown no sign of developing an export trade worthy of its importance, and British exports compare very unfavourably in extent with those of our leading competitors. In short, by bringing the industry from infancy through adolescence and establishing it on a firm footing in respect of quality and price, the Act of 1920 has probably done all the good it can do. The time has now come when the stimulus of foreign competition would do no harm, and would enable the consuming industries, to whose generous co-operation tribute is paid in more than one passage of the report, to have access to that more varied and up-to-date range of material, without which their efforts at rehabilitation may be seriously hampered.

International Steel Cartel Developments.—As our Paris correspondent points out on a later page, the International Steel Cartel appears to be making "heavy weather." It will be remembered that when the Cartel was formed in 1926 its original function was to control production in the member countries by means of fines imposed on those whose production exceeded certain quotas while compensating those which under-produced; the Cartel had no control over distribution or price. It was clear from the start that, if the Cartel was to be fully effective, these functions would sooner or later require to be added, but it was not until the date for the automatic termination of the Cartel was within measurable distance that these aspects received serious attention. The Cartel regulations provided that the agreement should terminate on April 1, 1931, but a clause provided for its earlier dissolution (on April 1, 1929) on notice being given by any member country. No such notice was given, but it was generally understood that modifications of the existing regulations would take place. The first step taken was an attempt to regulate the export trade by means of an international distribution bureau, and this was followed early this year by subsidiary associations to deal with semi-finished material, sections, bars, heavy plates and hoops. The different national producers or syndicates were to carry out the actual sales, and to maintain contact with their customers, but prices were to be those fixed by a committee of the Cartel. Disciplinary powers were vested in a Control Board who could impose fines for exceeding export quotas or for underselling. The original associations were temporary in character, and were to function until August 1st, by which time it was hoped that a more rigid organisation would have been set up which would undertake central selling on behalf of the Cartel countries. In spite of the existence of these associations, however, under-selling continued, until on July 9th all semblance of control for bars, plates and hoops was definitely abandoned. Control was maintained over girders and semi-finished material, but even this broke down at the close of last month. Prices for this material will now doubtless fall still further and render the position of British makers still more difficult.

Coal Trade Depression.—This week there have been issued the reports of the independent accountants for the South Wales coalfield for the three months ended July and for the Scottish coalfield for the months of June and July. Both show much less favourable results than those under the previous audits. In the South Wales coalfield there was a decrease in production from 11.2 million tons to less than 10.2 millions, and this diminished output was accompanied by an increase in the costs of production and a slight decrease in the pithead proceeds. Total costs per ton of coal raised have reached 14s. 1.19d., compared with 13s. 8.80d. in the three months ended April, while the pithead price was 14s. 1.86d., compared with 14s. 3.51d. The effect of these altered conditions was a decrease in the profits from £314,324, or 6.71d. per ton, to £28,311, or 0.67d. per ton. The economic wage certified by the auditors under the terms of the agreement providing for the distribution of the net proceeds in prescribed proportions between profits and wages was only 8.66 per cent. on the 1915 basis rates, compared with 15.05 per cent. under the previous audit. The miners, however, are secured a minimum wage of 28 per cent. above the 1915 basis rates, and the deficiency due to the obligation on the owners to finance the difference between the certified and the minimum wage exceeded £600,000, and increased the total deficiency carried forward to over £15½ millions. Thus, the trading results in the three months ended last July were the least favourable since the three months ended last October, and it seems probable that the audit for the three months ended next October will show a considerable loss. The audit for the Scottish coalfield shows a trading loss for June of £113,758, or 11.66d. per ton, and for July of £124,574, or 1s. 2.79d. per ton. The tonnage raised during the two months was only 4.3 million tons, compared with 5.5 millions in April and May, and nearly 5.7 million tons in February and March. Since the early part of the year the average proceeds per ton have declined from 12s. 1d. to 10s. 11½d., while the costs of production have increased from 11s. 6d. to 12s. 2d. In the first three months of the year the audits show a credit balance of about £230,000, but in the three months ended July the Scottish industry suffered a loss of £307,000. The economic wage certified by the auditors was 56.53 per cent. above the basis rates of 1888, but the Scottish agreement provides for a minimum wage of 110 per cent. above the basis rates, and the deficiency due to the payment of the minimum wage was £214,977, which increases the deficiency carried forward to £7,308,557.

Our Index Number.—Another month has passed with no clear evidence that the protracted fall in wholesale prices has yet come to an end. At the end of August our index number stood at 76.1 as compared with 77.6 on July 31st, a fall on the month of 1.9 per cent., following a previous decline of 1.5 per cent. As compared with a year ago the fall shown amounts to 18.7 per cent. Recent movements of the group figures are shown below:—

AVERAGE, 1927 = 100.					
	Aug. 1929.	May 1930.	June 1930.	July 1930.	Aug. 1930.
Cereals and meat	101.3	82.0	82.2	84.2	82.5
Other foods	86.2	79.0	77.8	76.3	75.2
Textiles	91.7	71.1	66.5	63.6	61.7
Minerals	96.3	84.3	82.8	82.1	81.5
Miscellaneous	91.0	84.4	84.1	81.5	79.7
Complete Index	93.6	80.6	78.8	77.6	76.1

Once again the most pronounced decline was that recorded by the textiles group, in which the price of all the items, except wool and silk, fell sharply. In raw cotton the decline was particularly marked. Among foodstuffs, in whose case a moderate recovery last month was due mainly to a seasonal rise in the cost of potatoes, movements were irregular, but the trend on balance was downwards. Barley, oats, rice, bacon and tea were dearer, but there were substantial falls in the price of cocoa, cheese, butter and beef. In the minerals group, the tendency of non-ferrous metal prices showed more satisfac-

tory signs of having re-attained equilibrium, but pig iron was significantly cheaper. Among the miscellaneous commodities, linseed oil, tallow, rubber and creosote all declined. Changes as compared with a month and a year ago are set out in detail in the following table:—

	Inc. (+) or Dec. (-) per cent. compared with			Inc. (+) or Dec. (-) per cent. compared with	
	Month Ago.	Year Ago.		Month Ago.	Year Ago.
Wheat, Foreign	- 2.6	- 36.3	Flax	- 3.6	- 20.6
Wheat, English	- 1.6	- 24.4	Hemp	- 4.3	- 40.0
Flour	+ 12.9	- 28.1	Jute	- 8.5	- 44.5
Barley	+ 2.8	- 25.9	Textiles	- 3.0	- 32.7
Rice	- 0.9	- 28.3	Pig iron	- 5.9	- 12.4
Maise	+ 3.7	- 16.1	Steel rails	...	...
Potatoes	- 8.3	+ 10.0	Iron bars	...	...
Beef, English	- 17.2	- 9.4	Tinplates	...	- 2.0
Beef, Argentine	- 12.9	- 1.7	Coal, Welsh exp.	...	- 6.1
Mutton, English	- 4.5	- 6.7	Coal, Durham gas	...	- 5.0
Mutton, New Zealand ..	...	- 18.4	Coal, household	...	- 20.2
Bacon, Danish	+ 6.8	- 23.6	Lead	...	- 35.4
Cereals and meat	- 2.0	- 18.6	Tin	...	- 35.5
Tea	+ 25.3	- 3.1	Copper	- 1.8	- 36.2
Coffee	- 1.7	- 9.8	Spelter	...	- 15.4
Cocoa	- 10.2	- 14.5	Minerals	- 0.9	- 15.4
Sugar, cane	...	- 8.4	Timber, English	...	- 5.3
Sugar, refined	- 6.0	- 22.4	Timber, Swedish	...	- 5.3
Cheese, Canadian	- 7.7	- 21.7	Cement	...	- 2.9
Butter, Danish	- 8.1	- 23.9	Hides	...	+ 2.4
Coco oil	...	...	Leather	...	...
Tobacco	- 1.4	- 12.8	Petrol No. 1	...	...
Other foods	- 10.9	- 38.8	Petroleum oil	...	...
Cotton A.	- 13.9	- 39.1	Fuel oil	- 10.5	- 15.8
Cotton E.	- 6.7	- 30.0	Linseed oil	- 8.3	- 28.6
Cotton yarn	- 2.9	- 18.5	Tallow	- 7.3	- 43.1
Cotton cloth	...	- 28.3	Rubber	...	- 24.1
Wool, English	...	- 34.2	Soda, crystals	...	- 22.2
Wool, Australian	+ 1.8	- 22.9	Sulphate of ammonia ..	- 3.3	- 22.2
Wool tops	...	- 38.1	Creosote	...	- 12.4
Silk	...	...	Miscellaneous	- 2.2	- 12.4

In the next table we show the course of our index number during the last three months in comparison with the annual averages for 1924, 1928 and 1929, the figures in each case being converted to a percentage of the average level of 1913:—

AVERAGE, 1913 = 100.						
Date.	Cereals and Meat.	Other Foods.	Textiles.	Minerals.	Miscellaneous.	Complete Index.
Average, 1924	168.5	215.8	214.7	149.3	122.6	166.2
" 1928	152.9	189.7	165.0	115.2	111.2	140.9
" 1929	143.0	173.5	144.7	119.6	105.0	132.8
End Aug., 1929	149.5	174.3	143.9	120.4	105.6	134.6
" June, 1930	121.3	157.3	104.4	103.5	97.8	113.2
" July, "	124.2	158.3	99.8	102.7	94.6	111.5
" Aug., "	121.7	152.1	96.8	101.9	92.5	109.3

If 1924 be taken as 100, the current figure of our index number works out at 65.8, as compared with 67.1 at the end of July and 80.8 a year ago.

The Forth and Clyde Canal.—Seldom can an economic project have been so witheringly condemned by the committee appointed to examine it as the proposal to join the Forth and the Clyde. The canal would probably cost over £50 millions (twice as much as the Channel Tunnel); the return on the capital, if any, would be negligible, and there might not even be enough revenue to cover maintenance and working expenses; construction could not be begun for three or four years and the peak of employment would not be reached until 5-8 years hence. On the other hand, the canal would not be of much use to the trade with North Europe or North America, the shipping interests think it would be of little use to the coastwise trade, and the committee do not think that it would benefit either the coal or the fishing industries. Finally, it would apparently be regarded as a local nuisance by reason of the obstacles it would present to communication between the districts on either side of it. In short, a thoroughly naughty proposal in every sense of the word. Considering what the railways have to meet in the shape of road and air competition it certainly would seem an anachronism to go back yet another stage in the evolution of transport, and it is well that this very decided committee has administered such a thorough *coup de grace* to the proposal.

* Cmd. 3658. H.M. Stationery Office. 1s. 6d.

International Cotton Statistics.—The annual cotton statistics issued this week by the International Federation of Master Cotton Spinners' Associations reflect the depressed state of trade in the world cotton industry. According to the Federation, writes our Manchester correspondent, the total world's mill consumption of American cotton for the year ended July 31st last was 13,023,000 bales, as against 15,076,000 bales in the previous season. The consumption of East Indian was 6,087,000 bales, against 5,178,000 bales; consumption of Egyptian 937,000 bales, against 987,000 bales; and consumption of sundries 5,162,000 bales, against 4,639,000 bales; making a total consumption of 25,209,000 bales, against 25,882,000 bales to July, 1929. The feature of the returns is the big decrease, amounting to 2,053,000 bales, in American cotton consumed, and the large increase of 909,000 bales in the consumption of East Indian cotton. The consumption of American cotton in Great Britain during the past six months amounted to 594,000 bales, against 880,000 bales to January 31st, and 939,000 bales for the six months ended July 31st last year. The total world's mill stocks of American cotton on July 31, 1930, were 1,985,000 bales, as compared with 2,129,000 bales at the same time in 1929. According to the International Spinners' Federation reports, the amounts of short time worked in each country during the past six months is as follows, the figures denote the stoppage in weeks of 48 hours:—Great Britain, 10.77 weeks; Japan, 8.56 weeks; Canada, 6.21 weeks; Austria, 5.44 weeks; Switzerland, 5.20 weeks; China, 3.51 weeks; Norway, 3.38 weeks; Poland, 2.54 weeks; France, 2.41 weeks; Belgium, 2.19 weeks; and Italy, 1.60 weeks. In the English cotton industry, 61 firms spinning American cotton and controlling 4,029,741 spindles were completely stopped during the half-year ended July 31st. In the Egyptian section eight firms with 342,901 spindles were completely stopped during the six months. Firms owning 1,219,968 spindles have been closed indefinitely during the period under review.

An Interesting Yarn Offer.—Our Manchester correspondent writes:—There has been considerable interest throughout the cotton industry at the new move made by the Lancashire Cotton Corporation towards recapturing some of the lost trade in cotton piece goods. The Corporation has been carrying out experiments with regard to the production of low-quality yarns, and all manufacturers of coarse fabrics have now been advised that the Corporation is prepared to sell certain yarns at a very low price in order to enable cloth to be produced on a cheap basis, so that it will compete with the products of Far Eastern competitors. The yarns are 16's and below, Weft paste bottoms; 14's and below, Twist Cop paste bottoms; and Ring Beams 12½'s and below. The prices range from 6½d. per lb. for 12's Weft and below, and 7½d. for Ring Beams 12½'s and below; and as all prices are based on 6d. futures the cheapness of the yarns need not be emphasised. This is the first attempt of the corporation to provide manufacturers and merchants with a yarn at a very low price. The yarn has been tried out on the Corporation's own looms with excellent results, and a large number of manufacturers have already made arrangements to experiment in the manufacture of the particular type of cloth which can thus be produced.

Equitable Life Assurance Society.—The amount of new life assurance business completed in 1929 by this society was £965,264, compared with £1,002,328 in 1928, but the chief feature of interest in the Equitable new business is the increasing degree of diversification which now characterises it. For, in addition to life assurance business, a large sinking fund account is maintained, and a big volume of business is transacted on the basis of deferred or immediate annuities. Thus, in 1929, new sinking fund policies were issued for £174,674, compared with £110,652 in 1928; deferred and contingent annuities were issued carrying an ultimate liability of £97,761 per

annum, compared with £41,859 per annum in 1928; and, in addition, consideration money for new immediate annuities was received for £34,349, compared with £14,727. In accordance with the society's usual practice, a statement is embodied in the report of the death claims, analysing and comparing the amount paid out with the original sum assured. From this it appears that one claim occurred last year in respect of a policy effected as far back as 1854 and in that case the amount actually paid out was more than five times the original sum assured. The next example is of a policy effected in 1859 whereunder the amount paid out was over 4½ times the original sum assured, and numerous cases are quoted where the amount paid out exceeds twice the sum assured. These remarkable results have been achieved by the accumulation of bonuses, which in the case of the Equitable have, particularly for older lives, been distributed at a very high rate, though it might perhaps be argued that the ability to pay such large bonuses is merely a reflection of the fact that the premiums charged were at an unnecessarily high rate, thus reducing the death cover in the early years and impairing the value of the policies from the point of view of protection. The balance sheet shows two changes of interest. One is an increase in British Government securities held from £220,000 to £366,000, the latter amount now constituting rather less than 5 per cent. of the total balance sheet assets. The second change is represented by an increase in ordinary stocks from £57,000 to £253,000, in addition to which the society holds the whole or the greater portion of the stocks of the Reversionary Interest Society, the Equitable Reversionary Interest Society, Ltd., and the University Life Assurance Society.

Scottish Amicable Life Assurance Society.—During 1929, the 104th year of its history, the Scottish Amicable passed another landmark: the total funds for the first time exceeded £10,000,000. The new life business secured, however, was again rather lower than before, the amount being £1,235,527. The real decrease, moreover, is rather greater than £32,000, as shown in the report, since the 1929 business was assisted by a considerable increase in single premium assurances—a source which will, of course, not be open to the society in future under the new surtax provisions. There has been an increase in the amount paid away in death claims, from £389,000 to £436,000, and the chairman explained in his speech that this increase was due to deaths having occurred to an exceptional extent among larger policyholders. Apparently, however, the incidence continues to be favourable, and, according to an interesting table showing the age distribution of the claims, the average age at death was 66.5 years. Claims occurring as a result of the maturity of endowment assurances have tended to rise substantially within recent years. In fact, the amount paid out in this way during the four years of the current quinquennium was over twice the corresponding amount during the four years of the preceding quinquennium, the actual figures being £1,058,000, as compared with £456,000. This result, of course, is only to be expected from the increasing popularity of endowment assurances, which commenced as a form of policy about 30 years ago. The expense ratio in 1929 worked out at 12.8 per cent., compared with 12.5 per cent. in 1928, and is well within the proportion of premiums reserved for expenses in the valuation, namely 20 per cent. The net rate of interest earned on the funds registered a small advance, from £4 13s. 6d. per cent. to £4 14s. 3d. per cent., and the balance sheet indicates that a further movement of funds has occurred during the year out of British Government securities into debentures, preference and particularly ordinary shares, the amount invested in the latter now being 10 per cent. of the total balance sheet assets. In the course of his speech the chairman revealed that, notwithstanding the heavy depreciation in market values last year, the actual loss suffered by the Scottish Amicable amounted to less than 5 per cent. of the values of Stock Exchange securities, and that these reduced values are still substantially in excess of the book values.

Mercantile and General Insurance Company, Ltd.—

This company is a reinsurance company with important connections on the Continent. Reinsurance companies habitually operate on a very small margin of profit, and, being precluded by their nature from sharing in the most profitable section of fire business, namely, private house business, they are doubly affected when, as was the case last year, fire losses show a world-wide increase. Thus, in 1928, there was a profit of £19,824 on a premium income of £709,000 derived from fire and miscellaneous business, but in 1929 a loss of nearly the same amount was registered on a premium income of some £30,000 larger. In spite of the company's efforts to limit its commitments in marine insurance, the account again shows a loss, although the amount on this occasion, namely, £6,976, is a good deal smaller than that for 1928, namely, £11,739. Combining these figures, and allowing for items debited to profit and loss account, the total loss on trading in 1929 was £35,604, compared with a loss in 1928 of £7,026. Interest earnings exceeded £35,000, compared with which the dividend costs only £5,000. Owing to the increase in capital, the rate of dividend is 5 per cent., free of tax, compared with 8 per cent., but the payment takes £5,000 instead of £4,880. In addition to fire and marine business, the company has a rapidly growing life account, which undertakes reinsurance business only on a without-profits basis, largely from foreign connections. The life fund now amounts to £336,000, and the premium income to £87,000.

Fire Losses.—Since the statistics of fire losses were last commented upon in these columns, the tendency towards reduction of fire wastage in the United Kingdom has continued. The recent publication of the statistics for July (as compiled by *The Times*) show that the total losses for the first seven months of the year are £4,987,000, compared with £7,234,000 for the corresponding period of 1929, which, it will be remembered, was responsible for an unusually heavy fire wastage. The statistics, however, of fire losses of the United States and Canada during July (as compiled by the *Journal of Commerce*, New York) indicate an increase from \$31,985,493 in July, 1929, to \$34,847,750 in July, 1930. Detailed monthly figures during the last three years are as follows:—

	1928.	1929.	1930.
United Kingdom:—	£	£	£
January	710,000	1,086,000	1,387,000
February	557,000	733,000	632,000
March	448,000	1,677,000	796,000
April	588,800	1,160,000	600,000
May	858,000	930,000	546,000
June	576,000	843,000	421,000
July	754,400	805,000	605,000
Total for 7 months	4,492,200	7,234,000	4,987,000
August	713,400	1,210,000	...
September	760,800	1,126,000	...
October	1,370,600	883,000	...
November	583,400	598,000	...
December	708,800	733,000	...
Total for 12 months	8,629,200	11,784,000	...
United States and Canada:—	\$	\$	\$
January	43,260,800	44,713,825	42,847,000
February	41,105,500	41,520,290	43,206,940
March	30,377,000	41,277,814	42,964,392
April	25,980,600	36,845,795	43,550,996
May	23,202,000	32,129,408	38,415,142
June	11,123,000	33,605,663	31,818,266
July	17,106,400	31,985,493	34,847,750
Total for 7 months	192,155,200	262,078,288	277,147,486
August	17,723,600	30,446,893	...
September	17,182,800	29,249,355	...
October	22,414,160	31,652,385	...
November	20,587,800	29,061,860	...
December	31,935,400	39,215,338	...
Total for 12 months	301,267,560	422,215,128	...

The increase of nearly 9 per cent. in American fire losses in July is accounted for to a large extent by the prevalence of drought conditions over the greater part of the country during the period in question.

Overseas Correspondence.

UNITED STATES.

Money Market — Conversion Plans — Agriculture — Industry.

(FROM OUR CORRESPONDENT.)

NEW YORK, August 27.

WITH the near approach of the next income-tax payment date the money market remains as easy as it has been any time this summer. It is apparent that nothing more than a ripple will be caused by month-end dividend payments and the Labor Day holiday currency requirements, estimated at \$100,000,000, about 40 per cent. of which probably will not return from circulation until next winter. Call funds are still quoted on the Stock Exchange at 2 per cent., but bankers are unable to place all their surplus in the "open" market at 1½ per cent. They are reluctant to lower rates, because they do not wish withdrawal of interior funds, and they feel that further concessions would not develop new demand. Speculation on the Stock Exchange is at low ebb, the daily volume being around 1,500,000 shares, and less and less money is needed to handle the operations, which are largely professional. A further decline of \$27,000,000 last week in brokers' loans brings that item to \$3,128,000,000, the lowest since July, 1927.

Bankers expect that the Treasury will take advantage of current money ease to refund some of its short-term obligations. On September 15th it has relatively small maturities, consisting of \$351,000,000 of certificates of indebtedness and, later in the month, \$50,000,000 in discount bills. Most likely both issues will be refunded. There are outstanding three series of 3½ per cent. notes, due March 15, 1932, totalling about \$1,500,000,000. One series of \$674,000,000 can be called for redemption at par on March 15th next, provided notice be given next month. Since the Treasury has no maturities for next March, in all probability it will announce a plan for retiring the Series "A" notes.

If no financing be done next spring, a good deal of disturbance to the money market might take place, in view of the heavy income-tax collections. The market expects replacement of the 3½ per cents. with short-term obligations, since the long-term bond issue for them would not be economical. If the notes be called at par, holders will, of course, lose the current premium; the notes are quoted around a 2 per cent. basis.

In addition to the notes, the Treasury is making plans for meeting Liberty Bond maturities within the next few years. First Liberty 3½ per cents., of which about \$1,500,000,000 are outstanding, can be called June 15, 1932, with six months' advance notice. They mature in 1947. The Fourth Liberty 4½ per cents., about \$6,000,000,000, do not become callable until October, 1933. Discussion of a refunding plan for this issue is regarded as rather premature. In the first place, the Treasury must occupy itself first with the Treasury notes. Secondly, a current market premium of about 3 per cent. on the Fourth Liberty 4½ per cents. makes it difficult to devise a refunding issue which could be offered to holders on a basis assured of success while at the same time saving money for the Treasury.

A coupon bond of ten to fifteen years' maturity bearing 3½ per cent. has been suggested, but it is doubtful if bondholders would take kindly to it. They could expect the new issue to sell at 103 or higher, perhaps, but the scarcity value imposed upon the unconverted portion of the 4½ per cents., in case some holders failed to respond, would boost them higher than the best levels at which the conversion loan could sell. In addition, of course, the non-converters would have a higher coupon. Con-

version of the First Liberty 3½ per cents. presents similar obstacles at this time, although the money market is favourable to a large refunding operation.

This week brought a further weakening in time rates, four months' money falling one-quarter of 1 per cent. to 2½ per cent. Commercial paper also weakened, a reduction of a quarter taking place, which attracted a good deal of attention, inasmuch as at this season rates usually harden. The quotation of 3 per cent. for best names compares with 6 per cent. a year ago at this time. Softening in money is, of course, another reflection of slow trade and conservative views on the prospect for recovery, although the cheap money policy of the Federal Reserve Banks is a factor.

Commercial banks are having a difficult time in keeping their funds at work. Denied the proper outlet through loans to trade and industry, they are scrambling for commercial paper, the supply of which is not increasing much, and which offers better yields than most other short-term investments. Commercial loans of reporting member banks in leading cities (estimated at 40 per cent. of the banking resources of the country) are about where they were at the middle of July. In the same period last year these loans rose by \$182,000,000. They now stand \$948,000,000 under last year. Meanwhile the banks are also buying bonds steadily. This week's statement of reporting banks shows a further increase of \$105,000,000 in investments, bringing the total to a new high record of \$6,300,000,000. Investments stand \$855,000,000 higher than a year ago. Total loans of reporting member banks are \$143,000,000 less than this time last year, and reserves with the Federal Reserve Banks are \$157,000,000 larger.

Markets for bonds are advancing steadily under the influence of cheap money, the indifferent trade prospects and the lack of new offerings. Even after the Labour Day holidays bankers do not anticipate great activity in the new capital market. Shares also are improving moderately, on a reaction from the excess of gloom prevailing up to a short time ago rather than on actual improvement in business. Chairman Legge, of the Farm Board, has performed a good service in setting out facts on the agricultural situation. He asserts that the great farming regions of the Middle West and upper Mississippi River and Missouri River Valleys "will enjoy almost, if not fully, as good or better farm incomes this year than in 1929." He finds the drought serious only in the tiers of counties adjoining the Rocky Mountain region and in some of the Southern and Border States. His observation that "there has been too much conversation and misinterpretation of facts regarding the drought," which has "resulted in the mistaken impression that the damage has been widespread throughout the agricultural States, resulting in a decrease in farm incomes," is warmly approved in Wall Street.

Some scattered reports of a seasonal upturn in trade are found, but in the main the pace has not quickened. Unemployment is about as large as ever. Estimates compiled from the Census records, covering about half the country, place the total at 2,527,000, but these figures are read with a good deal of caution. In the twenty-eight States for which figures have been received the unemployed are 2.06 per cent. of the population. Motor production is increasing but slowly, and the July output, as announced by the Department of Commerce, was the smallest for any month since last November and the lowest of any July in a good many years. Freight traffic on the railroads is still at the 1922 level, although the earning statements for July show improvement, compared with last year. Whereas in the first six months the net railway operating income was about 34 per cent. under 1929, in July it apparently has been only 30 per cent. lower. Steel industry operations are rising moderately.

FRANCE.

Curtailment of Public Expenditure — Foreign and Colonial Investment — Iron and Steel Production.

(FROM OUR CORRESPONDENT.)

PARIS, September 3.

M. TARDIEU has confirmed by definite action the announcement he made at Nancy recently to the effect that economy of a very real character is to be the outstanding feature of the Budget for 1930-31. "There is a limit to taxpaying capacity," he said, "and that limit has been reached." Hence the nation has heard with no surprise, although with deep satisfaction, the Premier's statement that the next Budget must involve no increase of departmental expenditure.

From the moment he realised that the various draft estimates included fresh expenditure totalling between 5,000,000,000 francs and 6,000,000,000 francs, M. Tardieu appointed seven inspectors attached to the Treasury, with definite instructions to comb out every possible item of proposed additional expenditure from the departmental estimates. The Premier and Minister for the Interior has proved his sincerity by approving "cuts" of 17 per cent. in the draft estimates for his own department, which have now been brought down to 16,000,000 francs lower than the total voted under the current Budget. M. Germain Martin, the Minister for the Budget, is reported to be taking a special interest in bringing to light as many as possible of the numerous hidden increases of expenditure that have crept into some of the recent Budgets owing to the excessive zeal of many of the permanent officials. A practice has sprung up of securing approval for expenditure which apparently applies only to the current Budget but which really, through skilful "wangling" by the draughtsmen, automatically sanctions the inclusion of such increased expenditure in future Budgets also. The present Budget estimates are stated to include something like 2,000,000,000 francs of expenditure which has thus escaped all real parliamentary sanction. Ministers are to present to next Saturday's Cabinet Council the lists of reductions in demands for additional credits which they have succeeded in imposing on their own departmental permanent officials.

Both for economic and political reasons, the attention of French public opinion is being more and more closely focused on the need for colonial development, and there are many signs that this question is rapidly assuming greater importance. Bound up with it is the question whether French financial policy shall in future tend towards fostering, as in the past, the investment of the savings of the nation in purely foreign issues, or shall be directed towards utilising the refurbished woollen stocking primarily for the development of purely French industry and well-being. The Bourse, as might be expected, is clamouring for free trade in all kinds of foreign stocks, as before the war, and is loudly demanding the abrogation of the protective measure, imposed during the war, which renders Governmental approval necessary before any additions can be made to the list of foreign issues quoted in the French market.

During the ten years that ended with 1904 the French invested the huge total of 16,000,000,000 francs in all kinds of foreign loans, with the result that in the year mentioned, out of 148,000,000,000 francs representing the nominal capital value of the issues quoted on the Paris Bourse, 81,500,000,000 francs consisted of shares and bonds of foreign issue, and only 66,500,000,000 francs of French internal issues. By 1910 the proportions had become still more striking. Out of 6,000,000,000 francs of new issues in that year, 5,220,000,000 francs were furnished to foreign borrowers, and only 780,000,000 francs subscribed for French internal purposes. Eight loans were made to Roumania, 11 to Sweden and Brazil, 13 to Serbia, 16 to Russia, and 18 to Norway, and innumerable others to all kinds of foreign governments, municipalities and commercial companies. The effect was that, when the war broke out, banks and other financial institutions were almost choked with scrip for which it was

impossible to find purchasers, and a disaster was staved off only by the universal moratorium which became imperative.

The one thing that is now preventing a repetition of pre-war conditions in this respect is the fact that (as already mentioned) no foreign loan can nowadays be issued in this country except after formal approval by the Government. The majority of French opinion is probably in favour of the maintenance of this law, but the Government is being strongly pressed by powerful interests to authorise the admission of a large number of additional foreign issues to the market here, as a means of avoiding further gold imports, accumulation of still larger stocks of foreign exchange, and inflation of the note issue.

It is possible that a way of compromise between economic desirability and the risk of excessive foreign lending may be found by the issue of a number of badly-wanted loans to the French colonies. One of the first matters to receive attention from the Chamber after the holidays will be the Bills sanctioning the issue of loans totalling 3,600,000,000 francs to five of the French colonial administrations (French West Africa, 1,750,000,000 francs; Indo-China, 1,250,000,000 francs; Madagascar, 700,000,000 francs; Togo, 65,000,000 francs; Cameroons, 15,000,000 francs). The greater part of this money is to be used for economic development, with a view to rendering the Motherland less dependent on non-French supplies of certain food-stuffs and raw materials. It is interesting to note that the commercial exchanges between France and her colonies and protectorates have for some years past resulted in a handsome profit to the Motherland. During the first half of the present year French exports to the colonies and protectorates totalled 4,722,000,000 francs, while imports from the same territories amounted to 2,902,000,000 francs, thus leaving a balance of 1,820,000,000 francs in favour of internal home industries.

Iron and steel production figures for July indicate an increase on the month of 19,000 tons of iron and 36,000 tons of steel. The total output of pig iron was 860,000 tons, against 841,000 tons in June, and monthly averages of 870,000 tons in 1929, 882,000 tons in 1928 and 749,000 tons (Alsace-Lorraine plants included) in 1913. The tonnage of crude steel was 789,000 tons in July, against 753,000 tons in June and monthly averages of 806,000 tons in 1929, 791,000 tons in 1928 and 559,000 tons in 1913. Both steel and iron prices continue to fall, and there are signs that all is not going well with the European International Steel Entente. Experts here regard the recent developments as an official recognition of the impossibility of imposing strict discipline on all its members, and as foreshadowing what would be for all practical purposes the dissolution of the Entente. At the same time, representatives of the British, French, German, Italian, Austrian, Swiss, Hungarian and possibly Scandinavian and American groups of iron merchants are to meet at Luxemburg on September 17 with a view to reviving the commercial relations that existed between them before the war. Price problems and the situation of the various markets will be among the questions to be examined.

GERMANY.

Financial Programme — Taxation and Housing — Agricultural Assistance — Problem of Large Estates.

(FROM OUR CORRESPONDENT.)

BERLIN, September 3.

THE Government has now published an outline of its financial programme, and the expectation is confirmed that its principal intention is to reduce the so-called property taxes, special levies on land and manufacturing industries which are raised by the States and the Communes, in addition to the general income and property tax. According to the Government announcement, this reduction is to begin as from 1931. It is difficult, however, to see where the money is to come from. It is, of course,

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out of the question for the Communes, which already are wrestling with almost greater financial difficulties than the Reich, and for the States which, with the exception of Prussia, are very little better placed (the Bavarian Government has just been defeated on a question of raising 8,000,000 Reichsmarks) to forgo any of the income they derive from the property taxes. Their reduction, therefore, depends on the possibility of offering some substitute for them to the Communes and the States, but that would only be possible by developing the system of consumption taxes. This, however, is strongly opposed by influential groups in the Government Coalition, and the possibility of overcoming this resistance depends on the results of the election.

The Government has intimated that it proposes to adopt another method. In Germany there is a very substantial rent tax on all dwellings which were built before the end of the war, and hitherto half its yield has been devoted to the promotion of housing. It is lent by the Communes at a very low rate of interest of 1 to 3 per cent. to builders of houses so that, when supplemented by a bank mortgage at a rate of 9 or 10 per cent., it enables the building to be financed at an average rate of 4 or 5 per cent. Without these cheap mortgages it would have been quite impossible to continue the building of houses in Germany, for in spite of reductions the rents of new houses, owing to the very great rise in building costs, have been almost prohibitive for the mass of the population, so that most of the new houses had to be let to members of the middle class, and since the depression have been almost impossible to let at all.

The Government now desires to use, for general financial purposes, that part of the rent tax which has hitherto been used for assistance to housing. It is not intended that building should thereby be in any way restricted, but only that it should be financed to a greater extent from the capital market. If that were done, however, it would be exceedingly difficult to find a solution of the interest problem, and an equally serious difficulty would arise in the additional burden which would thus be thrown on the capital market. From the economic point of view, the building of houses out of the proceeds of taxes has hitherto constituted an addition to capital. The accumulation of capital in Germany has proceeded far too slowly, and all experts are agreed that any financial reform should have as its first object to remedy this. The present plan of the Government in so far as it relates to rent taxes would produce precisely the opposite effect.

The remainder of the Government programme is concerned with objects, as for example the relief of the Treasury from the fluctuating demands of unemployment insurance, which are certainly desirable but hardly attainable. The programme has not given the impression that the Government has a clear, decisive, and practicable plan for dealing with the present difficulties. True, the Government could hardly, in present conditions, promise definite reliefs within a stated period, and the disappointment which their programme is calculated to occasion in many quarters may, to some extent, be reckoned to their credit as a result of praiseworthy foresight. It might, however, have been possible, without making delusive promises, to put forward a programme which would have roused more confidence in its prospect of being carried out, and that would have had a very sound psychological effect on economic conditions in Germany.

The programme for the relief of agriculture in Eastern Germany (*Osthilfe*) is being carried out only with considerable friction. The emergency decree of the President contemplates co-operation between the Government of the Reich and the Prussian Government. As the chief purpose of the programme is the substitution of cheap long-period mortgage credits for the fluctuating debts of those farmers who are in financial difficulties, with a view to forcing some concessions from creditors, it is only practicable to include in the programme those farmers who have a reasonable prospect of meeting their interest and redemption obligations on the reduced and cheapened loans. The remainder must be left to go out of business, and an attempt is to be made to use their land for the establishment of small holdings. The Reich and the Prussian State cannot agree as to the principle on which farmers are to be selected for the granting of the new credits. In this disagreement a considerable part is played by the difference of political colour between the Prussian Government, which is composed of Social Democrats, the Centre (Catholic Party) and Democrats, and the Reich Government, which is composed to a larger extent of the parties of the Right. The Prussian Government wishes to set up a very strict standard for distinguishing between farms which are, and farms which are not, eligible to receive further credit. It would like the Reich and the State jointly to guarantee new mortgages, and, above all, it wishes to avoid imposing upon the community, in addition to the sums which are to be given outright from the outset, a fresh burden for meeting the obligations under the State guarantee, simply in order to keep in existence the large agricultural holdings of the East. The agricultural-political advisers of the Prussian Government consider that the present system of land holdings in East Germany is a source of perpetual agricultural crises, and they see no purpose in attempting to maintain that system. The Reich Government, on the other hand, is unable to do without the political support of the agricultural organisations, in which the large landholders play a leading part. They are, therefore, firm in basing their policy on the present large holding system. Moreover, they are able to adduce an important practical argument in support of this policy—namely, that the establishing of small holdings is very costly (the cost of a self-supporting holding just large enough to pay its way amounts to about Rm. 30,000, half of which must in practice be given outright to the holder), so that it will be very difficult to utilise the land of East Germany economically if a large number of big agricultural estates are to be allowed to disintegrate.

The Reich is in the stronger legal position in this disagreement, because it has the power of supreme legislation, but Prussia has an important practical advantage as, in the administration of earlier programmes of agricultural assistance, it has built up a staff of trained experts, who are extraordinarily experienced in estimating the credit-worthiness of agricultural undertakings. This staff is under the control of the great agricultural credit institute of Germany, the Preussische Zentral-genossenschaftskasse. The Reich is dependent upon the assistance of this staff for the execution of the present programme, but the Rentenbankkreditanstalt, which was established by the Reich and has the strong support of the agricultural societies, is endeavouring, with the assistance of the local chambers of agriculture (the German chambers of agriculture are modelled on the chambers of commerce), to create a new organisation for the control of credit, to instil its own principles into it, and to secure its use in the execution of the *Osthilfe*.

Though the antagonism between the ideas of the Reich and of Prussia is not as keen in practice as it appears in the utterances of theorists on both sides, yet this struggle will have to decide whether the large landed properties of East Germany are to be maintained on approximately their present scale with the aid of public funds, or whether they are to be reduced even at the cost, if this would avoid economic sacrifices, of turning land which has hitherto been used for agriculture into State owned

forests. The importance of the question appears greater when it is remembered that the large land holdings of East Germany, together with those of Austria, are almost the only ones which have survived the post-war agricultural reforms.

HUNGARY.

Public Finance — Foreign Trade — Crops — Money and Banking — Balance of Payment in 1929.

(FROM OUR CORRESPONDENT.)

BUDAPEST, August 25.

THANKS to the latent reserves of the Treasury accumulated in the last five years, the financial year closed on June 30th without an actual deficit. According to the monthly reports published by the Finance Minister, the total gross revenue in 1929-30 amounted to 953.9 million pengös, and expenditure totalled 953.7 million pengös, leaving a small surplus of 0.2 million pengös. Although the total receipts of the Treasury are not much behind the revenue realised in 1928-29, which amounted to 964.9 million pengös, the budgetary situation is far from being satisfactory. Owing to the economic crisis prevailing throughout the last financial year, tax revenue in all categories declined, and the total gross revenue derived from taxation was only 774.2 million pengös in 1929-30, as against 844.3 million pengös in the previous financial year. The deficiency of 70 million pengös in the current tax revenue was made up by the increased return of the departmental receipts, which totalled 164.3 million pengös, as against 104.4 million pengös in 1928-29. This considerable increase is due to the fact that certain non-recurring revenue items were included, such as profit of minting silver coins, and interest on and repayment of advances granted by the Treasury in former years to local authorities and other bodies.

The prospects of the Treasury for the current financial year are not encouraging. The economic crisis is reflected in the diminishing tax revenue, and there is little hope that the receipts of the Treasury will be higher in the present Budget year than in 1929-30, on the basis of the present taxation. As increase of taxation is practically out of the question the only means of securing permanent budgetary equilibrium would be a ruthless cutting down of expenditure. If the Finance Minister succeeds in keeping to the expenditure limit as voted by Parliament of 895.7 million pengös for 1930-31, there need be no fears for budgetary equilibrium, but if that amount is exceeded the imposition of new taxes, however unpopular, will be absolutely necessary.

Foreign trade returns are very satisfactory. For the first seven months of 1930 exports amounted to 514.4 million pengös, against 480 million pengös in the corresponding period of 1929, and imports decreased from 629.8 million pengös in January-July, 1929, to 479.6 million pengös in the present year. The deficit of the past year, amounting to 149.8 million pengös in the first seven months, is replaced by an active balance of 34.8 million pengös. It is hoped that the coming months will further improve the trade balance, for in the absence of long-term foreign loans the country is compelled to finance its merchandise imports by the export of its own products. This development, which began in the middle of 1929, is very satisfactory, since it demonstrates that Hungary is capable of adjusting herself to the changing situation of the outer world. It is only natural, however, that while she is living on her own resources without the stimulation of foreign capital, economic conditions, aggravated by the low agricultural prices, are far from good.

Crop reports are disappointing. Both grain and root crop estimates are behind those of last year. Prices are the lowest ever recorded in the post-war period. The low prices of agricultural products and the difficulties of grain export seem to be bringing closer together the agrarians of Roumania, Yugoslavia and Hungary, but there is little evidence that a workable scheme will be found to defend the common interests of the Danubian agrarian countries

against the protectionist policy of the industrial States. The Sinaja Conference between Roumania and Yugoslavia was followed here with keen interest, but the fact that this conference dealt with an economic problem from its political aspects only shows that hopes for a united agrarian policy are premature.

The money market is easy. Short-term credits are abundantly offered at 3-3½ per cent., but owing to the economic crisis there is very little demand for new enterprise. The discount rate of the National Bank is 5½ per cent., and rates for good commercial paper are 5½ to 6 per cent. The low money rates mean a considerable saving for Hungary, as it is estimated that the country's borrowings on short-term accounts are between 500-600 million pengös. All the important commercial banks have published their half-yearly balance sheets. In spite of the economic crisis the volume of business was slightly increased and the high profits of last year fully maintained. There is little doubt that the banks will be able to pay the same dividend for 1930 as for 1929. A considerable portion of the profits realised by the banks operating with foreign funds is due to the cheap accommodation obtained from abroad and lent on short-term account in the domestic trade. On the other hand, losses were sustained from their security holdings, as quotations on the Stock Exchange have fallen by 10-20 per cent. since the beginning of the year. Owing to the absence of long-term loans the mortgage business of the banks does not show any development in the past six months. Negotiations with the Guarantee Trust Company, New York, and the Hambros Bank, London, for the centralisation of mortgage loan issues are making good progress. It is highly important that the long-delayed negotiations for the centralisation of mortgage loan issues should come to a successful conclusion, because the piecemeal borrowing of the Hungarian financial institution in New York and in London does not serve the interest of the credit of the country.

The balance of payments for 1929, as published by the Statistical Department, shows a deficit of 213.5 million pengös, as against 501.1 million pengös in 1928. This great improvement was due to the shrinkage of the merchandise trade deficit, which decreased from 370.3 million pengös to 22.6 million pengös. Hungary's balance of international payments is determined by two main factors, trade and borrowing from abroad. The biggest current item of the balance of payments against Hungary is the interest on long and short-term debt owed to foreign countries, which increased from 142.4 million pengös to 156.9 million pengös in 1929. The other current items do not materially influence the balance of international payments, as the surplus arising out of the emigrants' remittances, railway and shipping transit is offset by the deficit of tourist traffic and outgoings for insurance and commissions. The favourable returns for the first seven months of the current year justify the hope that the balance of payment for 1930 will show further improvement.

CANADA.

Crops — Business — New Government and Tariffs.

(FROM OUR CORRESPONDENT.)

OTTAWA, August 16.

HARVESTING operations are now in full swing in Western Canada, and the crops are being reaped under favourable conditions. Estimates of the total yield of the prairie wheat crop still vary greatly, but an average figure of the experts' forecast is about 375 million bushels. Later-sown crops, which are not yet ripe, are suffering deterioration as a result of the ravages of rust, but the full extent of the damage is not yet known. Grain prices have lately shown some improvement, and the smaller yields of some European countries, combined with the failure of the maize crop in the United States, which will mean heavy calls upon wheat for poultry and other feed, offer a better prospect for the disposal of Canada's wheat crop than has existed for some time past. At the same time, there is a good deal of dissatisfaction among members of the wheat pools

with the performances of their managers. On August 12th, at Carman, the centre of the wheat-growing region of Manitoba, a meeting of dissatisfied pool members was held and a resolution was submitted to the effect that the provincial Government be asked to take the necessary steps to release pool members from their contracts. Mr Burnell, the chairman of the Manitoba pool, addressed the meeting in defence of the pool executive, and eventually an amendment was passed urging the members of the pool to stand by their contracts until they expired. This year the new "combine" machine is being used more extensively than ever on the prairies and has enabled so much human labour to be dispensed with that the railway companies for the first time in many years did not run any special harvest excursions to the Western provinces. In the Eastern provinces harvesting operations are well on the road to completion, and most of the field crops show an average yield.

General business conditions cannot yet be described as satisfactory. Manufacturing activities and the movement of merchandise remain at a substantially lower level than at the corresponding date in 1929, and there are no signs of any immediate improvement. However, if the export movement of wheat reaches the normal autumn volume it will put large sums of money in circulation among the Western farmers which should start a flow of orders from the West; and the raising of the tariff which is contemplated should at least temporarily increase employment in the Eastern industrial areas. But it will require a very substantial improvement in various directions for Canada to avoid a very difficult winter. As long as great basic industries like agriculture, mining, pulp and paper are experiencing a serious depression, there can be no hope of any general prosperity for the Dominion. This year's programme of new building construction showed considerable curtailment and comparatively little finishing work will be left over for the winter months. The number of people who have been admitted into Canada during the present immigration season is less than half as large as in the previous year, and from this date onward the Government intends to make the barriers against immigrants virtually prohibitive until conditions improve. The Canadian stock markets have also shown a recessionary tendency in recent weeks, and the prices of many seasoned issues have fallen to their lowest level for the year. The Federal revenues are still falling ominously, and in view of its commitments, which will entail heavy special expenditure, the new administration is faced with a difficult financial problem.

The change of Government which was a consequence of the general election was effected quietly at Ottawa on August 8th, when Mr R. B. Bennett announced the personnel of the new Conservative Ministry and took over office from Mr Mackenzie King. Only in the case of Mr Rhodes, the Conservative Premier of Nova Scotia, has he gone outside his immediate parliamentary following for his Ministers, and, while his Cabinet cannot be described as an assemblage of brilliant political talent, it contains a number of experienced politicians and a satisfactory infusion of new blood. One of its more gratifying features is the exclusion of certain veterans whose questionable claims to office had been strongly pressed. For the present, Mr Bennett has decided to take charge of the Ministry of Finance in addition to the Department of External Affairs, but, when he has returned from the Imperial Conference, he will look around for a competent Finance Minister. His chief lieutenant will be Mr Rhodes, who assumes charge of the new Ministry of Fisheries, and he will have the benefit of the services of Sir George Perley, the ex-High Commissioner, who joins the Ministry without portfolio.

The new Parliament will meet for a special session in the first week of September, and will be asked to pass a series of measures designed to fulfil the pre-election pledges of the Conservative leaders that they would deal effectively with the unemployment situation. The Ministry of Labour is undertaking a rapid survey of employment conditions throughout the Dominion and several provincial administrations have undertaken to co-operate with the Federal authorities in alleviating unemployment by winter work on the proposed trans-Canada-highway and other enter-

prises for which parliamentary authority will be sought. Apparently Mr Bennett also intends to go ahead immediately with the upward revision of the tariff to which he specifically committed himself during the campaign. As a preliminary step he has abolished the Tariff Advisory Board, a creation of the previous Government whose activities he had severely criticised. He proposes to substitute for it a new fiscal tribunal, to be known as the Tariff Commission, along the lines suggested by Sir Robert Borden before the war. Semi-official Press forecasts indicate that at the special session the Government will ask Parliament to sanction a number of emergency tariff adjustments for the purpose of conferring additional protection upon the textile and other key industries which are suffering from depression. The existing commercial treaty with France, which has been the target of persistent Conservative criticism, will be cancelled unless the French Government agrees to its drastic modification; and trade arrangements with twenty other countries, like Belgium, Denmark, Italy and Argentina—to whom the benefits of the French treaty were extended—will be affected by this move. The countervailing duties introduced in the last Liberal Budget are also to be abolished on the ground that Canada must not have any part of her tariff policy at the mercy of the decisions of Washington. The manufacturing interests are naturally pleased at the prospect of higher duties, but there is some apprehension about the possible consequences of a policy of extravagant protectionism, and New Zealand's plans for retaliating for the ban upon her butter by higher duties upon Canadian exports of motor-cars are causing considerable disquietude. The Liberal Opposition will be strong in debating power, and is certain to subject the fiscal proposals of the new Ministry to vigorous criticism.

The new Ministry has been forced to concern itself with the problem of marketing the Western grain crop, which caused so much worry to its predecessor. Soon after assuming office Mr Bennett and some of his colleagues held a conference at Ottawa with the Premiers of the three Prairie Provinces and representatives of the Canadian Bankers' Association, and it is understood that satisfactory arrangements for financing the marketing of the crop of 1930 were arrived at. The Federal Ministers made it clear that there could be no question of their extending any guarantees to the banks, as the three provincial administrations did during the crisis of last February, but in their capacity as administrators of the Canadian Banking Act they are in position to render very useful assistance to the banks in connection with the marketing problem.

ARGENTINA.

Business Conditions — D'Abernon Agreement — Subway Concession.

(FROM OUR CORRESPONDENT.)

BUENOS AIRES, August 10.

THANKS to reports of damage done by drought to the American crops, Argentine cereal prices have suddenly improved, exchange has moved in favour of the peso, and, maize shipments increasing on a market short of prompt tonnage, ocean freights are decidedly firmer. Coincident with this better feeling in the export trade comes increased inquiry on the part of importers. Their orders, especially in textile lines, have been singularly small for the past four months, thus leaving the market somewhat bare as regards supplies. Now, with the dread of a low exchange gradually lifting, there is a decided wish to buy in order that goods may be available when the tide really turns, which it is expected to do before the end of the year. Monetary conditions also favour expanding trade, since banks are finding themselves with steadily growing deposits and but a moderate demand for funds—a situation which has brought rates to an average of 7 per cent. for loans, with 3½ to 5 per cent. paid for three to six months' deposits, while there has been brisk buying of all Argentine national bonds. Banks' cable drawing rate on London is 4½d. and New York 119.10, and further substantial improvement may safely be pre-

dicted for the near future, even if no steps are taken to reopen the Conversion Office. That event would obviously have an instantaneous effect. Nor is it likely that it would lead to very heavy extractions of gold, inasmuch as the first rush to ship specie would be sufficient to drive the rate to a figure that would skim all the profit from the business for late comers.

In short, general conditions in Argentina have much improved during the last fortnight, nor is there reason to suppose that such improvement is but temporary. The reaction upon Argentine opinion brought about by the United States tariffs and by the possible changes which may be introduced in this respect in Great Britain, is not wholly unfavourable to trade. Various writers in the British Press, and notably Sir Malcolm Robertson, late H.M. Ambassador to Argentina, have hastened to correct the unfavourable feeling caused by Lord Beaverbrook's injudicious remarks about "gipsy labour," while the Argentine journals are also quick to observe that if the United Kingdom closes the door ever so little upon Argentine produce, thereby prejudicing Argentine trade, such a course hits directly at the income derived from the £430,000,000 British capital permanently invested in this Republic. It is interesting to note, especially if one holds the apparently unfashionable faith of one's fathers in the matter of Free Trade, that not only does Sir Malcolm come forward in a hurry to point out that Argentina must not be regarded as a foreign country when British tariffs are to the fore, but that the United States Ambassador paid a special visit to H.E. President Irigoyen in order to assure him that the United States Government was willing at the present time to effect tariff modifications which could be shown to be reacting unjustly abroad. Meanwhile commercial bodies here are calling for careful revision of all "most-favoured-nation" treaties, some twelve of which are actually in force, and the general impression is that far from being seriously damaged by the coming tariff war, Argentina looks like winning all round, provided that she holds to her traditional neutrality in international affairs.

As far as Great Britain is concerned Argentina's attitude is distinctly non-committal. The D'Abernon agreement still awaits the sanction of the Senate, and there is some reason to think that, to use the Spanish phrase, it will be a case of *esperame sentado*, or "take a seat while you wait"—perhaps for ever. Party political reasons are possibly more responsible for this attitude than any desire to go counter to Great Britain's wishes, but it ought to be clearly realised at home that a good many Argentines, while firm believers in a *beau geste*, feel that the matter ends there if circumstances make practical fulfilment difficult. The D'Abernon Mission was well received, hospitably treated, and given a good send-off. Had circumstances been such as to enable Argentina to float a loan in London, invest the proceeds in British material, and dispense with the use of credit and the purchase of material obtained elsewhere, the agreement would have been put to practical use. Circumstances having turned out otherwise, nobody is to blame if the practical results, viewed from the cold mercantile standpoint, are nil. The friendly feeling remains, and when material advantage can be obtained by recalling it, then, and not before, is the question of the agreement likely to come up anew.

Somewhat illustrative of this matter is the recent announcement that the Buenos Aires Municipal Council have granted a new subway concession to a Spanish company, the Cia. Anonima de Proyectos y Construcciones, notwithstanding that the technical committee appointed by the Intendente, or Lord Mayor, pronounced a decided negative when called upon to examine the company's proposals. They turned them down as lacking financial backing of a serious nature, and it seems highly probable that the actual construction of the lines will not be undertaken by the concessionaires. It is openly said that American capital may be counted upon, but that remains to be seen. What is certain is that the first line to be built of the four routes sanctioned will be at once the shortest, and the most profitable, running as it does from Retiro to Constitucion—a route comparable to City-Charing Cross.

Hence the concessionaires' willingness to accept the condition of a flat 10-cent fare, and their readiness to put down a deposit, running into some \$2,000,000 paper, for the subsequent construction of suburban lines. It may pay the company to forfeit the deposit and be content with the steady profits that the first line is certain to provide. Public opinion cares little one way or the other, provided something is done, and that soon, to relieve the present state of congestion. The effect of the subway on tramway receipts will be acute, but inasmuch as the line will take three years to complete, it will be some time before that effect shows up in the traffic returns.

Books and Publications.

WEALTH AND POVERTY.

IN *The Workers' Share** Mr Humphrey sets himself to expound the following thesis, as outlined in the first paragraph of his first chapter:—"The general standard is to-day so low, insecurity is so widespread and the poverty problem as a whole so vast and urgent, as to justify the conclusion that capitalism is incapable of coping with it. In short, capitalism has been weighed in the balance . . . and found to be gravely wanting." That this thesis is, in its entirety, not proven, a large section of Mr Humphrey's readers will certainly insist. The old stark antithesis between that which is and that which is not "capitalism" is less convincing to-day than it once was. Even in the circumscribed house of capitalism there are many mansions, and the civilised world is capable of evolving many more. We may therefore venture to doubt whether, in demonstrating the present breakdown of capitalism as sustainer and feeder of the toiling masses, Mr Humphrey has adequately "justified the conclusion" that capitalism is, of its very nature, incapable of coping with the situation. It may be—but to prove that it is would involve a series of finely-drawn definitions and an analysis of capitalistic organisation such as would clearly lie beyond the scope and practical intention of the present volume.

The thesis which Mr Humphrey does in fact attempt to substantiate is a somewhat narrower one, i.e., that the increased productivity achieved under the ægis of the capitalist system has been, and indeed still is, consistent with an intolerable incidence of poverty and with a rise in real wages wholly inadequate to meet the primary needs of the workers. And his method of substantiation is perhaps the most workmanlike and convincing method that he could have selected. It involves a minimum of rhetoric and a maximum of fact. Under the three headings of "Wages and Wealth," "Social Investigation" and "Present-day Wages and the Poverty Line," he has assembled in a compact space the summarised results of innumerable statistical inquiries into the volume and distribution of national income and property, the changes in real wages, and the incidence of poverty as measured by such eminent investigators as Booth, Rowntree and Bowley. Whatever may be said for or against the political intentions of its author, this is a very handy book for the student of social science.

BOOKS RECEIVED.

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

(It would be a convenience to our readers if publishers would make a point of notifying us of the prices of books sent for inclusion in this column.)

Australia. By W. K. Hancock. (London) Ernest Benn, Ltd., 154, Fleet Street. 15s. net.

Books on various aspects of Australian economic and political problems have not been wanting lately, but this publication falls into a different category from any of them. Written by a historian who is a keen student of Australian problems, it constitutes an appreciation in which each of these individual problems falls into its proper perspective.

* *"The Workers' Share."* By A. W. Humphrey. George Allen and Unwin. 3s. 6d. (paper 2s. 6d.). pp. 92.

The British Year Book of International Law, 1930. (London) Oxford University Press, Warwick Square. 16s. net.

Eight articles by prominent international lawyers include: "The Indian States," by D. B. Somervell; "The Optional Clause (The British Signature and Reservations)," by Sir John Fischer Williams; and "The Proposed Amendments to the Covenant of the League of Nations," by Professor C. A. W. Manning. There are also shorter notes, reports of decisions of tribunals, and numerous book reviews.

L'Amérique et l'Europe. By Orestes Ferrara. (Paris) Les Œuvres Représentatives, 41, Rue de Vaugirard. 12 francs.

An interesting study, in which a Cuban statesman discusses, with great tolerance and understanding, the attitude of Europe to Pan-Americanism.

Economic Rhythm. By Ernst Wagemann. (London) McGraw-Hill Publishing Co., Ltd., 6, Bouverie Street. 15s. net.

A very thorough analysis of the phenomena of the trade cycle, in which the author makes the fullest use both of statistics and of the theories advanced by his predecessors.

Mathematical Introduction to Economics. By Griffith C. Evans. (London) McGraw-Hill Publishing Company, Ltd. 15s. net.

A fairly simple mathematical treatment of a group of economic problems.

International Labour Review, July, 1930. (London) George Allen and Unwin, Ltd., 40, Museum Street. 2s. 6d.

Contains an interesting account of the Italian Corporations Act.

The Banker, August, 1930. (London) Financial Newspaper Proprietors, Ltd., 20, Bishopsgate. 2s. 6d.

Contains articles on the Australian Reserve Bank and the future of bank trustee work.

Banking for Advanced Students. By Percy G. H. Woodruff. (London) Sir Isaac Pitman and Sons, Ltd., Parker Street. 7s. 6d. net.

A useful text-book.

Tariffs and Peace. By Professor Gilbert Murray. (London) National Council for the Prevention of War, 39, Victoria Street. 1d. net.

A pamphlet in which it is opportunely demonstrated that the building up of tariff walls is contrary to the spirit of internationalism on which alone the world can rely for the prevention of war.

Free Trade or Food Taxes? By the Right Hon. Sir Herbert Samuel, M.P. (London) Liberal Publication Department, 42, Parliament Street. 3d.

Protection versus Free Imports. By Ramsay Muir. (London) Liberal Publication Department, 42, Parliament Street. 3d.

British Agriculture and Free Trade. By Mr. Arthur Holgate. (London) Liberal Publication Department, 42, Parliament Street. 1d.

Answers to Protectionists, Safeguards and "Empire Free Traders." By the Right Hon. Sir Herbert Samuel, M.P. (London) Liberal Publication Department, 42, Parliament Street. 3d.

Free Trade or Protection. By Arnold Golodetz. (London) Williams and Norgate, Ltd., 38, Great Ormond Street. 4s. 6d. net.

A concise and well-written exposé of a number of Protectionist fallacies.

OFFICIAL PUBLICATIONS RECEIVED.

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

Finance Accounts of the United Kingdom for the Financial Year ended March 31, 1930. 1s. 6d. net.

Licensing Statistics, 1929. Cmd. 3644. 3s. net.

East African Agricultural Research Station, Amani. 1st Annual Report, 1928-29, 6d. net; 2nd Annual Report, 1929-30. 1s. net.

Report of the Dyestuffs Industry Development Committee on the Present Position of Development of the Dyestuffs Manufacturing Industry. Cmd. 3658. 1s. 6d. net.

The Stock Exchange.

LONDON ELECTRICITY SUPPLY COMPANIES.

IN the *Economist* of August 25th we examined the prospects of five leading electricity supply companies operating outside the London area. Under the London Electricity Acts of 1925, the companies operating within an area of approximately 1,785 square miles—extending, roughly, from Windsor to Gravesend and from St. Albans to Reigate—are to be taken over by the Joint Electricity Authority, in 1971, on certain terms. The shares of these companies, therefore, fall into the class of redeemable securities, and in calculating their dividend yields allowance must be made for capital loss on redemption at par in forty-one years. The Acts allow these companies to charge such "standard" rates as will enable them to cover all expenses and interest on debentures, to pay preference share dividends, to provide sinking funds for the repayment of capital in 1971, and to pay dividends on ordinary shares at the rate of 10 per cent. up to 1931 (with 7 per cent. on the capitalised reserves) and at the rate of 7 per cent. from 1932 to 1971. If a company charges rates less than the "standard" the difference between its actual revenue and the revenue which would have accrued at standard prices is called "consumers' benefit." Such a company is entitled, if earnings permit, to pay on its ordinary shares, in excess of the standard dividends, a sum equal to one-sixth of the "consumers' benefit."

The companies whose *whole* undertakings come under the *regime* of the London Electricity Acts of 1925 are as follows:—City of London, South London (which, in company with the South Metropolitan, is controlled by the County of London), and all the constituent companies (except Metropolitan) of the London Power Company—namely, Brompton and Kensington, Central Electric, Charing Cross, Chelsea, Kensington and Knightsbridge, London Electric, Notting Hill, St. James and Pall Mall, and Westminster. The position of these companies was examined in detail in the *Economist* of June 22, 1929. It is impossible to predict what dividends these companies will be able to pay beyond the standard dividends. The following table gives the standard dividends allowed and the actual dividends paid in the last three years, together with (1) the current yield at present market prices and dividends, and (2) an estimated yield, including redemption at par in 1971, after making an allowance for dividends till 1931 at present rates and thereafter at 7 per cent.:

Company.	Standard Dividend to 1931.	Dividends paid.			Present Market Price.	Current Yield.	Yield for Redemption in 1971.
		1927.	1928.	1929.			
City of London	£ s. d. 10 0 0	% 10.0	% 10.0	% 10 0 0	34/6	5.80	3 16 9
South London	£ s. d. 8 11 7	% 8.5	% 8.5	% 8 10 0	27/6 cd	6.28	5 2 6
London Power Group:							
Brompton & Kensington	£ s. d. 8 10 8	% 8.6275	% 8.6275	% 8 10 8	27/-	6.32	5 1 0
Charing Cross	£ s. d. 8 3 2½	% 8.151	% 8.151	% 8 3 0	27/6	5.93	4 19 0
Chelsea	£ s. d. 8 16 8	% 8.875	% 8.875	% 8 16 8	27/-	6.57	5 4 3
Kensington & Knightsbridge	£ s. d. 7 19 10	% 8.0095	% 7.9921	% 7 19 10	27/-	5.92	5 1 0
London Elec.	£ s. d. 8 8 7	% 8.4285	% 9.00	% 9 0 0	29/9 ex	5.67	4 10 6
Notting Hill*	£ s. d. 0 13	% 13/7.636	% 14/4.006	% 16/7.817	7½	11.10	†
St. James and Pall Mall ...	£ s. d. 7 17 11	% 7.8954	% 7.8954	% 7 17 11	27/6	5.74	4 19 0
Westminster	£ s. d. 8 16 0	% 8.8	% 8.8	% 8 16 0	27/6	6.40	5 0 6

* "Consumers' benefit" has enabled Notting Hill to increase its dividends steadily.
† Notting Hill has not yet been able to capitalise its reserves.
‡ Standard dividend, 1931 to 1936, £8 0s. 6d. per cent.

The shares of these companies make a limited appeal to investors, in view of their redemption at par in 1971. It should be noted that the redemption yields are ex-

ceedingly low, but no allowance has been made for any dividend increases which may arise from "consumers' benefit." Interest in the London companies on the Stock Exchange is chiefly centred in the debenture stock of the London Power Company, which is of "gilt-edged" character. Each of the ten constituent companies of this group has agreed to provide its due proportion if the revenue of the London Power Company is insufficient to meet all charges and debenture interest. Actually the profits of the London Power Company last year were sufficient to cover its debenture interest 1.6 times. The total amount of debenture stock issued by the London Power Company is £13,748,400 and the present market price of the stock is £102½.

The "outer London" companies, whose undertakings fall within the scope of the London Electricity Acts *only in part*, are the County of London Electric Supply, North Metropolitan Electric Power, South Metropolitan Electric Supply, which is controlled by County of London, and Metropolitan Electric Supply, which is one of the London Power group.

County of London Electric Supply, with its subsidiaries, has wholesale powers over a wide area east of a line drawn approximately north and south from the centre of London, and stretching to the coast. Apart from its extensive metropolitan area, its system covers the greater part of the counties of Kent and Essex. The company has also an interest in the Bournemouth and Poole Electric Supply. The bulk of the company's territory is residential rather than industrial, but considerable industrial development is taking place both in Essex and Kent, and the opening up of the Kent coalfield may have far-reaching effects on part of its territory. The company's principal generating stations are at Barking (237,500 kw.) and Wandsworth (27,500 kw.), besides a small station in the City. Barking and Wandsworth are "selected" stations under the Central Electricity Board's scheme, and the Barking station is to be operated as a principal base load station for the south-east of England. It is unfortunate that the company is unable to publish separate accounts showing how much of its revenue and capital is affected by the provisions of the London Electricity Acts, or to present separate accounts of its subsidiary companies. Probably the company is earning on that part of its undertaking which comes within the London Electricity Acts a rate in excess of the 10 per cent. standard rate on its ordinary capital, so that when the standard rate is reduced to 7 per cent. in 1932 shareholders may not be affected, particularly as the company may increase its standard dividends on account of "consumers' benefit." It is also probable that, in view of the rapid progress of some of its subsidiaries, the declared earnings of the parent company understate the true earnings position.

The North Metropolitan area of wholesale supply extends from the northern fringes of inner London, including Willesden, Hampstead, Highgate, Wood Green, Tottenham and North Walthamstow, northwards and east over Middlesex, Hertford and Essex, as far as Royston, Baldock and Hitchin in the north and Bishop's Stortford, Harlow and part of Epping in the east. The company also possesses retail powers in a number of districts. The total area, covering 660 square miles, includes a rapidly growing residential population and a diversity of new progressive industries, such as automobiles, safety glass, films, etc. Among its large consumers are the Metropolitan Railway, London Midland and Scottish Railway, and a large number of local autho-

THE WEEK IN THE MARKETS.

THE LONDON STOCK EXCHANGE.

SETTLING DAYS.

TICKET. ACCOUNT.
September 9. September 11.

The firmness which developed last week in industrial stocks was again in evidence, accompanied by a faintly perceptible tendency to withdraw money from gilt-edged stocks. The volume of business was certainly larger than for some time past. The extent of public participation, nevertheless, remained limited, and before the week ended the movement had lost part of its first careless rapture. In many cases stock was in short supply, the rise in prices thus being disproportionate to the volume of buying. On the whole, the market was disposed to interpret the past fortnight's events as a sharp rebound from an over-sold condition, but not much more.

A slight falling off in gilt-edged prices was attributed partly to a switch from less to more speculative investment, and partly to a resumption of the flow of gold to French vaults. War Loan was less firm, but Funding Loan improved before suffering a slight reaction like the rest. Optimistic views on the Gandhi "conversations" caused strength in India stocks, but Australians sagged on fears of political complications arising out of the Government's spartan budgetary programme.

Among foreign bonds, Brazilians enjoyed an all-round recovery, as a result of improvement in the milreis, short supplies of stock, and the near approach of large sinking fund operations. Mexicans were firmer on the ratification of the Debt Agreement, but political news from Argentina had an unwelcome sound. Chinese bonds were in demand, particularly the Tientsin Pukow railway issue, which attracted speculative interest on decidedly optimistic expectations of its becoming a charge on the Maritime Customs. Europeans were steady, though business was no more than moderate.

Home railways were among the ordinary stocks outside the orbit of the week's activity. Available supplies were more than equal to demand, and the continued bad showing of the traffic figures was the more unfavourably commented on by reason of last week's excellent holiday weather. The Underground figures, however, were again favourable, the new debentures reaching 4½ premium. Among foreign railways, Argentines were lower on a small turnover, but Leopoldinas recovered sharply in sympathy with Brazilian Government stocks. Canadian Pacific was less active.

Industrial shares opened uncertainly each day, but developed strength every afternoon. The past fortnight's developments are discussed in an Investment Note on page 452. Attention was concentrated mainly on recognised market leaders, such as Courtaulds, Imperial Chemicals and Dunlops. Austins and Leylands resumed their rôle of active counters in the motor share market. The movement, however, spread to sections formerly out of the picture. Textiles, for example, were supported on the view that the willingness of the Lancashire Cotton Corporation to sell yarn at nominal prices, to enable manufacturers to compete abroad, was part of a determined effort to tackle the industry's many problems. Iron and steel shares were also in greater favour, interest centring on Babcock and Wilcox, Dorman Long, and Vickers. Brewery and tobacco shares were in steady demand, and electrical shares were another active feature in the "investment" sections. A partial revival of interest in shipping stocks benefited P. & O., Cunard, and Furness Withy, but stopped short of Royal Mail. The Swedish group recovered part of its recent losses, but other international, which were marked up in anticipation of strong American demand, receded when this failed to arrive. Unilever and its satellite issues made ground on further bear closing and a partial renewal of outside demand. Bank shares were firm, apart from those of institutions operating in South America. Insurance shares were steady on a moderate investment inquiry.

(Continued on page 452.)

rities. The company's principal generating stations are at Willesden (25,000 kw.), Brimsdown (50,000 kw., to be increased to 150,000 kw.), and St. Albans. The Brimsdown station is remarkable for its technical efficiency. It uses pulverised fuel, and is equipped with a 25,000-kw. turbo-alternator, generating directly at a pressure of 33,000 volts. The London Electricity Acts affect this company only indirectly.

South Metropolitan, controlled by the County of London Electric, need not be considered in detail, as it operates only a small territory (in Kent) outside the scope of the London Electricity Acts.

The area of the Metropolitan Electric Supply covers an inner London district (Holborn, Strand, Bloomsbury, Paddington and Finsbury), and a western, northern and southern area in Outer London covering part of Buckinghamshire, Middlesex, Hertfordshire, Berkshire and Surrey. The company purchases the bulk of its power supply from the London Electric Power Company, to whom, in common with other London companies, it sold its generating station in 1927. Of the company's ordinary capital of £2,000,000, some £883,465 is considered to apply to the London area and £1,116,535 to the Western area.

The net profits and earnings of these companies in the last three years are shown in the following table:—

County of London Electric:	1927.	1928.	1929.
Net profits	£ 597,864	£ 665,951	£ 638,849
Preference dividends ...	193,500	196,396	199,291
Percentage earned	13.7	16.4	14.1
Percentage paid	7½	10.0	11.0
Carried forward	204,988	364,210	445,037
Ordinary capital	3,103,334	3,103,334	4,427,179*

* Including 1,106,795 shares issued in December, 1929, in respect of which cash had been received at December 31, 1929, amounting to £61,526.

North Metropolitan Electric:	1927.	1928.	1929.
Net profits	£ 311,393	£ 326,365	£ 355,492
Preference dividends ...	74,000	69,000	69,000
Percentage earned	20.7	22.7	19.9
Percentage paid	10.0	10.0	10.0
Reserve	100,000	120,705	126,548
Carried forward	19,042	28,202	28,146
Ordinary capital	1,275,000	1,275,000	1,600,000*

* Subsequent issue (in March, 1930) of £250,000 6 per cent. preference shares and £750,000 5½ per cent. debenture stock.

Metropolitan Electric:	1927.	1928.	1929.
Net profits	£ 227,630	£ 190,419	£ 202,130
Preference dividends ...	22,500	22,500	22,500
Percentage earned	14.8	11.7	12.5
Percentage paid	9.0	9.0	10.0
Reserve	...	29,272	32,033
Carried forward	83,508	87,149	84,746
Ordinary capital	1,500,000	1,500,000	2,000,000

The net profits are shown after allowing for depreciation, debenture interest and taxation, but as the companies may adopt different practices in making allowance for depreciation the figures of percentages earned must not be regarded as exactly comparable. The companies need not be unduly concerned by the present trade depression, in view of the considerable part played by domestic household demand in their sales of current, though each has an appreciable industrial load, which will be more closely affected. The chairman of the County of London, however, stated at the general meeting in April that for the first three months of this year there was an increase of 20 per cent. in the units sold over the corresponding period of last year, and a steady growth in the number of new consumers. Nevertheless, the ordinary shares of these companies have shared in the general reaction in the security markets:—

	Highest Price, 1929.	Highest Price, 1930.	Present Price.	Yield on last Dividends.
County of London	58/3	49/9	44/-	5.0
North Metropolitan	58/3	49/3	46/3	4.32
Metropolitan Electric	49/-	41/9	39/6	5.06

The shares of these companies may appeal to the investor on a long view. Their zones of supply outside the Metropolitan area have potentialities for great development, particularly in view of the "southward" trek of industries in this country.

LONDON ACTIVE SECURITY PRICES AND YIELDS.

NOTE.—Shares with a New York quotation, or with definite American interest, are distinguished by italics.

In calculating the yields on the stocks and shares quoted below allowance is made for interest accrued since the last payment. Where stocks are definitely redeemable at a certain date the yield includes any profit or loss on redemption; where stocks are redeemable at or before a certain date the final date of repayment is taken when the stock stands at a discount and the earliest date when the quotation is above par. The return on ordinary stocks and shares is calculated on the dividends paid by the company during the last year.

[illegible]

† Free of Income tax.

Year 1929.		1930 (to date).		Name of Security.		Aug. 27, 1930.	Sept. 3, 1930.	Rise or Fall.	Present Yield.	Year 1929.		1930 (to date).		Name of Security.		Aug. 27, 1930.	Sept. 3, 1930.	Rise or Fall.	Present Yield.
High.	Low.	High.	Low.						£ s. d.	High.	Low.	High.	Low.						£ s. d.
Coal, Iron and Steel																			
12/3	6/4	7/1	2/9	Amal. Anthracite £1	3/6	4/-	+6d	NH		96/3	65/-	70/-	55/6	Jorehaut Tea £1 ...	56/3	56/3			4 0 0
16/9	12/-	11/6	11/6	Do. 7% Cum Pref'd	12/1	12/-	...	NH		122/6	22/7	51/3	38/1	Union Tea £1 ...	43/9	40/3	-3/9		6 10 0
1/3	7d	10/4	5d	Armstrong White A 1/	50/-	54/3	+4 5	10 0		38/1	3/7	5/-	2/7	Langkat Plantations	2/7	3/1	+1/3		6 3 1
73/6	59/6	63/-	49/-	Babcock, Wmco £1	2/3	2/9	+6d	NH		47/6	23/9	34/3	13/9	London Asiatic 2/-	2/7	3/-	-		10 0 0
24/3	13/6	13/2	11/0	Baldwins 4/-	7/6	7/-	-6d	7 2 3		46/9	33/6	39/7	20/3	Malacca Rubber £1	15/-	16/3	+1/3	NH	10 0 0
15/6	13/-	13/7	10/3	Bayley £1	12/6	12/6	...	4 16 0		61/3	3/3	4/6	21/1	Rubber Trust £1	21/3	23/-	+1/9		10 17 0
7/9	2/1	3/7	1/-	Cammell Laird £1	1/6	1/6	...	NH						United Serdang 2/-	2/3	2/6	+5d		6 0 0
14/6	8/7	10/3	5/7	Consett Iron £1	7/6	7/6	...	NH											
68/9	56/10	63/3	54/6	Cory, William £1	56/3	56/3	...	6 2 4		26/3	15/7	20/7	11/3	Anglo-Bucurdonian £1	12/-	12/3	+3d	5 17 0	
11/9	6/6	7/3	3 4/4	Dorman, Long £1	4/6	5/3	+9d	NH		65/-	42/6	53/5	40/7	Anglo-Egyptian B £1	42/6	44/9	+2/3	10 0 0	
31/04	10 1/4	17 1/2	6 1/2	Ebbw Vale £1	5/6	5/6	...	NH		48/9	23/6	35/-	66/6	Anglo-Perian £1	68/-	7/7	+7/-	3 6 9	
4/10	34/3	36/10	32/-	Keep Keen & Co. £1	33/6	34/6	+1/-	5 16 0		33/11	22/6	28/9	15/3	Apex (Trinidad) 5/-	16/6	17/3	+1/3	14 17 9	
18/4	8/9	10/-	5/6	Hadfields £1	33/6	34/6	+1/-	6 13 3		67/9	20/7	40/7	16/3	Attack £1	24/3	26/3	+2/-	NH	
16/3	10/-	12/3	5/6	Harland and Wolff	6/-	6/-	...	NH		7/6	3/9	41/0	1/3	Brit. Cont. Oils. Ord. 45	1/3	2/0	+9d	NH	
Food and Drink																			
24/10	20/3	23/7	17/3	London Collieries £1	18/1	18/1	...	8 5 6		96/10	74/4	95/7	71/10	Burmah Oil £1	78/9	82/6	+3/9	7 6 0	
13/9	6/7	9/1	6/3	Millom & Askan £1	4/3	5/-	+9d	10 0 0		13/10	9/7	14/-	8/3	Canadian Eagle No. par	8/7	9/9	1/1	NH	
18/4	12/-	14/9	8/1	Ocean Coal & Wilsons	2/-	2/-	+1/3	NH		8/10	5/7	6/6	3/6	Kern River Oil 10/-	4/7	3/9	-3d	NH	
6/7	3/9	4 4/4	1/7	Pease and Partners £1	17/6	18/9	+1/3	NH		52/6	36/3	54/0	29/6	Loobito Oilfields £1	29/6	31/3	+1/9	8 0 0	
20/9	11/6	12/9	6/4	Powell Duffryn £1	8/9	8/9	...	6 0 0		18/3	12/1	15/0	10/1	Mexican Eagle £1/0/6	10/6	11/6	+1/9	10 14 0	
39/4	22/9	23/6	18/7	S. Durham Steel £1	17/6	18/9	+1/3	6 0 0		16/3	8/9	14/6	7/6	Port of Spain £1	29/6	30/8	+1/9	5 16 0	
17/6	9/4	11/-	7/1	Do. B. Ord. £1	8/13	8/13	...	5 13 0		118/-	88/9	99/4	82/-	Shell £1	86/3	90/-	+3/9	5 11 0	
27/9	20/-	22/-	18/6	Staveley Coal & R. £1	23/-	23/9	+9d	6 6 4		95/3	75/-	78/9	42/6	Trinidad Leaseholds £1	42/6	42/6	...	14 2 6	
35/9	24/3	26/-	20/4	Stewarts & Lloyds £1	20/-	20/-	...	7 10 0		30/-	15/4	21/3	16/6	Aerated Bread £1 ...	18/9	18/9	...	NH	
26/6	21/-	23/1	17/1	Swan, Hunter £1	2/-	2/-	...	NH		85/-	62/6	62/6	62/6	Agar Cress £1	43/9	43/9	...	7 3 0	
41/0	1/9	3/11	1/10	Thornycroft (Richard) £1	47/6	55/-	+17/6	6 0 3		57/7	23/9	33/9	18/-	Adm. Dental Def. £1	20/9	22/-	+1/3	9 16 3	
100/-	54/4	78/5	51/3	Thornycroft, John £1	17/6	17/6	...	6 0 3		6/3	3/9	4/6	3/6	Adm. Dental Def. £1	20/9	22/-	+1/3	9 16 3	
26/5	15/5	20/3	15/6	U. States Steel \$100	47/6	55/-	+17/6	6 0 3		28/-	19/6	24/1	18/6	Adm. Dental Def. £1	20/9	22/-	+1/3	9 16 3	
13/1	7/4	9/3	6/3	Vickers 6% £1	7/-	7/3	+3d	7 12 0		44/6	36/-	44/1	36/6	Adm. Dental Def. £1	20/9	22/-	+1/3	9 16 3	
18/7	15/3	16/9	14/3	Ward (Thos. W.) £1	13/9	13/9	...	9 1 9		20/6	59/5	35/7	20/6	Adm. Dental Def. £1	20/9	22/-	+1/3	9 16 3	
Textiles																			
7/9	5/6	6/3	3/3	B. Otn & Wool Ds. 5s.	3/9	4/-	+3d	9 7 0		32/6	23/9	27/6	22/-	Adm. Dental Def. £1	20/9	22/-	+1/3	9 16 3	
36/6	22/4	24/1	14/9	Bleachem £1	15/6	18/9	+3/3	10 13 3		62/10	61/4	63/11	63/11	Adm. Dental Def. £1	20/9	22/-	+1/3	9 16 3	
47/3	30/9	33/9	17/9	Bradford & Blyth (£1).	18/9	20/3	+1/6	8 6 9		11/10	10/-	18/4	7/6	Adm. Dental Def. £1	20/9	22/-	+1/3	9 16 3	
44/4	15/-	21/6	61/0	Bradford & Blyth (£1).	7/-	10/-	+3/-	NH		43/6	34/3	40/9	36/9	Adm. Dental Def. £1	20/9	22/-	+1/3	9 16 3	
28/6	15/-	16/3	7/7	Calico Printers £1	9/9	9/6	+9d	NH		52/-	43/-	48/9	37/6	Adm. Dental Def. £1	20/9	22/-	+1/3	9 16 3	
73/3	67/-	67/-	55/3	Coats, J. and P. (£1)	51/-	60/-	+3/-	5 17 0		34/4	24/-	27/3	23/-	Adm. Dental Def. £1	20/9	22/-	+1/3	9 16 3	
105/-	51/10	57/2	38/1	Courtauld £1	47/6	47/-	+5/9	4 5 0		135/-	108/9	115/6	99/4	Adm. Dental Def. £1	20/9	22/-	+1/3	9 16 3	
65/-	40/7	45/-	29/7	English Sew. Ctn £1	31/3	33/9	+2/6	7 3 0		43/-	12/-	13/6	5/6	Adm. Dental Def. £1	20/9	22/-	+1/3	9 16 3	
39/6	25/-	28/9	17/3	Fine Cotton Spn £1	18/9	22/6	+3/9	5 16 0		70/4	54/3	57/6	27/6	Adm. Dental Def. £1	20/9	22/-	+1/3	9 16 3	
27/-	19/3	19/3	11/6	Linen Thread (£1)	26/3	26/-	+1/3	NH		36/3	26/6	147/-	54/6	Adm. Dental Def. £1	20/9	22/-	+1/3	9 16 3	
36/9	26/6	26/3	15/3	Listers (£1)	19/3	20/-	+9d	2 10 0		56/9	62/6	31/7	22/6	Adm. Dental Def. £1	20/9	22/-	+1/3	9 16 3	
29/1	10/-	15/3	8/3	Patons & Baldwins £1	8/6	9/-	+6d	NH		26/9	13/-	15/6	9/6	Adm. Dental Def. £1	20/9	22/-	+1/3	9 16 3	
Electrical																			
58/6	23/9	32/-	22/6	Associated Elec. (£1)	23/1	23/9	+7/4	5 1 1		33/9	17/3	21/6	15/9	Adm. Dental Def. £1	20/9	22/-	+1/3	9 16 3	
99/4	66/9	80/9	64/4	British Insulated (£1)	66/3	68/9	+2/6	4 7 6		24/9	12/-	12/7	11/-	Adm. Dental Def. £1	20/9	22/-	+1/3	9 16 3	
89/6	69/3	78/9	63/9	Callenders (£1)	65/-	65/-	...	4 12 0		16/3	12/6	13/6	10/4	Adm. Dental Def. £1	20/9	22/-	+1/3	9 16 3	
80/4	31/6	56/6	45/9	Crompton Parkins 5/-	23/9	23/9	...	4 2 1		79/-	66/3	74/6	55/9	Adm. Dental Def. £1	20/9	22/-	+1/3	9 16 3	
6/8	3/6	5/6	5/1	General Electric (£1)	46/3	48/9	+2/6	5 9 0		45/6	25/3	29/-	17/9	Adm. Dental Def. £1	20/9	22/-	+1/3	9 16 3	
42/10	30/6	40/9	35/3	Genleys (W. T.) (£1)	5/-	5/-	...	5 6 8		17/1	8/6	9/10	4/6	Adm. Dental Def. £1	20/9	22/-	+1/3	9 16 3	
33/6	23/9	26/4	20/6	Johnson & Phillips £1	37/6	37/6	...	6 16 4		138/9	91/3	101/6	91/10	Adm. Dental Def. £1	20/9	22/-	+1/3	9 16 3	
Electric Light and Power																			
88/4	53/2	56/4	53/0	Braad Trac. no par...	53/0	53/2	+8/6	...		87/4	82/4	85/4	82/4	Adm. Dental Def. £1	20/9	22/-	+1/3	9 16 3	
60/-	53/6	54/-	54/-	Bournemouth & Poole	56/3	57/6	+1/3	5 4 3		33/-	20/-	27/1	18/9	Adm. Dental Def. £1	20/9	22/-	+1/3	9 16 3	
27/3	25/3	28/9	25/3	Calcutta Electric £1	27/4	27/4	...	5 4 0		42/6	34/9	44/-	35/3	Adm. Dental Def. £1	20/9	22/-	+1/3	9 16 3	
34/9	30/-	31/9	28/9	Charing Cross Electric	33/9	34/3	+6d	5 16 0		108/9	100/6	102/6	91/6	Adm. Dental Def. £1	20/9	22/-	+1/3	9 16 3	
48/6	31/7	39/6	31/9	City of London £1	35/9	37/4	+6d	4 4 0		46/6	33/1	42/6	34/6	Adm. Dental Def. £1	20/9	22/-	+1/3	9 16 3	
58/1	41/-	49/9	42/9	Clyde Valley Electric	38/-	38/-	...	4 4 0		6/3	41/0	51/0	46/3	Adm. Dental Def. £1	20/9	22/-	+1/3	9 16 3	
88/5	33/0	35/7	33/1	County of London £1	43/9	45/6	+1/9	4 16 0		18/-	7/4	8/6	3/6	Adm. Dental Def. £1	20/9	22/-	+1/3	9 16 3	
31/-	26/-	22/10	21/3	Hydro-Elec. Com. Stk.	33/3	33/9	+8/6	...		60/10	41/6	50/3	39/6	Adm. Dental Def. £1	20/9	22/-	+1/3	9 16 3	
49/-	35/-	41/9	35/9	Langenhair Electric £1	23/6	24/-	+6d	4 5 0		29/3	24/6	27/3	25/7	Adm. Dental Def. £1	20/9	22/-	+1/3	9 16 3	
35/6	25/-	31/3	26/4	Metro. Electric £1	39/3	40/-	+9d	5 1 0		48/9	34/6	39/9	27/6	Adm. Dental Def. £1	20/9	22/-	+1/3	9 16 3	
27/10	22/6	25/4	21/7	Midland Counties £1	26/6	27/6	+1/-	4 5 0		42/9	33/6	38/3	28/9	Adm. Dental Def. £1	20/9	22/-	+1/3	9 16 3	
56/-	46/6	49/3	44/-	Newcastle-on-Tyne £1	22/6	22/6	...	4 4 3		41/3	32/-	38/3	32/4	Adm. Dental Def. £1	20/9	22/-	+1/3	9 16 3	
37/7	30/-	34/6	30/9	North Metropolitan £1	47/6	47/6	...	4 16 0		37/9	27/6	31/6	19/9	Adm. Dental Def. £1	20/9	22/-	+1/3	9 16 3	
Gas																			
20/6	17/6	19/6	17/-	Gas Light & Coke £1	19/1	19/1	...	5 18 6		29/6	20/9	27/3	21/3	Adm. Dental Def. £1	20/9	22/-	+1/3	9 16 3	
49/6	19 1/2	18 3/4	17 3/4	Imp. Continental Stk.	36/5	36/0	+5	4 16 6		52/6	15/4	15/4	13/6	Adm. Dental Def. £1	20/9	22/-	+1/3	9 16 3	
17/10	16/-	16/9	15/6	Newc. on-Tyne £1	15/9	15/9	...	6 1 4		123/9	95/6	105/-	90/-	Adm. Dental Def. £1	20/9	22/-	+1/3	9 16 3	
110	99	104	97	St. Metropolitan Stk.	102	103	+1	6 1 4		115/6	74/4	86/3	52/6	Adm. Dental Def. £1	20/9	22/-	+1/3	9 16 3	
Telegraphs and Cables																			
82	73	77	18	A. Ord. Stk.	22	29	+7	NH		170/-	125/-	125/-	28/3	Adm. Dental Def. £1	20/9	22/-	+1/3	9 16 3	
88	34	39	8	B. Ord. Stk.	11	17	+6	NH		92/6	80/9	83/9	71/3	Adm. Dental Def. £1	20/9	22/-	+1/3	9 16 3	
94	91	99	7	5 1/2% Pref. Stk.	74	81	+7	6 15 0		41/9	41/6	41/6	28/3	Adm. Dental Def. £1	20/9	22/-	+1/3	9 16 3	
93/9	12/6	36/6	12/3	Grand Marconi £1	17/10	29	+10 1/2	6 12 6		15/6	15/-	17/6	18/9	Adm. Dental Def. £1	20/9	22/-	+1/3	9 16 3	
35/4	27</																		

† Free of Income Tax

NEW ISSUE PRICES.

Stock or Share.	Issue price.	Amt. paid.	Price, Aug. 28, 1930.	Price, Sept. 4, 1930.
Austrian Govt. International Loan, 1930 7% deb.	95	50	1-1 pm	1-1 pm
Courage and Co. 5½% deb.	98	50	5-6 pm	6-7 pm
Edmundson's Electricity 5% deb.	93½	68	3-3½ pm	2½-3½ pm
Ferranti 7% cum. pref.	20½	12/6	12/3-12/9	12/3-12/9
German 5½% stock	90	85-86½	85½-86½	85½-86½
Japan 5½% stock	98½	3½	1½-2½ pm	1½-2½ pm
Kelly's Directorates 6½% deb.	97½	50	3½-4½ pm	4½-5½ pm
London Electric Railway 5% deb.	21½	10½	21/11-22/10½	21/6-22/9
Marks and Spencer, 7% cum. pref.	102	102	102-104	103-105
Do. 6% deb.	96	10½	10½-106	105-106
Newcastle-upon-Tyne Electric 5% deb.	25½	10½	9-9/6	9-9/6
Parkinson & Cowan, ord.	21½	6-6½	6-6½	6-6½
Do. 7% cum. pref.	96	7½	2½-2½	2½-2½
Phillips Glow Lamps, 10 fl. units	95	...	3½-4½ dis	3½-4½ dis
San Paulo C. 7% deb.	98	41	3½-4 pm	3½-4 pm
South Africa 5%	97½	52½	2½-3½ pm	3-3½ pm
South Metropolitan Gas 5% deb.	95	2½	2-2½ pm	2-2½ pm
Tampin & Sons, Brewery	23	30½	15/6-16/6	20-21/6
Unilever new ord.	20½	20½	18/6-19/6	18/6-19/6
U. Molasses 6% pref.	20½	20½	18/6-19/6	18/6-19/6

(Continued from page 449.)

Rubber shares, for once, were less depressed than the commodity, which touched a new "record" low level. A number of stocks improved, including Anglo-Dutch, Malayalam and Trusts. Tea shares were uninteresting, dealings being of negligible proportions. Oils, at one time, appeared to be attracting less than their normal share of interest in an improving market, but more active conditions were established in mid-week, the leading stocks showing moderate gains.

Mining shares had a cheerful tone, but the volume of business was still below normal. Kaffirs received a certain amount of attention in mid-week, and renewed support was forthcoming from Paris and the Cape for Rand Mines, Gold Fields and "Johnnies," while Randfontein moved up on inquiries from Johannesburg. In the Rhodesian market, prices moved within narrow limits. A big turnover occurred in the shares of "Chartered," where a pool was believed to be operating. In the Northern section Congo Borders, N'Changa and Bwana M'Kubwa showed fractional declines. Ashanti Goldfields was a good feature in the West African list. Tintos registered an improvement. Though the price of tin declined on disappointing August statistics, changes in share values were insignificant.

"FINANCIAL NEWS" DAILY BARGAIN INDEX.

(Approximate number of Bargains recorded in Stock Exchange Lists.)

	Aug. 28	Aug. 29	Sept. 1	Sept. 2	Sept. 3	Sept. 4
Government and Municipal Loans.....	1,120	1,248	1,462	1,219	1,414	1,270
Transport, Communications, and Public Utilities.....	866	798	937	809	911	839
Commercial and Industrial Banks, Insurance and Financial.....	1,714	1,649	2,062	1,539	1,887	2,081
Mines (including Nitrate).....	446	433	552	452	557	542
Oil.....	439	411	542	355	393	515
Rubber, Tea and Coffee.....	220	218	223	132	135	146
Total.....	101	129	101	158	106	136

* Including iron and steel and breweries.

"FINANCIAL NEWS" DAILY AVERAGE OF 30 INDUSTRIAL ORDINARY STOCKS.

(1928 = 100.)

Highest of 1930. (Apr. 17).	Lowest of 1930. (Aug. 26).	Aug. 28.	Aug. 29.	Sept. 1.	Sept. 2.	Sept. 3.	Sept. 4.
90.6	72.6	75.6	77.1	77.8	79.8	80.0	80.7

We are officially informed that Mr Charles Edgar Willis was declared a defaulter upon the Stock Exchange on September 1, 1930.

FOREIGN STOCK EXCHANGES.

NEW YORK.

The New York markets failed to reproduce the harder tendency of London. Some bear closing occurred before Monday's Labour Day holiday, and markets resumed business prepared to see active conditions develop. Prices, in fact, rose in some cases, but buying was pro-

fessional, markedly selective, and by no means free from nervousness. Some of the quarterly dividend announcements—a daily feature at this season—were below expectation, and created an "atmosphere" in which bull operations had a spice of danger. Brokers still announce their faith in a further rise of prices, but an important short interest believes that the public is in for disappointment over the size of the autumn business revival. Money has been dearer, the usual turn-of-the-month influences being in evidence. The export is announced of \$2 millions of gold to Canada. The monetary outlook presages firmer conditions for some days. Government and railroad bonds, however, are as steady as ever.

	Aug. 28.	Aug. 29.	Sept. 1.	Aug. 28.	Aug. 29.	Sept. 1.
U.S. 3½% T. Bds.	106	105½	105½	Phelps Dodge	30½	30
Do. 4½% T. Bds.	112½	112½	112½	Pullman	68½	69
Do. 4½% T. Bds.	100½	101	101	Sears-Roebuck	62	71
Do. 4½% T. Bds.	102	102	102½	Studebaker	28½	30
Do. 4½% T. Bds.	102½	102½	103	Un. Fruit	85½	87½
Atchafalpa	211	218	217½	U.S. Leather	20½	20
Ches. & Ohio	46½	47½	48½	U.S. Rubber	20½	19
Erie	38½	39½	40½	U.S. Steel	167½	170½
Illinois Central	111½	112	113	Westinghouse	144½	149½
N.Y. Central	158	161½	162	Woolworth	59½	62½
Pennsylvania	115½	116½	117½	Worthington Pump	122½	129½
Southern Pacific	115½	115	115	Am. Pow. & Light	81½	85
Southern Ry.	75½	82	84	Am. Tel. & Tlg.	210½	215½
Union Pacific	211	215½	216	Electric P. & L.	67½	72½
Am. Can.	126½	130½	127½	Int. Tel. Tel.	44½	40
Allegheny Corp.	20½	20½	21	Nat. Pow. & Lt.	44½	47½
Amer. Smelting	66½	68	66½	Radio Corp.	39½	40½
Anacosta	45½	44½	45½	Utilities P. & L.	32½	35
Bethlehem Steel	80½	82	82½	W. Union Tlg.	167	168
Chrysler Motor	27½	27½	27½	Associated Gas "A"	42	30½
Corn Produce	90½	93½	91½	Mid-Cont. Pet.	23½	22½
Eastman Kodak	208	218	213½	Pan. Amer. B.	57½	54
Gen. Electric (New)	69	72½	70½	Sinclair Oil	22½	20
Gen. Motors	44½	44½	44½	Soc. California	61½	60½
Int. Harvester	77½	80	77	Do. N.J.	68½	68½
Montg. Ward	32	35½	34½			
Natl. Biscuit	81	83	82½			

By courtesy of the Standard Statistics Company, Inc., of New York and 13, Copthall Avenue, London, we print the following index figures of American values calculated on closing prices (1926 = 100) :—

	1928.		1929.		1930.		
	Lowest.	Highest.	Lowest.	Highest.	Beginning of Year.	Aug. 27.	Sept. 3.
335 Industrials ..	132.5	186.4	134.5	218.9	146.0	139.9	140.4
33 Rails ..	120.5	139.7	127.8	173.5	134.3	121.5	122.8
34 Utilities ..	128.3	180.6	177.6	330.4	202.2	216.5	216.0
Total, 402 Stocks ..	130.3	178.9	140.3	228.1	153.0	149.1	149.5
Average yield of 50 Industrial Common Stocks..	3.32%	4.42%	3.10%	5.23%	4.83%	4.61%	4.59%

DAILY AVERAGE OF 50 INDUSTRIAL COMMON STOCKS (1926 = 100).

Highest of 1930. (Apr. 10.)	Lowest of 1930. (June 24.)	Aug. 27.	Aug. 28.	Aug. 29.	Aug. 31.	Sept. 1.	Sept. 2.	Sept. 3.
202.4	149.6	165.6	165.4	167.3	*	*	167.5	165.6

* Stock Exchange closed.

TOTAL DEALINGS IN NEW YORK.

	Aug. 28.	Aug. 29.	Aug. 30.	Sept. 1.	Sept. 2.	Sept. 3.	Sept. 4.
Stock Exchange—Shares (Thous.)	1,435	1,856	†	†	1,771	1,740	1,516
Bonds (Value, Thous. \$).....	8,113	9,271	†	†	8,078	8,114	8,386
Over-the-Counter—Shares (Thous.)	325	443	†	†	402	425	388

* 2-hour session.

† Holiday.

INVESTMENT NOTES.

Better Markets.—The improvement in market sentiment, which we noted a week ago, has made further progress. The thirty industrial ordinary shares in the *Financial News* daily index have risen, on the average, by 11 per cent. in slightly over a week, and are back at the level of mid-July. The extent of the recovery in repre-

sentative share values may be seen from the following table:—

	Highest, 1929.	Lowest, 1930.	Aug. 25, 1930.	Sept. 4, 1930.	Yield at Last Price.
Cables "B" (£100) ...	£88	£8½	£9½	£17	Nil
J. and P. Coats (£1) ..	73/3	55/3	56/3	60/-	5½
Courtaulds (£1)	105/-	38/-	38/-	47/-	4½
Imperial Chem. (Ord.) (£1).....	45/6	17/9	19/-	23/-	6½
Dunlop (6/8)	26/9	9/6	9/9	12/3	8½
Columbia Graph. (10/-)	360/-	54/4½	57/6	69/6	5½
Unilever (£1)	129/6	40/-	42/6	52/6	3½
United Molasses (£1) ..	170/-	28/3	28/9	37/6	13½
Royal Dutch (£8½) ...	£38½	£28½	£29½	£30½	6½
De Beers (£2½)	£14½	£6½	£6½	£7½	10½
International Nickel No par	\$74½	\$20½	\$22½	\$25	...
Rubber Trust (£1) ...	46/9	20/0½	21/3	23/3	10½

† Free of Income Tax.

The movement, which had its origin in the over-sold condition of the market, started as a professional operation, which rapidly drove many of the bears to cover. This week, however, there has been more evidence of public interest, the improvement in values having brought in a certain number of investors who regarded many sound securities as cheap, but were waiting to see them go cheaper. Whether the movement marks a real turn of the tide, or a mere "secondary cycle"—such as occurred last March and also after the passing of the so-called "Bankers' Resolution"—is being keenly debated. The trade and financial horoscope promises merely the autumnal seasonal revival, while a permanent Stock Exchange recovery would pre-suppose definite emergence from world depression. On the other hand, the stock markets have frequently in the past shown an uncanny prescience of coming events. This week's movements in prices, however, have exaggerated the real increase in the volume of business in the "House." In many cases the amount of available stock has been limited, and when a fair supply has been in sight prices have proved surprisingly "sticky." Investors, on the whole, will await further evidence before assuming that the approaching autumn and winter will necessarily see the beginning of another Stock Exchange summer.

Market Value and "Intrinsic Value."—Some comment has been caused in market circles by the decision of the directors of Singer and Co. to include with their annual report an exhortation to shareholders not to dispose of their holdings below certain figures (as we pointed out in a Note last week). The directors are perfectly frank. They and their friends hold one-third of the whole capital, on which they would have a heavy "loss" in the event of realisation. They attribute the depression entirely to selling by small shareholders, and are considering "what method can be adopted to prevent" its continuance. It may be suggested that they should examine the methods adopted, at various times since the War, by Governments who, for various reasons, were faced with a similar problem in the foreign exchange market. The initial tendency in such cases has invariably been to blame the market (or "speculation," which is the same thing), and to endeavour to raise quotations by restrictions on market dealings. These cost little, but unfortunately have never succeeded in arresting any decline of values. Sooner or later, those concerned have been compelled to go to the heart of the problem, firstly, by "supporting" the market with hard cash, and, secondly, by removing the root-cause of the trouble. The directors of Singer and Company, should they press the matter, will probably be forced to the same conclusion. The value of a share is what it will fetch. Its price at any moment depends on contemporary conditions as regards not the large amount of stock closely held, but the relatively small quantity which is "in the market." The directors have, however, an excellent opportunity at one and the same time to prevent a further fall in prices and to show their faith in the

company. They may make an offer to every small holder who is compelled to sell, by conditions outside his control, to buy his preference shares at 20s. and his ordinary at 35s.—these being the prices fixed by the directors, in the report, as representing the true values of the shares "on an assets basis." As the present market prices are 15s. 7½d. and 21s. 3d. respectively, shareholders would doubtless be more than willing to fall in with this suggestion.

Proxies at Company Meetings.—The last few months have produced an unusually large crop of unsatisfactory company meetings, as is inevitable in a period of disillusionment after a boom. Many observers have been struck, however, by the almost unfailing regularity with which favourable voting majorities have been secured, although the feeling of those present has clearly been hostile. Such a result has frequently followed even when the board has not held a controlling share interest, as a result of large numbers of shareholders having returned proxy forms in favour of directors. The theory of British law on the matter is plain. It is assumed, firstly, that proprietors, who for "physical" reasons cannot be present at a meeting, are nevertheless entitled to record their decision; and, secondly, that the directors, representing the "government in power," must, *prima facie*, be understood as having the company's interests at heart. Accordingly they may, and should, use the company's money for the printing and postage of proxy forms, while any opponents of their policy must circularise shareholders at their own expense, in the short time available between report and meeting. The directors, in fact, work on interior lines, which gives them an enormous strategic advantage in any campaign. Various amendments to existing practice have been suggested—as, for instance, that directors should not be allowed to hold proxies for more than, say, 20 per cent. of the total votes cast—but all these involve the danger of substituting the fire for the frying-pan. A supine majority may do considerable damage to its own interests, but, after all, it is a majority. In no circumstances could the law tolerate a state of affairs in which a comparatively small but active minority could impose its own will on the majority, however lethargic the latter might be. In all but a very few glaring instances the proxy system works well, and affords real protection for absentee shareholders. The remedy in the exceptional cases would seem to be the taking of a more active interest by shareholders in the affairs of their companies, and their refusal to return a proxy if they are dissatisfied with the conduct of affairs. In this connection, investors may be reminded of their right to cross out the names submitted to them on printed proxy forms and to substitute those of any other persons, provided the latter are members of the company.

HARRIS, FORBES & COMPANY LTD

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GOVERNMENT, MUNICIPAL,
RAILWAY, PUBLIC UTILITY,
INVESTMENT TRUST AND
INDUSTRIAL FINANCING

The Fixed Trust.—Investors, who have been for many years familiar with the Investment Trust and its ways, are now offered an opportunity of investing their money in what is known as a Fixed Trust. The Société Internationale de Placements, formed by reputable houses in various countries, has entered into an agreement with the Union Bank of Switzerland whereby the latter becomes trustee for the holders of what will be known as International Investment Deposit Certificates. Thirty securities, spread over ten countries, have been selected, and include "equity" shares in such companies as British American Tobacco, Suez Canal, Philips' Glowlamps and Swedish Match. Taken over five years, the average yield of these securities has been 13.46 per cent. The countries represented, and their proportion of the total, are: Great Britain (14.1 per cent.), U.S.A. (18.3 per cent.), France (15.6 per cent.), Germany (13.0 per cent.), Holland (11.9 per cent.), Switzerland (8.9 per cent.), Sweden (7.4 per cent.), Belgium (2.9 per cent.), and Denmark (2.5 per cent.). The complete selection represents a "unit," which is valued at approximately £4,000, the cost varying with the market price of the various securities. Each of the latter represents about 3 per cent. of the total. Divided into one thousand sub-units, certificates will be issued for 5, 10, 25, 100 and 1,000 sub-units. As each unit is subscribed, the S.I.P. will purchase the securities, lodging them with the Union Bank of Switzerland for a period ending September 15, 1935, when the agreement may be renewed for a further 25 years. Should the liquidation take place in 25 years, the S.I.P. will sell the securities to the best advantage of the certificate holders, who will receive their share of the proceeds. The holder of a complete unit may, at any time, obtain his securities in exchange for his certificate. At the same time, the S.I.P. will re-purchase certificates from holders of sub-units at a price representing their share of the value of the unit at that time, together with all accumulations. The purchase price includes a charge of 5 per cent., to cover the cost of issue and administration charges, equivalent to only one-third of one per cent. per annum. To ensure that the annual distribution is not less than 5 per cent., subscribers are also asked to pay a sum equal to one year's distribution, which will be held by the trustees in the form of a dividend equalisation reserve. Constituent companies have an average age of 57 years, an aggregate capital of £1,093,000,000, and reserves and assets totalling £1,133,000,000 and £3,200,000,000 respectively. Should any company officially pass its dividend, the S.I.P. "may sell the shares of that company"—a departure from the practice of similar concerns in America, whose rules generally lay down that under these conditions the stock "shall be sold." The trustee, or the S.I.P. may send a representative to any meeting of any of the thirty companies. Distributions, free of Swiss tax, will be made on March 31st and September 30th of each year at the Basle office of the Union Bank of Switzerland, the first distribution being made on March 31st next. The investor who subscribes to this type of "trust" has the advantage of knowing exactly in what securities his money is to be invested, the human factor in administration being all but eliminated. The units can also be turned into cash, when necessary, with considerable facility. On the other hand, the assumption behind the "fixed trust" idea—that, provided the initial choice of securities is eminently sound, there is no need to change them for long periods—runs counter to the British investment trust maxim that the price of maximum earning power and security is eternal vigilance.

The Position of the Motor Industry.—In a period of industrial depression it is somewhat surprising to find that the motor manufacturing industry, which has to depend for its sales on a highly elastic demand, has hitherto felt the effects of the slump to so limited an extent. An examination of the accounts of the thirteen motor companies whose reports have appeared this year shows that their total net profits amounted to £3,084,356, against £2,932,696 in 1928 and £2,655,560 in 1927. Five companies increased their aggregate profit by £418,966, of

which Austin and Leyland accounted for £367,188, while eight companies recorded an aggregate decline of £262,306. Seven companies distributed unchanged dividends on their ordinary shares, five increased their dividends, and only one, Alvis Car and Engineering, recorded a decrease. Four companies paid no ordinary dividend at all, compared with six in 1928. Moreover, though registrations of new cars in 1930 show a marked decline, particularly in the "baby" class, and though it is estimated that sales of British-made private cars for the year will be down by at least 5 per cent., the registration of commercial vehicles shows a considerable advance, and there seems every likelihood that last year's total will be exceeded. When, however, an attempt is made to gauge the probable future development of the industry as a whole, there can be little room for any but tentative optimism. Though, hitherto, a large part of the home market has been assured to the British companies, partly as a result of the heavy duty on foreign imported motors, the establishment of the new Ford works at Dagenham (which, even on the most conservative estimate, promise to reach full productive capacity within the next twelve months) will involve the older companies in vigorous competition as regards a popular class of vehicle in a market which, to all appearances, is slowly reaching saturation point. The export market has its own peculiar set of problems. British car exports for the first seven months of 1930 were valued at £4,330,609, compared with £4,930,908 for the similar period of 1929. Even when all allowances have been made for the depression, which has naturally affected the foreign as well as the home market, few people within or without the industry would pretend that either of these figures approaches the potential maximum exports of British motors. In Scandinavia, in Poland and the Eastern European States, where tariffs are relatively low, and the urban population is considerable, there are obviously wide undeveloped markets, of which Britain should be able to secure at least a proportion. In another hemisphere, Australia and New Zealand may offer a certain scope for expansion, if English manufacturers can compete with those of America in the matter of "service." On that reservation, indeed, the future of the British motor industry would seem largely to depend. Foreign markets can be won only if British manufacturers will consent to such a degree of rationalisation, amalgamation and co-operative effort as will enable them to set up a competitive "service" organisation wherever their products are sold. Investors would welcome clear and unmistakable evidence that British motor manufacturers have realised these facts, and are prepared to act upon them.

Waring and Gillow Meeting.—The annual meeting of this company, whose financial situation we discussed last week, was held on Monday last, and passed off very quietly, the balance sheet and report being adopted with only one dissentient. Lord Waring accepted full responsibility for the statement forecasting record profits, which appeared in the Press during July. He confirmed the statement appearing in the *Economist* of August 30th, that the property on which his hopes had been based was borrowing no further sums from the company, he declared that it had been his right to draw certain sums in the form of commission, but that he waived this right, and, consequently, such sums as he had drawn were shown to the debit of his account. With this money he had contracted liabilities on certain transactions, which he trusted would eventually realise sufficient to repay the debt. It is the intention of the board and the committee to appoint, as chairman, a man with wide financial experience, in order to avoid a recurrence of the company's difficulties, but, according to Lord Brentford, this cannot be done until the cause of the present state of affairs has been located. Lord Waring further stated that, despite the depression, the half-year ended June 30th last, had shown a slight improvement over the corresponding period in 1929. In a speech following that of Lord Waring, Lord Brentford

stressed the company's need of ready cash. He stated that negotiations were still proceeding satisfactorily with the banks. The decision of the latter is expected by to-day. Accompanied by Sir Harry Peat, Lord Brentford will visit the company's factories throughout the country, and will insist on economies involving many thousands of pounds a year. On the conclusion of the general meeting, Lord Brentford and Sir Harry Peat attended a meeting of the leading creditors, at which the latter's representatives agreed to withhold further action pending the receipt of the banks' decision, when a full meeting will be called.

Eastwoods, Ltd.—The profits of these brick manufacturers and dealers in builders' materials, for the twelve months ended March 31, 1930, are shown as £88,101, against £83,125 in the previous year. Thanks mainly, however, to increased provision for bad and doubtful debts, net earnings show a decline of £7,370, and the ordinary dividend is reduced:—

(Years to March 31st.)			
	1928.	1929.	1930.
	£	£	£
Net profit	76,207	75,610	68,240
Preference dividend	10,500	10,500	10,500
No. of times covered	7.25	7.2	6.5
Ordinary			
{ Earned	21.9%	21.7%	19.3%
{ Paid	15%	15%	12½%
{ Amount of dividend ..	45,000	45,000	37,500
To reserve	20,000	20,000	20,000
Inc. or dec. in carry-forward	+707*	+110*	+240

* £1,000 directors' remuneration subsequently charged.

The profits appear to be conservatively arrived at, and the directors' decision to reduce the ordinary distribution rather than the appropriation to reserve is a piece of commendably sound finance. A similar policy of conservation of resources has been followed in the case of the subsidiary company, Eastwoods Cement, Ltd., whose ordinary distribution has been reduced from 10 per cent. to 5 per cent., despite an increase in net profits from £12,405 to £24,634. The balance sheet of Eastwoods, as might be expected, shows a liquid position, and if a period of trade depression is to be faced the company, *pro tanto*, is in a strong position to face it. Some shareholders, however, have criticised the past policy of the board in going out of their way to describe the prospects of the company in glowing colours, and, by repeated references to "business expansion," "increased turnover," etc., creating an expectation of significantly higher earnings, which have not matured. The interim report, issued at the end of January this year, exemplified this tendency, its contents certainly affording shareholders no inkling that any reduction of dividends was in contemplation. The shares have been dealt in this week at 28s. 9d., and at this price, cum 1s. 6d. final dividend, yield 14.1 per cent. on earnings and 9.2 per cent. on dividends.

German Chocolate Combine Developments.—Shareholders in Unilever have a certain interest in recent developments in the German chocolate industry. In March, 1928, the Czechoslovakian Schicht concern—which, since the beginning of 1930 has had a working agreement with Unilever interests—attempted to turn its experience in marketing standard articles to advantage in the German chocolate market. It proceeded to acquire numerous important German concerns, including the Reichardt Works (in Hamburg-Wandsbeck), which had a capital of 10 million marks, together with the smaller chocolate factories of Gaedtker-A.-G. (in Hamburg) and J. G. Hauswald (in Magdeburg). It also secured an option on the Goldina A.G., of Bremen. The Unilever interests, however, have now decided to abandon the attempt on the German market. The largest German chocolate factory, that of the Stollwerck Brothers, of Cologne (which has a capital of 16½ million marks and a yearly turnover of 40 million marks), is to take over the

operation of the factories purchased by the Schicht concern. Their production is to be transferred to the Stollwerck's factory at Cologne. The Reichardt chocolates alone are said to have an assured yearly turnover of 12 million marks, and the Stollwerck Company looks for an increase in turnover of 50 to 60 per cent. from the transaction. The extensive sales organisations were sold to another chocolate firm. The Unilever group are to receive a percentage on turnover and a payment from net profits during each of the ten years from 1932.

New Capital Issues in August.—In the following table we show the new capital raised in London by issue to the public and to shareholders in August, and in recent periods.

(000's omitted.)				
Monthly Average.	United Kingdom.	British Possessions.	Foreign Countries.	Total.
	£	£	£	£
1924	7,051	6,023	4,370	17,444
1925	12,918	5,077	1,356	19,351
1926	10,765	4,431	4,036	19,232
1927	17,240	8,318	4,039	29,597
1928	21,965	5,263	3,526	30,754
1929	16,502	5,081	2,186	23,769

Monthly Average.	Govt. Other.			
	£	£		
Jan.-Mar., 1929	617	18,757	8,797	4,147
Jan.-Mar., 1930	12,803	11,973	5,360	1,120
Apr.-June, 1929	16	16,069	7,858	2,191
Apr.-June, 1930	567	10,233	7,025	7,796
July, 1929	Dr. 600	12,472	5,532	958
July, 1930	350	13,600	990	4,135
August, 1929	Dr. 250	Nil	411	Nil
August, 1930	600	431	Nil	451

The new capital market has been unusually quiet this month, even for August, though the total new money obtained was, in fact, in excess of that for August last year. The £600,000 shown in the heading "British Government" reflects the excess of new Savings Certificate sales over encashments—a pleasing feature in a period of industrial depression, though the firmness of gilt-edged stocks as a whole may have encouraged additional purchases of certificates by some of the larger investors who did not already hold their maximum of 500 certificates. Public prospectuses have been conspicuous by their absence, the amounts shown as being subscribed under the second and fourth headings in the table being attributable to offers of new capital to shareholders in existing companies.

Broken Hill Proprietary.—Our mining correspondent writes:—A cabled summary of both the annual report and the meeting have now become available. After providing £256,700 for depreciation, as against £417,600 previously, last year's net profit figures at £161,900, or less than half the amount for the twelve months ended June 30, 1929. The net cash assets have shrunk by £304,000 to £488,000. Operations at the steelworks were greatly hindered by the stoppage at the Northern Collieries, while conditions at Broken Hill were adverse owing to the fall in metal prices. In the circumstances

OFFER TO NEW READERS.

Any reader who makes his first acquaintance with this journal with this week's issue is invited to fill up the attached:

To Publisher, "Economist Newspaper, Ltd.,"
6, Bouverie Street, E.C.4.

In order to test the value of your publication I should like you to forward this to me by post for the next four weeks. If I then decide to become a subscriber, it is understood that there will be no charge for the copies thus received, but otherwise I shall be willing to pay 4s. to cover their cost.

Name

Address

.....

it is perhaps surprising that the company fared as well as it did. Nevertheless, dividend distributions were out of the question. The last dividend was 1s. per share in May, 1929. By purchase or exchange of shares the directors have further extended the scope of the company's activities, but labour is the crux of the position. During the recent past, wages have been greatly increased and hours sensibly shortened; while social legislation has increased the burden. The consequences of these developments must be frankly faced.

Selfridge and Company.—We are authorised by the chairman of Selfridge and Company emphatically to deny the rumours, circulated in certain quarters this week, that the company is in a position calling for special financial measures. The reports are described as being "ridiculous beyond words," and the chairman is prepared to take steps against their originators in the event of their discovery.

CAPITAL ISSUES.

ISSUES OF THE WEEK.

By Prospectus or Offer for Sale.

Net total recorded, January 1 to August 30, 1930, £191,227,481.
Total, including conversion recorded, January 1 to August 30, 1930, £281,348,712.

National Savings Certificates.
Net sales week ended August 30, 1930, £300,000.
Total receipts, April 1, 1930, to August 30, 1930, £2,950,000.

To the Public.	Nominal Capital.	Conversions or Repayments.	New Money Subscriptions.	First Payment.	Further Liability.
To Shareholders only.	NIL	NIL	NIL	NIL	NIL
Total offered for Subscription—					
Including Conversions.		Excluding Conversions.		Total offered for Subscription—	
Jan. 1 to date—		£		Whole year—	
1930		281,648,712		1929	
1929		224,164,290		1928	
1928		455,532,587		1927	
1927		148,158,506		1926	
1926		140,490,269		1925	
1925		128,573,577		1924	
1924		130,672,151		1923	
1923		202,630,317		1922	

By Stock Exchange Introduction.

Amount previously recorded	Amount of Capital Introduced.	Prices at which Dealings Began.	Total Cash Involved.
16,402,378	NIL	...	18,085,457
Total, week ended September 6, 1930.....	NIL	...	NIL
Total to date, 1930.....	16,402,378	...	18,085,457
Total to date, 1929.....	23,549,581	...	40,856,473

Particulars of the following have been issued "for information only" with a view to Stock Exchange introduction. Hatherley Works, Limited. Issued capital, £65,000, divided into 260,000 ordinary shares of 5s. each. The company was incorporated in April, 1920, as a private company to acquire from Messrs Allan Jones and Co. (1918) the business of manufacturing garden and other furniture, and was changed into a public company in May, 1930.

[Other Stock Exchange information, including the latest dividend announcements, profit and loss figures and shorter notices will be found on page 463 under the heading "Company News."]

RHODESIAN GOLD OUTPUT.

Month.	1927.	1928.	1929.	1930.
January	206,094	217,027	195,481	194,953
February	195,996	196,649	191,745	185,967
March	213,708	204,000	200,435	192,392
April	204,876	206,234	203,780	193,522
May	207,818	206,130	203,798	201,101
June	225,418	218,745	204,603	190,909
July	207,448	206,877	196,016	193,566
August	199,860	214,077	196,528	...
September	195,646	201,525	190,354	...
October	197,501	182,032	196,308	...
November	200,481	201,689	196,386	...
December	208,016	189,319	197,884	...
Total Gold.....	2,458,862	2,438,404	2,374,359	...

WEEKLY TRAFFIC RETURNS.

RAILWAYS OF GREAT BRITAIN AND IRELAND.

(b) Week ended Aug. 29, 1930. (c) Week ended Aug. 30, 1930.	Miles Open.	Week ended Aug. 30, 1930. (000's omitted.)					Aggregate 35 weeks, 1930. (000's omitted.)				
		Passen- gers, &c.	Merchandise, &c.	Coal and Coke.	Total Goods.	Total Weight.	Passen- gers, &c.	Merchandise, &c.	Coal and Coke.	Total Goods.	Total Weight.
Great Western...	3,751	326	216	118	334	660	8,548	7,344	4,137	11,481	20,029
Do. for 1929...	3,751	330	230	132	362	692	8,822	7,781	4,363	12,144	20,966
Lon. & N. Eastn. (c)	6,362	445	385	247	632	1,077	12,646	13,478	8,883	22,361	35,007
Do. for 1929...	6,361	443	447	297	744	1,227	13,100	14,437	9,366	23,803	36,903
Lon. & Mid. & Scot.	6,958	640	503	262	765	1,405	18,761	18,441	8,756	27,197	45,958
Do. for 1929...	6,957	692	582	287	869	1,561	19,812	19,667	9,430	29,097	48,909
Southern	2,179	430	86	41	127	557	11,503	2,678	1,034	3,712	15,215
Do. for 1929...	2,175	444	87	43	130	574	11,691	2,712	1,143	3,855	15,546
Total of above	19,248	1,841	1,190	668	1,858	3,699	51,458	41,941	22,810	64,751	116,209
Do. for 1929...	19,244	1,949	1,346	759	2,105	4,054	53,425	44,597	24,302	68,899	122,324
Metropolitan (c)	59	30	7	3	9	34	11,377	138	3	...	1282
Do. for 1929...	59	31	8	3	9	35	11,872	133	4	...	1260
† U.S. & N. E. R. (c)	...	295	...	...	...	295	6,052	...	...	...	10,527
Do. for 1929...	...	290	...	...	...	290	6,913	...	...	...	9,913
Lon. & Sub. Gr. (c)	...	45	...	...	...	45	1,545	...	...	...	1,545
Do. for 1929...	...	44	...	...	...	44	1,444	...	...	...	1,444
B'ham & Co. D. W. (c)	80	4	...	...	...	4	100	...	...	...	126
Do. for 1929...	80	3	...	...	...	3	99	...	...	...	130
* Great Northern	562	14	15	...	...	...	...	...	...	...	944
Do. for 1929...	562	16	16	...	...	...	...	...	...	...	999
Great Southern	2,187	36	9	44	7	...	81	...	...	...	2,491
Do. for 1929...	2,187	40	5	43	1	...	83	...	...	...	2,585

* Aggregate 33 weeks.
† Includes receipts from independent omnibuses during current year.

OVERSEAS RAILWAY RECEIPTS.

Name.	Weeks.	Ending.	Present Mileage.	Gross Receipts for Week.		Total Gross Receipts.	
				1930.	+ or -	1930.	+ or -
INDIAN.							
Assam Bengal	31	Aug. 2	1,306	Rs. 3,55,000	Rs. - 1,042	Rs. 66,99,099	- 4,807
Barot Lt. Ry.	19	9	202	26,600	7,900	8,69,900	2,01,800
Bengal & N. Western	19	9	2,079	5,43,257	22,807	1,29,50,180	5,09,062
Bengal-Nagpur	18	2	3,139	15,55,000	2,98,009	2,99,54,343	22,36,689
Bombay, Bar., & O.L.	18	23	3,026	15,32,000	2,61,000	4,14,78,000	24,56,000
Madras & S. Mahr.	19	9	3,228	12,22,000	5,32,183	2,98,68,584	5,48,745
† Rohilk'd & Kumaon	19	9	561	1,03,497	3,154	24,24,110	1,08,867
South Indian	18	2	2,371	11,28,541	1,18,726	2,23,44,373	6,71,465

† Including Lucknow-Bareilly State Railway.

CANADIAN.

Canadian National	34	Aug. 28	20,290	4,348,600	- 865,154	141,497,330	- 29,248,511
Canadian Pacific...	34	28	15,242	...	...	...	...

SOUTH AMERICAN.

Antofagasta (Chili and Bolivia) ...	35	Aug. 31	804	27,190	- 11,810	971,780	- 370,635
Argentine N. E. ...	9	31	753	13,600	- 32,000	131,300	- 6,900
Argentine Trans. in	9	30	111	2,499	- 2,384	25,446	- 3,487
B.A. and Pacific ...	9	30	2,806	122,000	- 22,000	1,063,000	- 324,000
B.A. Central ...	9	31	...	14,056	+ 935	123,745	+ 5,420
B.A. Gt. Southern	9	31	5,009	210,000	- 21,000	1,638,000	- 438,000
B.A. Western ...	9	31	1,926	65,000	- 15,000	614,000	- 177,000
Central Argentine	9	30	3,359	203,000	- 59,000	1,726,000	- 454,000
Central Uruguay	9	30	273	25,824	+ 1,820	236,794	+ 25,738
C. Urug. (Braz. Ext.)	9	30	311	5,120	+ 294	48,296	+ 3,059
C. Urug. (N. Ext.)	9	30	189	5,163	+ 143	28,628	+ 2,251
C. Urug. (W. Ext.)	9	30	211	3,043	+ 761	24,909	+ 3,770
Corriola Central ...	9	30	1,218	68,000	...	565,000	- 62,000
Entre Rios ...	9	30	804	22,200	- 1,900	209,900	- 12,200
G. Westn. of Brazil	35	30	1,035	7,800	- 5,900	468,600	- 101,900
Leopoldina (Braz.)	35	30	1,856	95,921	- 34,892	1,002,091	- 347,466
Leopoldina (Braz.)	35	30	3,018	Rs. 268,000	- 4,000	10,055,000	- 351,000
Nitrate (4 monthly)	18	31	410	11,500	- 25,567	297,354	- 262,071
San Paulo ...	36	31	1,534	33,210	- 13,893	1,430,663	- 291,094
United of Havana	9	30	1,368	35,207	- 16,548	322,715	- 139,625

OTHER OVERSEAS.

Gt. Southn. of Spain	34	Aug. 25	104	Pcs. \$2,569	- 52,400	1,429,121	- 677,136
Mexican Railway	9	21	483	\$ 216,100	- 13,200	1,662,300	- 104,500
Paraguay Central	9	30	274	3,820	- 490	36,300	- 3,980
Salvador ...	9	30	100	1,670	- 2,603	20,247	- 13,703

TRAMWAYS WEEKLY GROSS RECEIPTS.

Anglo-Argentine ...	34	Aug. 26	329	76,654	- 7,799	2,809,529	- 123,902
B. Aires Lacrosse ...	9	31	...	10,913	- 732	94,744	- 8,322
Liverpool Corp. ...	31	30	124	30,640	+ 562	656,651	+ 839
Madras Electric ...	8*	31	...	Rs. 47,245	+ 1,627	741,958	+ 37,253
L.O.C. Tramways	21	27	166	80,600	- 1,019	1,758,685	- 11,636

* Including motor buses. † Fortnightly figures.

MONTHLY TRAFFICS.

	Months Ending.	Des- crip- tion.	For Month.		Aggregate.
			1930.	1929.	
Canadian National Railways	7 Jly 30	Gross	\$19,150,150	- 5,044,350	114,869,710
Canadian Pacific Railway	7 Jly 30	Gross	\$14,875,900	- 4,204,000	98,010,000
Int. R'way of Cent. America	6 Jne 30	Gross	\$ 516,639	- 149,012	12,619,000
M'land of W. Aust.	7 Jly 31	Gross	\$ 175,392	- 39,440	4,322,922
		Net	12,959	- 3,858	2,040,069

COMPANY MEETINGS, &c.

WARING AND GILLOW, LIMITED.

"BUSINESS ABSOLUTELY SOUND."

The annual general meeting of Waring and Gillow, Limited, was held, on the 1st instant, at the company's premises, 164-182, Oxford Street, London, W., Lord Waring (the chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said:—The profit for the year showed a decrease over last year of £155,527, a decrease attributed to the severe competition for work caused by the general trade depression. Their cash position showed the material reduction of £186,144 as compared with the previous year, and, in addition, there appeared loans from bankers of £119,340, advances made to assist them in carrying out certain contracts and for meeting the expansion of the company's business. Those loans were of a fluctuating and temporary nature. A further cause of financial stringency had been the fact that, although the business of the company had largely expanded during the last few years, the capital had not been increased.

VALUATION OF THE PROPERTY.

In accordance with the requirements of the new Companies Act, the debtors had been dissected to show separately the trade debtors, which amounted to £710,679, after making full provision for all bad and doubtful items, apart from the debt due by the purchasers of a leasehold property who had not yet completed their payment. The balance still due in respect of that sale amounted to £172,585, which was secured by a second mortgage on the property. The property had been valued by an eminent firm of valuers at considerably more than sufficient to liquidate the balance outstanding in respect of it, but owing to the fact that the purchaser had not yet finally completed the full payment for the purchase the directors had decided that it would be prudent to set aside the whole amount of the balance due as a reserve. The purchasers were now negotiating for the resale of the property, and on the completion of that the balance reserve of £172,585 would then be available to be brought into the profit and loss account.

As to the accounts owing by himself, the balance of £34,999 due under mortgage on a property in the occupation of the company was only a debt in the sense that he had made himself personally responsible for the completion of the purchase of a property, and had given the company the right to take it over at that figure. The property was, in fact, valued at a considerably larger amount, and was essential for the purpose of the company's business. In the normal course of events it would, in his opinion, have been advantageous for the company to have taken over the property, but, in view of its present financial requirements, he was now arranging for the mortgage to be taken over by an outside source, thus releasing to the company the £34,999. His own indebtedness on loan account mainly arose because he had become entitled over a period to substantial sums by way of commission under his service agreement. He, however, had decided, as being in the best interests of the company, to waive that commission, and had therefore found himself debited with money he had drawn on account which had now to be regarded as a loan. He had given personal guarantees for large sums on behalf of the company, and had himself contracted liabilities on other property transactions which he intended to realise to enable him to repay his indebtedness to the company.

THE CASH POSITION.

The balance of the profit and loss account had been depleted by the reserve for mortgage debt, £172,585, already referred to, and, in view of the shortage of working capital, the directors had decided they could not recommend the payment of any dividend on the ordinary shares, and for the same reason had deferred payment of the interim dividend, which was cumulative, on the preference shares. It was at that point that the directors had decided to enlist the help of Lord Brentford and Sir Harry Peat, who had been asked to advise the board on the financial and administrative control of their affairs. Those gentlemen had at once advised that the cash position of the company should be strengthened, and to that end had commenced negotiations with leading bankers to obtain the necessary financial

The report and accounts were unanimously adopted, and at an extraordinary general meeting which followed, the articles of association were modified to conform with the new arrangement with the French undertaking, and the title of the company was changed to British Dardet Threadlock, Ltd.

SINGER AND COMPANY, LIMITED.

GROSS PROFIT WELL MAINTAINED.

The twenty-second ordinary general meeting of Singer and Company, Ltd., was held, on the 4th instant, at Coventry.

The following directors were present:—Mr Rodolph Fane de Salis, Mr Arthur Charles Bournier, Mr William Edward Bullock and Mr George Albert Eastwood.

Mr R. Fane de Salis said that, as pointed out in their report, they had had, in common with all industrial companies, a very difficult and disappointing year. Their sales had been less than they anticipated when they budgeted last year and their production being greater than their sales they had a large stock. In spite of that they had a gross profit of £206,382, or only £2,887 less than last year. The net profit they had to deal with was £144,266, as against £173,921, or after adding their carry-forward and deducting the dividend on the preference shares, £210,162, as against £233,822. They had a surplus and reserves of £307,785, and undivided profits £221,823, or a total of £529,608. Their stock of materials and work in progress at £597,509, was a heavy item, comparing with £361,343 last year. If sales had been up to expectation their stock would not have been so large. Their stock was £236,166 greater than it had been last year, in consequence of their sales of motor cars for the whole of the season being less than they had hoped for.

The directors viewed with concern the price at which both ordinary and preference shares in such a sound company as theirs changed hands. They had, during the year, opened a depot in Piccadilly. Their overseas trade showed a steady expansion, and they had received considerably increased orders and much encouragement for 1931 models, which they thought would surpass all previous cars. They were not speculators, but experienced and capable motor producers, giving value for money, and in no way misrepresenting the merits or value of the goods they produced.

If the motor industry was safeguarded for the purpose of finding employment for their mechanics, the shareholders—over 4,000—would reap such benefits as fair and honest trading could provide. It would be a day of misfortune when the costs of production precluded the possibility of obtaining a sale price which would leave any margin of profit, and their staff should realise that and, as they had done in the past, give of their best so that they might meet any and every competition.

Mr A. C. Bournier, F.C.A., said he was a chartered accountant and was qualified to know and claimed to know the value of the concern of which he was a director, and thus to be able dogmatically to place a value upon the shares of the company and to be entitled to tell his fellow shareholders the course they should follow.

Assets basis meant, in their case, the cost of the securities, less depreciation, as a going concern having a prosperous record and possibilities of large income. Financially, the assets of the company had been augmented by the year's revenue of £144,266, or over 18 per cent. on the ordinary share capital, warranting an increased price in value of the £1 ordinary shares over that of a year ago.

Let them send the voice of that meeting to all their absent members by agreeing that the shareholders' advice to them was to hold to their shares for a fair price, which it was suggested should approach 35s. for an ordinary share and 20s. for a preference share, recognising that the assets on a good going concern basis at cost, and the large annual profits obtained warranted that price. On earning power alone the Stock Exchange could not justify their valuation.

Shareholders would no doubt have appreciated the directors' report on the causes which had affected their revenue results and financial position. The preference dividend of 7 per cent. cumulative required annually £23,322, and as their average income had been £139,732, it was covered six times. The ordinary dividend on a reasonable basis to warrant a share having a par value might be placed at 10 per cent. on £666,760, requiring annually £66,760, a total of £90,082, leaving £54,184 as a surplus of annual income, equivalent to a further dividend of 7½ per cent. and on a dividend basis warranting a £1 ordinary share being valued at 35s. per share.

The only sound deduction from the above facts was axiomatic that the present market price was an undervalue of what was a real and unassailable position and warranted their principal partners enouncing it for the benefit of their co-partners, and incidentally the investing public.

For the past year their revenue of £144,266 was equivalent to over 18 per cent. on their ordinary share capital and on their preference capital 7 per cent. With their preference capital covered six times by their net assets and their ordinary capital covered nearly twice by their net assets, and an earning capacity of over 18 per cent. on the ordinary capital, could it be reasonably contended that the former were only worth 15s. per share and the latter only worth par?

The investor who not only watched events, but observed their trend would see the opportunity for sound investment was now, and that by a careful study of their prevailing conditions and tendencies there was the possibility of success which might never occur again.

The report and accounts were unanimously adopted.

Government Returns, &c.

NATIONAL ACCOUNTS.

As is shown from the Treasury Return printed below, the total ordinary revenue for the week ended Aug. 30, 1930, amounted to £6,392,200, against ordinary expenditure of £7,635,800. After allocating £620,000 to the Sinking Fund, and having allowed for an increase in Exchequer Balances of £42,366, the week's operations, as shown below, increased the National Debt by £1,910,000 to £7,662,000,000:—

(000's omitted.)	
National Savings Certificates ...	+ 300
Public Department Advances ...	+ 1,900
Treasury Bills ...	+ 310
	+ 2,510
Post Office and Tel. Money ...	- 600
	- 600

A complete analysis of the National Debt at the end of last quarter was printed in the *Economist* of July 5, 1930.

REVENUE.	Estimate for the year 1930-31.	Total Receipts into the Exchequer.			
		April 1, 1930, to August 30, 1930.	April 1, 1929, to August 31, 1929.	Week ended August 30, 1930.	Week ended August 31, 1929.
ORDINARY REVENUE.					
Inland Revenue	£ 260,000,000	£ 52,171,000	£ 50,005,000	£ 1,807,000	£ 2,243,000
Income Tax	64,500,000	12,620,000	10,720,000	160,000	210,000
Sur-tax, including Arrears of Super-Tax	83,000,000	37,240,000	37,020,000	810,000	2,260,000
Estate, &c., Duties	27,000,000	6,050,000	9,360,000	600,000	420,000
Stamps	1,700,000	...	10,000	...	...
Excess Profits Duty and Corporation Profits Tax	800,000	140,000	160,000	...	10,000
Land Tax and Mineral Rights Duty	437,000,000	108,221,000	107,275,000	3,377,000	5,143,000
Customs and Excise	122,710,000	49,825,000	50,662,000	2,338,000	2,214,000
Excise	129,860,000	50,330,000	51,400,000	930,000	900,000
Total Customs and Excise	252,570,000	100,155,000	102,062,000	3,268,000	3,114,000
Motor Vehicle Duties (Exchequer Share)	4,950,000	1,374,088	1,594,000	...	...
Post Office (Net Receipts)	10,125,000	5,800,000	5,450,000	Dr. 450,000	Dr. 500,000
Crown Lands	1,300,000	600,000	560,000	...	...
Receipts from Sundry Loans	33,000,000	15,629,000	10,171,735	94,102	...
Miscellaneous Receipts	34,500,000	10,363,154	11,429,346	103,112	168
Appropriation from Rating Relief Suspense Account	16,000,000	16,000,000	...	...	...
Total Ordinary Revenue	789,445,000	258,142,572	238,542,081	6,392,214	8,207,168
SELF-BALANCING REVENUE.					
Post Office	60,275,000	23,500,000	23,050,000	1,450,000	950,000
Motor Vehicle Duties apportioned to Road Fund	23,560,000	6,420,912	5,969,000	...	...
Total Self-Balancing Revenue	83,835,000	29,920,912	29,019,000	1,450,000	950,000
Total		288,063,484	267,561,081	7,842,214	9,157,168

EXPENDITURE.	Estimate for the year 1930-31 (Including Supplementary Grants).	Total Issues out of the Exchequer to meet payments.			
		April 1, 1930, to August 30, 1930.	April 1, 1929, to August 31, 1929.	Week ended August 30, 1930.	Week ended August 31, 1929.
ORDINARY EXPENDITURE.					
Interest and Management of National Debt	304,600,000	136,920,722	146,916,498	470,136	54,867
Payments to Northern Ireland Exchequer	6,000,000	2,075,758	1,815,760	202,465	194,272
Payments to Local Taxation Accounts	3,300,000	1,101,764	2,627,303	10,780	950,000
Other Consolidated Fund Services	...	...	1,626,028	...	64,741
Supply Services (excluding Post Office)	418,933,000	168,804,267	141,243,428	6,952,467	6,410,266
Total Ordinary Expenditure	732,833,000	308,902,511	294,229,017	7,635,848	8,574,146
Sinking Fund	55,400,000	18,331,902	17,547,423	620,000	500,000
SELF-BALANCING EXPENDITURE.					
Post Office	60,275,000	23,500,000	23,050,000	1,450,000	950,000
Road Fund	23,560,000	6,420,912	5,969,000	...	...
Total Self-Balancing Expenditure	83,835,000	29,920,912	29,019,000	1,450,000	950,000
Total		357,155,325	340,795,440	9,705,848	10,024,146

The aggregate revenue and expenditure to Aug. 30, 1930, is shown below:—

FINANCIAL YEAR, 1930-31, APRIL 1 TO AUGUST 30.

(000's omitted.)

Expenditure	£ 308,902	Revenue	£ 258,143
Sinking Fund	18,332	Decreases in balances	5,296
		Net Amount borrowed	65,795
	327,234		327,234

POSITION OF THE FLOATING DEBT.

Ways and Means Advances Out- standing—	Aug. 31, '29.	Mar. 31, '30.	Aug. 30, '30.	Aug. 30, '30.
Advances by Bank of England ..	45,150,000	48,530,000	38,070,000	+ 1,900,000
Advances by Public Departments	771,190,000	588,865,000	641,685,000*	+ 520,000
Treasury Bills outstanding	816,340,000	637,415,000	679,755,000	+ 2,210,000
Total Floating Debt	1,632,680,000	1,774,810,000	1,659,510,000	+ 2,210,000

* Includes £14,000, the proceeds of which were not carried to the Exchequer within the period of the account.

TREASURY BILLS BY PUBLIC TENDER.

Tenders for £35,000,000 in Treasury Bills were opened on Aug. 29, 1930, and the total amount applied for was £40,510,000. Tenders were accepted for bills at three months, dated Monday to Saturday, at £99 9s. 10d., about 96 per cent. and above in full. The amount allotted was £35,000,000.

Date.	Amount Offered.	Amount Applied For.	Treasury Bills at 3 Months. Average Rate.
1930.			
Aug. 8	35,000,000	43,160,000	2 6 2-4
Aug. 15	35,000,000	44,805,000	2 4 4-37
Aug. 22	35,000,000	43,315,000	2 2 1-33
Aug. 29	35,000,000	40,510,000	2 0 6-14

The OCEAN ACCIDENT AND GUARANTEE CORPORATION, Limited.

ASSETS £29,046,500
CLAIMS PAID £256,933,000

Accidents and Illness. Fidelity Guarantees. Burglary. Fire. Motor Cars. Public Liability. Inspection and Insurance of Boilers, Engines, Electrical Plant and Lifts. Executorships and Trusteeships.

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

The Bankers' Gazette.

BANK OF ENGLAND.

Return for Week ended Wednesday, September 3, 1930.

ISSUE DEPARTMENT.

Notes Issued—	£	Government Debt	£
In Circulation	362,982,501	Other Government Securities	232,894,590
In Banking Department	51,477,359	Other Securities	11,628,779
		Silver Coin	4,461,531
		Amount of Fiduciary Issue	260,000,000
		Gold Coin and Bullion	154,459,860
	£414,459,860		£414,459,860

BANKING DEPARTMENT.

Proprietors' Capital	£	Government Securities	£
Reserve	14,553,000	Other Securities	47,881,247
Public Deposits	3,691,183	Discounts and Advances	55,229,394
Other Deposits	7,917,302	Securities	21,559,224
Bankers' Accounts	£67,426,714	Notes	27,788,618
Other Accounts	34,616,437	Gold and Silver Coin	51,477,359
7-Day and other Bills	102,044,151		1,061,668
	3,256		
	£128,208,892		£128,208,892

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

Both Departments.	Amount, Sept. 3, 1930.	Inc. or Dec. on Last Week.	Inc. or Dec. on Last Year.
Notes circulation	362,982,501	+ 2,114,331	- 3,248,068
Public deposits	7,917,302	- 10,255,376	- 1,177,776
Bankers' deposits	67,427,714	+ 4,827,899	- 5,540,201
Other deposits	34,616,437	+ 817,705	- 2,550,678
Seven-day bills	3,256	+ 1,209	- 605
Total, outside liabilities	472,947,210	- 2,494,232	- 13,517,328
Capital and rest	18,244,183	+ 9,806	- 29,599
Government debt and securities	291,790,937	- 1,258,011	- 30,448,626
Discounts and advances	6,229,394	- 230,281	+ 1,918,838
Other securities	33,188,003	- 627,886	- 2,608,278
Silver coin in issue department	4,461,531	- 2,080	- 381,649
Coin and bullion (bank's reserve)	155,521,528	- 366,168	+ 17,972,788
Reserve of notes and coin in banking department	52,539,027	- 2,480,499	+ 21,220,856
Proportion of reserve to outside liabilities—			
(a) Banking department only ("proportion")	47 3/4 %	- 1/4 %	+ 2 1/4 %
(b) Gold stocks to deposits and notes ("reserve ratio")	32 3/4 %	+ 1/4 %	+ 4 3/4 %

		(000's omitted.)					
Date.	Issue Department.	Notes Issued.	Circulation.	Banking Department.		Gold in or out of Bank.	Bank Rate.
				Public Deposits.	Bankers' Deposits.		
1930.							
July 16	415,479	365,121	10,397	69,588	35,506	231 out	3 1/2
23	414,113	364,138	9,904	67,266	36,207	1,371 out	3 1/2
30	412,279	363,377	9,088	60,971	37,405	1,847 out	3 1/2
Aug. 6	412,584	372,978	8,866	61,552	36,787	302 in	3 1/2
13	413,092	377,379	12,256	66,253	34,020	505 in	3 1/2
20	414,334	361,791	21,045	61,665	33,594	1,213 in	3 1/2
27	414,840	360,868	18,173	62,600	33,799	504 in	3 1/2
Sept. 3	414,460	362,983	7,917	67,428	34,616	381 out	3

		(000's omitted.)					
Date.	Issue Department.	Govt. Securities.	Other Securities.	Banking Department.		Reserve & the "Proportion."	Bank Rate.
				Govt. Securities.	Discounts & Advances.		
1930.							
July 16	243,906	11,629	156,371	55,696	6,218	20,392	51,251
23	243,904	11,629	155,034	51,356	7,098	22,102	50,896
30	243,901	11,629	153,250	51,666	6,741	22,292	44,873
Aug. 6	243,906	11,629	153,595	52,146	7,960	23,614	40,617
13	243,786	11,754	154,105	54,346	6,865	22,744	46,726
20	243,906	11,629	155,366	49,371	6,115	25,434	53,574
27	243,908	11,629	155,888	49,141	6,460	22,187	55,020
Sept. 3	243,910	11,629	155,522	47,881	6,229	21,559	52,539

BANKERS' CLEARING RETURNS (000's omitted).

	Town.	Metropolitan.	Country.	Total.
1930.	\$		\$	
January 1 to August 20	25,532,281	1,194,411	1,940,485	28,667,177
Week ended August 27	653,541	27,472	46,657	727,670
Week ended September 3	753,488	31,518	48,831	833,837
Total to date, 1930	26,939,310	1,253,401	2,035,973	30,228,684
Total to date, 1929	27,182,974	1,292,593	2,085,861	30,561,428
Increase or decrease in 1930.....	- 243,664 = 0.9%	- 39,192 = 3.0%	- 49,888 = 2.4%	- 332,744 = 1.1%
Total for year, 1929.....	39,935,924	1,881,789	3,078,764	44,896,477
Do, 1928	39,311,117	1,854,191	3,039,492	44,204,799
Increase or decrease in 1929.....	- 624,807 = 1.6%	- 27,598 = 1.5%	- 39,342 = 1.3%	- 691,751 = 1.6%

SOUTH AFRICAN RESERVE BANK.—In £'s (000's omitted).

ASSETS.	Aug. 9, 1929.	July 11, 1930.	July 18, 1930.	July 25, 1930.	Aug. 1, 1930.	Aug. 8, 1930.
Gold coin and bullion	7,697	7,059	6,884	6,488	6,744	6,790
Subsidiary coin	71	171	182	182	173	173
Bills discounted	8,635	7,788	7,528	8,204	8,099	6,730
Investments	596	1,107	1,097	1,169	1,341	1,341
LIABILITIES.						
Capital	1,000	1,000	1,000	1,000	1,000	1,000
Reserve	600	720	720	720	720	720
Notes in circulation	8,909	7,926	7,499	7,459	8,922	8,160
Government deposits	1,210	1,432	2,156	2,312	1,748	1,139
Bankers' deposits	4,666	5,197	4,741	4,730	4,636	5,135
Ratio of cash reserves to liabilities to public	49.8%	47.8%	47.2%	44.7%	44.3%	46.7%

IMPERIAL BANK OF INDIA.—In rupees (000's omitted).

ASSETS.	Aug. 9, 1929.	July 11, 1930.	July 18, 1930.	July 25, 1930.	Aug. 1, 1930.	Aug. 8, 1930.
Total securities	23,450.20	29,390.30	29,568.68	29,470.30	31,465.49	38,211.81
Loans	9,199.65	10,646.68	12,082.23	14,489.99	16,244.41	17,583.88
Cash	23,582.23	31,321.55	30,852.15	30,898.88	31,274.99	32,077.82
Foreign bills	3,574.71	2,941.12	2,967.07	2,814.47	2,190.01	2,099.98
Dead stock	29.25	42.82	51.26	45.15	39.73	40.74
Balance with other banks	2,825.58	2,777.84	2,780.00	2,781.14	2,777.93	2,781.12
Cash	25.03	4.00	13.91	12.64	4.43	12.68
LIABILITIES.						
Capital paid up	5,620.50	5,620.50	5,620.50	5,620.50	5,620.50	5,620.50
Reserve	5,271.50	5,371.50	5,371.50	5,371.50	5,371.50	5,371.50
Total deposits	83,357.73	80,601.31	84,359.90	90,371.11	95,119.97	94,757.72
The above include:						
Deposits in London	1,025	904	2,026	4,019	4,863	6,000
Advances in London	911	2,168	3,207	5,213	6,215	7,220
Cash, &c., at other banks in London	190	31	104	92	28	97

BANK OF FRANCE.—In francs (000's omitted).

ASSETS.	Aug. 30, 1929.	Aug. 8, 1930.	Aug. 15, 1930.	Aug. 22, 1930.	Aug. 29, 1930.
Gold	38,930,356	46,656,474	46,952,230	47,194,609	47,241,623
Foreign assets					
Sight deposits	7,247,849	7,053,661	7,055,150	6,805,684	6,837,704
Bills discounted	18,724,691	18,890,163	18,883,775	18,881,178	18,800,646
Commercial bills discounted at home	9,415,217	5,354,584	5,213,106	5,121,602	...
Advances against sec. to the State	8,811,552	8,504,399	8,504,399	8,504,399	8,504,399
Other advances	2,334,812	2,788,648	2,751,901	2,737,783	2,731,483
Other assets (excluding forward exch.)	2,535,633	3,201,078	2,807,681	2,866,368	...
LIABILITIES.					
Notes in circulation	66,476,528	72,970,882	72,678,937	72,016,512	73,676,564
Public deposits	13,443,734	10,259,628	10,017,705	10,175,975	10,180,838
Private deposits	5,842,012	6,717,062	6,717,062	6,717,062	7,328,769
Other liabilities	2,214,019	2,511,635	2,452,652	2,549,839	...

THE REICHSBANK.—In Reichsmarks* (000's omitted).

ASSETS.	Aug. 31, 1929.	Aug. 15, 1930.	Aug. 22, 1930.	Aug. 30, 1930.
Reichsbank shares not yet issued	177,212	177,212	177,212	177,212
Gold and bullion	2,183,440	2,619,020	2,618,999	2,618,939
Of which deposited abroad	149,788	149,788	149,788	149,788
Reserve in foreign currencies	308,059	311,113	358,065	359,041
Bills of exchange and cheques	2,672,143	1,418,138	1,346,737	1,730,002
Notes and other German banks	115,946	167,172	179,380	149,126
Advances	4,349	19,142	23,227	4,439
Investments	162,066	77,370	57,130	212,171
Other assets	92,755	102,867	102,677	102,677
LIABILITIES.				
Reduced capital	122,788	122,788	122,788	122,788
Increase of capital (shares not yet issued)	177,212	177,212	177,212	177,212
Reserve	319,608	371,139	371,139	371,139
Notes in circulation	4,897,266	4,229,137	4,049,763	4,707,448
Other daily maturing obligations	433,921	446,946	600,782	415,631
Other liabilities	332,741	222,221	224,972	224,611

* Equal to one billion paper marks or one Rentenmark.
The gold reserve is calculated in accordance with the new legal prescription of one pound of fine gold equals 1,392 Reichsmarks.

NATIONAL BANK OF BELGIUM.—In Belgas (000's omitted).

ASSETS.	Position, May 28, 1929.	Aug. 29, 1929.	Aug. 7, 1930.	Aug. 12, 1930.	Aug. 21, 1930.	Aug. 28, 1930.
Gold	232,650	566,300	833,291	874,492	875,133	872,404
Foreign Bills and Balances Abroad		2,002	4,358	4,588	4,565	4,565
Silver and other coin	697,600	797,358	767,699	775,520	768,816	776,178
LIABILITIES.						
Notes in circulation	934,150	2,624,221	3,061,446	3,042,423	3,065,241	3,065,241
Current accounts	112,125	133,406	123,372	141,746	149,395	154,893

(b) In thousand francs.

NETHERLANDS BANK.—In florins (000's omitted).

ASSETS.	Position, May 31, 1914.	Aug. 29, 1929.	Aug. 7, 1930.	Aug. 11, 1930.	Aug. 18, 1930.	Aug. 25, 1930.
Gold	163,032	443,164	390,648	390,643	390,639	390,629
Silver	8,436	21,351	26,021	25,318	24,809	24,689
Home Bills discounted		68,481	54,830	48,252	48,260	47,421
Foreign Bills	153,504	153,753	240,771	234,185	234,269	234,291
LIABILITIES.						
Notes in circulation	316,632	800,860	833,389	813,151	804,345	800,182
Deposits	5,016	12,706	20,189	18,278	24,476	24,718

SWISS NATIONAL BANK.—In francs (000's omitted).

ASSETS.	Position, May 31, 1914.	Aug. 29, 1929.	Aug. 7, 1930.	Aug. 15, 1930.	Aug. 23, 1930.	Aug. 30, 1930.
Gold	171,175	506,888	610,177	626,508	628,725	639,253
Foreign Bills and Balances Abroad		210,088	332,191	337,497	343,278	341,644
Discounts		147,966	34,322	32,379	32,714	27,954
Advances	103,000	61,329	40,621	37,952	37,771	37,264
LIABILITIES.						
Notes in circulation	275,925	911,030	900,704	879,210	872,462	942,658
Deposits	33,780	50,740	183,400	232,286	234,116	175,913

BANK OF JAVA.—In florins (000's omitted).

ASSETS.	Position, May 30, 1914.	Aug. 31, 1929.	Aug. 9, 1930.	Aug. 16, 1930.	Aug. 23, 1930.	Aug. 30, 1930.
Gold	22,971	147,575	165,500	165,100	167,200	166,700
Silver	29,785	24,423	...	...	...	...
Discounts, advances, and other investments	77,567	198,702	117,000	115,400	117,600	109,700
LIABILITIES.						
Notes in circulation	109,499	305,675	270,700	269,300	262,200	260,800
Deposits and bills payable	11,250	69,649	42,100	41,000	49,600	39,200

BANK OF ITALY.—In lire (000's omitted).

ASSETS.	Aug. 20, 1929.	July 20, 1930.	July 31, 1930.	Aug. 10, 1930.	Aug. 20, 1930.
Gold, coin and bullion	6,159,000	5,209,600	5,209,700	5,224,300	5,226,300
Foreign bills and balances abroad	4,910,600	4,894,700	5,080,100	5,056,800	5,091,000
Other cash	221,700	393,500	694,300	682,000	589,700
Gold deposited abroad due by the State	1,824,700	1,795,800	1,793,900	1,793,900	1,792,000
Discounts	3,731,700	2,781,500	2,780,700	2,758,600	2,711,900
Advances	1,566,600	1,003,600	1,072,500	951,000	927,300
Credit with "Istituto di Liquidazione"	897,500	723,800	723,800	723,800	657,100
Government securities	1,059,100	1,141,600	1,141,700	1,136,400	1,136,700
LIABILITIES.					
Notes in circulation	16,520,100	15,798,300	16,181,700	16,142,700	15,890,200
Public deposits	300,000	300,000	300,000	300,000	300,000
Other deposits and drafts	1,913,500	1,587,500	1,845,800	1,623,400	1,628,100
Ratio of reserve to note and sight liabilities combined	53.75%	57.13%	56.14%	56.91%	57.26%

BANK OF SWEDEN.—In kronor (000's omitted).

ASSETS.	Aug. 31, 1929.	Aug. 9, 1930.	Aug. 16, 1930.	Aug. 23, 1930.	Aug. 30, 1930.
Gold	242,923	242,565	242,546	242,476	242,445
Government securities—Swedish	2,959	21,167	19,972	19,475	18,966
Other Swedish bonds quoted on foreign bourses	70,155	65,992	65,992	65,992	65,992
Bills payable in Sweden	177	103	103	103	103
Balance abroad	227,884	54,021	67,603	62,190	65,885
Advances made on Government securities and bonds	77,715	107,590	106,430	106,201	102,899
LIABILITIES.					
Notes in circulation	549,020	524,893	524,746	511,700	569,935
Government deposits	144,826	104,119	117,128	111,246	100,188
Private deposits	4,087	22,018	18,945	23,610	5,453

† The sum of the items "Bills payable in Sweden" and "Advances made on Government Securities and Bonds" excludes advances and cash credit which are not available as cover for the note issue.

BANK OF NORWAY.—In kroner (000's omitted).

ASSETS.	Position, May 31, 1914.	Aug. 22, 1929.	Aug. 7, 1930.	Aug. 15, 1930.	Aug. 22, 1930.
Gold and bullion—Gold	44,224	146,760	146,556	146,540	146,634
Balance abroad and foreign bills	28,533	39,469	23,829	20,398	19,829
LIABILITIES.					
Notes in circulation	113,484	308,077	310,718	308,359	304,727
Deposits at sight	7,188	82,646	57,511	59,009	56,855

BANK OF SPAIN.—In pesetas (000's omitted).

ASSETS.	Position, May 30, 1914.	Aug. 31, 1929.	Aug. 9, 1930.	Aug. 16, 1930.	Aug. 23, 1930.	Aug. 30, 1930.
Gold	521,775	2,564,836	2,473,150	2,473,384	2,473,603	2,473,898
Silver	168,834	168,564	168,570	168,589	168,589	168,589
Loans and Discounts	800,725	2,192,354	2,077,435	2,054,307	2,018,596	2,102,726
Spanish 4% stock	344,475	344,475	344,475	344,475	344,475	344,475
Advances to Treasury	150,000	150,000	150,000	150,000	150,000	150,000
LIABILITIES.						
Circulation	901,550	4,326,772	4,486,943	4,484,209	4,447,205	4,456,179
Deposits	477,500	944,238	804,909	815,221	823,797	831,980

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

ASSETS.	Aug. 23, 1929.	Aug. 7, 1930.	Aug. 15, 1930.	Aug. 23, 1930.
Cash Reserve	192,929	193,000	193,000	193,000
Gold coin and bullion	168,634	168,564	168,570	168,589
Foreign exchange	222,579	273,208	272,759	272,693
Other foreign exchange	371,425	470,229	470,118	469,963
Bills discounted	200,342	115,426	101,161	86,857
Govt. debts	109,822	101,437	101,391	101,392
LIABILITIES.				
Share capital	43,200	43,200	43,200	43,200
Reserve fund	168,634	102,772	102,772	102,772
Notes in circulation	916,540	1,020,603	952,148	930,833
Deposits	158,806	114,576	167,629	173,238

† In dollar and sterling only

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

ASSETS.		Aug. 23,	July 31,	Aug. 7,	Aug. 15,	Aug. 23,
		1929.	1930.	1930.	1930.	1930.
Metal reserve—						
Gold coin and bullion		162,734	162,636	162,640	162,640	162,641
Drafts and notes		38,832	43,059	42,922	37,836	39,108
Silver coin and bullion		8,851	12,235	12,096	12,054	12,351
Inland bills, warrants and securities ..		282,672	202,658	185,403	179,513	181,107
Advances to the Treasury		88,821	72,255	71,311	70,852	70,597
LIABILITIES.						
Share capital (gold crowns 30,000,000*)		34,756	34,756	34,756	34,756	34,756
Notes in circulation		412,960	456,247	429,064	408,482	377,155
Current accounts, deposits, &c.		179,213	33,280	52,838	63,051	95,925

Rates of Exchange, New York on—	Par Level.	Sept. 5, 1929.	Aug. 20, 1930.	Aug. 27, 1930.	Sept. 3, 1930.
London—					
60 days.....		4.79½	4.84½	4.84½	4.84½
Cable		4.84½	4.87½	4.87½	4.85½
Cheques		4.84½	4.86½	4.85½	4.85½
Paris.....	Dollars for £1	4.8666	4.79½	4.84½	4.84½
Brussels.....	Cents for 1 franc	13.90	13.94	13.94	13.94
Switzerland.....	Cents for 1 franc	13.90	13.94	13.94	13.94
Italy.....	Cents for 1 lire	5.263	5.22½	5.23½	5.23½
Berlin.....	Cents for 1 mark	23.31	23.77½	23.87	23.85½
Vienna.....	Cts. for Austr. shilling	14.07	14.09	14.12½	14.13½
Madrid.....	Cents for 1 peseta	19.30	14.735	10.66	10.59
Amsterdam.....	Cents for 1 guilder	40.195	40.005	40.27½	40.25
Copenhagen.....			26.605	26.80	26.78½
Oslo.....			26.615	26.86	26.89
Stockholm.....	Cents for 1 krona	26.80	26.615	26.86	26.89
Athens.....			1.29	1.29½	1.29½
Montreal.....	Can. Cents for \$1	100	46.55	49.36	49.40
Yokohama.....	Cents for 1 yen	49.85	46.55	49.36	49.40
Hong Kong.....	Cents for H. Kong \$	...	48.05	33.25	32.60
Shanghai.....	Cents for 1 Shing-tael	...	57.35	40.00	39.60
Calcutta.....	Cents for 1 rupee	36.50	36.02	36.05	36.05
Buenos Aires.....	Gold Pesos for \$100	103.65	104.90	121.70	125.40
Rio de Janeiro.....	Cents for 1 milreis	32.42	11.85	9.70	9.90
Valparaiso.....	Cents for 1 peso	12.125	12.07	12.10	12.10

CENTRAL AND SOUTH AMERICAN EXCHANGE RATES.
The Anglo-South American Bank, Ltd., quotes the following rates of exchange:—

Country.	Method of Quoting.	Par Value.	Usance.	Rate.
Buenos Aires.....	Surcos to \$	24.325	Sight London	24.57
Venezuela.....	Bolivares to £	25.25	"	27.00
Colombia (Bogota).....	Pesos to £	5	"	5.03½
Nicaragua.....	Colonias to \$	4.8665	"	4.92
Salvador.....	Colonias to \$	9.73	"	10.25
Bolivia.....	Pence to Boliviano	18d.	"	13.50

SOUTH AFRICAN EXCHANGE RATES.
The South African Banks quote the following rates:—

T.T.	Union of South Africa.		Union of South Africa.	
	From August 27 1929.		From November 25, 1929.	
	Buying.	Selling.	Buying.	Selling.
10 days.....	1½% dis.	1½% dis.	1½% dis.	1½% dis.
30 days.....	1½% dis.	1½% dis.	1½% dis.	1½% dis.
60 days.....	1½% dis.	1½% dis.	1½% dis.	1½% dis.
90 days.....	1½% dis.	1½% dis.	1½% dis.	1½% dis.
120 days.....	1½% dis.	1½% dis.	1½% dis.	1½% dis.

OVERSEAS DOMINION RATES.
COMMONWEALTH OF AUSTRALIA AND DOMINION OF NEW ZEALAND.

T.T.	London on Australia and New Zealand.		Australia and New Zealand on London.	
	Buying.	Selling.	Buying.	Selling.
10 days.....	93½	95½	105½	106½
30 days.....	93½	95½	105½	106½
60 days.....	93½	95½	105½	106½
90 days.....	93½	95½	105½	106½

INDIA COUNCIL REMITTANCES.
The total remittances from the Government of India to the Secretary of State for India in Council from April 1st to August 30th, 1930, were £4,803,491, of which £4,720,000 was remitted by purchases of sterling in India, and £83,491 was transferred from the paper currency reserve in England to the Treasury account of the Secretary of State for India in Council to meet sales of sterling in India.

BULLION.

The following statistics of imports and exports of gold for week ended Sept. 4, 1930, are issued by the Statistical Department of H.M. Customs and Excise:—

Imported into Great Britain and Northern Ireland.		Exported from Great Britain and Northern Ireland.	
From—	£	To—	£
Aug. 29, 1929.....	287,119	Aug. 29, 1929.....	5,097
Sept. 1, 1930.....	1,168,314	Sept. 1, 1930.....	55,600
Sept. 2, 1930.....	250,000	Sept. 2, 1930.....	768
Sept. 3, 1930.....	3,566	Sept. 3, 1930.....	527,040
Sept. 4, 1930.....	3,182	Sept. 4, 1930.....	296,333
Other Countries.....	3,507	Other Countries.....	17,750
Total declared value of imports.....	1,715,688	Total declared value of exports.....	812,726

GOLD MOVEMENTS.

The arrivals and withdrawals of gold during the past week, as announced by the Bank of England, have been as follows:—

1930.		1930.	
ARRIVALS.	£	WITHDRAWALS.	£
Aug. 29, 1929.....	250,000	Aug. 29, 1929.....	6,867
Sept. 1, 1930.....	28	Sept. 1, 1930.....	2,000
Sept. 2, 1930.....	214,939	Sept. 2, 1930.....	1,750
Sept. 3, 1930.....	6,000	Sept. 3, 1930.....	400,000
Sept. 4, 1930.....	16	Sept. 4, 1930.....	3,506
Total.....	276,404	Total.....	635,062
Net withdrawal.....	358,658		

Messrs Samuel Montagu and Company write on September 3, 1930, as follows:—

GOLD.

The Bank of England gold reserve against notes amounted to £154,839,601 on the 27th ultimo (as compared with £154,333,732 on the previous Wednesday), and represents an increase of £8,795,517 since January 1st last. Gold from South Africa to the value of £1,169,000 was offered in the open market yesterday. The demand from France was keen and £960,000 was secured for that country at the fixed price of 85s. 0d. per fine ounce. Home and Continental trade requirements amounted to £15,000 and £20,000 respectively. The balance of £174,000 was to-day bought for France, the price remaining unchanged. Movements of gold at the Bank of England during the week show a net efflux of £381,398. Of the receipts, £250,000 was in sovereigns from Australia, and of the withdrawals, totalling £657,786, £400,000 was in sovereigns "set aside" and about £200,000 in bar gold for Switzerland.

SILVER.

A steady tone has been maintained during the past week. Sellers showed some reluctance, and demand from China was sufficient to cause an improvement in prices, not, however, without attracting some selling from the same quarter. Until yesterday, America had not offered so freely, but small bear sales have been made on account of the Indian Bazaars. The rise from 16½d. to 16½d. yesterday was mainly due to absence of selling, and at this level the market proved overstrained, America being a willing seller in the afternoon. There was a reaction of ½d. to-day, prices again being quoted at 16½d.

The following were the United Kingdom imports and exports of silver registered from mid-day on the 25th ultimo to mid-day on the 1st instant:—

IMPORTS.		EXPORTS.	
U.S.A.	£	Germany	£
Australia.....	8,059	Greece.....	83,600
Canada.....	3,000	Hong Kong.....	68,000
Other countries.....	5,144	British India.....	25,746
	1,014	New Zealand.....	26,500
		Other countries.....	13,333
	£17,217		£224,479

INDIAN CURRENCY RETURNS (in lacs of rupees).

	Aug. 31.	Aug. 22.	Aug. 15.
Notes in circulation.....	16,887	17,237	17,062
Silver coin and bullion in India.....	12,067	11,925	11,923
Silver coin and bullion out of India.....	3,228	3,228	3,227
Gold coin and bullion in India.....	1,469	1,957	1,839
Securities (Indian Government).....	123	127	73

The stocks in Shanghai on the 30th ultimo consisted of about 102,800,000 ounces in sycee, 147,000,000 dollars, 1,300,000 Saigon dollars and 3,820 silver bars, as compared with about 102,800,000 ounces in sycee, 147,000,000 dollars, 2,500,000 Saigon dollars and 3,820 silver bars on the 23rd ultimo.

Statistics for the month of August last are appended:—

	Bar Silver, per oz. std.	Bar Gold.
Cash delivery. Two mos. delivery.	Per oz. fine.	
Highest price.....	16½d.	85s. 0½d.
Lowest price.....	15½d.	84s. 11½d.
Average price.....	16.282d.	84s. 11.96d.

GOLD AND SILVER PRICES.

	Gold Per Ounce.	Silver— Per Ounce.		Date.	Silver. Cash.
		Cash	Forward		
1930.	s. d.	d.	d.		
Aug. 29.....	85 0	16 ½	16 ½	Sept. 7, 1923	31 ½
Sept. 1.....	85 0	16 ½	16 ½	" 5, 1924	34 ½
" 2.....	85 0½	16 ½	16 ½	" 4, 1925	33 ½
" 3.....	85 0½	16 ½	16 ½	" 3, 1926	28 ½
" 4.....	85 0½	16 ½	16 ½	" 9, 1927	25 ½
				" 6, 1928	26 ½

NOTICES.

Mr Clare M. Torrey has been appointed president of the Grace National Company, which is a subsidiary of the Grace National Bank. Mr Torrey will now be the active operating head of the company, whilst the chairman of the company will be Mr F. H. McKnight, president of the Grace National Bank.

Lloyds Bank, Ltd., announce that a sub-branch of the bank is now open at Keinton Mandeville.

The Midland Bank announces the opening of a new office at 23 Borough Road, Burton-on-Trent.

Barclays Bank, Ltd., announce the opening of new sub-branches at 132 St. Mary's Street, Southampton; 323 Millbrook Road, Southampton; and Barrack Road, Christchurch, Hants. Barclays Bank also announces the opening of a new branch at 255 Cranbrook Road, Ilford.

Company News.

DIVIDEND ANNOUNCEMENTS.

Name of Company.	Rate % per Annum, except where marked % or Stated in Cash.		Dividend for Whole Years.	Latest Year.	Previous Year.
	Interim or Final.	Date of Payment.	Method of Payment.		
BANKS.					
Commercial Bank of Australia.....	3½%	...	Quarterly	15	15
Dominion Bank (Canada).....	5%	...	...	...	...
OTHER COMPANIES.					
Blythe, Greene, Jourdain and Co.	5½%	Oct. 1	Less tax	...	...
Brown Brothers.....	2½%	Oct. 1	Less tax	...	...
Central Provinces Mangrove.....	7½%	Sept. 10	Tax free	...	...
Chartered Bank of India.....	7½%	...	Tax free	...	...
Clarke, Chapman and Co.....	3½%	...	Less tax	...	...
Coatbridge Gas.....	7½%	...	Less tax	14½	...
Dalmellington Iron.....	7½%	...	Tax free	5½	7½
Dallaine-Talisker Distilleries.....	7½%	...	Less tax	10(a)	10
Davis and Timmins.....	3½%	...	Less tax	...	...
Dublin Granaries.....	1½%	...	...	7½	10
Eastwoods Cement.....	...	...	Less tax	...	...
Fourth Co-operative Investment Trust.....	4%	...	...	...	...
Galaba Ceylon Tea Estates.....	7½%	Sept. 18	Less tax	...	...
Goldsbrough Mort and Co.....	...	...	...	10	15(b)
Hartlepool Gas and Water.....	2½%	Aug. 30	Less tax	10	10
J. Brockhouse and Co.....	2½%	Sept. 18	Less tax	...	...
Kramat Pual.....	2½%	Sept. 19	Less tax	...	...
Malay Tin Dredging.....	5%	Sept. 19	...	...	...
Nundydroog Mines.....	9d. p.a.	Oct. 6	Less tax	7½	...
Proprietary Theatres, Rochdale	5½%	...	Less tax	8	8
Scottish Assets.....	5½%	...	Tax free	20	20
Tivoli (Aberdeen).....	6d. p.a.	...	Quarterly	10	12½
United Tobacco (South).....	7½%	...	Tax free	...	...
Wardle and Davenport.....	7½%	...	Less tax	...	...
Wiley & Co. Holding Trust.....	6%	...	Less tax	...	...
William Blythe and Co.....	3%	Oct. 1	Less tax	...	...

(a) Plus bonus of 10 per cent.

(b) Plus 5 per cent. bonus.

REPORTS AND NOTICES.

The following New Rule 101A has been passed on the Stock Exchange: "A Seller cannot demand payment against delivery before the date fixed by the contract, but subject to the other provisions of these Rules he may do so at any later date before the security has been bought in, and time shall not be of the essence of the bargain."

BANKS.

BANK FOR RUSSIAN TRADE, LIMITED.—The balance sheet of this bank, dated June 30, 1930, shows that total assets have increased during the year by £1,231,866 to £11,434,275. Comparing the latest balance sheet with June 30, 1929, we find that cash in hand and with bankers in London has declined from £532,133 to £436,650, while cash with bankers abroad also shows a decline from £172,901 to £97,392, but investments in British Government securities reveals an expansion from £624,000 to £666,081. Bills discounted stand at £770,417 against £652,724. Loans, advances and other accounts have expanded from £766,536 to £1,462,643. Bills re-discounted stand at £3,650,041 against £3,101,490. Turning to liabilities, there is to be noted an increase of £50,000 in the issued capital of the bank, which is now £600,000, all in ordinary £1 shares. Reserve is £60,000 higher at £250,000. Loans against investments and other security is at £1,354,119, against £775,269. Deposits are lower at £1,229,064, against £1,358,025.

COMMERCIAL BANK OF AUSTRALIA.—The balance sheet as at June 30, 1930, shows total of £32,952,049. Deposits stand at £22,165,235, against £24,181,046, and bills payable, etc., at £1,634,023, against £1,704,584. Coin, bullion, Australian notes, and cash at bankers is at £2,944,911, against £3,278,933; money at call and short notice in London, £1,517,500, against £810,000; short-dated Commonwealth Treasury Bills, £1,300,000, against £1,815,000; investments, £762,637, against £761,362; bills receivable in London and balance of remittances and drafts in transit, £2,022,561, against £2,000,574; notes and bills of other banks, £113,209, against £186,172; balances due from other banks, £95,077, against £266,299; bills discounted and other advances, exclusive of provision for bad and doubtful debts, £20,677,515, against £22,260,876.

(Continued on page 464).

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS.

Company.	Period Ending	Balance from Last Account.	Net Profit After Payment of Deben- ture Interest.	Amount Available for Distri- bution.	Appropriation.					Corresponding Period Last Year.	
					Dividend.			Carried to Reserve, Deprecia- tion, &c.	Balance Forward.	Net Profit.	Divi- dend.
					Prefce.	Ordinary.					
						Amount	Amount.				
		£	£	£	£	£	%	£	£	£	%
Banks.											
Commercial Banking Co. of Sydney.....	June 30	71,508	637,619	709,127	...	473,901	10	150,000	85,226	655,195	10
Commercial Bk. of Australia	June 30	94,190	389,841	484,031	84,694	260,937	15	42,851	95,549	391,624	15
Queensland National Bank	June 30	6,059	194,956	201,015	...	157,500	9†	25,000	18,515	202,385	10†
Breweries.											
Dalluaine-Talisker Distilleries	June 30	17,873	22,752	40,625	4,044	16,580	20	...	20,001	23,372	25
Seager, Evans and Co.	Mar. 31	Dr. 16,973	Dr. 7,387	Dr. 24,360	...	...	...	...	Dr 24,360	Dr. 7,511	...
Iron, Coal and Steel.											
Fernhill Collieries.....	June 30	Dr. 20,205	17,767	Dr. 2,438	...	...	...	...	Dr. 2,438	Dr. 3,323	...
Hawthorn (R. and W.) Leslie and Co.	June 30	17,631	36,802	54,433	...	35,827	5	...	18,606	26,617	3†
New Monckton Collieries ...	June 30	1,496	36,095	37,591	5,100	7,437	24†	...	25,054	5,975	Nil
Shipping.											
North Shipping Co.	June 30	3,284	1,554	4,838	...	...	...	...	4,838	13,266	...
Textiles.											
N.T. Artificial Wool	June 30	...	Dr. 1,404	Dr. 1,404	...	...	...	...	Dr. 1,404	...	...
Wardle and Davenport	June 30	33,262	41,062	74,324	3,300	34,500	10†	...	36,524	53,034	12†
Woodford and Wormleighton	June 30	11,466	2,939	14,405	11,250	...	...	...	3,155	33,051	20
Trusts.											
Tor Investment Trust	July 31	10,498	25,199	35,697	7,166	6,766	8‡	14,632	7,133	19,397	8
Other Companies.											
Automatic Confections.....	June 30	...	Dr. 24,043	Dr. 24,043	...	...	...	...	Dr 24,043	...	...
Brookhouse (J.) and Co.....	June 30	9,585	27,549	37,134	898	22,337	10	2,500	11,399	33,180	10
Carter and Co.	May 31	11,167	42,023	53,190	9,750	18,850	15	13,500	11,090	40,006	8‡
Constable, Hart and Co.	June 30	25,721	57,406	83,127	...	31,628	15	20,500	30,999	55,722	15
Dibben (William) and Sons	Dec. 31	4,509	43,048	47,557	15,000	20,000	10	9,207	3,350	51,303	10
Eastwoods	Mar. 31	11,012	68,240	79,252	10,500	37,500	12‡	20,000	11,252	75,610	15
Eastwoods Cement.....	Mar. 31	3,526	24,634	28,160	...	15,000	7‡	...	13,160	12,404	10
Goldsbrough, Mort and Co.	June 30	102,960	209,641	312,601	...	200,000	10	2,500	110,101	338,609	15
Grosvenor House (Park Lane)	June 30	2,210	111,062	113,272	...	...	...	89,912	23,360	2,210	...
Lactagol, Limited	June 30	...	5,174	5,174	1,575	1,550	4	1,925	124	...	...
Martinez, Gassiot and Co....	June 30	4,270	28,372	32,642	4,800	15,000	7‡	6,000	6,842	24,543	7‡
Toogood and Sons	June 30	17,114	10,028	27,142	...	9,375	5	...	17,767	18,028	5
Weldons, Limited	June 30	35,259	31,065	66,324	...	{ 30,000 A 1,065 }	...	...	35,259	19,525	...

COMMERCIAL BANKING OF SYDNEY.—The net profit for year ended June 30, 1930, amounted to £637,619, against £655,195 for 1928-29, and £71,508 was brought forward. The dividend for the year is 10 per cent., as before, but the allocation to reserve fund is reduced from £125,000 to £100,000. The bank premises account again receives £50,000, while the carry-forward is increased from £71,508 to £85,226. The total of the balance sheet is £80,315,544. Deposits, etc., show a decline from £54,420,876 to £49,402,323. Bills in circulation show a fall on the year from £2,104,183 to £1,488,019. On the assets side, cash and notes at £8,205,825 compares with £8,732,102, while money at short call shows a small decline at £1,335,000, against £1,360,000.

THE INTERNATIONAL COMMITTEE OF BANKERS ON MEXICO.—We understand that copies of the agreement of July 25, 1930, between the United Mexican States and the International Committee of Bankers are now available in London for inspection by bondholders at the office of the Committee, 1 Broad Street Place, E.C.2, and at the office of Morgan Grenfell & Co., 23 Great Winchester Street, E.C.2.

RAILWAYS.

CANADIAN PACIFIC RAILWAY COMPANY.—Under the authority of an Act of the Parliament of Canada and pursuant to a by-law approved by the shareholders of the company, the par value of the shares of the company's ordinary capital stock will, on October 2, 1930, be changed from one hundred dollars per share to twenty-five dollars per share.

MISCELLANEOUS.

EDISON BELL (INTERNATIONAL), LIMITED.—The attention of the directors having been specially drawn by certain shareholders to the price at which the company's shares have been quoted on the Stock Exchange, they inform shareholders that nothing of a detrimental character in the progress of the company has occurred to justify the fall in prices. The general trading from the London centre has shown an increase on that of the similar period of last year. The reports concerning the foreign subsidiaries in which the company has large interests are generally favourable, but the accounts of these companies, which are separately audited and are made up to June 30th, are not yet to hand, but will be referred to in the annual report of the company. The company adds that the share holding of the directors, and/or their nominees is still approximately the same as at this period last year.

FERNHILL COLLIERIES.—Operations during year ended June 30, 1930, resulted in a profit of £17,767, against a loss of £3,323 in preceding year. Deducting this profit from a debit of £20,205, there is a debit balance of £2,438 to carry forward. Bank loan is at £122,878, against £136,864 at end of June, 1929. The report points out that the collieries have been fully engaged during the past year, and goes on to say it is impossible to forecast the effect of the new legislation, both upon the mining industry in general and upon this company in particular.

GROSVENOR HOUSE (PARK LANE).—The accounts of Grosvenor House (Park Lane) show that the net profit for the year to June 30 was £111,061 and £2,210 was brought forward. The profit represents 11 per cent. on the ordinary shares. No dividend is recommended, but the directors propose to write off the preliminary expenses, £24,912, and the debenture stock discount, £60,000, and to transfer £5,000 to reserve, leaving £23,369 to be carried forward. The net profit for the initial period from May 17, 1928, to June 30, 1929, was £2,210, which was carried forward.

NEW MONCKTON COLLIERIES, LIMITED.—The accounts for year ended June 30, 1930, show that the net profit amounted to £36,095, as compared with £12,475 for the preceding year. Preference dividend again absorbed £5,100. The ordinary shareholders receive 2½ per cent. free of income tax, against nothing for preceding year. This dividend absorbs £7,437. The carry-forward is increased from £1,496 to £25,054. The cash resources of the company have increased from £295 to £33,719. Bank overdraft at June 30, 1929, was £42,823. This item does not appear in the latest balance sheet. The report states that the De-rating Act is proving of great assistance.

R. AND W. HAWTHORN, LESLIE.—The report shows profit for the year to June 30, 1930, amounted to £36,802, against £26,617 for 1928-29, to which must be added £17,631 brought forward. The directors recommend a dividend of 5 per cent., against 3½ per cent., absorbing £35,827, leaving £18,606 to be carried forward. The accounts show a holding of £698,702 in British and Colonial Government securities. These had a market value on June 30th last of £720,590.

Commercial Reports.

THE CORN TRADE.

Mark Lane, Thursday evening.

Climatic conditions over the United Kingdom have remained favourable for the completion of harvest operations, and the grain is being secured in fine dry condition, though reports from several quarters indicate reduced yields. Supplies of old native wheat are practically exhausted, while offers of new grain meet with a quiet demand at declining prices. The import market has been very depressed, and values were again on a lower basis owing to lack of buying interest. Heavy offerings of Canadian and Russian were the principal factors, while supplemented by increasing supplies coming forward from the Danube. In these circumstances, buyers adopt a reserved attitude, particularly in face of excellent crop prospects in Argentina and Australia. Shipments continue on a large scale, especially to Continental destinations, while floating supplies also tend to increase, being fully equal to estimated requirements. Excellent crops have been secured in the United States, the official estimate of the winter yield reaching 597 million bushels, compared with 568 million bushels last year, while a good portion of the Canadian crop is safely secured. With competition general from all exporting countries, including Europe, ample and cheap supplies of grain should be available throughout the cereal year. A dull tone pervaded the market for flour, and prices are steadily declining in sympathy with the wheat situation, both for home milled and imported on spot. North American sellers were pressing offers for shipment parcels without attracting much attention from importers. A marked falling off in consumptive demand for feeding stuffs resulted in weaker values, while influenced by large shipments and increased offers of Plate maize. Competition from South Africa is still a feature, and has forced Plate shippers to come into line, but Danubian varieties are held above market parity. Barley moved off slowly at rather easier rates, and oats were also the turn in buyers' favour, though less pressed for sale compared with other feeders.

WHEAT.—Again easier in sympathy with reduced c.i.f. quotations. No. 1 Northern Manitoba, ex ship, 35s. 6d.; No. 2 ditto, 35s.; No. 3, 34s. 3d.; No. 6 ditto, 26s. 3d.; No. 1 hard winter, 35s. 3d.; No. 2 ditto, 34s.; No. 2 mixed Durum, 30s. 6d.; Barusso, 62½ lbs., ex ship to arrive, 34s.; Australian, 35s.; choice white Karachi, 34s. per 496 lbs.; English, new, 6s. 3d.-7s. per 112 lbs.

FLOUR.—Dull and weaker. London straight run, 32s. per sack for country deliveries, and 31s. London area. Of imported, Manitoba patents, 29s.-31s. 6d.; Buffalo ditto, 29s.-31s.; Australian, 26s. 6d.-27s. 6d. ex store. On c.i.f. terms, Manitoba top patents, August-September, 28s. 6d.-29s.; export ditto, 26s.-26s. 6d.; Australian, 24s. 6d.-25s. per 280 lbs.; Argentine, low grade, October-December, 26 5s. per ton.

MAIZE.—Easier forward. Plate, landed, 27s.; ex ship, 25s. 6d.; August-September, also September-October, 25s.; Bessarabian, landed, 26s. 6d.; No. 2 white flat African, ex ship, 24s. 6d.; No. 6 yellow ditto, 25s. 6d. per 480 lbs.; yellow maize meal, ex ship 28, f.o.r. London; yellow African, ex ship, 25 17s. 6d.; white, 25 12s. 6d. per ton.

BARLEY.—Weak. Californian, old, landed, 30s.-35s.; new, ex ship, 29s.-38s., as to sample; Chilian brewing, landed, 33s.-37s.; Chevalier, 38s.-44s.; Australian, 32s.-34s.; Smyrna, 30s.-33s. per 448 lbs.; Black Sea, ex ship, September-October, also Danubian, 16s. 9d.; Persian, new, ex ship, 16s. 6d. per 400 lbs.; English, new, malting, 6s. 3d.-7s. 9d. per 112 lbs.

OATS.—Quiet and occasionally easier. Plate, landed, 15s. 3d.; ex ship, 14s.; Chilian tawny, ex ship to arrive, 15s.; fine white, landed, 21s. 9d.; German, landed, 22s.; mixed Canadian feed, ex ship, 12s. 3d.; landed, 13s. 3d. per 320 lbs.; English new, 5s. 4d.-5s. 8d. per 112 lbs.

COMPARATIVE AVERAGES OF GRAIN.

The following table gives the estimated sales of home-grown wheat during the harvest years 1929-30, 1928-29, 1927-28, 1926-27:—

	1929-1930.	1928-1929.	1927-1928.	1926-1927.
Estimated sales of home-grown wheat—				
1 week to Aug. 30	Owts. 103,890	Owts. 137,370	Owts. 80,132	Owts. 54,327
52 weeks to Aug. 30	9,808,016	9,967,256	11,184,664	11,846,414
Average price of English wheat per cwt.	s. d. 8 3	s. d. 10 11	s. d. 9 9	s. d. 12 5

The following is a statement showing the Quantities Sold and the Average Price of British Corn in the past two weeks, and for the corresponding week in each of the years from 1926 to 1929:—

Weeks ended.	QUANTITIES SOLD.			AVERAGE PRICE PER OWZ.		
	Wheat.	Barley.	Oats.	Wheat.	Barley.	Oats.
Aug. 23 1930.	Owts. 76,956	Owts. 9,001	Owts. 17,126	s. d. 8 5	s. d. 6 9	s. d. 6 3
Aug. 30	103,890	8,360	29,296	8 3	7 3	6 2
Aug. 28, 1926	94,944	43,530	36,578	12 6	13 10	9 0
Aug. 27, 1927	54,327	14,785	22,289	12 5	13 6	9 10
Sept. 1, 1928	92,404	209,912	67,341	9 5	14 1	9 3
Aug. 31, 1929	137,370	44,697	57,057	10 11	10 1	8 4

AMERICAN WHEAT MARKETS.

The following table shows wheat quotations in recent weeks with comparative figures for 1929:—

NEAREST FUTURE.	Jan. 2, 1929.	Sept. 4, 1929.	Jan. 2, 1930.	Aug. 20, 1930.	Aug. 27, 1930.	Sept. 3, 1930.
Winnipeg (No. 1 Manitoba)	122	153	148½	92½	88½	83½
Chicago (No. 2 Winter)	116½	131½	130½	89	86½	82½

THE COAL TRADE.

Our Sheffield correspondent writes:—The announcement of a pending increase of prices braked up sales of house coal last week, as large quantities were bought for winter stock. Business has now tapered off again. Exports of steam coals are being maintained and the industrial demand is a little better than of late, but supplies continue excessive. There is great surplus of smalls. The coke position is most unsatisfactory, deliveries having been suspended to the extent of 40 per cent. of the contract commitments, but prices have undergone no further recession. Best steam coals are quoted at 15s. f.o.b. and blast-furnace coke at 11s. 6d. to 12s. 6d. at ovens.

Our Glasgow correspondent writes:—Short-time working is still the rule in most coal trade districts. Export trade is particularly dull, and it would seem that the collieries will have to look mainly to the home trade for improvement over the next month or two. The feature of the market is the sustained strength of washed nuts as a result of the scarcity of supplies owing to restricted coal outputs. Among large coal Hamilton ells are moving away quite readily and prime splint material in Lanarkshire as well as one or two navigation sorts in other districts are quite firmly held. Prices for shipment are approximately as follows (f.o.b. district ports):—LANARKSHIRE.—Ell best, 13s. 6d.; splint best, 16s.; splint second, 14s. 6d.; navigation, 16s. 6d.-16s.; navigation second, 14s. 6d.; Hartley, 15s.; steam, 12s. 6d.; trebles, 13s.; doubles, 12s. 6d.-13s.; singles, 12s.; pearls, 11s. 9d.; dross, 9s. 6d. FIRE.—Screened navigation, 16s. 6d.-17s. 6d.; first-class steam, 11s. 9d.; third-class steam, 10s. 9d.; trebles, 13s.-14s.; doubles, 12s. 6d.-13s.; singles, 12s.; pearls, 11s. 3d. LOTHIAN.—Prime steam, 11s.; secondary steam, 10s. 9d.; trebles, 13s.-13s. 3d.; doubles, 12s. 9d.-13s.; singles, 11s. 6d.-11s. 9d.; pearls, 10s. 6d.-10s. 9d. Ayrshire.—Unscreened navigation, 16s.; jewel, 16s.; steam, 13s. 3d.; trebles, 13s. 6d.; doubles, 13s.; singles, 12s. 3d.; pearls, 11s. 9d.; dross, 10s. 6d.

Our Cardiff correspondent writes:—There has been no improvement this week in the situation of the South Wales coal trade. Inquiries have been inactive, and tonnage has become so scarce that on Wednesday 37 tips were reported idle at the South Wales docks. Stocks have further increased, and owing to the lack of wagons collieries are finding it difficult to keep working. One important group of pits is being operated only up to 70 per cent. of its capacity. Prices for all classes of coal are at the minimum figures scheduled by the Marketing Association, and it is not anticipated that these will be reduced in the immediate future owing to the increased cost that will be for some time unavoidable under the reduced working hours provided by the Coal Mines Act. A report that the Brazilian Central Railways have diverted to Germany an order for 250,000 tons of locomotive coal is discredited; many are still entertained that this business will be secured by South Wales. Pitwood prices are easier under the pressure of heavy stocks and of the arrivals of speculative cargoes from Russia. Three of these have already arrived; arrangements are being made for the disposal of three more in the immediate future; and it is feared that other cargoes will be dumped before the end of the Baltic season. The following are the current approximate quotations:—Best Admiralties, 20s.; seconds, 19s. 3d. to 19s. 9d.; best dries, 18s. 6d. to 19s. 3d.; Black Veins, 18s. 3d. to 18s. 6d.; Western Valleys, 18s. to 18s. 3d.; Eastern Valleys, 17s. 6d. to 17s. 9d.; cargo smalls, 12s. to 12s. 6d.; best small steams, 13s. 3d. to 13s. 6d.; coking smalls, 13s. 6d. to 13s. 9d.; anthracite, best large, 36s. to 37s. 6d.; Red Vein, large, 22s. to 27s.; machine-made cobbles, 40s. to 45s.; French nuts, 43s. to 46s.; stove nuts, 39s. 6d. to 43s. 6d.; rubble culm, 11s. to 11s. 9d.; foundry coke, 30s. to 35s.; patent fuel, 20s. to 21s. 6d.; pitwood, ex ship, 27s.

IRON AND STEEL.

We extract the following from the weekly report of The London Iron and Steel Exchange:—Rather more business has been stirring of late in the iron and steel markets. This has encouraged hopes that the usual autumn buying movement, which generally begins towards the end of September, will set in somewhat earlier this year. In the pig iron department the demand has broadened somewhat, and consumers have shown more interest in forward buying, although so far this has been on a small scale. Competition is still being experienced from foreign and Indian pig iron in the home market, particularly in Scotland. In the semi-finished steel department dull conditions have ruled, and consumers are apparently waiting to see the effect upon the market of the collapse of the European Steel Cartel's price control scheme. Statements that the scheme was abandoned owing to under-cutting by British manufacturers are inaccurate, since any contracts which may have been obtained by British works have not been secured by these methods. The hostility of British consumers to the scheme, however, has certainly diverted some business to British producers of semis. Following the withdrawal of control, the price of Continental material fell sharply, but no large volume of business has been reported. The demand for finished steel materials has become more active, and there has been a certain amount of buying from overseas. Business in the home market has increased sufficiently to encourage hopes of an early improvement in trading conditions.

Our Middlesbrough correspondent writes:—The market for Cleveland iron is steady. The number of transactions has slightly increased as a result of the reduced prices, and indications point to further expansion. The production of iron for the open market is only light, and as stocks in makers' hands are of comparatively small dimensions, prospects for increased business are considered favourable. At Tuesday's weekly market a fair number of transactions were reported for moderate quantities for early delivery, and also a few months ahead, prices being, No. 1, 66s.; No. 3, 63s. 6d.; No. 4 foundry, 62s. 6d.; and No. 4 forge, 62s. f.o.b. or f.o.t. Practically all the business transacted is on home account, very little export trade being available. In hematite, more iron is being taken against contracts and a few new purchases are being made, but the quantities are not large, and are mostly for fairly early delivery. Makers anticipate increased buying shortly, and are firm at 71s. for mixed numbers for delivery over two or three months, but might shade this a trifle for very prompt delivery. Shipments of pig iron last month were just 67 tons ahead of July, but manufactured iron and steel showed together a decrease of 8,373 tons, the details being:—

	August, 1930.	July, 1930.
Pig iron	16,863	16,796
Manufactured iron	4,223	3,613
Manufactured steel	41,953	50,936
	63,039	71,345

In the finished departments a fair amount of work is in hand, but some mills are not so regularly employed as others, and new orders would be welcome. Prices for the different materials are unchanged from last week. The ore market continues quite idle, with best rubio nominally 19s. c.i.f. and freights Bilbao/Middlesbrough about 5s. 6d. Coke of good blast furnace qualities is offering at 16s. 6d. delivered works, for early delivery. The number of furnaces in blast in the district is unchanged at 25.

Our Sheffield correspondent writes:—Conditions in the iron and steel trade are believed to be slightly better in parts, due to the return of principals from their holidays, but, taken as a whole, the depression remains deep and widespread. In the Lincolnshire district two of the five open hearth furnaces at the Frodingham Works, which were closed six weeks ago, have been put into com-

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mission. The other melting plants in the same district are operating as usual, but there is a shortage of work at the mills. In Sheffield, orders for open-hearth steel continue on a hand-to-mouth basis and comparatively no forward work is being placed, so that the outlook remains uncertain. Quietude prevails in railway steel, wire rods and strip and bars of basic material. Demand for cold wrought strips is picking up. No improvement in the pig iron section can be reported. There is no present indication of a resumption of normal buying, and the majority of the foundries are on short time. Output of blast furnaces still exceeds consumption. Makers of special alloy steels are more disposed than of late to place contracts for materials. Conditions in the hand tool department are variable; demand for cutlery and plate is a little better. All sections of local industry are suffering from the contraction of business with all markets overseas.

Our Glasgow correspondent writes:—Business remains very quiet in the iron and steel industries in the West of Scotland, and orders booked do not involve a heavy tonnage. In Glasgow and neighbourhood there are several large consumers of semis, and the disruption so far as price is concerned of the Continental Sales Organisation for joists and semis is of considerable interest to them. During the present week Continental semis have been offered at exceedingly low prices, apparently below cost, but only for delivery within the next month or two. Tube makers are, on the whole, finding business dull, although some works have a fair amount of work on hand. At the sheet mills the export demand both for black and galvanised sheets does not show much improvement, but there has been no further reduction in the number of mills operating. Practically all branches remain quiet with prices unaltered.

Our Cardiff correspondent writes:—On the Swansea Metal Exchange on Tuesday it was reported that inquiries were very limited, both in the export and the home markets, but it is anticipated that there will be an expansion of business early in the autumn. A fairly substantial order is reported to have been placed with a non-associated works by South American consumers. Current prices of tinplates are ruling at the minimum of 18s. per basis box, and galvanised sheets are unchanged at from £11 17s. 6d. to £12 per ton. Welsh tinplate bars are easier at from £6 to £6 3s. 9d. per ton, but there has been a further cut of about 7s. 6d. in foreign bars, which are now reported to be offering at £4 10s. per ton. Shipments last week were below normal, but owing to curtailed production, as a result of the heat wave, stocks show no material change.

OTHER METALS.

TIN.—The market ruled quiet and prices eased on selling pressure, occasioned by larger visible supplies for August and disappointing Eastern advices, while dealings disclosed slight irregularity. Shipments from the East during August totalled 7,095 tons, embracing 5,055 tons to the United States, 1,070 tons United Kingdom, 1,275 Continent, and 505 other countries. U.K. stock and landing, 25,338 tons, against 23,836 in July. Total visible supplies, 43,625, against 42,210 the previous month and 25,878 at the corresponding period last year. Standard cash sold, £133 12s. 6d. £134 10s. and £133 2s. 6d.; three months, £135-£136 and £134 15s. In the East, sales were reported at £137 5s. to £137 15s. and £137 5s. ton c.i.f.

COPPER was a generally steady market as sellers refrained from pressing and offers fairly well absorbed. Standard cash sold £47 10s. to £47 12s. 6d. and £49 11s. 3d.; three months, £47 10s.-£47 15s. and £47 7s. 6d. ton.

LEAD in steady support, and values barely steady. Good soft foreign pig, September, sold £18 5s. to £18 3s. 9d.; November, £18 3s. 9d.; December, £18 3s. 9d. to £18 5s. and £18 3s. 9d. per ton.

SPELLER.—Tone fairly steady, though offerings were moderately absorbed. September sold £16 1s. 3d. to £16 5s. and £16 2s. 6d.; November, £16 8s. 9d.; December, £16 11s. 3d. to £16 12s. 6d. and £16 10s.; January, £16 12s. 6d. per ton.

ALUMINIUM steady. Home trade £95, export £100 ton.

ZINC OXIDE quiet at £25 to £32 as to quality, per ton, delivered U.K.

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TIN PLATES quietly steady. I.C. coke, prompt and forward, 18s. per box f.o.b. Swansea.

ANTIMONY.—Steady, quiet. English regulus £38 to £45; Chinese ditto, spot, £27; September-October, £26; crude ditto, £14 15s. c.i.f. per ton.

ANTIMONY OXIDE.—September-October, £27 10s. c.i.f. per ton.

ANTIMONY ORE.—60 per cent., September-October, 4s.; 50 per cent. ditto, 3s. 6d. per unit c.i.f.

WOLFRAM.—Quietly steady. Chinese spot, also September-October, 18s.; Burmese spot, also September-October, 17s. per unit, c.i.f.

THE COTTON TRADE.

LIVERPOOL, September 3rd.

The market during the week has been more two-sided, but prices have fallen 18 points. Weather news has been better, and the drought in the central belt has been relieved. Lower prices have brought about a slightly increased business. The U.S. Agricultural Bureau Report is due on the 8th of this month, and two or three private estimates have already been issued, Fossicks being 13,740,000 bales crop, 52.4 per cent. condition, showing a decrease of 9,000 bales from a month ago. More business has been put through in Manchester, and the feeling of the market at present is a little less depressed, and there have been more inquiries for actual cotton. Spot sales for the week August 27th to September 3rd (inclusive) are 25,000 bales, of which 7,400 bales are American, 6,050 Brazilian, 1,900 Argentine, 3,550 Peruvian, 2,600 Egyptian, 1,650 African, 1,550 East Indian, and 300 sundries. Imports for the same period are 18,470 bales, of which 6,408 are American, 921 Brazilian, 1,015 Argentine, 2,348 Peruvian, 488 Egyptian, 281 African, 7,001 East Indian and 8 sundries. Quotations to-day are: American Middling, 6.50; Egyptian Sakel, 12.23; Yarns, 32's twist 10½d. per lb., 40's twist 11½d. per lb., 60's twist 19d. per lb., Uppers, 8.26; Brazil Fair, 5.72; Peru Smooth, 6.62; West African Middling, 6.27; East African G.F., 7.22.

MANCHESTER, September 3rd.

The low quotations for yarn and cloth have continued to attract the attention of buyers, but definite business has been scarce. Many leading operators have evidently satisfied their requirements for the time being, and it is expected that the present quiet conditions will remain in force until the results of the second Bureau report on the American crop, which will be published on Monday, is known. There have been no sales of importance in the cloth market, although a fair amount of inquiry has been met with from day to day. Buyers for India have given attention to light bleaching styles and fancies, but the turnover has not been so large as recently. News from India generally, however, has been more encouraging. Better clearances have taken place at the weekly auction sales in Shanghai, but business on this side remains scrappy. Only modest transactions have been recorded for the other markets. American yarns have been in quiet request. This section, of course, is practically closed down for the whole of the week on account of the annual Oldham holidays. Only a retail trade has been done in Egyptian numbers.

THE WOOL TRADE.

Our Bradford correspondent writes:—We are indebted to Dalgety and Co., Ltd., for cable showing the quantity of wools shipped from Australia and New Zealand during July—the first month of a new wool year. The figures show that more wool has been shipped during the first month this season than during the corresponding period last year. The shipments from Australia during July are returned at 200,000 bales, an increase of 123,000 bales compared with the corresponding month a year ago. The shipments from New Zealand are 39,000 bales, an increase of 24,000 bales, thus making a total of 239,000 bales, a total increase of 147,000 bales. The opening of a new South African selling season took place at Port Elizabeth last Tuesday. Cables indicate that there has been a most encouraging sale with all countries fairly keen to operate. The selection was not too good, but apparently the early shorn wools were wanted for testing purposes. The sale appears to have gone off with considerable competition. Next Tuesday the first sale of the Australian season will commence at Perth. Conditions in the home market this week are scarcely changed. There has been a fairly well sustained turnover in merino wool and tops, and the trade is looking forward to the forthcoming London sales with considerable interest. The most satisfactory feature during the interval has been the well sustained consumption, particularly in fine wool and tops, and active preparations are now being made for the forthcoming spring and summer trade of 1931. There is certainly more hopefulness about the entire industry, and though there is room for improvement, the placing of new business clearly indicates that wool will be wanted for the execution of these orders.

THE JUTE TRADE.

DUNDEE, September 3rd.

The district returns for the final jute crop forecasts for season 1930-1931 were published in Calcutta yesterday, estimating 11,231,000 bales. This is a huge supply, and considerably more than will be required by the trade. The consumption of raw jute is very much curtailed on account of dullness of trade in manufactured goods. For months past, the jute market all round has suffered a continual and steady decline, until prices are now down to a level

which has not been touched for many years. Yet buyers are holding off in the hope of still lower prices, in view of the huge stocks of Calcutta goods which have accumulated to immense proportions during the period of increased production in Calcutta. By their policy of curtailing production by stopping for one week in each month to the end of March, 1931, a total of nine weeks' idleness, the Indian mills will consume much less fibre, probably not more than five million bales, while the exports from Calcutta will certainly not be anything like normal, which is round about 4,500,000 bales. Producers outside of India are calculated to be reducing production all over to about 50 per cent. of capacity. The carry-over of old crop jute has been estimated at 6,500,000 bales, so that, with the quantity estimated for this season, there is an available supply of 17,731,000 bales to satisfy requirements of between 8 and 9 million bales. Sellers of raw jute became reserved when the figures were published, but later were more willing to sell at even lower prices than those ruling prior to the forecast. Good First Marks were quoted at £20 5s., and good Lightnings at £18, while Daisee could have been bought at £15 and Tossa assortment at £17 10s., September-October. Jute yarns are very quiet and lower all round. Common 8-lb. cops have been sold in several instances at 2s. and 3-lb. spools at 2s. 1d., which prices are expected to be maintained for some time, as spinners are experiencing such huge losses and would require jute at many pounds per ton less than those to-day to enable them to sell at these rates. Twist is from 4½d. for 3-ply 8 lb., and 24-lb. sacking web at 2½d. and less for inferior spins, while 3-lb. chains are from 3½d. Rove is down to £17 10s. for 48 lb. and £18 for 200 lb., and fine yarns are also on the easy side. Cloth orders continue of small dimensions to meet immediate needs, and prices are not being seriously tested at from 3½d. for 10½-oz. 40-in. hessians and 2½d. for 8 oz. Less is sometimes being taken in order to induce business, which is badly required to keep works running, even at reduced capacity. Linoleum hessians are slow, and heavy goods, though sometimes showing brighter symptoms, are in general quiet. Calcutta hessians have shown signs of easiness again after being steadier. Prices are from 21s. 3d. for 10 oz. and 18s. 9d. for 8 oz., September shipment; 21s. 6d. and 17s. for October-December, and 21s. 9d. and 17s. 3d. for January-March. On spot, 20s. has been done for 10 oz.

HIDE, LEATHER AND ALLIED TRADES.

Prices for cattle hides were slightly firmer at the Manchester auctions held on Tuesday of this week, and with a fairly satisfactory enquiry it is expected that for the time being any change in values will be upwards. Calfskins were more or less unchanged, while the position of sheepskins is still inclined to be on the weak side—particularly for lambs. Foreign hides have experienced a better sale, and the tendency of prices for most descriptions is towards advances. In the South American market a fair amount of business has been passing, and Argentine ox have been sold on the basis of 6½d., while cows have made 6½d. and Montevideo ox 6½d. Values of dry River Plates have hardened in sympathy with salted hides, and sales of B.A. Americans have been made at 7½d., with M.V. Americans realising 8½d., and Sierra Cordobas 8½d. Good business has been done in Cape hides with prices showing an upward trend. First and second dries have sold at 8½d. and 7½d., while dry salted, 20/30 lbs., have changed hands at 7½d. and 6½d. Australians are a better market, and here also certain descriptions are making slightly higher figures. Business in connection with sole leather has shown an improvement, some fairly satisfactory deals having been negotiated during the week. The repairing trade have taken up considerable quantities of English and wet salted bends in the medium to heavy-weights, a large proportion of which has been in connection with the better grades. Some of the commoner descriptions, however, have marked an improvement, and with the prices for these showing a certain amount of firmness, there is every probability that the better qualities will eventually record slight advances. Light dry hide bends have been called for on manufacturing account, and with no large stocks available there is every prospect for advances being asked for here. The call for rough leather remains poor. Satisfactory business has been done in upper leathers with an improvement noticed in the enquiry for box calf. Willow continues to be the most popular line, but at the same time a steady trade is being done in both black and brown glacé kid. Suede and reptile leathers also are a shade more active, while the call for patent is still concentrated for the most part on the cheaper qualities. Curriers have experienced a slight improvement in the turnover.

OVERSEAS PRODUCE.

SUGAR.—No further change occurred in prices of British refined, and moderate clearances resulted for prompt delivery, while interest is still shown forward up to the end of the year, where prices are at an attractive discount. There is nothing new to comment upon in the general situation, and affairs will be held in check until something definite is known about a meeting between representatives of the Cuban producers and U.S.A. and Canadian banking interests, to discuss means of bringing prices to a remunerative level. Apparently, growers in Java resent exploitation by Cuba of Far Eastern markets. It is stated in London market circles that Java now grants a concession of 1 to 1½ guilders on quantities purchased by Eastern houses, where Cuban sugar has secured a foothold. It will be remembered that some time ago a similar concession was in force for Java sugars westward of Suez, a warning note at that period to Cuba to keep to her own domains. The 15,000 tons browns recently disposed of doubtless carried the concession clause. Raw refining sugars are steady, but quiet of sale. Terminal sections weaker, but business was on a

more extended scale, and included September raw at 4s. 10½d.; December, 5s. 0½d. to 4s. 11½d.; March, 6s. 1½d. to 6s.; May, 6s. 4½d. to 6s. 3d.; August, 6s. 7½d. to 6s. 6d. Cuban 96 per cent., September, to the United Kingdom, sellers, 5s. 7½d.; October, 5s. 9d.; November-December, 5s. 9½d. c.i.f. Mauritius, 99 per cent., refining crystals, October-November, to the United Kingdom held for 10s. 1½d., with bids of 10s. 0½d. invited, f.a.q.; white, October-November, quoted 10s. 10½d. c.i.f. Continentals nominally unaltered. Cuban receipts last week cabled 32,867 tons, against 49,850 same time last year; exports, 46,463, against 94,028; stocks, 1,278,970, against 739,068 at corresponding period last year. Stocks of raw sugar in the three chief ports of the United Kingdom for week ending August 30th totalled 136,870 tons, against 103,869 last year.

COFFEE.—The market on balance remains steady, and there is only a small quantity of desirable qualities on offer, which rather hampers business. Arrivals of new crop Kenya are not attractive in point of quality, but this is usually associated with early gathering with improvement attending later ones. Some fine bold Costa Rica sold steadily, also attractive Colombians. Brazilian varieties for shipment after a good business at low prices mark a recovery on the part of sellers, but buyers are now shy.

COCOA.—The depressed tone of this market became more accentuated during the week, as consumptive trade is very meagre, even for this period of the year, when quietude reigns supreme. Only retail sales occurred on the spot at rates favouring the buyers, while marked declines set in forward. The chief factor for the downward move is to be found in stocks on the Gold Coast assuming large proportions, the outcome of holding back supplies. And now an unwilling market has to be faced, crumbling prices is but the natural sequel. Accra F/F, October-December, London contract, sold 27s. 6d. f.o.b. G/F, October-December, Continent, 29s. 6d. c.i.f. Terminal quite neglected.

TEA.—Indian auctions totalled 49,550 packages. Best liquoring teas attracted attention and sold at full rates, some choice parcels of broken orange pekoe from 6s. 3d. to 8s. 3d. lb. Medium teas rather irregular, but the good ones were quite steady. Clean common grades marked no essential change. The 24,800 packages Ceylon catalogued experienced a good market, prices ruling firm to occasionally dearer except for commonest qualities, which are frequently easier. Java and Sumatra sales received fair attention at steady prices. There is only a small movement in China sorts on about former terms.

RICE.—No material change apart from Saigon qualities being easier, and there is no apparent revival in trade interest as far as Europe is concerned. Two Stars Rangoon, spot, London, sold 13s. 3d.

BEANS.—Market quite unaltered, but trade moves slowly.



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COMMERCIAL TIMES—WEEKLY PRICES CURRENT.

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

LONDON, TUESDAY.		FRUIT (continued)—		WOOL—		HIDES—	
CEREALS AND MEAT.		Spanish Onions,		English Southdown, washed		Wet salted—Australian	
Wheat, No. 3, N. Man. 496 lb. ...	34 9	Valencia—	s. d. s. d.	per lb.	d.	per lb.	s. d. s. d.
Eng. Gaz. av., per cwt.	8 3	case 4s.	5 3 6 0	Lincoln hog, washed	16 1/2	West Indian	0 4 1/2 0 4 1/2
Barley, Eng. Gaz. av.	7 3	case 5s.	6 0 7 0	Queensland, sed. super cmbg.	10 1/2	Cape	0 3 1/2 0 4 1/2
Oats,	6 2	Onions, Oporto	case 5 0 7 0	N.S.W. greasy, super	13	Dry and Drysalted Cape	0 4 1/2 0 5 1/2
Maize, La Plata, landed, 480 lb.	27 0	Chestnuts, Huelva	bags 0 0 0 0	N.Z., gray, half-bred 50-56	10 1/2	Market Hides, London—	0 6 1/2 0 7 1/2
Flour, Lon. stan. ex mill, s. d.	0 0	Grapes, Lisbon	boxes 9 0 14 9	Crossbred 40-44	9 1/2	Best heavy ox & halber	0 5 1/2 0 7 1/2
280 lb.	30 6 0 0	Almeria	12 0 21 0	Merinos 70's	30	Best cow	0 3 1/2 0 4 1/2
Rice, No. 2 Burma, per cwt. 11 10 1/2	0 0	LARD—		Crossbred 48's	29	Best calf	0 8 1/2 0 10 1/2
Sago, Pearl, per cwt.	19 0	Irish bladders	62 0 72 0	" 64's	15-15 1/2	INDIGO—	
Tapioca, per cwt.	19 0	American boxes 56 lbs.	59 6 62 6	" 46's	14 1/2-15 1/2	Bengal gd. red-vio. to fine—per lb.	5 6 6 6
B.I. flake, fair spot	17 6 0 0	SPOICES—		COAL—		LEATHER—	
Medium pearl	20 0 0 0	Pepper, per lb.	0 0 0 8 1/2	Welsh, best Ad'ty. ton 20 0 0 0	s. d. s. d.	Sole Bends 8/4 lb.—	
Potatoes, good English, per cwt.	5 6 6 0	Muntok, fair White	0 0 0 0	Durham, best gas	15 0 0 0	per lb.	1 3 2 4
Beef, per 8 lbs.	5 2 6 0	Black Lampong	0 0 0 0	Sheffield, best house	21 0 22 0	Bark Tanned Sole	2 6 3 3
English long sides	4 4 4 8	Cinnamom—1st sort, per lb.	0 10 0 0	IRON AND STEEL—		Shoulders fm DS Hides	0 7 0 11
Argentine chilled hinds	4 4 4 8	Cloves—Zanzibar per lb.	1 0 1/2 0 0	Pig, Cleveland No. 3, ton 63 6 0 0	s. d. s. d.	Do. Eng. or WS do.	0 11 1 5
Mutton, per 8 lbs.	6 8 8 0	Ginger—per cwt.	0 0 38 0	Bars, M'brough	215 0 0 0	Bellies from DS do.	0 6 0 7
N.Z. frozen	3 2 4 2	African	0 0 38 0	Steel Rails, heavy	170 0 0 0	Do. Eng. or WS do.	0 7 1 0
Pork, English, per 8 lbs.	6 0 8 4	Jamaica, ord. to good	50 0 90 0	Tin Plates, I.C., per box 18 0 0 0		Dressing Hides—	1 6 1 9
BACON— OTHER FOODS.		Mace	1 11 2 6	MISCELLANEOUS.		Ro. Eng. Calf, 20/30 lb.	3 6 5 6
Irish	92 0 104 0	Nutmegs 65's	1 11 0 0	CHEMICALS—		Aust. Bends	1 0 1 6
Danish	85 0 94 0	SUGAR—		Acid, citric, per lb. less 5% 1 6 1 6 1/2	s. d. s. d.	VEGETABLE OILS—	
Canadian	78 0 92 0	(Duty, 11s. 8d. per cwt.)	19 6 22 0	Nitric	0 2 1/2 0 4	Linseed, naked, p. ton net 32 0 0 0	
Dutch	85 0 86 0	B.W.I., crystallised	19 6 22 0	Oxalic, net	0 3 1/2 0 4	Rape, refined	35 10 0 0
HAMS—Irish	0 0 0 0	Java, white, c. & f. India, Sept-Oct.	8 3 8 4 1/2	Tartaric, English less 5% 1 0 0 0		Cotton-seed, crude	27 0 0 0
Canadian	0 0 0 0	REFINED—London—		Alum, lump	9 0 9 10	Coconut, dec.	59 0 0 0
American	90 0 115 0	Yellow Crystals	19 7 1/2 0 0	Standard	47/11/3 47/12/6	Palm	21 15 23 0
BUTTER—		Cubes	24 0 24 6	Lead Eng. Pig, per ton 19 15 15		Oil Cakes, Linseed, Eng., per ton	9 15 10 0
Irish creamery per cwt. 126 0 128 0		Crushed	22 6 23 0	Soft Foreign	18/3/9 0 0	Oil Seeds—Linseed—	
Australian	116 0 132 0	Granulated	20 3 21 1 1/2	Spelter G.O.B.	16/2/6 16/12/6	La Plata, p. ton	
New Zealand	122 0 150 0	Home Grown (Oct.)	19 10 20 3	Tin—English ingots	134 5 135 5	Sept.-Oct. 14/11/3	0 0
Danish	144 0 145 0	TEA—		Standard cash	133 0 133 2/6	Calcutta—per ton	
OHBESE—		Indian & Ceylon—per lb.		MISCELLANEOUS.		Sept.-Oct. 16 5 0 0	
Canadian	74 0 82 0	Pekoe	0 7 1/2 2 1/2	CHEMICALS—		Turpentine, per cwt.	35 6 0 0
New Zealand	72 0 78 0	Broken Pekoe	0 8 2 4	Acid, citric, per lb. less 5% 1 6 1 6 1/2	s. d. s. d.	MINERAL OILS—	
English Cheddar	64 0 108 0	Orange Pekoe	0 10 1/2 2 1/2	Nitric	0 2 1/2 0 4	Petroleum—Oil, per 8 lbs.	1 0 0 0
Dutch	42 0 79 0	Broken Orange	0 9 1/2 6 3	Oxalic, net	0 3 1/2 0 4	Water-White	1 1 0 0
COCOA—		TOBACCO—		Tartaric, English less 5% 1 0 0 0		Lubricating—	
(Duty, British grown, 9s. 4d.; foreign, 14s. cwt.)		Duty 8/10-11/2 1/2 per lb.		Alum, lump	9 0 9 10	Pales	10/5/0 21/7/6
Accra, f.f., per cwt.	35 0 37 0	Empire growths, 6/9 1/2 per lb.)		Ammonia, carb.	10 0 12 0	Reds	11/10/0 18/15/0
Trinidad	53 0 60 0	Virginia leaf—		Sulphate	10 0 12 0	Cylinder	12/0/0 29/10/0
Grenada	48 0 50 0	Common to fine	0 10 2 6	Arsenic, lump	35 0 40 0	Fuel—	
COFFEE—		Rhodesian leaf	0 9 1 6	Bleaching powder, per cwt. 7/10/0 6/12/6		S.G. 895, 910	s. d. s. d.
(Duty, British grown, 9s. 4d.; foreign, 14s. cwt.)		Nyasaland leaf	0 9 1 8	Borax, gran.	11 0 0 0	" 950	67 6 0 0
B.I., good to fine, per cwt. 120 0 133 0		" strips	0 10 1 10	Do. powder	12 6 0 0	ROBIN—	
Costa Rica, good to fine...	135 0 152 0	East Indian leaf	0 4 0 0	Nitrate of Soda...per cwt. 10 9 11 9		American	per ton 13 0 18 5
Cent. Amer., mid to fine 110 0 135 0		" strips	0 4 0 0	Potash—Chlorate, net	0 3 0 3 1/2	RUBBER—	
Kenya, bold sizes	115 0 128 0	COFFEE—		Sulphate	10 0 11 0	Plantation Sheet per lb.	0 4 1/2 0 0
Colombian, mid to fine...	105 0 110 0	FLAX—		Sulphate	10 0 11 0	Fine Hard Para per lb.	0 6 1/2 0 0
EGGS—		Livonian ZK	per ton 46 0 0 0	Soda Bicarb.	9 0 10 6	SHELLAC—	
English	13 6 17 6	Pernau HD	50 0 0 0	Crystals	5 0 5 3	TN Orange	per cwt. 95 0 97 6
Danish	12 6 14 0	Slavet Medium 1st sort...	45 0 0 0	Sulphate Copper	per ton 23 10 24 0	SHELLS—	
FRUIT—		HEMP—		CEMENT—		W. Aust. M.-o.-P.	3 10 11 10
Oranges, South African bxs. 15 0 26 0		Italian P.O.	per ton 44 0 0 0	Portland, best Eng. pr. ton 46 0 48 0		Swedish u/s 3 x 8 per std.	18 0 0
Oranges—		Manila, Oct.-Dec. " J2"	22 0 0 0	COPRA—		Do. 2 1/2 x 7	18 0 0
Denia and Valencia		N.Z.	nom.	S.D. Straits c.i.f., per ton	£ s. d.	Do. 2 x 4	18 0 0
1 cases 300	0 0 0 0	Slavet African, Oct.-Dec.	21 15 0 0	Smoked South Sea	Sept.-Oct. 16/2/6	Can'dn Spruce, Dis.	17 0 0
360	0 0 0 0	Mexican	0 0 23 10	DRUGS—		Pitchpine	per load 9 0 0
504	0 0 0 0	JUTE—		Campbor	s. d. s. d.	Rio Deals	per std. 32 0 0
Lemons, Naples	boxes 20 0 40 0	Native 1st mks. ... per ton	£ s. d.	Castor, refined	2 3 1/2 4	Teak	per load 20 0 0
Midian	boxes 15 0 25 0	Sept.-Oct.	16 15 0	Castor-oil	85 0 95 0	Honduras Mahg. logs	c. ft. 0 11 8
Malaga	cases 21 0 30 0	Nov.-Dec.	16 17 6	Ipocuanha	nom.	Amer. Oak Boards	" 0 6 0
Apples: Amer. (var.) bris.	0 0 0 0	SILK—		Peppermint, Wayne Co.	14 6 14 9	Do. Ash	" 0 6 0
(var.) boxes	0 0 0 0	Canton	per lb. 8 0 9 6			English Oak Planks	" 0 7 0
Tasmanian boxes	0 0 0 0	Tuesah	5 0 8 0			Do. Ash	" 0 6 6
Australian	0 0 0 0	Japan	12 6 15 0				
		Italian—Raw, fr. Milan	12 0 14 0				

PEAS.—Generally steady. Japanese, August-September, sold 16s. 9d., and September-October, 18s. 3d.

POTATOES.—Business remains quiet and prices are scarcely changed on last week.

SPICE.—Pepper remains quiet, but with sellers equally reserved, prices are tolerably steady. Lampong, July-August steamer, sellers 5 1/2 d.; August-October, 5d.; Muntok white, 7 1/2 d. and 7d. respectively. Spot market unchanged.

FRUIT (Dried).—Currants in quiet demand, small inquiries being chiefly for low-grade Australian. Pyrgos, spot, 36s.; Australian, 36s.-58s. Australian sultanas are selling well, and there is a fair inquiry for Cretans to arrive. Raisins quiet of sale. Sales in better support. Figs move off slowly. Evaporated Fruits: Market dull and without new feature.

CANNED GOODS.—Fruit: Australian descriptions were in steady request, consumption being stimulated by the recent spell of warm weather. Californian, however, moved off rather slowly, though prices are fairly attractive. Fish: Sardines steady, demand being centred on best quality. Meats: Market steady with improved inquiries for ham and tongues. Condensed Milk and Milkpowders: Market steady with a fair demand. Quotations: Dutch condensed milk, full cream, sweetened, 5-cwt. casks, 33s. 9d.; machine-skimmed ditto, 21s. 6d. English condensed milk, full cream, sweetened, 5-cwt. casks, 33s. 6d. Honey: Market shows rather more activity, but values easy on liberal offerings. Jamaica white, 47s. 6d. to 50s.; New Zealand, 65s. to 87s. 6d. per cwt.

MEAT.—Prices of home-killed meat have been firmer, but imported beef and mutton showed a weakening tendency. Beef, per 8 lbs.: English, long sides, 5s. 4d. to 6s.; Argentine chilled hindquarters, 4s. 4d. to 4s. 8d. Mutton, per 8 lbs.: English, 6s. 8d. to 8s.; New Zealand wethers, 3s. 2d. to 4s. 2d. Pork, per 8 lbs.: English (under 10 stone), 7s. 8d. to 8s. 4d.

RUBBER.—Dull and featureless. Sheet, spot sold, 4 1/2 d. to 4 1/2 d.; October, 4 1/2 d. to 4 1/2 d.; October-December, 4 1/2 d. to 4 1/2 d.

January-March, 5d. to 4 1/2 d.; April-June, 5 1/2 d. to 5d.; July-September, 5 1/2 d. to 5 1/2 d. London stocks 7 tons down on the week, landings being 1,345, deliveries 1,352, stocks 80,611, against 35,605 last year. Liverpool, 116 tons higher, landings 371, deliveries 255 and stocks 29,789 tons against 7,560 last year.

HEMP.—Market for Manila again weak, though sellers were not unduly pressing, but lack of sufficient trade support exercises a baneful influence. Sales include, J2, October-December, at £22; K, July-September, also August-October, £20; L2, August-October, at £18 5s., and M1, ditto, also £18 5s. African sisal No. 1, f.a.q., August-October, quoted £21 10s. c.i.f. Receipts last week cabled 24,000 bales against 30,000 last year and 29,000 in 1928. Estimate for next week 23,000, and week after 25,000. Manila shipments last week: 3,000 bales to the United Kingdom, 2,000 Continent, 8,000 U.S.A., 8,000 Japan, 1,000 other countries, and 1,000 local consumption, leaving stocks at 144,000 bales.

VEGETABLE OILS AND OILSEEDS.—Linseed has continued to fall on favourable crop reports in Argentina, the area of which, it is officially reported, is larger than 1928-29, when a bumper yield was harvested. At the lower level of prices, however, a good business has been effected, £14 10s. being paid for old crop Plate to Hull in practically all positions, while for new crop, December-January shipment, £13 6s. 3d. and £13 7s. 6d. have been paid. Cottonseed is quiet and there is very little demand for the balance of the old crop of Egyptian, which offers at about £8 15s.; new crop is rather steadier around £8 17s. 6d. for shipment to December. Very little business is done in other oil seeds. Linseed oil has continued to decline in sympathy with seed raw oil ex Hull September, delivery having dropped to £31 per ton naked, with October-December offering at £30. Cotton oil is neglected and lower, the Hull mill price for crude Egyptian being £26. Oil cakes are in moderate request and unchanged. The market for copra is steady, F.M.S. Straits, October, to Rotterdam, quoted £17, with buyers at £16 17s. 6d.; Dutch East Indies, October, £17. Palm kernels are steady but quiet.

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Bankers' Gazette and Railway Monitor

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SATURDAY, SEPTEMBER 13, 1930.

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Correspondents to the Italian Treasury.

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THE MONEY MARKET.

AFTER the extremely easy conditions prevailing over the week-end, balances at the close on Saturday being only lendable with difficulty at 1 per cent., old day-to-day loans were freely renewed on Monday down to 1 1/2 per cent., notwithstanding the absence of Treasury bill maturities. On Tuesday, however, money was more wanted; credit supplies were somewhat depleted by "window-dressing" operations on the part of the clear-

ing banks; and new money commanded generally 2 per cent., with old loans renewed at $1\frac{1}{2}$ per cent. On Wednesday the clearing banks were lending more freely again, and with a larger amount of Treasury bills maturing, fresh advances were usually obtained at $1\frac{1}{2}$ per cent. Conditions on Thursday were still easier, and the ruling rate for day-to-day loans was no more than $1\frac{1}{2}$ per cent.

Business in the discount market throughout the week has been stagnant, and the total turnover has been of unusually small dimensions. On Monday, as a result of the weakness of sterling against the dollar over the week-end, $2\frac{1}{2}$ per cent. was quoted by most dealers as the minimum buying rate for 90-day bills, but this rate was barely effective, and by Thursday, as a result of the better tendency of the pound on the principal foreign exchanges, the average quotation for three months' fine paper had relapsed again to little better than $2\frac{1}{8}$ per cent. A small Continental demand at $2\frac{3}{4}$ per cent. was in evidence, but otherwise there was little outlet for bills. The rate on six months' paper was fractionally firmer at $2\frac{7}{8}$ per cent.

The consignment of Cape gold in the market this week was comparatively small, totalling £560,000. Of this sum, £485,000 was taken by France, notwithstanding the fact that the franc closed on Monday at 123.83 and on Tuesday at 123.86. The lower price, however, which was paid, namely 84s. 11½d. per ounce fine, was a welcome indication of lessening competition. The exchange quotation for the Swiss franc might have enabled a higher price to be paid for shipment to Switzerland, but the Swiss banks appear to be reluctant to add further, by means of gold imports, to the existing plethora of credit in the Swiss market. On Thursday, £226,500 in sovereigns, apparently part of a consignment arrived from Brazil, was paid into the Bank, and £400,000 was "unmarked." Thus, although the possibility of a renewed appreciation of the dollar to a point entailing the risk of an efflux of gold cannot be wholly disregarded, the market towards the end of the week was inclined to take reassuring views of the gold outlook, more especially as the Bank's technical position, as shown below, was unexpectedly strengthened by a large addition to its gold stocks, not accounted for in the daily statements of gold movements.

	Aug. 21, 1930.	Aug. 28, 1930.	Sep. 4, 1930.	Sep. 11, 1930.	Previous Rate and Date Changed.
Bank Rate	5%	5%	5%	5%	3½ (May 1, '30)
Banks' Deposit Rate	1	1	1	1	1½ (May 1, '30)
Discount Call	1	1	1	1	1½ (May 1, '30)
Houses' Notice	1½	1½	1½	1½	1½ (May 1, '30)
Market rate (3 months' bills)	2½	2½	2½	2½	...

The week's Bank return revealed a contraction in the note circulation of £1,656,210, and an increase of £1,052,223 in the stock of gold. These two changes enabled Government securities to be reduced by £1,970,000, without any appreciable diminution of bankers' deposits, although public deposits were over one million higher, while the reserve rose from £51,477,359 to £54,219,531. The proportion, at 50 per cent., showed an increase of $2\frac{3}{4}$ per cent. on the week. The most probable explanation of the discrepancy between the net influx of £267,405 shown by the daily gold statements and that disclosed by the Bank return, appears to be that the balance represents gold paid in by one or more of the joint stock banks.

NEW YORK.

As a result of seasonal withdrawals of funds from New York, call money during the week has ruled rather firmer at $2\frac{1}{2}$ per cent. Gold movements have been confined to the shipment of \$2,000,000 to Canada, offset by the receipt of \$1,000,000 from Venezuela. Following the offer of \$325,000,000 of twelve months' certificates of indebtedness carrying $2\frac{3}{4}$ per cent. interest and issued at

par, it is reported that the Treasury will redeem \$1,000,000,000 of $3\frac{1}{2}$ per cent. notes outstanding.

THE STOCK MARKETS.

The recovery in share prices was arrested this week, the public showing no inclination to join in the movement. Gilt-edged, however, remained firm, with some influential buyers in the market. Argentine bonds improved on the supersession of President Irigoyen, but German "Reparation" bonds declined sharply. Home rails continued to sag, on the unfavourable current earnings position. Dealings were on a restricted scale in the industrial markets, with few significant price changes. Rubber shares recovered slightly after a precautionary marking down on the "no restriction" decision, but business in tea shares was negligible. Oils showed pronounced susceptibility to day-to-day changes of sentiment. Mines were generally quiet, though a certain liveliness occurred in a narrow range of South African stocks.

THE COMMODITY MARKETS.

There is no improvement in the coal trade, and German competition is being increasingly felt in the export markets. The improvement in the pig iron section of the iron and steel industry has been maintained, but the volume of transactions in finished goods is still on a low level. The price of raw cotton has shown a further fall as a result of the United States Bureau's crop estimate, which was larger than was expected. The market in cotton goods remains dull. There is evidence of a slight seasonal improvement in the wool trade. Hides and leather are firm. Wheat prices are scarcely changed on the week.

THE FOREIGN EXCHANGES.

Although the fluctuations were numerous in many currencies in the foreign exchange market this week, they were mostly within narrow limits, and did not result from any real activity or large turnover of business. New York moved rather sharply against us from 4.86½ to 4.86½. Montreal gained $\frac{1}{8}$ at 4.85½. Paris, after touching 123.77½ and 123.86½, lost two points on balance at 123.83. Brussels was also two points worse at 34.86½. Milan improved at 92.84 and Madrid was rather less erratic, and settled down at 44.15, after touching 46.02 and 43.65. Amsterdam went rather against us at 12.07½, but Berlin was very much weaker at 20.41½, against 20.39 last week. Switzerland moved in our favour to 25.05½. Of the Scandinavian exchanges Stockholm was $\frac{1}{2}$ better at 18.09½, the other currencies remaining unchanged. The South American exchanges all showed a decided recovery, the feature being the sharp rise in the Argentine peso after the recent political upheaval. Rio gained $\frac{3}{32}$ d. at 5d., Buenos Aires was better by 2d. at 41½d., and Montevideo also by 1½d. at 41½d. In the Far East the rupee was firm and unchanged at 1s. 5½d., but the yen was $\frac{1}{8}$ d. weaker at 2s. 0½d. Batavia gained $\frac{1}{4}$ d. at 12.08. In the forward market one month's dollars remained at last week's quotation of $\frac{1}{8}$ cent premium, but three months' were less in demand at $\frac{1}{8}$ cent premium, a decline of $\frac{1}{8}$ in the week. Paris, after being at 4 and 9 centimes premium, receded to last week's quotations of 3 and 7 centimes, also premium. Brussels was unchanged. Milan was a little weaker at rather wider discounts of 12 and 33 centesimi. Madrid gained a little at enhanced premiums of 2 and 4½ centimos. Three months' Amsterdam went from $\frac{1}{4}$ to $\frac{1}{8}$ cent premium. Berlin and Geneva were practically unchanged. A slightly better tone characterised the silver market, and in the absence of sellers a small turnover sufficed to improve prices for both spot and forward by $\frac{3}{4}$ d. to 16½d. The China silver exchanges were differently affected, Hong Kong losing $\frac{1}{4}$ d. at 1s. 3½d., whilst Shanghai gained $\frac{1}{4}$ d. at 1s. 7½d.

ECONOMIST INTELLIGENCE BRANCH.

Our Intelligence Branch, which has been amalgamated with Moody's Investors Service, Ltd., is available to our readers for the supply of economic, statistical and other information, at a charge proportionate to the work involved. Inquiries should be addressed to Moody's Economist Services, 6, Boulevard Street, London, E.C.4.

THE OUTLOOK IN INDIA.

THERE is at least this satisfaction to be derived from the latest developments in the Indian situation: the atmosphere has been clarified and the position of affairs rendered more capable of definition. Commenting on conditions as they existed a fortnight ago, when the negotiations between the Government of India and the imprisoned leaders of the Congress Party looked as if they were to be interminably prolonged, and when rumours of "peace by compromise" accorded strangely with the persistence of civil disobedience and with recurrent outbreaks of terrorism, we voiced the concern which was then beginning to be felt—even in sections of British opinion most sympathetic with Indian aspirations—at the appearance of drift, temporising and general uncertainty which were befogging the whole Indian issue. At least that obscurity, with its attendant hopes and fears, is now dispelled; we know where we are. The Congress Party will not be represented at the Round Table Conference, and the Non-Co-operative campaign will not be "called off"; but the Conference, unprejudiced by any pact or understanding and attended by an Indian Delegation broadly representative of all shades of opinion save that of Congress, is to go forward.

Regrettable though the absence of the Congress leaders from the Round Table Conference may be, there was little in the attitude of the "Non-Responsivists" at any time during recent months to warrant hopes that the "peace negotiations" would succeed; and their failure serves further to widen the gulf which has grown up since the Calcutta Congress of 1928 between extreme Indian Nationalism and plain, matter of fact realities. The diligent and public-spirited efforts of the two mediators, Sir Tej Bahadur Sapru and Mr Jayakar—efforts facilitated by Lord Irwin with unexceptionable patience and sympathy—broke down simply because of the "impossibilist" character of the Congress leaders' terms. The statement which the mediators have issued discloses the fact that on August 15th, after a final discussion in Yeravda Gaol, they were given a letter to convey to the Viceroy, embodying the demands put forward jointly by Mr Gandhi and Pandits Motilal and Jawaharlal Nehru. According to the cabled summaries, these were: (1) recognition of India's right to secede from the British Commonwealth; (2) a responsible national Government with full control both of finance and the armed forces; (3) reference to an independent tribunal of all such British claims and concessions (including the Public Debt) as "seemed unjust"; and (4) the repeal of all special Ordinances providing for public security, and the release of all political prisoners not found guilty of violence. If these "preliminaries" were settled, the Nationalist leaders intimated that they would be prepared to discuss the composition of the Round Table Conference and would "call off" civil disobedience, but the picketing of foreign cloth and liquor shops and the illegal manufacture of salt would, even so, continue.

Now, whatever ideas may have been in the mind of Mr Gandhi, who thinks in terms of an applied metaphysic peculiarly difficult for Europeans to appreciate, there can be little doubt that the Nehrus, whose ascendancy over the Mahatma at the moment seems fairly obvious from the history of the negotiations, knew very well that these were terms *pour rire*—put forward, presumably, for subsequent propaganda uses. One need not be an Englishman, still less a die-hard reactionary, to recognise that acceptance of these demands would have meant complete abdication by the Government. And so long as a Government—whether British, "dyarchic" or Indian—is established in India, unconditional surrender to any section of opinion which seeks to dictate its own terms in that vast sub-continent could not be contemplated as a Governmental act.

The Government of India, however, were clearly right in giving every facility for the mediators' efforts, unsuccessful though those efforts have been. In the history of the British Raj in India, whose fine achievements need fear no detractors, there has been quite enough "standing on dignity." By his patient forbearance in waiting to see if any possible common ground with Congress could be discovered, Lord Irwin has strengthened his position and that of the appointed Delegation as well.

Of the composition of that Delegation this may be said. Although the absence of any member of the Congress Party inevitably robs the Delegation of the title to be regarded as completely representative of Indian opinion, the names of those who have been invited to attend (a few further additions are expected to be made to the list already published) should be sufficient to acquit the Government of India, in the eyes of every unprejudiced observer, of the charge of having endeavoured to "pack" the conference with "easy" men likely to favour unduly the British point of view.

The Delegation from British India naturally, and properly, contains a good sprinkling of delegates who have held, at one time or another, official positions, and whose practical experience in administration should, therefore, be of the greatest value in the deliberations. On the other hand, not only has an impressive representation been secured for almost all the interests, religious, economic, and racial, outside Congress—landholders, business men, the Depressed Classes, the European community, Anglo-Indians, and Indian women—but the Delegation includes a number of men whose outlook is by no means far removed from that of Congress, and indeed is distinguished from it only by a greater capacity to take long views, and adhere to the practical realities of the situation. Mr Jinnah, among the strong Moslem team, and such prominent Indian Liberals as Sir Tej Bahadur Sapru and Mr Srinivasa Sastri, stand little behind the Congress body in their strong opposition to the principle of having a dictated constitution imposed on India from above.

Indeed, if any useful measure of agreement is to be reached, it is clear that it is to these "progressives" that the British negotiators will have to address their arguments. At the same time, though the complexion of the majority of the Delegation may perhaps be regarded as "moderate," it would be a profound mistake were opinion in this country to jump to the conclusion that "moderation" in India to-day means a disposition to accept uncritically the report of the Statutory Commission, or to abate one whit of India's claim to the ultimate attainment of full Dominion status. Thus the Indian side of the Round Table Conference, in which a strong and influential Delegation from the States has been invited to participate, should be such as to give to the Conference discussions a full measure of reality.

It now remains to be seen what long-range influence the Congress Party can bring to bear on the proceedings of the Round Table Conference itself. That it will seek to embarrass the negotiators on the Indian side may be taken for granted; but though we are by no means disposed to under-estimate the force of Nationalism (any more than we are ready to admit that Nationalism and India are synonymous), it is by no means certain now that the Conference is a *fait accompli*, whether all those members of Congress whose opinion shades off from "advanced" Liberalism to the barren formulæ of the irreconcilables will be whole-heartedly glad that their representatives, by their own decision, are taking no part in this historic attempt to find a basis whereon a new Constitution for India can be built.

THE TWO EUROPES.

SINGULARLY little attention has so far been directed in Great Britain to the conference of the agricultural States which took place at Warsaw last month. It is clear nevertheless that a European movement of a new kind is on foot. It may or may not succeed; and, if it does, it may find its place within the League of Nations framework, or in that of the Briand plan, or both. Or it may develop independently as between the States that have first conceived it, with the probable addition of a few others.

What is most significant about the Warsaw Conference and the conceptions it embodies is that it represents the domination, temporary and partial it may be, of economic aims over political. That was most clearly illustrated by the earlier gathering out of which the Warsaw Conference originated—the meeting between Roumania, Yugoslavia and Hungary at Bucharest in July. It is safe to say that Hungary and Roumania have never met under even the most transparent cloak of cordiality since the war, except at League of Nations Assemblies; and the Bucharest meeting, convened to consider the conservation of the common interests of three contiguous agricultural countries, must be interpreted as a sign of a new recognition of fundamental realities by States which hitherto played politics all the time and let economics go. No doubt the removal of the eternal Optants dispute from the field of controversy, as the result of the Hague financial settlement, eased the situation a little; but the fact that the three States in question should not merely have met at Bucharest to take counsel together, but should as a result have sent verbally identical replies to the League of Nations questionnaire regarding negotiations for further tariff understandings, is indicative of a new outlook in South-Eastern Europe.

The next step was the Sinaia Conference at the beginning of August, when Roumania and Yugoslavia tried to develop still further, as between themselves, the understandings already initiated on a rather wider scale with Hungary as third party. The conversations seem to have carried cordiality to the point of impracticability, the idea of a full Customs Union between Roumania and Yugoslavia being enthusiastically welcomed in the full confidence that such a development could be achieved with little difficulty or delay. Customs Unions, however, are easier to discuss than to realise, and what the conference actually did bring forth was something much less ambitious. Agreement was reached regarding the interchange of goods between the two countries (on a basis which appears rather to ignore the effects of most-favoured-nation treaties by which either of them may be bound), veterinary arrangements, and rail and river accords.

The weak point about the Sinaia agreements is that they deal in the main with trade between two countries of similar economic structure, which have in point of fact little to export to one another. Both of them are predominantly agricultural, and their common concern is with their exports to other countries, not their interchange of products with one another. That is what differentiates Sinaia, and to a lesser extent Bucharest, from Warsaw. The purpose of the Warsaw Conference may be defined roughly (in a phrase which needs many reservations) as the presentation of a combined front to the industrial States of Europe. The conference was attended by nine States, representing a population of some 90,000,000, but not all of them can be regarded as probably very active partners in any movement to which the conference may give rise. Finland, a little remote geographically, was represented only by an observer, and Estonia and Latvia, small States in fairly comfortable enjoyment of specialised markets, are still intent rather on their Customs Union negotiations than on co-operation in any larger developments. Bulgaria, again, is rather remote and has no extensive export trade, while Czechoslovakia, though represented at the conference, is at least as much industrial as agricultural. One of the most significant recent events, indeed, in this par-

ticular field has been the economic gravitation of two of the members of the Little Entente, not towards the third member, Czechoslovakia, but towards the traditional enemy, Hungary.

But if the core of the Warsaw Conference consisted of Poland, Roumania, Yugoslavia and Hungary, that must be regarded as a very solid core. The meetings lasted only four days. There had been little direct preparation for them, so far as the majority of the States were concerned; there was a general uncertainty at the outset as to what was on foot; and some of the conclusions reached were tentative and vague. But in spite of all that the conference gave opportunity for the expression of a synthesis of very definite views, to the formulation of which M. Delaisi's book, "Les Deux Europes," must have contributed not a little. The thesis of that very suggestive work, it may be recalled, is that industrial Europe and agricultural Europe, "horse-power Europe and draught-horse Europe," can be delimited geographically; that industrial Europe, with its science, its enterprise and its capital, has developed most of the world and made itself new markets there; but that for one reason and another the future possibilities of those markets are not considerable, and that as a consequence industrial Europe's best hope is to turn to the development of the still primitive agricultural Europe, thereby increasing the production of the foodstuffs industrial Europe needs and at the same time creating a new and effective demand for the commodities industrial Europe produces.

The Warsaw Conference was only concerned with its own half of M. Delaisi's conception. It had the desperate state of agriculture in Eastern Europe before it, and it had to discover its remedies where it could. A general diagnosis of the situation was not difficult. As M. Madgearu, Roumanian Minister of Commerce, and in some ways the leading figure at the conference, put it, what was needed was new outlets and cheap money. That means that the problem was both internal and external. Agricultural credits, the financing of the erection of chains of silos, and like undertakings, are for the most part matters for each State to deal with individually, though the Warsaw Conference by no means excluded the possibility of inter-State agreements, either bilateral or multilateral, regarding some of them. But the main concern of the delegates was to lay the foundation of some understanding with industrial Europe which should provide an assured market for agricultural products at remunerative prices. The resolutions adopted at the close of the conference accordingly contemplate the elimination of competition between agricultural States, the "rationalisation of agricultural export," the abolition of direct or indirect export subsidies, the co-ordination of veterinary and sanitary restrictions, a demand for a preferential treatment of European cereals and other agricultural products by European importing States. The co-operation in these fields initiated at Warsaw is to be developed in similar gatherings to be held annually in future.

This represents an ambitious and not very deeply considered programme. The assumption that the predominantly industrial States of Europe will be willing to accord preferential treatment to European as against transatlantic wheat argues an optimism for which no visible base exists at present. Many such countries, notably Germany, are almost as much concerned about European competition with their own agricultural products as about any imports from overseas, and here, too, the most-favoured-nation difficulty seems to have been, not indeed completely ignored, for specific reference is made to it, but rather lightheartedly dismissed. The general view expressed was that imports of European agricultural products form so small a proportion of the whole that it would be easy to make an exception in their favour. Even if that is true, it by no means follows that a manipulation of tariffs represents the line of least resistance.

But what is important at this stage is not what the agricultural States are co-operating to achieve, but that they should be co-operating in a practical way at all. No

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one doubts that the agricultural land of which Eastern Europe so largely consists is capable of raising its present output by perhaps 100 per cent., given the fulfilment of the two conditions M. Madgearu laid down, new outlets and cheap money. There is obviously scope, too, for some rationalisation of selling machinery. The Warsaw Conference recommended the establishment of selling agencies in all participating countries and the provision of some financial assistance which should make it possible for grain to be stored and put on the market only as the power of absorbing it justified. Though there are a thousand pitfalls in doing this, as the Canadian pools have discovered, the orderly marketing of crops holds the possibility of much benefit to the producer, if the funds can be found to make its realisation possible. And it is here that political considerations suddenly impinge on economic. A country like Poland, for example, could readily enough raise money abroad if more confidence existed abroad in Poland's political future. But with a German menace on one frontier and a Russian menace on the other, and the vagaries of Marshal Pilsudski keeping the country in a ferment internally, Poland's appeal to the foreign investor is not compelling. That obstacle will only disappear as political conditions in Europe improve, and the improvement depends on a great many more States than were represented at Warsaw. The key even of the economic situation under discussion at Warsaw must be found ultimately at Geneva.

RATIONALISATION AND UNEMPLOYMENT.

THE task of the professional economist is often thankless, but now and then he finds an opportunity of demonstrating to a surprised business world the practical value of a mind trained in those methods of abstract analysis which are generally an object of suspicion. The most favourable opening for doing this effectively is afforded by some such occasion as the appearance of the legendary emperor in his alleged suit of new clothes, when everybody is secretly thinking what nobody dares to say or perhaps even clearly to formulate in his own mind. Then the economist plays the rôle of the *enfant terrible* in the legend and cries aloud: "But the Emperor hasn't any clothes on at all." Something of this sort has just been most opportunely done by Dr. Gregory in his presidential address to Section F. of the British Association. Rationalisation is at present one of the most frequently prescribed remedies for unemployment, yet, though at the same time it is pretty generally recognised that a substantial part of the present unemployment in the leading industrial countries is due to it, few have frankly faced the question how long this is to last, whether it

may not have to be reckoned with as a permanent phenomenon, and, if so, what is to be done about it.

Dr. Gregory accepts the fact that rationalisation must in the first instance displace labour; indeed, as prices in general have fallen while that of labour has not, the saving of labour is often the motive for rationalisation. Statistics of output and employment illustrate this strikingly, though they are not to be regarded as conclusive evidence, since they do not cover all occupations. Everything therefore turns on the extent to which, in the long run, the displaced labour is reabsorbed.

As far as the reabsorption of labour in a rationalised industry by that same industry is concerned, Dr. Gregory makes it sufficiently clear that this can by no means be counted on as a certainty. Even if the demand is greatly stimulated by price reductions, the technical conditions may be such that an ample expansion of output can be achieved with a smaller labour force than before. As for the concomitant expansion of the industries supplying equipment to the main industry, there is always the probability that they, too, will sooner or later be rationalised, so that there is no certainty of their demand for labour expanding to the extent required to absorb the ex-employees of the original industry.

There remains the fact that rationalisation, by increasing the national dividend, must, unless it is all taken out in increased leisure, mean greater purchasing power. Here Dr. Gregory joins issue with Mr G. D. H. Cole, who makes the problem one of distribution and contends that unless the increased output is accompanied "by a pouring of fresh purchasing power into the pockets of consumers" the goods will be unsaleable and further unemployment will result. Mr Cole appears to consider that only wage-earners are consumers; Dr. Gregory, who admits entrepreneurs into that category, states definitely that in the absence of coincidental monetary disturbances "rationalisation involves an increase of the monetary purchasing power in the hands of the consumer," and argues that unless consumers prefer, as they very well may, to hoard it (a possibility whose ultimate consequences we should have liked to see more fully worked out), rationalisation will not in the long run involve unemployment. He emphasises the fact that the "run" may be very long indeed, but cites American experience in pointing out that an increased demand for personal services may help to solve the problem. The fact that the additional purchasing power will largely be spent in personal services and luxuries means that employment in the "staple" industries will no longer be a principal measure of prosperity, and in this connection Dr. Gregory makes the interesting and valid point that "those countries which have the highest standards of life ought to be those employing the largest proportion of their populations in the supply of 'luxuries'."

Dr. Gregory thinks that in the future a higher "normal" level of unemployment may have to be faced.

This conclusion presumably follows from a conception of rationalisation as a steadily continuing process: with rationalisation going on all the time in one industry or another there will always be a number of persons who are the victims for the time being of the short-run disturbances involved, and it does not necessarily mean that any individual among them will be out of work for long. A minimum of unemployment is inevitable in an economic system that is constantly developing, and the more rapid the development the higher the minimum, but that is not to say that the increased time lost by the individual may not be more than compensated by his higher earnings when at work.

In any event, as the process of rationalisation is going on all over the world, and has proceeded faster in other countries than here, this country cannot avoid its less desirable consequences by refusing to participate. Since rationalisation has the effect of reducing production costs, the choice really lies between unemployment as the result of being undersold both at home and abroad by rationalised countries and unemployment as the result of rationalisation—a question of character rather than of volume. As Dr. Gregory succinctly remarks: "Unemployment resulting from rationalisation is a lesser evil than unemployment resulting from relative inefficiency."

The problem, as summarised by Dr. Gregory, is therefore essentially one of adapting the displaced workers to supply the new wants which will ultimately develop as a result of increased wealth and increased leisure. This would solve the problem in the long run, and would also help greatly to shorten the period of inevitable friction, for new kinds of demand develop more rapidly, the more rapidly and cheaply they can be met. The question is thus ultimately one of mobility of labour, and not so much of mere geographical mobility as of what may be termed occupational mobility. Here it becomes necessary to call in question a principle which has been embodied in the Unemployment Insurance Acts from their inception—namely, the principle of the right to refuse work of a humbler character than that to which the insured person has hitherto been accustomed. The original purpose of the clauses in which this principle is embodied was twofold: to prevent skilled men from being forced into work which might react detrimentally upon their efficiency in their usual trade and to safeguard workers in general from being forced by temporary necessity to take a step down the economic ladder which it might be difficult to retrace. At present the effect is to stereotype an obsolete distribution of labour as between various branches of employment, and if the right to refuse "unsuitable" employment could be confined to those of the unemployed who are still actuarially entitled to benefit, a large step would be made in the direction of inducing people to relinquish the forlorn hope of work in industries which no longer need them and to find a more permanent place in the satisfaction of new wants. Sooner or later this will have to come, for one of the effects of rationalisation is to increase the field for semi-skilled labour of a kind which requires so little previous training that the technological difficulties of transference are rapidly becoming less important.

If the mobility of labour were increased by a reform of the unemployment insurance laws, and further promoted by such means as training centres and more general use of the labour exchanges by employers, a great fillip would be given to the development of new occupations. There is much confusion of thought, however, on the question whether this can be achieved without a sacrifice of wages. If rationalisation is to increase the national income, we may assume, pending proof to the contrary, that it will increase the income of the working classes, but the wartime experience of this country and the subsequent experience of the United States suggest that it may be conditional upon a readjustment of relative wage rates as between different groups. Certain limited groups may find their wages reduced, and certain individuals may find themselves obliged to move into lower-paid groups, but as far as the effects of rationalisation alone are concerned this should be more than counterbalanced by the opposite effect on the remainder.

THE RUBBER CRISIS.

In order to appreciate in all its bearings the present critical situation of the plantation rubber industry, a brief retrospect may be a useful preface. During the years 1914-18 rubber consumption increased rapidly, but it was restricted during the later phases of the War by the rationing of cargo space as a result of shipping losses. The end of the War thus found the plantation industry with considerable stocks and with a capacity for greatly enlarged output. During the post-war boom, however, all the rubber available was readily absorbed, and it was not until the slump arrived that capacity was seen to be seriously in excess of demand at the existing level. By the autumn of 1922, prices had declined so far, and had remained low for such a considerable period, as to bring the weaker producers into a position of acute difficulty, with the result that a clamour arose for governmental restriction.

Before the end of 1922 the Stevenson restriction scheme was in force. Originally it was hoped that the Dutch Government would join the British Government in the experiment, but after some hesitation they decided not to do so. It so happened that the imposition of restriction synchronised with the lifting of the post-war depression and also with the beginning of the phenomenal expansion of the American motor industry, which, absorbing two-thirds of the output of rubber, was destined to raise world consumption from 400,000 tons in 1922 to over 800,000 tons in 1929.

It would perhaps be unfair to tax the sponsors of the Stevenson scheme with lack of prescience in that they did not foresee these developments. The dogged maintenance of the scheme for a period of six years, however, was a less excusable mistake, and is, moreover, directly responsible for many of the present difficulties. Increasing demand and restricted output were soon reflected in excessive prices, and consumers were driven to the use of substitutes, particularly reclaimed rubber. More serious still, high prices artificially stimulated world productive capacity, large areas of rubber being planted by the Dutch estates and Dutch natives to supply the gap left by the diminished output of the restricted British areas. The removal of restriction in 1928 thus found a productive capacity much enhanced by extensive areas of new Dutch plantation and Dutch native rubber, together with the full force of unrestricted production from the well "rested" British estates.

The shock of the transition from restriction to unfettered production was softened by the accident of an unprecedented increase in consumption during the first nine months of 1929. With the arrival of a world-wide depression at the end of that year production began to outrun consumption. Since October, 1929, there has been an almost unbroken increase in stocks and a corresponding decline in prices to record low levels; and the continuation of low prices for many months actively stimulated the native producers and the weaker plantation companies to produce maximum outputs in order to obtain revenue at all costs. The unbroken prospect of world depression held out no hope of any immediate improvement in demand. The effect of a "tapping holiday" by British and Dutch estates during May, 1930, was insufficient to arrest the increase in stocks. Once more the clamour for restriction arose, though it was by this time appreciated that to be effective for its purpose restriction must be agreed on by both British and Dutch producers, and enforced by Government on estates and natives alike. Last week it was announced in very definite terms that the Dutch Government was not prepared to impose any form of restriction, and with this pronouncement the restriction controversy may be presumed to be dead.

The immediate effect has been a sharp slump in prices to less than 4d. per lb., as compared with 6d. in June and 8d. in February of this year. Production is still outrunning consumption, and it must be expected that during the present year 100,000 tons of rubber will have been added to world stocks. At a rough estimate, production for 1930 should amount to 860,000 tons and consumption to 760,000 tons. World stocks by the end of December

will, if these figures are reached, amount to 480,000 tons, or roughly eight months' supply at the present level of consumption.

These figures reveal a state of genuine depression, and it is not to be supposed that recovery to a state of prosperity will be rapid. On the other hand, there is little doubt that the present level of prices reflects a psychology of depression which the facts do not warrant. With rubber at the low levels of recent months, there have been signs both in the Dutch East Indies and Malaya of a decline in native output. Although, up to August, plantation companies continued to strive for a maximum output, this was no doubt partly attributable to the hope that it would be possible to hold out until the advent of restriction. With this hope finally removed, it would be surprising if there is not a considerable decline from this source before the end of the year. Moreover, the further recession in price from 6d. to 4d. is enough to make the crucial difference of it being more costly to tap than to close down. The indications, therefore, are that output will decline gradually for the remainder of the year, and it should be observed that once estates are put on to a "care and maintenance" basis, it will take a considerable increase in price to bring them back into production. The disbandment of staffs and repatriation of natives to India would make it practically certain that a decline in production from this cause would be maintained for at least twelve months.

For these reasons it is not extravagant to suppose that in 1931 output may be no more than 820,000 tons. On the other hand, there is a fair probability that a general, and particularly a motor, industrial revival in the United States in 1931 may cause consumption to outrun production; consumption for that year may easily reach 840,000 tons. The effect of this would not in all probability raise prices above the cost of production, and it would not be sufficient to bring closed-down estates back into production; but it should inaugurate a long period in which prices will move slowly but steadily upwards.

The importation of relative stability into rubber prices even at low levels would be a benefit of the highest value. A long period of prices around 6d. per lb. would in the past have spelt disaster to the industry. As it is, that price will doubtless spell an extremely difficult period, especially for marginal producers. But the superficial resemblance of the present crisis to those with which the rubber industry has been previously afflicted conceals a radical change in the factors which are vital to the future of rubber growing. If a comparatively short and sharp crisis compels the industry to face its real problems and put its house into order more quickly than it would have otherwise done, it may well be a blessing in disguise. It is for this reason that the death of restriction, which leaves the industry to face the facts, is an event of the highest importance.

On the production side, it should be realised that since the last crisis the problem of the native producer has become paramount. Taking a long view, the battle is between the European and the native producer, and given present organisation—except on the most efficient estates—the advantage is with the native. The conclusive argument against restriction at the present juncture was that it ignored the long view and would finally have given away the position to the native producer with the object of alleviating a temporary slump due in the main to world depression. Until rubber can be sold at a profit at 6d. per lb. or less by the plantation industry as a whole, the competition of the native producer will not be arrested. For the native has no "overheads" and virtually no cost of production, and the price has got to be low enough to leave him no margin after the cost of preparing and shipping his rubber has been defrayed. Productive efficiency of this order will be achieved only by large-scale units with the necessary resources for scientific research and replanting with bud-grafted rubber, and through the exercise of the strictest economy from centralised marketing organisation. The way has already been pointed out by the more efficient producers, and a transformation of the whole industry on these lines must be looked for during the next few years.

SKANDINAVISKA KREDITAKTIEBOLAGET

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BANK OF SWEDEN
established in 1830

On the consumption side, the outlook is not without its bright features. It is true that the wide fluctuations of the rubber industry in the past have been due in some measure to its extreme dependence on one industry and one country—the United States motor trade—for the consumption of rubber. But the long-run prospects of the motor industry and equally of the United States are essentially good; and once the producers are masters in their own house (*vis-à-vis* the native) and are organised in large-scale units, co-operation with large-scale consumer units should simplify the problem of adjusting supply and demand and stabilising prices. Moreover, the importance of new uses of rubber and the spread of rubber manufacturing, both of motor and other rubber products, which has been growing so rapidly in recent years, would certainly be accelerated by a long period of low and comparatively stable prices. Finally, having regard to the future of rubber consumption, present world stocks, though large, are not seriously oppressive. If the present situation is handled intelligently and the painful process of rationalisation resolutely faced, it should be possible to look forward to a greater and more solid prosperity for the rubber plantation industry than it has known in the past.

GERMANY'S REAL PROBLEMS.

With the approach of polling day, the prospects of the German elections, which we discuss in a Note of the Week, have given rise to feelings of anxiety, reflected in the weakness of the price of the 5½ per cent. Loan, lest the solution of Germany's economic problems should be hindered by some loss of political stability. In the following article a correspondent deals with those problems from the angle of practical business, with particular reference to the application of electrical technique.

APART from the influence of the world trade depression, Germany has reached a critical point in her post-war economic development. As long as the Dawes Plan was in operation, she was under the threat of being penalised for her prosperity. Clearly, there was little incentive to carry out radical reforms. But now that the total amount Germany is expected to pay has been definitely fixed, and the burden of expenditure lightened by the evacuation of the Rhineland, the actual economic task before the country is clearly defined. Concisely, Germany has to increase the excess of exports over imports till the balance in her favour is at least £150,000,000 per year, £100,000,000 of this being foreign credits for meeting the Young Plan instalments, and £50,000,000 for the import of the requisite raw materials and payments of interest and amortisation on foreign loans.

However one may look at the complex of problems involved, the essential task is the lowering of the general price level for potential export articles. For already, as far as the quality of her goods is concerned, and their suitability for the foreign market, Germany has done all that is required, as her continuously growing export proves. She has also equipped herself with the machinery for keeping in touch with the world's changing needs, so as to modify her industry as often as may be necessary. But as Germany is not in the position to grant long credit terms except on a very small percentage

of exports of a specialised character, she depends on attracting the foreign customer by offering her products at very tempting prices.

Hence the stubbornness with which organised industry has lately demanded radical reforms of public finance. Until Germany's war debts were finally determined there was no great incentive towards rigorous economy. Mr Parker Gilbert's last report showed what great ameliorations for the taxpayer were possible. Everybody in Germany, for instance, knows that immense sums have been squandered through a fiscal system which obliges the Reich to include in its Budget the raising of revenues to be spent by the State governments. These naturally resist any scheme of retrenchment proposed by the Reich. Moreover, they levy their own taxation as well, as do also the municipalities. Thus the burden of taxation is not only heavy; it varies widely from city to city and from industry to industry, and it is high time that a more equitable system was devised.

But the question of fiscal reform is complicated by a further consideration. Shortly after the first World Power Conference, held in Wembley in 1924, Germany set to work to "rationalise" her industry, taking as model the United States. By 1929, when the effects of this policy were apparent, Germany had realised that it had been a mistake. For whereas the United States is a country rich in raw materials and working capital, but short of workers, Germany has few raw materials, little capital of her own, but great armies of skilled workers. Mass production and the wholesale substitution of machines for human labour may suit conditions in the United States, but have resulted in a vast increase of unemployment in Germany, without the resulting products being any more saleable. It is even estimated that nearly one-third of the workers now unemployed in Germany are suffering directly from rationalisation of the wrong kind. From the recognition of this has arisen the conviction that, in future, taxation must be apportioned so as to favour those industries in which the raw materials pass through many stages of refinement, in a word, where many hands are employed, while the heavier burdens must be borne by those industries in which, as the Germans express it, there are but "short-chain" processes.

For instance, brewing is a "short-chain" industry. It consists merely of farmer—brewer—consumer. The tobacco industry is still shorter. But the generation of electrical current is an almost infinitely long-chain process. Formerly coal was burnt as coal. Now a whole series of operations have been pushed between the raw product and the fuel. First comes the distillation yielding coke, gas and tar. With the coke, electrical current is generated. The tar is the starting point of dye-making and a host of other chemical industries, in which the current generated from the original coal meets the products obtained from the tar. Or the current is employed in the electro-chemical industries or in electro-metallurgy, when the copper or aluminium obtained as end-product is the raw material of a vast number of industries. The last World Power Conference led to a recognition of the fact that any system of taxation that makes power dearer, and above all, makes electrical current dearer, inflates the general price level of export goods.

In another direction Germany is doing much to explore the possibility of economising in imports. Using a modified form of the Bergius processes for the liquefaction of coal, the I.G. Farbenindustrie has, for about eighteen months past, been producing pure benzene from inferior coal. The output has now reached 100,000 tons a year. Germany consumes altogether about 1,500,000 tons of benzene per year, practically all of which has to be imported. Thus the synthetic product has already acquired commercial importance. Whether it is being manufactured profitably or not cannot be said with certainty, since the costing in such a complex plant as the Dye Trust owns is an obscure matter. But at any rate the I.G. Farbenindustrie have proved that under certain conditions, Germany might make itself independent of import of foreign benzene.

No less important are the attempts being made to substitute energy for imported raw materials. The most striking instance is that of the chemical industries. Formerly, Germany imported great quantities of Chilean nitrates. Germany is now not only producing all she needs herself by the fixation of atmospheric nitrogen at Merseburg but is exporting heavily. The ultimate result is the stimulation of the production of home-grown food. The way in which artificial silk is replacing cotton is well known. Synthetic rubber can now be prepared in any quantity in Germany, should its market price ever make commercial production attractive. Most amazing is the way aluminium and its alloys have taken the place of other metals, notably copper.

But, from every point of view, cheap power is the key to Germany's economic future. Indeed, the accelerated production of electrical energy in Germany has been the logical consequence of Reparations. Freight rates reached such a height that lignite and coal could not be profitably carried to the industrial consumers. It was cheaper to put up power works and send the energy along a wire, automatically. Moreover, another great advantage of increasing the consumption of energy to synthesise raw materials instead of depending on foreign markets for the supply is that, while the price of the raw materials is affected by a host of causes and is constantly fluctuating, the electrical current remains practically constant in price.

To build power works, however, capital is necessary. This, for Germany, means the raising of loans abroad, with the disadvantage that, in times of economic depression and stress, instalments of interest and amortisation have to be met promptly, whereas with raw materials one always has the possibility of postponing the purchase. Hence, it would seem that for Germany, the ideal arrangement would be the import of electrical current itself where this is available, rather than the construction of new works and distribution nets. Already this is being done from Switzerland and plans for the import of current from Norway are under discussion. In such cases, the financing would fall chiefly on other countries. At first sight, it would seem as though this would simply be equivalent to the import of current from the power producing countries instead of merchandise from the raw material countries. There is, however, a fundamental difference. Germany would not cease developing her own latent power as fast as possible. Moreover, the current producing countries can only send their power where the transmission cables are laid, so that the partnership, once established, would tend to be indissoluble.

Notes of the Week.

Nottingham and Downing Street.—Though the feature of major interest in the doings of the Trades Union Congress at Nottingham was the acceptance of the General Council's report on foreign trade and Empire markets, on which we commented last week, several other resolutions were carried of no small importance. Some, perhaps, may be regarded as representing the habit, to which the Congress is cheerfully addicted, of "letting off steam." In this category may be placed the demands for a statutory 44-hour week, inclusive of meal times, for the employment by Government at trade union rates of all workers whom "capitalism" fails to employ, and—hardest of all annuals—for the nationalisation of the Bank of England. To these resolutions the Government, we imagine, will not lend a very attentive ear; and the decision of the Congress to oppose the principle of family allowances will at least save the Chancellor of the Exchequer from the task of financing that additional commitment, albeit the opposition was inspired less by zeal for public economy than by fears lest the system might weaken trade unionism itself. There was, however, one decision taken, of which more is likely to be heard at the forthcoming Labour Party Conference: a Bill reversing the Trades Disputes Act must be the first measure of the

new Session. In this highly controversial issue, pregnant with possibilities of a parliamentary crisis, the Government was reminded at Nottingham that its industrial supporters (if that be the *mot juste* for those whose votes control in the last resort the Party's official programme) have been patient. It looks as if one of the most embarrassing of all Mr MacDonald's election pledges were coming home to roost—an unwelcome and singularly ill-favoured bird.

The Commonwealth Cuts its Coat.—It was not to be expected that the process of giving practical effect to the programme of retrenchment, which the Australian Government in principle accepted before Mr Scullin sailed for England, would be painless or free from difficulties. We are glad, however, to note that Mr Hughes's deplorable outburst, in which economy appeared to be denounced as a "policy of stagnation" and the dangerous line of "increased spending-power" once more held out as a remedial policy, seems to have met with little response in Australia, and that Mr Hughes himself has lost no time in modifying his position. Mr Fenton, the acting Prime Minister, has uncompromisingly disavowed the irresponsible talk of debt repudiation emanating from a section of Labour opinion in New South Wales, and, at a meeting of the Commonwealth Cabinet last Saturday, he repeated the promise that there would be departmental economies and a reduction in the cost of administration. In the light of the widening gap between income and expenditure disclosed by the latest revenue return, it is evident that public retrenchment must be drastic if budgetary equilibrium is to be maintained. Federal and State finance, however, is by no means the whole story; and with regard to the general question of the Australian wage-level, the attitude of the Council of Trade Unions towards the suggestion of reductions does not seem conciliatory.

The Elections in Germany.—The closing phases of the German election campaign, further reference to which will be found in a letter from our Berlin correspondent on a later page, have engendered heat without much light. Forecasts of the result appear to be regarded in Germany with general scepticism, and are doubly perilous for foreign observers. On the whole, it looks as though the Centre and the Moderate Left may secure much the same representation in the new Reichstag as in the last. The incalculable point is what effect the disintegration of the Conservative Party will have on the fortunes of the Right and, as an indirect consequence, on those of the Extreme Left. It cannot be gainsaid that the combined effect of the electoral activities of the Communists, the National Socialists, and Herr Hugenberg's adherents has done not a little to undermine confidence abroad in the future political stability of Germany. There has been much wild talk; and even Herr Treviranus, the leader of the new "People's Conservative Party," has been guilty of some indiscreetly nationalist rhetoric which, as the League Council debate on the Saar last Tuesday demonstrated, has gravely prejudiced the efforts of Herr Curtius to reach an agreement with Monsieur Briand on this vexed question. For our part, we do not take too serious a view of Germany's political outlook. The new Reichstag may be as difficult a body to manage as the last, and as pregnant with possibilities of further recurrent Cabinet crises, but we are convinced that the vast majority of German opinion is totally opposed to all the various shades of extremism which would repudiate the Reparations Settlement and wreck the Constitution in the interests of some vague combination of national freedom and dictatorship.

The Revolution in Argentina.—Last week we remarked on the precautions against revolution which were being taken at Buenos Ayres by President Irigoyen's Government. The precautions did not avail to prevent a revolution from breaking out on Friday, September 5th, and succeeding the next day. Its success was rapid and complete. Both President Irigoyen and his Vice-

President, Dr. Martinez, resigned and put their signatures to declarations of resignation on paper. A provisional junta, under the presidency of General Uriburu, stepped into the late administration's shoes, and published a proclamation declaring their respect for the constitution, giving a pledge that no member of the junta would become a candidate for the Presidency, and announcing that the present parliament would be dissolved with a view to holding free elections. The Revolution was not effected without bloodshed. There was one clash in which about ten people appear to have been killed and about 100 wounded. But these figures are gratifyingly small when it is considered that the late Government had taken elaborate measures for the military defence of public buildings, and that the Revolution was led by the Army and Navy. As was to be expected in a country as stable and orderly as Argentina is to-day, there has been practically no disturbance of public order by criminals taking advantage of the momentary breakdown of government. There also appear to have been few political arrests and no vindictive measures against the heads of the deposed régime. Thus, though in form the Revolution has been a military revolt against a dictatorship, it hardly belongs to the well-known Latin-American category of revolution (rife in Argentina two or three generations ago and in some other South and Central American countries down to this day), in which one military despot is hurled from power only to be succeeded by another, while the civilian population remain passive victims of each despotism in turn. In Argentina, last week, the Army seems only to have stepped in at the last moment to carry out a political change which public opinion was already demanding. The late President was a man of radical views and of conspicuous personal disinterestedness. But the dictatorial habit seems to have grown upon him with age (he is now 77), when his powers were no longer what they used to be; and during the last two years the concentration of public business in his hands threatened to bring the machinery of government to a standstill. In a great and complicated modern community that is taking an important part in the work of the world this kind of government is an anachronism. On a later page we discuss the outlook, after the Revolution, from the point of view of foreign capital in the Argentine, and a reassuring message from our Buenos Ayres correspondent will be found on page 492. Here we shall content ourselves with wishing the new administration good fortune.

A Decision in China.—While the civil war drags slowly and disastrously on, the omens seem now to be definitely in favour of the Government at Nanking. After the military blow which the Feng-Yen coalition suffered in the defeat of Yen's army by the Nanking forces in Shantung, the Northern militarists apparently hoped to restore the prestige which they had lost at the front by a political demonstration at Peking. Feng and Yen announced the formation at that city of a rival government, and published a list of office-holders; but any political effect which this gesture might have produced has been more than offset by the announcement, on the part of several persons whose names were mentioned as participating in the new administration, that they had been placed on the list without being consulted and that they would have nothing to do with it. The most significant of these repudiations comes from "the young marshal," Chang Hsueh-liang, who controls the three Eastern Provinces of the Republic in Manchuria. The other day Chang was reported to have died a mysterious death at Peitaiho, a watering-place on the Chihli coast, in Yen Hsi-shan's domain, where he was spending the summer. It now appears that Chang has withdrawn, not from this world, but merely from his neighbour's domain into his own on the other side of the Great Wall; and it is now rumoured that he meditates taking action to put an end to the civil war, either by mediation or by intervention on the Nanking Government's side against the Northern Coalition. In the present political and

military situation, any action which he took might be decisive (if the word "decisive" exists in the vocabulary of Chinese affairs). President Chiang Kai-shek seems to have refrained, for the moment, from pursuing the defeated Shansi troops of Yen Hsi-shan from Shantung northwards into Chihli, and to have concentrated all his strength upon an offensive against Yen's ally, Feng Yü-hsiang, in the West. There is no news yet of how this offensive is faring; and, considering that Feng's army has several times held these lines successfully against the Nanking army's attacks in previous bouts of fighting, it is not unlikely that this campaign would end similarly in a stalemate if the two combatants were left to themselves. Here is Chang's opportunity for intervening decisively and reaping his reward; yet it is by no means certain, or indeed probable, that he will be tempted into the adventure. The Manchurians have not forgotten the fruitless losses of men and money which they suffered a few years ago when Chang Hsüeh-liang's father, Chang Tso-lin, marched south of the Wall. That adventure ended in the death of Chang Tso-lin himself; and the moral will not be lost on Chang Hsüeh-liang. Meanwhile, in the South, the Nanking Government are also making better head against the Communists, who were driven off the other day when they attempted to loot Shasi as they had looted Changsa. Foreign well-wishers of China can only rejoice at anything which strengthens the Nanking Government's hands, for Nanking is the one centre from which the unification and pacification of China can conceivably be carried out as things are to-day.

Mr Henderson on Palestine.—Mr Henderson made a good beginning at the meeting of the League Council in going far to remove the unfortunate impression produced by the rather peevish tone of the British Government's comments on the Permanent Mandates Commission's report regarding last year's disturbances in Palestine. At this meeting of the Council, the report of the Commission, which is simply an advisory body to the Council, came up for action; and in view of the British Government's apparent attitude, the Council's *rapporteur*, M. Procope, representing Finland, must have felt that he had a delicate task. He acquitted himself of this task with courage and tact; for while he used no language which would wound the Mandatory Power's feelings, he gave the Permanent Mandates Commission due praise and loyal support. He pointed out that, after all, the Commission's interpretation of the mandate and recommendations on policy were based on statements made by the Mandatory Power itself, and he moved that the Secretary-General of the League should be instructed to forward the Commission's report to the British Government officially, together with his own report to the Council and the minutes of the present meeting, and that the British Government should be requested to adopt such measures as it might think fit for giving effect to the recommendations, and further to take the action suggested by the Commission in its observations on the Mandatory Power's annual report for the year 1929. In reply, Mr Henderson expressed appreciation of M. Procope's report, and announced the readiness of His Majesty's Government to associate themselves with the terms of M. Procope's resolution. This statement of course removed any obstacle to the resolutions being carried; but the most important passage in Mr Henderson's statement was a declaration to the effect that "His Majesty's Government recognise that it is the duty of the Permanent Mandates Commission to criticise, and they fully appreciate the Commission's attitude in this respect." This passage is an *amende honorable* for the somewhat petulant tone of the first British communication on the subject. Incidentally, it will put the British Government's position right in the eyes of the world and will repair any damage to British prestige which the previous statement may have caused. It may, however, have a more far-reaching effect than this; for it will assuredly strengthen the Permanent Mandates Commission's hands. In carrying out its delicate duties with the

combination of tact and frankness which has become its tradition, the Commission has repeatedly proved itself to be the best friend of Mandatory Powers in difficulties. Mr Henderson's handsome acknowledgment of this truth may be expected to produce a considerable effect on the minds of other Mandatories who do not happen to be in trouble at this moment.

The Executions in Trieste.—Last week, eighteen Italian subjects of Slovene nationality were tried on a charge of terrorism before a special tribunal for the defence of the State of Trieste. The trial began on Monday and ended on Friday evening, when all the prisoners were found guilty and received their sentences—four to death and the rest to long terms of imprisonment. The four death sentences were carried out early on Saturday morning; for though the four condemned men had all signed an appeal for pardon, the army commander at Trieste exercised his legal discretion by deciding not to send the appeals forward. Being in ignorance of the nature of the evidence, we cannot judge whether these sentences were warranted in law or justified in equity by acts of violence which the condemned men had committed. Yet, even if, from every point of view, the four men could be shown to have deserved their fate as individuals, this is scarcely the right method for dealing with the problem of minorities. Whatever these men may have done, they were giving expression—though, it may be, a wrong-headed and illegitimate expression—to a legitimate grievance of the national minority to which they belonged. This Slovene population which was made subject to Italy in the peace-settlement, for Italy's strategical convenience, had been hoping for years for liberation from German-Austrian domination. The sufferings of a war which changed the face of Europe brought them nothing better than a change of masters. No wonder that they should look wistfully across the new frontier towards the Serb-Croat-Slovene State in which the majority of their countrymen have at last found national unity under a national government. Even if, on the principle of the greatest convenience of the greatest number, it were to be regarded as reasonable that the desires of these few hundred thousand Slavs should be subordinated to the interests of forty million Italians, it would seem to be a moral obligation on the Italian State to make up to its unwilling Slovene subjects as far as possible for their political disappointment by respecting their culture, their language and their institutions in every possible way. Nor is this a moral obligation which really imposes political sacrifices or involves political dangers. The real interest of the Italian State is to win the loyalty and affection of the Slovenes on the Italian side of the frontier, and to ensure that they suffer nothing which might arouse the pity and indignation of their compatriots in Yugoslavia. Any other policy is not merely wrong in itself. History proves that it produces the exact opposite of the effect that is intended. For nationalism is a form of religion, and in every religion "the blood of the martyrs is the seed of the Church." The present map of Europe will not last unless the nations can contrive to win the goodwill of the minorities within their boundaries.

Shipbuilders and Rationalisation.—The first-fruits of the plan for "rationalising" the British shipbuilding industry are to be found this week in the announcement that National Shipbuilders' Security, Ltd., has purchased for dismantling the shipyard of Messrs William Beardmore and Company, Ltd., at Dalmuir. Designed primarily for naval construction, this famous yard had been faced since the war with the almost total loss of its old business; and in competition for mercantile orders it represented an economically unwanted addition to already more than adequate shipbuilding capacity. Its sale and closure will relieve Messrs Beardmore of a cumbrous and unprofitable asset, and should enable them to concentrate more effectively on the steel and engineering branches of their undertaking. From the point of

view, however, of the shipbuilding industry as a whole, this evidence of ability to carry through a co-operative effort towards "setting the house in order" is satisfactory so far as it goes—and National Shipbuilders' Security has announced that negotiations for the purchase of two other yards are nearing completion—but it may be well to bear in mind that the elimination of redundant units is not the whole end and sum of rationalisation. Even if it be admitted that there is a difference (and the distinction is somewhat fine) between "buying out" the vendors of Lancashire cotton mills and "buying up," in order to extinguish, "surplus" shipbuilding berths, the fact remains that what the shipbuilding industry is doing is to saddle itself collectively with a certain amount of debt simply in order to expedite in an orderly manner the contraction of capacity which economic forces, less quickly and perhaps in a less scientific way, would ultimately achieve unaided. If this stimulated contraction is the preface to a further stage of rationalisation—the pooling of resources, allocation of contracts, and specialisation, which can be attained only by radical concentration of ownership—then the price may be well worth paying. But it would be a mistake to regard the closure, by purchase, of a few yards as sufficient in itself to solve the industry's major problem—the reduction of costs.

The Coal Delegation to Scandinavia.—This week-end a delegation representing British coal exporters and all the exporting coalfields is to leave for a tour of Stockholm, Oslo, Gothenburg, Bergen and Copenhagen for the purpose of studying the Scandinavian coal market. The delegation will meet three national associations of importers and discuss the requirements of Scandinavian consumers, standards of salesmanship and marketing, methods of analysis and grading, and any other questions, including, if necessary, those of finance and credit, which appear to have a bearing on the promotion of exports to Scandinavia. That British coal has lost ground in Scandinavia since the war is shown by the following figures:—

EXPORTS OF BRITISH COAL (IN THOUSAND TONS).			
	Norway.	Sweden.	Denmark.
1913	2,298	4,563	3,034
1929	1,444	2,335	2,194

While some of this loss is due to the steady development of water power in these countries, so that a complete recovery may be too much to hope for, scope for a certain expansion is indicated by the fact that in 1928 Great Britain supplied only 53 per cent. of the coal imported into Norway, 38 per cent. of Swedish and 53 per cent. of Danish coal imports. Her chief competitors have been Poland, with 33, 35 and 33 per cent. respectively, and Germany with 2, 26 and 14 per cent. Now that the Coal Mines Act has made it possible to develop a national policy for the export trade, exporters may be able to recover some of the ground lost to German and Polish competition; at all events they are to be congratulated upon taking appropriate measures towards that end.

August Overseas Trade.—The preliminary figures of August overseas trade, published in this week's *Board of Trade Journal*, record no improvement in trading conditions. Both imports and exports have declined as compared with a month ago; nor is the comparison with a year ago any more encouraging.

MONTH OF AUGUST.
(000's omitted.)

	1930.	Increase or Decrease as compared with			
		August 1929.		August, 1928.	
Imports	£ 79,923	£ -20,070	% -20.8	£ -17,784	% -18.2
British exports	42,777	-20,268	-32.1	-19,440	-31.3
Re-exports	6,342	-2,678	-29.7	-2,414	-27.5
Total exports	49,119	-22,946	-31.8	-21,854	-30.9
Excess of imports over total exports	30,804	+ 1,876	+ 6.5	+ 4,070	+ 15.3

BARCLAYS BANK (DOMINION, COLONIAL AND OVERSEAS).

OVER 400 BRANCHES IN

THE UNION OF SOUTH AFRICA
NORTHERN & SOUTHERN RHODESIA
KENYA · TANGANYIKA · UGANDA · NYASALAND
PORTUGUESE EAST AFRICA · SOUTH WEST AFRICA
BRITISH WEST AFRICA · BRITISH WEST INDIES
BRITISH GUIANA · EGYPT · SUDAN · PALESTINE
MALTA · GIBRALTAR · MAURITIUS

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It is true that the fall in the value of imports may be accounted for largely by the fall of commodity prices, which has particularly affected imported materials. But the decline in the value of exports is greater than that of imports, and it is only too apparent that a shrinkage in volume must have taken place.

EIGHT MONTHS ENDED AUGUST 31st.
(000's omitted.)

	1930.	Increase or Decrease as compared with			
		1929.		1928.	
Imports	£ 706,681	£ -92,145	% -11.5	£ -91,718	% -11.5
British exports	398,375	-89,932	-18.4	-79,959	-18.7
Re-exports	62,285	-15,417	-19.9	-22,411	-26.4
Total exports	460,660	-105,349	-18.6	-102,370	-18.2
Excess of imports over total exports	246,021	+ 13,204	+ 5.7	+ 10,652	+ 4.5

A more detailed analysis will be made next week when the complete returns are available.

The American Cotton Crop.—Our Manchester correspondent writes:—On Monday last the Crop Reporting Board of the United States Department of Agriculture published important statistics relating to the cotton crop for 1930-31. It was stated that on September 1st the condition was 53.2 per cent., against 62.2 per cent. a month earlier and 55.4 per cent. at the same time last year. The indicated crop was given as 14,340,000 bales, as compared with 14,362,000 bales a month earlier and a final crop for last season of 14,828,000 bales. The yield per acre is put at 153.2 lb., against 155 lb. for last season. It was announced that up to August 30th the amount of cotton ginned was 1,878,000 bales, against 1,568,000 bales at the same time last year. The statistics were more favourable than anticipated, and prices in Liverpool declined about ½d. per lb. On the following day the spot quotation for Middling American was 6.18d., this being the lowest figure for 15 years. Since July 1st there has been abandonment of acreage of 2.2 per cent. The Government states that throughout the past month boll weevil activity was generally held in check by hot, dry weather, and the present prospects indicate that the total loss from weevils will be less than in any recent year except in 1925. The crop generally is maturing rapidly, and there are many complaints of unripe bolls opening prematurely because of the dry weather. Although traders in Lancashire welcome the signs of substantial supplies of raw material during the next twelve months, the falling tendency of prices is checking any improvement in demand for manufactured goods. If the American crop should turn out as indicated, with a carry-over from last season of 6,150,000 bales, the available supplies will be about 20,500,000 bales. It is believed that at the present moment world

consumption is on a basis of not more than 11,000,000 bales per annum. It is reasonable to anticipate, however, that if prices steady round current figures there will be a tendency for consumption to increase.

Shipping Freight Index Number.—Further progress was made last month in the seasonal revival of whole-cargo chartering, and our index number of "tramp" shipping freights at 96.1, a figure which compares with 111.8 a year ago, recorded a rise of 5.8 per cent. over July. The following table summarises recent movements of the various group indices:—

AVERAGE 1898-1913=100.

	Average, 1913.	Aug., 1929.	June, 1930.	July, 1930.	Aug., 1930.
European Waters	110.0	125.5	91.3	86.3	86.7
North America	113.1	99.6	85.2	89.6	94.2
South America	123.4	115.6	90.7	94.6	99.7
India	106.3	117.0	95.7	102.8	104.5
Far East and Pacific	117.4	104.7	74.6	78.3	84.7
Australia	127.9	108.6	90.8	93.5	106.8
Total	116.3	111.8	88.1	90.8	96.1

Demand for tonnage to load grain for Europe broadened considerably in the Plate, North American and Australian markets, and homeward quotations from the Argentine showed a particularly sharp recovery as a result partly of reports of forthcoming maize shipments to the States. In Europe, Soviet Russia emerged as a charterer of grain tonnage on a considerable scale, but ore traffic continued to be restricted by poor demand, and outward coal freights were generally dull. The month's changes in the index of each group and sub-group are shown in the following table, the figure 100 representing in each case the average rate during the basic period 1898-1913:—

	Index Number	Inc. or Dec. Points.		Index Number	Inc. or Dec. Points.
Home trade	73.6	- 0.7	South America—out-		
Bay—outwards	102.7	+ 5.5	wards	87.2	-20.5
Bay—homewards	93.5	+ 1.6	South America—		
Mediterranean—out-			homewards	112.2	+30.8
wards	86.6	- 3.1	India—outwards	120.0	+ 2.1
Mediterranean—			India—homewards	88.9	+ 1.2
homewards	90.0	- 0.6	Far East, &c.	84.7	+ 6.4
North America	94.2	+ 4.6	Australia	106.8	+13.3

Expressed as a percentage of the average for 1913, the total figure of our index number for August works out at 82.6, as compared with 78.1 in July, and 96.1 a year ago.

Licences and General Insurance Company, Ltd.—Founded originally some thirty years ago for the primary purpose of protecting licensees against the consequence of the non-renewal or forfeiture of their licences, this company has of late years developed to an increasing extent a general fire and accident business. Licences insurance still remains, however, the largest department, and furnished a premium income last year of £322,000; and it is satisfactory to note that the profit of £8,188, though small, is a good deal larger in proportion to premiums than in any of the last five years. The next largest account is the fire account, which brought in premiums of £134,000 last year, but a disastrous underwriting experience resulted in a loss of £30,000. In his speech at the annual meeting the chairman attributed this loss to re-insurance business, the dearth of which was responsible largely for a reduction in premium income, and the smaller amount resulted in a more adverse experience. In addition to small accident and employers' liability accounts, there is also a modest marine account, with premiums of £19,000, and, although this account has given trouble in the past, it appears now to be in a thoroughly sound condition, having a fund equal to one year's premium income. Combining the results of each department, and allowing for profit and loss items, which are on an unusually large scale for such a company, the net result of the year

was a trading loss of £53,361, compared with the corresponding loss in 1928 of £19,535. The dividend has been maintained at 20 per cent., and the margin in interest earnings over and above the cost of the dividend has reduced the loss to a net figure of £47,187, compared with £13,106 in 1928. In face of this figure, which is equivalent to practically one-half of the ordinary paid-up capital, we can see no justification for the maintenance of the dividend. From the capital point of view, the company's position has been strengthened during the year as a result of the premiums derived from a new issue of share capital in May of last year. The premiums from this brought in a net sum of £115,000, which has been partly spread over the departmental accounts and reserve funds, and the balance has been added to profit and loss account.

British Oak Insurance Company, Ltd.—This company dates back to 1908, but since its conversion from a private company to a public company in 1918 no dividend has been paid. The company is controlled by Spillers Milling and Associated Industries, Ltd., and the fact that a large proportion of its business is naturally derived from the milling industry means that its risks are less well diversified than those of the normal company. After a series of losses, a reconstruction scheme was carried through in 1928, when £75,000 was written off the issued capital and utilised to strengthen the balance sheet. As things turned out, however, the 1928 balance sheet still contained a debit profit and loss balance of £18,000, and unfortunately the results of 1929 have been so adverse that this has been more than doubled, and now amounts to £39,000. The accident and general business is responsible for a premium income of £312,000, on which there was a loss last year of £23,000. This result was due to the motor section, it being stated that the combined loss ratio of other sections was under 54 per cent., as compared with a total loss ratio of 65 per cent. In the fire account the premium income was reduced from £103,000 to £81,000, but, owing to losses on foreign treaties, there was again a heavy total loss amounting to £14,000, compared with £21,000 in 1928. The brightest feature is the marine account, which has been gradually reduced in volume, and now produces a premium income of just over £50,000. Last year, for the first time during the last four years, a sum has been transferred to profit and loss account amounting to £7,400. The total net result of the year's operations in 1929 was a loss of £33,358 on trading, compared with a still greater loss in 1928 of £92,271. These figures were reduced in each case by the sum of £14,000 from interest earnings.

Overseas Correspondence.

UNITED STATES.

Economic Outlook — Corporation Profits — Production — Prices — Money Market.

(FROM OUR CORRESPONDENT.)

NEW YORK, September 3.

LEADING bankers and economists are still much at odds in their views on the outlook. In their monthly review the National City Bank economists take a moderately cheerful attitude. They feel that "the situation affords a basis for belief that the worst months of the depression have been seen." At the same time the Guaranty Trust survey finds that "conditions have not changed sufficiently to justify any more optimistic view than was possible a month ago," and that "any recovery in the near future is likely to be very slight." Brokers and stock market operators, on the other hand, on the look-out for business and hoping for public interest to revive, are largely on the side of early improvement.

Share prices have now recovered their entire losses of July-August, incurred largely as a result of the drought scare. Progress from this point is likely to be more difficult, and even the most optimistic agree that it cannot be maintained without the nourishment of real trade improvement. Those inclined to the cheerful side rest their case mainly on the recent small gain in steel ingot output, the rise in freight car loadings (which, however, are still at the 1922 level), the reopening of automobile factories, moderate increase in building contracts, steadier commodity prices, and a more reassuring outlook for agriculture. Confidence as reflected in the share market will, nevertheless, be called upon to stand a good deal when the third quarter earning statements are published next month.

It is now clear that corporation earnings in the second quarter fell sharply as compared with the first quarter. A compilation of reports made by the Federal Reserve Bank of New York shows that 247 industrial and mercantile concerns suffered a drop of 35 per cent. in net profits in the second quarter, as compared with 1929. The decline was 14 per cent. on 1928 levels. For the same companies profits were 25 per cent. smaller in the first quarter as compared with January-March, 1929, but 2½ per cent. larger than in the corresponding period of 1928. For the six months' period more reports are available. Approximately 400 concerns report a decrease of 30 per cent. compared with a year ago, and of 5 per cent. compared with the first half of 1928. Nearly all groups were affected. Only food, paper, printing, leather and railroad equipment groups did better than last year. Public utilities enjoyed a 3 per cent. rise in profits, but the gain was the smallest in eight years. Railroad companies lost about 33 per cent.

An even larger list of reports is compiled by the National City Bank, but the results, stated in percentages, are virtually the same. The bank finds, however, that between January 1, 1929, and January 1, 1930, the net worth of the companies in its tabulation increased by 11 per cent. The increase in capital and surplus since January 1, 1928, has been 19 per cent. Thus net earnings in the first half of this year were at the annual rate of 9.2 per cent. on combined capital and surplus, compared with 14.8 per cent. in 1929 and 11.7 in 1928.

Reduction and elimination of corporation dividends continue, but most of the changes have been anticipated by the market. On the whole, the reductions are smaller than might have been expected, and corporation directors are constrained to dip into surplus to maintain payments as far as they dare, against the hope of better business just round the corner. Copper producers have taken the most drastic action. None are earning anything to speak of, and only the more provident are now paying any dividends. Oil companies, which did fairly well in the first six months, are beginning to feel the pinch and have started to reduce dividends.

Meanwhile there has been a further moderate increase in steel mill operations, now reported at 55 per cent. of capacity, compared with 52 per cent. three weeks ago. The mills also are taking a firmer stand on prices, hoping thereby to encourage fourth quarter buying. Principal consumers as yet are giving no indication of increasing their orders, and the pig-iron production rate in August fell to the lowest for any month since 1924. Freight car loadings, at long last, are beginning to reflect a seasonal increase in traffic. They have risen for the second consecutive week, but are still lower than for corresponding weeks since 1924. Railroad earnings in July, while about 30 per cent. under those of a year ago, were larger than in June.

A firmer tendency in commodity prices is shown by Dun's and Bradstreet's indices for August. The former rose nine-tenths of one per cent., and the latter declined only two-tenths of one per cent. The advance in the Dun's index was the first since October, 1929.

Money markets are little changed. Short-term rates scarcely felt the month-end and holiday cash demands. Dividend and interest payments exceeded \$500,000,000,

and close to \$100,000,000 was needed for holiday cash, most of which probably will not return to the banks for two months or so. Last week's report of the Federal Reserve system was particularly devoid of change. Discounts, bill holdings, Government security account and total Reserve credit outstanding were virtually unaltered, while the Reserve ratio remained exactly the same.

Reserve credit used by the banks has not increased, apart from moderate borrowings over the month-end; money has been a glut in the market. Central banking policy is as strongly as ever on the side of easy money. Money in circulation has been rising since August 1st. Although \$300,000,000 lower than a year ago, circulation increased \$51,000,000 last month. In the same period the net gold loss was \$23,000,000. Gold exports in the preceding month, which were heavier, were largely offset by currency returning from circulation. As a counter to the combined gold shipments and currency circulation rise in August, the Federal Reserve Banks added \$32,000,000 to their bill holdings and increased Government security and other forms of credit by \$28,000,000.

The resignation of Governor Roy A. Young from the Federal Reserve Board to take the position of governor of the Boston Reserve Bank is unlikely to mean any shift in central banking policy. As Governor, Mr Young failed to swing the Board to the regional bank view of sound central bank policy, exemplified in the prompt use of the discount rate in preference to oral and written persuasion. His difficulty lay mainly in the political character of the Board. Procrastination undoubtedly accentuated the stock market difficulties and business depression, and serious people feel that the question of the governorship is less important than that of a general revision of the Reserve Act to strengthen the Board.

FRANCE.

Taxation — Prices — Colonial Cotton-growing — Coal Industry.

(FROM OUR CORRESPONDENT.)

PARIS, September 10.

THE success achieved by M. Tardieu, and particularly by M. Germain-Martin, the Minister for the Budget, in inducing the heads of the various Government departments to cut down their total estimated expenditure during the next financial year to a point that will ensure that the next Budget shall not exceed the total of the current one, has been received with universal satisfaction. How it has been found possible to suppress estimated additional expenditure next year of between 5,000 and 6,000 million francs is not yet known. The country has been assured, however, that these sweeping economies have been realised without in any way compromising the national defence.

It is also stated, on official authority, that the Minister for the Budget, notwithstanding reductions of taxation effected during the past twelve months of some 5,700,000,000 francs, is working out plans for improving the situation of the finances of the departments and communes, which have latterly been reduced to limits far below normal requirements. The Minister is said to be considering, in particular, the possibilities of reducing the cost of the services of local government loans contracted at high interest rates during the period 1924-26, when it was necessary to ensure lenders against an irreparable fall in the franc. It is hoped by a scheme of conversion operations to reduce the present burden of the local debt services to such an extent as to furnish the local authorities with a substantial amount of additional revenue without necessitating any increase in the burden on the taxpayer. In this regard, as in connection with the plans which are being worked out for large-scale conversion of several of the national war loans, the Budget and Finance Ministers are endeavouring not only to reduce present burdens but to make preparations to meet the heavy additional expenditure which the national insurance plan will

undoubtedly necessitate in 1932 and 1933, when it will have come fully into operation. For the time being everybody is, for all practical purposes, entirely in the dark as to what the cost of this new departure will be. The two technical Ministers, therefore, are determined to plan well in advance, so that the country may be saved from the costly experience which Great Britain and Germany have undergone in regard to national insurance.

Behind this policy is the conviction that taxation has reached, if not surpassed, the capacity of the taxpayer, and that the time has more than arrived for a drastic policy of economy, if the country is to be able to continue to hold its own in the struggle for economic existence. The continual and often reckless increase of taxation during the past few years, it is becoming growingly felt, has resulted in elevating the State, in a large number of industrial and financial undertakings, to the situation of a partner who appropriates the bulk of the profits while shouldering none of the risks. Taking the selling price of a ton of coal at the pithead as 36 francs 48 cents, for instance, colliery owners can count on retaining only 8.20 francs out of which to pay working costs and secure a profit, the portion going to the State for obligatory "social charges" being 17.65 francs, while 10.63 francs represents taxation extracted by the Government. During the past four years the taxation payable by 18 fire insurance companies working on fixed premiums has increased from 130,000,000 francs to 337,000,000 francs. The equivalent of the proceeds of two months' working is paid by the railways in taxation, and the portion of the year's earnings available for dividend distribution to shareholders represents the receipts of only four days. Two-thirds of bank profits are paid in taxation. "Superfiscality," as Professor Barthelémy pointed out recently, has now reached such a point that the system of participation by the State in industrial enterprises, which is so strongly advocated in certain intellectual circles, has become unnecessary. The disastrous results of the State's venture into the nitrate industry, by organising an enormous plant at Toulouse, which has already swallowed up hundreds of millions of public money, might have been avoided, as M. Barthelémy points out, if the State had left the matter to private industry and extracted from it by taxation as many millions, probably, as it has wasted in posing as capitalist.

The August wholesale prices index of the Statistique Générale is 644, or the same as at the end of June, the four-point rise in July having been cancelled last month. The drop is solely due to a further fall in the prices of imported commodities, which have gone down another 14 points (following 10 points in July), whereas prices of French products, which rose 9 points in July, are now a further three points higher. Native products are now 153 points higher than imported ones, as against a mean of 33 points only during 1929, while in 1928 they were on an average 41 points below those of imported commodities. The figures for the principal categories of commodities are as follows (1913 = 100):—

	Articles.	End of month of		
		June.	July.	August.
General index figure.....	45	544	548	544
French products.....	29	585	596	599
Imported products.....	16	470	460	446
Foodstuffs (general figure).....	20	517	538	543
Raw materials (general figure)	25	567	557	546

The "sugar, coffee, cacao" category of foodstuffs shows a drop of 16 points on the month.

Forecasts of the French beet sugar crop indicate a record yield of around 1,000,000 tons (as compared with 825,000 tons in 1929), owing to the recent warm and dry weather. French sugar consumption has not come up to the tonnage expected when the recent substantial reduction of taxation on this commodity was announced. It is estimated as now being about 950,000 tons, which works out at about 24 kilogrammes per head of the population, or much below that of Great Britain and still more below that of the United States, which is estimated at over 50 kilos. per head. The import duty on sugar was increased recently from 100 francs per 100 kilos. to 140 francs, while the excise was brought down from 125 francs to 85 francs. In view of the recent drop in selling

prices, refiners are now asking for a further increase in the import duty from 140 francs to 200 francs.

Following the British example in developing colonial cotton-growing, in order to lessen the nation's dependence on American imports, the French are paying a good deal further 15 tons were furnished by Northern Nigeria, and African and other possessions. According to recently-published figures, French West Africa exported in 1929 6,500 tons of cotton, or 1,000 tons more than in 1928. A further 15 tons were furnished by Northern Nigeria, and 34 tons by Western Morocco, while Syria made a beginning with the export of rather over a ton. The French colonial cotton industry, as the figures show, is still only in the experimental stage, but the results of the initial practical experiments are stated to have been sufficiently encouraging to render substantial development certain in the immediate future.

The coal crisis remains much less serious in France than in Great Britain, Germany and Belgium, and there are strong hopes that, by a continuance of the present careful handling, matters will at least become no worse. The index of production in July shows an increase of three points on the month, while the figures for consumption and imports are both two points lower. Output totals in July were six points lower than the maximum figure recorded in January last, while consumption was 10 points lower and imports 21 points less. Stocks at the mines, however, are four-fifths larger than the maximum tonnage registered during the coal crisis in 1927-28. Prices at the same time have gone only a fraction lower, steam coal now being 118 francs, against 122 francs during the first half of the year, while that for forge coal has dropped from 152 francs to 150 francs and for coke-making coal (from the Saar) from 125 francs to 120 francs. Meanwhile, complete import returns for the first six months of the year show that coal exports to this country from Great Britain totalled 7,130,000 tons, against 5,975,000 tons in the first half of last year. The entries of Dutch coal were 150,000 tons (about 3 per cent.) larger, while the amount imported from Belgium-Luxemburg was 150,000 tons less and from Germany 340,000 tons less. Imports of British coke during the six months increased from 8,823 tons to 30,246 tons, whereas the total imports of this product were 2,455,000 tons, against 2,762,000 tons in the corresponding half of 1929. The better situation of the French coal industry at the moment, as compared with those of Great Britain and Germany, lies in the fact that, although this country is obliged to import special coals for gas- and coke-making and for shipping and domestic use, the consumption of ordinary coal, which is now substantially larger than before the war, is largely met from the country's own pits. Tentative efforts have been made with a view to the organisation of a European coal agreement, but they are alleged here to have failed owing to the refusal of British and German coal owners to take part in any international cartel of this kind.

GERMANY.

Politics — Grain Policy — Ruhr Wages and Hours — International Mortgage Bank.

(FROM OUR CORRESPONDENT.)

BERLIN, September 10.

As the German election campaign approaches its termination it grows progressively more lively. The question how government is to be carried on after the elections, obscured during the first few weeks by the tactical subterfuges of all the parties, is now emerging more and more clearly as the crucial problem. The Prussian Minister-President, Herr Braun, whose position as the leading personality of the Social Democratic Party is becoming steadily stronger, has asked the Federal Chancellor, Herr Brüning, whether he would be willing to co-operate with the Social Democratic Party in the new Reichstag. Herr Brüning began by rejecting this approach, on the ground that in view of the lively agitation the Socialists were conducting against him personally he could not suppose that they would wish to co-operate with a man against whom they were making such charges. Herr Braun, however, raised

the question again on the election platform, and stressed the willingness of his party to set aside personal differences for the sake of statesmanlike co-operation. On the acceptance or rejection of this offer of the Socialists depends the decision as to whether constitutional government is to be resumed or whether the Government will proceed to further dissolutions and endeavour in the meantime to solve unconstitutionally the urgent financial and economic problems with the aid of the emergency clause. So far the Chancellor and his party have given no conclusive reply.

One of the most important political questions which will have to be settled after the elections is that of the attitude of the State to agriculture. For the time being the Reich Government is supporting the grain market by measures which are too costly to be maintained for more than a limited period. The Getreidehandelsgesellschaft, which is controlled by the Reich and acts on instructions from the Minister of Food, has for several weeks been organising the purchase of rye, and, to a limited extent, also of wheat, at prices very much above the market level. While the price of rye early in the summer was 160 Rm. per ton or less, it has now been driven up by the Getreidehandelsgesellschaft to 187 Rm. for immediate delivery, and well over 200 Rm. for futures. Already the resources of the purchase organisation are inadequate to take up the whole supply forthcoming at the price it offers, for the output of farmers who wish to sell their crops is, of course, only a small part of the supply, which comes mainly from speculators who, in anticipation of the collapse of the scheme for market support, are now selling short in the expectation of covering themselves at lower prices. In consequence, side by side with the official price for the products purchased by the Getreidehandelsgesellschaft there has arisen an unofficial lower price for goods sold in the open market. That is a thoroughly unhealthy state of affairs and bodes ill for the duration and the ultimate success of the scheme.

As the scheme has been principally applied to the rye market, the relation of wheat and rye prices has shifted in favour of rye. That also is highly undesirable just now, before the autumn ploughing, for a reduction in the cultivation of rye is urgently needed, with the substitution of wheat for rye over as wide an area as possible. As rye requires very much less cultivation than wheat, the widest possible margin between wheat and rye prices is called for, in order to give the maximum of encouragement to a diminution in the rye area.

In order to reduce the financial burden on the Getreidehandelsgesellschaft, the Food Ministry has recently been considering a plan which figured earlier in the programme for assistance to agriculture. In order to encourage pigkeepers, who hitherto have mainly used foreign barley as fodder, to purchase home-grown rye, it is proposed to grant a rebate of the duty on imported barley, which was sharply increased last year, to those pig farmers who simultaneously buy a prescribed quantity of rye on the home market. This proposal might have some merit if the pig market were in a condition to make compliance with the terms practicable, but the coming months are expected to bring exceedingly unfavourable prices for pigs, so that farmers will reduce their stock and will not be in a position to use increased quantities of rye. The Government cannot help itself: it cannot now allow the inflated price to fall without losing all its support from the farmers. In this, election considerations, of course, play a large part, but even after the elections, if the present Food Minister, Herr Schiele, remains in office, everything possible will be done to prevent a collapse of the grain price maintenance scheme, for the conflict will continue between the extremist elements in the agricultural organisations, which support Herr Hugenberg or Herr Hitler, and the moderate section; and as long as Herr Schiele holds responsible office he must, as leader of the Moderates, leave no stone unturned to prevent a collapse of prices, if he is to maintain his own position.

The price-maintenance scheme is ultimately financed by the Reich, but as the Reich has not at present the necessary funds the Getreidehandelsgesellschaft has

Union Bank of Switzerland

(Union de Banques Suisses)

ZURICH.

Bahnhofstrasse 45

Basle, Berne, Geneva, Lausanne, Locarno, Lugano, Montreux, St. Gall, Vevey, Winterthur, etc.

Capital & Reserves - Fr.131,500,000

Total Assets - - - - Fr.992,000,000

ALL BANKING TRANSACTIONS

INVESTMENT FACILITIES. Administration of Private Estates

raised them temporarily from a consortium of banks. For this purpose it invoked the intervention of the "Getreideindustrie und Commissions A.G.," which is jointly owned by the Reich and Prussia, and is dominated by the Prussian Zentralgenossenschaftskasse. It thus comes about that the Prussian Government, which is led by the Social Democrats, is not resisting the questionable grain policy of the Reich Government, though it no doubt disapproves of it, but is even helping to overcome the difficulties in its way. This shows clearly how cautiously the Social Democratic Party is obliged to proceed for the time being, for fear of blocking the way to future co-operation with the parties of the present Government coalition.

The mineowners of the Ruhr published some weeks ago the wage tariff with the aid of which, through a lowering of prices made possible by lower wages, they anticipate a revival of the market. The employees' organisations have invoked arbitration, as a result of which the present tariff has been extended to the end of the year. The elections were no doubt responsible for this, as this is not the moment to invite a disturbance, but at the end of the year, unless some sign of trade revival makes possible a more optimistic view of the Ruhr mining industry, there is likely to be a very serious wage dispute. The position is further complicated by the demand of the miners for a reversion to the seven-hour day. The unions have denounced the agreement by which the normal length of a shift was extended to eight hours.

The forthcoming establishment in Amsterdam of an international mortgage bank has lately been the subject of much discussion in German financial circles. In Germany, as the short-term money market is very fluid and the long-term market very much the reverse, there would be great scope for the activities of an international mortgage bank. It was, therefore, a foregone conclusion that the German banks would agree without further inquiry to some degree of financial participation in the new institution, and raise no objection to investment in its bonds by the Bank for International Settlements. The opinion is, however, expressed in Germany that the new bank can only operate successfully if it is, in a position to open up the French capital market to a very considerable extent. The substantial participation of French banks in the new bank is therefore regarded as a good sign, but it is generally agreed that exaggerated hopes must not be built on it.

POLAND.

Dissolution of Parliament — Budget — Export Premiums — Warsaw Agrarian Conference.

(FROM OUR CORRESPONDENT.)

WARSAW, September 5.

THE Slawek Ministry resigned on August 23rd, and two days later Marshal Pilsudski accepted the Premiership. His Cabinet is unchanged from Colonel Slawek's except that Colonel Beck has been brought in as Minister without portfolio to relieve the Marshal of routine work. It is the feeling in Poland that when Marshal Pilsudski takes the premiership something is going to happen, so

it was no surprise when a Presidential Decree appeared on August 30th dissolving Parliament and announcing new elections in November. There is a feeling that before the elections some changes in fundamental laws will be enacted by Decree (to be ratified subsequently by the next Parliament), and that no efforts will be spared to make the business outlook appear more favourable, so that the chances of the Government bloc will be improved. Although the Government party had the largest membership in the Sejm just dissolved, it had not a majority.

Despite the fact that the latest published figures indicate that State expenditure is being kept well within the revenues collected, there is nevertheless a certain degree of apprehension over the Budget situation. During the 1928 election campaign it was claimed—and the contrary has not yet been proved—that large amounts of public money were used for electioneering propaganda. The Treasury is heavily committed for the next few months on its grain export premium policy, and with tax revenue becoming harder and harder to collect because of the prevailing depression, there appears to be good reason for believing that before the end of the present year the prospect of a Budget deficit may have to be faced. It might be mentioned in passing that the Treasury's available balance at the Bank of Poland, which stood at 255 million zlotys on August 10, 1929, and at 260 millions on December 31st, was down to 114 million zlotys on August 10, 1930. The Government have promised to continue the payment of export premiums on cereals until the end of October, and then to review the situation again in the light of the condition of the Treasury and the outlook for agriculture. As the elections will then be close at hand, it would hardly be feasible to discontinue the payment of grain export bounties on October 31st. The bounties now being paid are (per 100 kilogrammes) 4.00 zlotys on barley, 6.00 zlotys on wheat and rye, and 12.00 zlotys on flour. It is estimated that the Ministry of Finance during the first seven months of the present Budget year (that is, until October 31st) will pay more than 50 million zlotys in export premiums.

Hopes are entertained that the Agrarian Conference which was held in Warsaw on August 28th-30th, and at which the Bulgarian, Czechoslovakian, Estonian, Finnish, Hungarian, Latvian, Roumanian, Jugo-Slavian and Polish Governments, as well as the League of Nations, were represented, will ultimately be productive of considerable benefit to agriculture in general in Eastern Europe. The groundwork for the Conference was well prepared in advance by the Polish authorities, and a series of resolutions were adopted which can be briefly summarised as (1) favouring co-operative action for regulating and rationalising the export of agricultural products, and for the elimination of unnecessary competition between the States represented at the Conference; (2) a recommendation that "most-favoured-nation" concessions granted by European countries should be subject to restrictive application in respect of agricultural imports from overseas, to the benefit of agricultural products of European origin; (3) the desirability of securing intermediate credits (up to five years, if possible) for agriculture through the co-operation of the League of Nations; (4) recommending the preparation and distribution of adequate and uniform statistical data; (5) a joint recommendation to the League of Nations that a standard form of veterinary regulation be imposed on all countries importing and exporting livestock and meat products; and (6) similar international action to prohibit the payment of export premiums.

For reasons indicated earlier in this article, Poland is anxious to see the complete abolition of export premiums on agricultural produce. The Polish authorities are likewise very much concerned over the matter of veterinary regulations, since this medium is used by certain countries for the exercise of discrimination against cattle and meat imports from Poland. It is much too early yet to indicate any practical benefits that are likely to result from the Warsaw Conference, but it is at least a hopeful

sign that the countries of Eastern Europe are investigating the roots of their economic distress, have agreed on remedial action that can be taken, and are now directing international thought thereon. Furthermore, it is felt here that the Conference was only the starting-point for the building up of an Eastern European agrarian bloc that will henceforth be a sort of co-operative movement for self-help in the external marketing of agricultural products, and for exercising united pressure on the League of Nations and other international bodies (for example, the International Bank) for the benefit of agriculture in Eastern Europe.

The American Financial Adviser, Mr Charles S. Dewey, and his staff, will leave Poland in November, on the expiration of Mr Dewey's three-year contract with the Polish Government and the Bank of Poland. Mr Dewey was invited to accept the position of financial adviser and to supervise the carrying out of the stabilisation plan which was drawn up at the time the stabilisation loan was arranged three years ago. Because of political and other difficulties, the plan as then prepared has not yet been carried out in its entirety (especially as regards the reform of the taxation system), but it is understood that the Government have undertaken to carry on with the execution of the plan after the departure of the financial adviser. The Bank of Poland will then act as fiscal agents for the American group which sponsored the stabilisation loan.

NORWAY.

Depression — Paper Industry Agreement — Stock and Money Markets — Prices — Crops.

(FROM OUR CORRESPONDENT.)

TRONDHJEM, August 29.

THE general depression on the world market has hitherto been less felt in Norway than in most other countries, apart from the slump in the freight markets, the consequences of which, to the shipowners, have been rather severe. So far, the repercussions from the heavy fall in prices have not been such as to reduce materially the figures representing turnover of trade, export, employment or banking activities. During recent weeks, however, certain signs have seemed to point towards the fact that the reaction has at last set in. Exporters are now reporting a slowing up of the influx of fresh orders, and a comparison of the figures of our foreign trade balance for the last three months of the year with those of the corresponding period last year shows that there has been a contraction, both as regards value and quantity, in the figures representing our chief export items. Although unemployment was lower by about 2,000 at July 15th, as compared with June 15th this year, subsequent weeks have brought an increase, which may perhaps to a certain extent be attributed to the extraordinarily early termination of harvest work. With regard to banking activities, there is a noticeable increase of deposits, especially with the provincial banks, the greater part of an increase of seven million kroner during July being due to the latter. The money market remains unusually easy for this season of the year, a fact which can only be explained by a certain restraint in the disposition of liquid funds. Whether this is again due to the position of the international markets or the usual uncertainty prevailing in connection with new Storting elections is difficult to tell.

In the midst of the general uncertainty and lack of activity, the recent agreement in the paper industry forms one of the bright features. According to this agreement, the present tariffs are to be prolonged for another year, thus providing favourable working conditions for this important branch of our industry. The news of the settlement brought some stimulus to the share market, which has otherwise been rather quiet on account of the holidays. However, public interest is at present chiefly directed towards the bond market, which has lately been very firm with steady prices. It seems that investors are beginning to realise that it will be difficult in future to obtain as favourable effective interest rates for their money as

hitherto, as there is every likelihood that deposit rates will fall in accordance with the decreasing tendency of discount rates. Even if there be no reason to anticipate an immediate reduction of the Norwegian bank rate, especially in view of the fact that the note circulation of the Norges Bank does not show any conspicuous contraction in spite of lower prices and reduced turnover, it is not considered likely that the Bank will find it opportune to maintain the rather big difference now prevailing between foreign and inland discount rates.

The cost of living index of the Central Bureau of Statistics for July 15th is unaltered from the preceding month at 175 inclusive of taxes, and 167 exclusive of taxes. The wholesale price index for August 15th stands at 141, against 142 on July 15th. The weather conditions this summer have on the whole been satisfactory, though the northern parts of the country suffered somewhat from a prolonged period of drought. The yields of fruit, berries and vegetables have been satisfactory, and the crops of grain and hay are somewhat above those of an average year.

IRISH FREE STATE.

Drumm Tests — Agriculture — New Companies — Trade.

(FROM OUR CORRESPONDENT.)

DUBLIN, August 24.

MUCH interest is being excited in the practical tests of the Drumm battery which are being carried out on the Great Southern Railway. Official reports have been issued regarding the working of the battery, and, while these are of a highly technical nature, it is possible to gather from them that the tests have proved satisfactory. Great importance is attached to the battery by the Government, which has advanced public money for experimental purposes and has acquired a controlling interest in the invention. It is claimed that, if the battery is a success, the electrification of the Irish railways will be possible at very little expense. The economies effected by such an electrification would be, first, a large reduction in the imports of coal and, second, a lower unit cost of production in the Shannon Scheme owing to the increased demand for current. The patent rights in the battery would also become an important addition to the public assets of the country.

The cattle-breeding industry, both for beef and milk, is by far the most important economic activity in the Free State. Steady progress is being made in cattle-breeding as regards both quantity and quality. Premiums have been awarded to 2,500 bulls this year, including 758 Aberdeen Angus, 697 Dairy Shorthorns and 668 Shorthorns. The number of bulls submitted at the spring inspections held under the Live Stock Breeding Act was 14,026, of which 7,655 were licensed and 6,371 rejected. This is the largest number of bulls presented, and also the largest number licensed since the Act came into operation in 1925. The percentage of rejections is also the highest yet recorded, and is an indication that the standard of merit required by the inspectors is being raised. There is still room for considerable improvement in the quality of livestock, and farmers are being requested to exercise greater care in the selection of bull calves intended for breeding purposes. The Live Stock Breeding Act will apply to boars after October 1st. After that date it will be illegal to keep a boar for breeding purposes without a licence.

The annual report of the Irish Agricultural Organisation Society shows that the co-operative movement in dairying is in a healthy condition. Several new creameries were opened during the year, and many old societies were consolidated and reorganised. In order to get the best results from the plentiful supply of electrical power now available from the Shannon, the Committee invited experts from the Dairy Machinery Institute in Kiel to visit Ireland. The director of the Institute and one of his assistants accepted the invitation and examined the plant and layout of several creameries with a view to their electrification. A somewhat pessimistic note is struck regarding the progress of Irish Associated Creameries, Ltd., the central selling organisation for butter. "It is regrettable," the report

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states, "that the situation in respect of internal difficulties has not improved and that the minds of the producers have become befogged in a cloud of controversy. Producers in this country must decide whether, in a changing world where combination and amalgamation are the feature of modern industry and modern agriculture, they alone are still to plod along the worn rut of individualism." The president of the society, Sir Horace Plunkett, made it clear in his speech at the general meeting that compulsory organisation of centralised selling might be necessary in the event of the failure of voluntary action.

Official figures have been published showing the number of companies registered in the Free State. On December 31, 1929, the total number of companies on the register was 1,773, of which 1,700 were companies registered with share capital of a nominal amount of £49,662,761. Of these companies, 1,493 were private and the rest public. The sums invested in different types of enterprise were as follows:—Distributive trades, £11,000,000; banking and finance, £8,800,000; transport, £5,600,000; hotels and theatres, £2,000,000; newspapers, £1,300,000; miscellaneous manufactures, about £22,000,000. Last year 134 new companies were registered, with an average nominal share capital of £5,700. It is interesting to observe that only a very small fraction of these new companies are concerned with the production of protected commodities, and it is obvious that the tariff has had very little result in encouraging the investment of capital in the Free State.

The statistics of external trade for the first six months of the year suggest that the Free State is faring better than many of its richer neighbours in the prevailing depression. While the value of the imports has sunk to £29,405,282 from £30,447,790 in the corresponding period last year, exports have increased to £21,295,638 from £20,043,685. The export of fat cattle has decreased, but that of store cattle and pigs has substantially increased both in quantity and value.

Books and Publications.

COMMUNITY LIFE ON TRIAL.

In 1928 Professor Charles Gide published "Les Colonies Communistes et Co-opératives," a short but informative work based upon earlier lectures. In "Communist and Co-operative Colonies" * we now have a competent English translation of it, a book so full of queer human interest and unexpected incident as to be safely commendable, apart from its serious historical interest,

* "Communist and Co-operative Colonies." By Charles Gide, translated by Ernest R. Row. George Harrap and Co. 7s. 6d. pp. 222.

as a subject for light holiday reading. Beginning with the community life of ants and bees, M. Gide moves forward, with a passing reference to certain early tribal communities and to the monastic communities of the middle ages, to that extraordinary and relatively permanent expression of the community ideal, the Jesuit Republics of South America. He concludes his survey of religious communities with a brief account of some of the varied and often wildly fanatical settlements which flourished in the U.S.A. during the nineteenth century. Their peculiarities have recently been brought to the notice of English readers in greater detail through the medium of Mrs. Oliver Strachey's study of "Religious Fanaticism." But the details selected by M. Gide are peculiar enough. This exhausts his tale of religious communities and brings him to the question of communities inspired by economic or political ideals: the more generally familiar experiments of Owen and Fourier, the lesser-known Icarian Colonies, the anarchist colonies, the co-operative colonies, and the agrarian colonies—prominent among which are the Palestinian experiments in Zionist land settlement, which have a peculiar and living interest to the modern administrator.

This recital is, we repeat, a really enthralling chronicle of human events—and, indeed, one might be tempted to add, of human failure. But M. Gide will not have it so. There is, in his view, a kind of coherence in this tale of non-related endeavours of different races, operating in different centuries, to achieve what appear to be different ends. He sees them one and all as a "touching and instructive" expression of man's eternal quest for an environment consistent with his loftiest ideal of justice and freedom, and therefore free of class inequality and of the profit-making operations which produce it. To the contention that these experiments have, almost without exception, had their day and ceased to be, he opposes the pertinent question: "How many business companies or commercial houses are there which can celebrate their centenary?" "The real proof of vitality lies not in continuance, but in rebirth, and this characteristic is possessed in the highest degree by the communities of which we are speaking: they are continually being born again from their ruins." But certain tentative conclusions he is able to draw as regards the conditions of relative stability. And one is that a strong personality with a background of religious discipline is an invaluable asset.

BOOKS RECEIVED.

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

(It would be a convenience to our readers if publishers would make a point of notifying us of the prices of books sent for inclusion in this column.)

English Banking Methods. By L. Le Marchant Minty. (London) Sir Issac Pitman and Sons, Ltd., Parker Street, Kingsway. 15s. net.

A textbook intended to furnish knowledge of the type which a bank employee would acquire in the course of experience were it not for the brevity of human life.

Währungssicherung und Währungskosten. By Dr. Hans Schöne. (Berlin) Carl Heymanns Verlag. 12 marks.

A German treatise on currency in which the subject is treated from a somewhat novel point of view.

The Dual System of Stabilisation. By J. Taylor Peddie. (London) Macmillan and Company, Ltd., St. Martin's Street. 8s. 6d. net.

A programme of currency reform based on the issue of credit against bills of exchange.

Fractional Money. By Neil Carothers. (London) Chapman and Hall, 11, Henrietta Street. 20s. net.

A history of the United States coinage.

Social Problems and Policy during the Puritan Revolution, 1640-1660. By Margaret James. (London) Routledge and Sons, Ltd., Carter Lane. 21s. net.

A contribution to English social and economic history which should prove of value to the historian and of interest to the general reader.

American Industry and Commerce. By Edward Dana Durand. (London) Ginn and Company, Ltd., 7, Queen Square, Southampton Row.

A descriptive account, in which the statistics which form its foundation are kept out of sight, of the economic activities (excluding finance) of the United States.

Die Einkommensverschiebungen in Österreich Während des Weltkrieges. By Professor Dr. Wilhelm Winkler. (London) Oxford University Press, Warwick Square. 16s. net.

This volume in the German series of the Carnegie Endowment covers a wider scope than the title might imply and virtually deals with changes in Austrian economy during the war.

Politica Doganale Differenziale e Clausola della Nazione Più Favorita. By Professor Jacopo Mazzei. Vol. I. (Firenze) Libreria Internazionale Seeber, Via Tornabuoni, 20.

A well-documented historical treatise on differential tariff policies.

Rural England as a Market. Second Edition. (London) The Farmer and Stock-Breeder, Lennox House, Norfolk Street.

A simple statistical examination, largely in diagrammatic form, of the potentialities as consumers of the rural population of England and Wales.

Organisation in the Cotton Trade. By F. Greenhalgh. (Manchester) John Heywood, Ltd., Deansgate. 1s. 6d. net.

This pamphlet contains an exposition of the urgent necessity of the adoption of an adequate method of costing in the cotton industry, and puts forward a very fully worked-out scheme.

India at the Cross Roads. By Lex. With a foreword by the Rt. Hon. Lord Meston, K.C.S.I. (London) "India" Publications, Ltd., 19, Charing Cross Road. 1s.

International Labour Review, August, 1930. (London) George Allen and Unwin, Ltd., 40, Museum Street. 2s. 6d.

Includes an article by J. R. Bellerby and K. S. Isles on "Wages Policy and the Gold Standard in Great Britain."

The Bankers' Magazine, September, 1930. (London) Waterlow and Sons, London Wall. 2s. 6d. net.

The Economic Journal, September, 1930. (London) Macmillan and Company, St. Martin's Street. 6s. net.

Of particular topical interest is an article on "The Artificial Control of Raw Material Supplies" by J. R. F. Rowe.

Wilkinson's Tea and Coffee Share Manual, 1931. (London) The Investors' Chronicle, 20, Bishopsgate. 3s. 6d. net.

The Canadian Mining Book, 1930. (London) Thomas Skinner and Company, 330, Gresham House. 10s.

OFFICIAL PUBLICATIONS RECEIVED.

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

International Convention respecting Load Lines. Cmd. 3668. 3s. net.

International Load Line Conference, 1930: Report of the Delegation of the United Kingdom. Cmd. 3669. 1d. net.

Accounts relating to the Trade and Commerce of certain Foreign Countries and British Countries Overseas during the period ended March 31, 1930. 2s. net.

Sixteenth Annual Report of the General Board of Control for Scotland for the Year 1929. Cmd. 3654. 2s. net.

Empire Marketing Board: Production and Trade of Ceylon. August, 1930. 2d. net.

Colonial Reports: No. 1479. Somaliland, 1929. 1s. 3d. net; No. 1480. Zanzibar Protectorate, 1929. 9d. net; No. 1481. Cayman Islands, 1929. 9d. net.

Imperial Shipping Committee: Report on the Harbour of Port of Spain, Trinidad. Cmd. 3665. 3d. net.

The Stock Exchange.

ARGENTINA AND THE INVESTOR.

THIS week's Argentine revolution is of moment to large numbers of investors. British holdings of Argentine Government bonds were put, two years ago, at £65 millions. Independent research under our own auspices has suggested that, of the total issued capital of British-owned companies operating in the Argentine, some £171,400,000 in shares, and £111,440,000 in debentures, etc., are British owned. British capital has played a leading part in the development of Argentina's national railway system, and of other public utilities. Argentina is the largest individual contributor of Great Britain's raw materials, the third most influential purchaser of British merchandise, and the largest "foreign" market for British cotton and woollen goods and railway material. The River Plate trade gives employment, annually, to 5,000,000 tons of British shipping. The stability and prosperity of Argentina thus touch British interests at many points, and it is opportune to discover the causes of last week's events and their probable repercussions, from the British investor's point of view.

By every criterion, Argentina's development in the past decade has been gratifying. During the ten years ended 1928, the population increased by 30 per cent., the cultivated area by 7 per cent., the national revenue by 106 per cent., the national exports, in terms of value, by nearly 30 per cent. (despite an extensive fall in prices), and the tonnage of goods carried on the railways by the same percentage. The yields of the staple crops have increased more rapidly than the cultivated area, the production of wheat per hectare, in the quinquennium 1924-29, being 23 per cent., and that of linseed 46 per cent. higher than in the war years, 1914-19. The number of cattle, in the post-war census, exceeded the 1914 total by 43 per cent.

Argentina's progress, in short, has made her the leading economic power in South America, so that five years ago the Government's statistician was able to point out that his country, with a population equal to 16 per cent. of that of the whole sub-Continent, transacted 50 per cent. of its total foreign trade, and accounted for 60 per cent. of the total railway goods traffic. What causes have temporarily clouded the picture? In the first place, Argentina, as a primary producer, has suffered heavily during the present world-wide depression as a result of lower prices and reduced trade in her staple export commodities. Her statistical returns are not up to date, but the figures for the first four months of this year show a drop of 42 per cent. in volume and 41 per cent. in value of her exports of grain, as compared with the corresponding months of 1929. Her wool exports were down by 23½ per cent. in volume and 52 per cent. in value, and though her trade in meat and dairy produce was maintained, and that in forestal products increased, her total exports had fallen by 37 per cent. in volume and 33 per cent. in value.

In the second place, her financial situation was not well adapted to take the shock of a severe depression. Even in 1928, when she had a favourable "visible" trade balance of 129 million gold pesos, it was estimated that her real balance (including "invisible" items) showed a debit of at least 125 million pesos. Her budget has balanced for some years past, but no effective legislative effort has been made to deal with the very large floating debt, including various short-term loans whose total has increased since 1925 from 347 million paper pesos to at least 390 million pesos. Central banking in Argentina, again, has significant gaps in its organisation. Many well-informed observers attribute to this cause the real responsibility for the unfortunate decision to close down the Conversion Office last December, as a result of which Argentina, while retaining her generous supplies of gold in the face of an unfavourable trade balance, has suffered a decline in the exchange value of the peso from 46½d.

to under 40d. The quotation, however, has improved, this week, to 41½d.

A third factor in recent developments has been the quasi-dictatorship exercised by the late President, who, having taken control of all important affairs into his own hands, was usually too ill to attend to them. The dual fact that ex-President Irigoyen was *persona non grata* with many foreign financiers, and himself a holder of strong ideas on the undesirability of further foreign borrowing, accentuated the effects of the economic crisis.

The "revolution," from the investor's point of view, may thus prove to be by no means an unmitigated evil. Characteristically, it has been almost bloodless. It has brought into power a Government which, by present evidence, will be sound rather than brilliant, but will for that reason command increased confidence abroad. Revolutions from which investors have most to fear are those which involve civil strife sufficiently protracted to arrest economic development, or bring into power governments with heterodox ideas regarding their predecessors' financial obligations. Happily, in Argentina's case, neither contingency would appear to be in prospect.

The fact that the news of the change of Government was immediately followed by an improvement in the exchange value of the peso, the London quotations of Argentine Government bonds, and the share prices of companies operating in Argentina, suggests that reasonably well-informed quarters take a reassuring view. In this connection, we would refer our readers to a cable, in reassuring terms, from our Buenos Aires correspondent, which appears on page 492. The broad conclusion, from the viewpoint of the investor, would seem to be that the future course of Argentine security values will be governed mainly by the rapidity of Argentina's economic recovery—which in any case must be largely a function of reviving world prosperity—and only indirectly by political factors. The relative importance of the latter may hinge upon the ability of the new Government to carry through, within a reasonable time, long overdue reforms, such as the overhauling of the central banking machinery and the consolidation of the floating debt.

The following table, showing the recent investment history of a number of representative Argentine stocks and shares, bears upon this point. The figures suggest that while prices have recovered substantially since the dark days of 1921, the movement, so far as Government stocks are concerned, has been held up of recent years. The equity stocks of all Argentine companies have fallen heavily from the "peaks" of last year:—

	Highest, 1921.	Highest, 1925.	Highest, 1929.	"Pre-Revolution" Price (Sept. 4, 1930).	"Post-Revolution" Price (Sept. 10, 1930).	Yield at Last Price.
<i>Government, &c.:</i>						
5% int. gold, 1907	77½	93½	96	94	94	5½
5% int. gold, 1909	90½	93½	97½	94	94	5½
5% Port of B.A. bonds	80	94½	97	94	94	5½
B.A. (prov.) 3½%	43½	54½	61	58	58	6½
B.A. (prov.) 5%, 1915	63½	75	88	86½	87½	6½
<i>Corporation:</i>						
B.A. (City) 5%, 1913-14	79	90½	97	92	92	5½
Rosario (City) 4%	33½	55½	63	52½	52½	7½
<i>Railways (ordinary stocks):</i>						
B.A. & Pacific	47½	88½	106½	82	84	8½
B.A. & Southern	65½	93½	110½	86	88	9½
B.A. Western	63	81½	100½	67	68	10½
Central Argentine	61	81½	100½	71½	74½	6½
<i>Public Utilities:</i>						
Arg. Arg. Trams (6% 2nd pref.), £5	3½	3½	4½	1½	1½	17½
Rosario Waterworks, ord., £10	9	13½	15½	14	14	5½
<i>Other Companies:</i>						
Arg. Est. of Bovril (8% pref. ord. £1)	113/9	115/6	18/9	16/3	16/3	9½
Forestal Land ord. £1	33/-	26/3	32/-	13/9	13/9	9½
Harrods (B.A.) ord. 15s	18/9	11/3	27/6	15/-	15/-	8½
Arg. Land & Investment £1	30/-	37/6	45/-	33/9	33/9	5½
Argentine Navigation ord. £1	11/3	9/6	27/6	23/9	23/9	8½
Do., 6% pref. £1	13/9	18/9	30/6	23/9	23/9	10½
Agar, Cross, ord. £1	...	...	83/9	43/9	46/3	6½

† 7% pref. ord. || Calculated on basis of 1928-29 dividends. a Free of income tax. b On 1929-30 dividend.

The position of the railways was discussed at length in the *Economist* of July 19th last. This week's announcement that the 1929-30 dividend on Central Argentine ordinary and deferred will be 5 per cent., against 7 per cent. in 1928-29, suggests that our views erred but slightly, if at all, on the conservative side. The stocks of the Central Government now stand on a $5\frac{1}{2}$ to $5\frac{3}{4}$ per cent. yield basis, and as the Government must inevitably borrow considerable future sums, an early improvement in prices would be an optimistic assumption. The credit of the individual States stands lower than that of the Federal Government, and the possibility of tightening the latter's control over State finances forms an addition to the list of urgent problems confronting the authorities.

The prospects of many British companies trading in the Argentine are not unpromising, given the return of reasonably prosperous conditions. The attitude of the authorities is, generally speaking, helpful, and public utility concerns, especially in urban centres like Buenos Aires, have made rapid headway. Whether this field will come to an increasing extent under American control is a question which only the future can decide. Among other concerns, reputable British trust managements have recently shown a certain interest in the prospects, *inter alia*, of Argentine Navigation, Harrods (Buenos Aires), and Agar Cross. The first is one of the strongest companies in the Royal Mail group, the second typifies the ever-increasing material and moral influence of the capital city in Argentine affairs, while the third is a British company which, as a leading exporter of agricultural machinery to the River Plate, should benefit from the future expansion of Argentina's main industries.

The time-table of Argentina's eventual recovery can be postulated only when clearer evidence is available that the decline in world commodity prices has been arrested, and when the world's industrial activity is demonstrably on the upward curve of a new cycle. In the meantime, the crop outlook for the coming season is not unsatisfactory. Wheat, linseed and oats are in good condition after moderate rains, supplies of pasture for cattle and sheep are plentiful, and freight rates have shown a firmer tendency.

Patience must necessarily fill a leading rôle, at the moment, in the mental make-up of the investor in Argentine securities. He may, however, derive substantial consolation from the reflection that, so far as current evidence goes, the date of eventual recovery should not, at least, be retarded as a result of the *coup d'état* of September, 1930.

THE WEEK IN THE MARKETS.

THE LONDON STOCK EXCHANGE.

SETTLING DAYS.

TICKET.	ACCOUNT.
September 23.	September 25.

THIS week revealed the previous fortnight's apparent revival as an unsubstantial pageant. Business resumed its mid-August dimensions, and although prices suffered no appreciable reaction, the public steadfastly refused to come in. The bears were by no means eliminated by the so-called "squeeze" of the previous fortnight. Even the most optimistic observers see as yet no break in the trade depression, the week's batch of new data—including such economic "pointers" as commodity prices, unemployment, and overseas trade—being all bearish for choice. The narrowness of many share markets, other than gilt-edged, renders generalisations based on price movements peculiarly dangerous at the moment.

The gilt-edged market was somewhat unsteady at the outset, but resumed its slow upward trend, some large institutions being buyers of short-dated stocks in mid-week, in the expectation of the continuance of cheap money until the end of the year. Five per cent. War Loan and Funding Loan were firm.

India loans enjoyed a moderate recovery after being marked down, less on the failure of the Gandhi negotiations, than on the impossible nature of the terms put forward. Australians were unsettled on scattered selling.

Argentine bonds defied precedent by strengthening on the news of the "revolution." This matter is discussed at length on other pages. Brazilians obtained moderate support on the further improvement in the milreis, while San Paulo bonds advanced further on the latest coffee figures. Among Europeans, the new German Five and a-Half per Cents. provided a minor "sensation," declining sharply on the unloading of a large line of stock on an unwilling market. Chinese loans attracted moderate attention, and Japanese remained very firm.

Home rails again sagged, holders showing signs of anxiety at the dimensions of recent traffic losses, though little stock actually came out. The position is discussed in an Investment Note on page 489. Undergrounds, however, further improved. Among foreign rails, Leopoldinas were weak on rumours of the possible passing of next week's interim dividend. Argentines improved on the resignation of President Irigoyen, the strength of the peso, and improving trade indications. Canadian Pacifics were in steady demand.

Industrial shares generally held their ground, but the tone was much more irregular than last week, the upward movement of prices being definitely arrested. New York exerted, on the whole, a sustaining influence, and a certain amount of bear covering prevented reactionary tendencies from developing in a predominantly professional and narrow market. Imperial Chemical continued to improve, and a modest amount of buying gave a firm appearance to Cables and Wireless. Motor shares were in fair demand after a weak opening. A partial revival occurred in tobacco shares, and breweries strengthened after a shaky start, though Distillers continued to shed their recent gains. Columbia and H.M.V. were steady on a small business, but Vocalions were sold owing to the equivocal position of British Automatic Gramophones, in which the company is interested. Courtaulds strengthened, but elsewhere movements in the textile group were small and irregular. Store company shares continued to ease. Dunlops receded on the Straits Governor's announcement, but were firmer on the chairman's subsequent explanation of the company's attitude to the restriction question. Much interest was centred in the position of the Match group, despite the denial of the rumoured deal with the Diamond Match Company of America. Bank shares showed no decided trend, but a fair business was done, on selective lines, in insurance shares.

Rubber share dealers, having a week-end in which to meditate upon the "no restriction" announcement, promptly marked down prices on Monday in self-defence. Actually, only a moderate amount of stock came on the market, and quotations subsequently recovered slightly with the price of the commodity, though business was of consistently small dimensions. Dealings in tea shares were negligible, with quotations still trending downwards. The oil share market showed more than normal sensitivity to changing currents of opinion, the tone fluctuating from day to day (and even, on occasion, from morning to afternoon), on a narrow trading margin.

The tone of the mining share market was very quiet throughout the week. Kaffirs showed considerable weakness at the outset, but a modest inquiry arose later from the Cape, and Randfontein and Sub Nigel both recorded gains. "Johnnies" were sold on the report, and the virtual reduction in dividend. Among Northern Rhodesian issues Selukwe was early in demand, but the rise was not held. Professional business was practically non-existent, and both Congo Borders and Bwanas were marked down, the latter reviving somewhat on late support. The price of tin rose slightly, without affecting the share market, where changes were mainly against holders. Tintos advanced on Paris demand, but closed a trifle easier on balance.

"FINANCIAL NEWS" DAILY BARGAIN INDEX.

(Approximate number of Bargains recorded in Stock Exchange Lists.)

	Sept. 4.	Sept. 5.	Sept. 8.	Sept. 9.	Sept. 10.	Sept. 11.
Government and Municipal Loans.....	1,270	1,296	1,411	1,054	1,133	994
Transport, Communications, and Public Utilities.....	839	851	983	728	706	701
Commercial and Industrial Banks, Insurance and Financial.....	2,081	1,851	2,088	1,541	1,521	1,473
Mines (including Nitrate) ...	542	469	617	398	410	345
Oil.....	515	439	396	357	346	269
Rubber, Tea and Coffee.....	146	176	148	129	99	104
Total.....	5,529	5,190	5,894	4,341	4,319	4,031

* Including iron and steel and breweries.

"FINANCIAL NEWS" DAILY AVERAGE OF 30 INDUSTRIAL ORDINARY STOCKS.

(1928 = 100.)

Highest of 1930. (Apr. 17.)	Lowest of 1930. (Aug. 26.)	Sept. 4.	Sept. 5.	Sept. 8.	Sept. 9.	Sept. 10.	Sept. 11.
90.6	72.6	80.7	81.0	80.6	79.7	80.2	80.3

FOREIGN STOCK EXCHANGES.

NEW YORK.

A fair amount of bull and bear activity has left prices some points to the good. The trade situation is as much an enigma as ever, but while no one is confident as to the date of permanent recovery (though many continue to make predictions), there are signs of increasing activity among speculative groups in the market. The most important bear feature of the week, a decrease of 442,000 tons in the Steel Corporation's unfilled orders, was accurately forecast and fully discounted in advance. On the other hand, the national steel ingot production increased for the fourth week in succession and car loadings showed a further gain. Altogether, though it is early to speak yet, the seasonal improvement in business activity seems to have opened under moderately favourable auspices. Bank stocks have shown some strength, and elsewhere gains have been recorded by Radio Corporation, Westinghouse Electric, and Montgomery Ward. Railroad stocks have also come in for attention. Call money is steady at $2\frac{1}{2}$ per cent. The bond market has been slightly less firm, with numerous fractional declines in mid-week.

	Aug. 28.	Sept. 4.	Sept. 11.		Aug. 28.	Sept. 4.	Sept. 11.
U.S. 3½% T. Bds. 1930.	105½	105½	105½	Phelps Dodge	30½	30	30½
Do. 4½% T. Bds. 1930.	112½	112½	112½	Pullman.....	69	68½	68½
Do. 4½% T. Bds. 1930.	101	101	101½	Sears-Roebuck	71½	71	74½
Do. 4½% T. Bds. 1930.	102	102½	102½	Studebaker.....	30½	30	31
Do. 4½% T. Bds. 1930.	102½	103	103½	Un. Fruit.....	87½	87½	86½
Atchafalpa	218	217½	221	U.S. Leather	8	8	9½
Ches. & Ohio	47½	48½	50½	U.S. Rubber.....	20½	19	19½
Erie	39½	40½	40½	U.S. Steel	170½	67½	170½
Illinois Central	112	113	114	Westinghouse	149½	47½	155
N.Y. Central	161½	162	163½	Woolworth	62½	61½	67½
Pennsylvania	72½	73½	74½	Worthington Pump	129	129½	130
Southern Pac.	115	115	118½	Am. Pow. & Light	85	81½	86½
Southern Rly.	82	84	87	Am. Tel. & Tg.	213½	212	217½
Union Pacific	215½	216	220	Electric P. & L.	72½	69½	75½
Am. Can.	130½	127½	133½	Int. Tel. Tele.	40	41½	42½
Alleghany Corp.	20½	21½	22½	Nat. Pow. & Lt.	47½	45½	49
Amer. Smelting	68	66½	69½	Radio Corp.	40½	39½	42½
Anacosta	44½	45½	48	Utilities P. & L.	35	35½	35½
Bethlehem Steel	82½	86½	88½	W. Union Tg.	168	171	171½
Chrysler Motor	27½	27½	28½	Associated Gas "A"	30½	30½	30½
Corn Producers	93½	91½	93	Mid-Cont. Pet.	22½	23	23½
Eastman Kodak	218	213½	216½	Pan Amer. B.	54	52	54
Gen. Electric (New)	72½	70½	73	Sinclair Oil	20½	21	22
Gen. Motors	44½	44½	45½	Std. California	60½	60½	60½
Int. Harvester	80	77	79½	Do. N.J.	68½	68½	70½
Montg. Ward	35½	34½	38½				
Natl. Biscuit	83	82½	85½				

By courtesy of the Standard Statistics Company, Inc., of New York and 13, Copthall Avenue, London, we print the following index figures of American values calculated on closing prices (1926 = 100) :—

	1928.		1929.		1930.		
	Lowest.	Highest.	Lowest.	Highest.	Beginning of Year.	Sept. 3.	Sept. 10.
335 Industrials ...	132.5	186.4	134.5	218.9	146.0	140.4	144.0
33 Rails	120.5	139.7	127.8	173.5	134.3	122.8	124.9
34 Utilities	128.3	180.6	177.6	330.4	202.2	216.0	223.8
Total, 402 Stocks ..	130.3	178.9	140.3	228.1	153.0	149.5	153.6
Average yield of 50 Industrial Common Stocks..	3.32%	4.42%	3.10%	5.23%	4.83%	4.59%	4.45%

DAILY AVERAGE OF 50 INDUSTRIAL COMMON STOCKS (1926 = 100).

Highest of 1930. (Apr. 10.)	Lowest of 1930. (June 24.)	Sept. 3.	Sept. 4.	Sept. 5.	Sept. 6.	Sept. 8.	Sept. 9.	Sept. 10.
202.4	149.6	165.6	164.2	167.2	169.6	169.4	170.0	170.8

TOTAL DEALINGS IN NEW YORK.

	Sept. 4.	Sept. 5.	Sept. 6.	Sept. 8.	Sept. 9.	Sept. 10.	Sept. 11.
Stock Exchange—Shares (Thous.)	1,516	1,645	1,407	2,237	1,937	2,474	1,732
Bonds (Value—Thous. \$).....	8,386	9,566	4,484	8,195	9,760	9,458	7,992
Over-Share (Thous.)	388	364	276	466	446	565	395

* 2-hour session.

INVESTMENT NOTES.

Home Rail Prospects.—Stockholders who have recently been furnished with abundant evidence of the sensitivity of railway earnings to national trade depression, are showing pardonable curiosity as to their probable position at the end of the year. In the following table the gross traffic figures of the four railways for the first thirty-five weeks of the current year are compared with those of 1929 :—

	(000's omitted.)			
	L.M.S.R.	L.N.E.R.	G.W.R.	S.R.
35 weeks	£ 48,909	£ 36,903	£ 20,966	£ 15,546
1929	45,958	35,007	20,029	15,215
Decrease £.....	2,951	1,896	937	331
Decrease per cent.	6	5½	4½	2½

In the main, the largest lines have been the greatest sufferers, both absolutely and proportionately. The North-Eastern and Midland and Scottish have borne the brunt of the depression in coal, iron and steel, and shipbuilding in the North, the latter company having also suffered from the disastrous conditions in the Lancashire cotton industry. The Southern has reaped some benefits from its electrification and suburban development policy. Recently, the receipts of the Midland and Scottish and North-Eastern have declined roughly by £150,000 a week, while the Great Western shows an average drop of about £45,000 and the Southern of about £20,000. A simple arithmetical calculation, therefore, suggests that unless there is a fair seasonal revival in trade before the winter the total decline in the gross receipts of the railways for 1930 will be something approaching £12 millions, of which the Midland and Scottish will account for between five and six millions, and the North Eastern for between four and five millions. To argue from gross to net receipts is a more than usually hazardous proceeding. All the companies appear to be making important cuts both in staff and service, but the axe cannot

(Continued on page 492.)

Stock Exchange Statistician, wide practical experience, desires position of responsibility with Investment Trust or Financial House of standing.

Box 81, The Economist Office, 6, Boulevard St., London, E.C.4.

LONDON ACTIVE SECURITY PRICES AND YIELDS.

NOTE.—Shares with a New York quotation, or with definite American interest, are distinguished by italics.

In calculating the yields on the stocks and shares quoted below allowance is made for interest accrued since the last payment. Where stocks are definitely redeemable at a certain date the yield includes any profit or loss on redemption, where stocks are redeemable at or before a certain date the final date of repayment is taken when the stock stands at a discount and the earliest date when the quotation is above par. The return on ordinary stocks and shares is calculated on the dividends paid by the company during the last year.

Year 1929.		1930 (to date).		Name of Security.	Sept. 3, 1930.	Sept. 10, 1930.	Rise or Fall.	Present Yield.	Year 1929.		1930 (to date).		Name of Security.	Sept. 3, 1930.	Sept. 10, 1930.	Rise or Fall.	Present Yield.
High.	Low.	High.	Low.						High.	Low.	High.	Low.					
British Funds.																	
56 1/2	52	57 1/2	52 1/2	Consols 2 1/2 %	55 1/2	55 1/2	—	4 10 11	56 1/2	52	57 1/2	52 1/2	G.W. of Brazil £10...	2	2 1/2	+ 1/2	13 6 9
88 1/2	81 1/2	90 1/2	82 1/2	Consols 4 %	89 1/2	88 1/2	—	4 11 8	88 1/2	81 1/2	90 1/2	82 1/2	Int. Ry. Cent. Am. no pa...	18 1/2	18 1/2	...	...
80 1/2	72 1/2	83 1/2	74 1/2	Cons. 4 1/2 %	78 1/2	78 1/2	—	4 9 9	80 1/2	72 1/2	83 1/2	74 1/2	Leopoldina Ord. Stk.	35	34	—	14 14 3
100	93	100 1/2	93 1/2	Do. 5 % 1944-64...	100 1/2	100	—	4 13 0	100	93	100 1/2	93 1/2	Nitrate Ry. (£10.)	60	60	—	19 17 6
91 1/2	82 1/2	93 1/2	85 1/2	Funding 4 % 1960-90	92 1/2	92 1/2	—	4 8 0	91 1/2	82 1/2	93 1/2	85 1/2	Paraguay Cen. D. Db.	33	33	—	25 3 0
100 1/2	97 1/2	101 1/2	98 1/2	Treasury 4 % 1932-34	101 1/2	101 1/2	—	4 2 0	100 1/2	97 1/2	101 1/2	98 1/2	Salvador Ord. (£10)	70	70	—	NH
101 1/2	97 1/2	103 1/2	100 1/2	Treasury 5 % (B) ...	103 1/2	103 1/2	—	4 2 0	101 1/2	97 1/2	103 1/2	100 1/2	San Paulo Ord. Stk.	168 1/2	171	+ 1/2	7 5 3 1/2
95	90	96 1/2	91 1/2	Victory Bonds 4 %	95 1/2	95	—	4 5 0	95	90	96 1/2	91 1/2	Taital Ry. Ord. £5	75	75	—	NH
103 1/2	99 1/2	104 1/2	100 1/2	War Loan 5 % 1929-47	103 1/2	103 1/2	—	4 16 8	103 1/2	99 1/2	104 1/2	100 1/2	Utd. Havana Ord. Stk	...	...	...	...
101 1/2	97 1/2	103 1/2	100 1/2	War Loan 4 % 1929-42	103 1/2	103 1/2	—	4 13 0	101 1/2	97 1/2	103 1/2	100 1/2	...	...	...	...	
65 1/2	60	66 1/2	61 1/2	Local Loans %	65 1/2	65 1/2	—	5 11 1	65 1/2	60	66 1/2	61 1/2	...	...	...	...	
61 1/2	54	59	54 1/2	India 2 1/2 %	57 1/2	55 1/2	-2	5 9 1	61 1/2	54	59	54 1/2	...	...	...	...	
71 1/2	60 1/2	68 1/2	55 1/2	Do. 3 1/2 %	66 1/2	64 1/2	-2	5 9 5	71 1/2	60 1/2	68 1/2	55 1/2	...	...	...	...	
92 1/2	80	90	78	Do. 4 1/2 % 1958-68...	86	86	—	5 7 6	92 1/2	80	90	78	...	...	...	...	
105 1/2	94 1/2	105 1/2	100 1/2	Palestine 5 % 42-67	104	104	—	4 12 0	105 1/2	94 1/2	105 1/2	100 1/2	...	...	...	...	
109	103 1/2	108 1/2	104 1/2	Sudan 5 1/2 % Bonds...	108	108	—	5 2 10	109	103 1/2	108 1/2	104 1/2	...	...	...	...	
94 1/2	88	93	87 1/2	Ulster 4 1/2 % 45-75...	93	93	—	4 19 0	94 1/2	88	93	87 1/2	...	...	...	...	
Dominion and Colonial Governments																	
90 1/2	86 1/2	93 1/2	82 1/2	Australia 5 % 1945-75	91 1/2	89	-2 1/2	5 15 2	90 1/2	86 1/2	93 1/2	82 1/2	Bank of Eng. Stk. ...	258 1/2	259 1/2	+1	4 12 6
91 1/2	86 1/2	93 1/2	82 1/2	Canada 4 % 1930-60	92 1/2	90 1/2	—	4 9 10 0	91 1/2	86 1/2	93 1/2	82 1/2	Barclay B. (£1) ...	57 1/2	57 1/2	—	5 12 6
107 1/2	102 1/2	106 1/2	102 1/2	Ceylon 6 % 1936-51...	105	105	—	5 9 10 0	107 1/2	102 1/2	106 1/2	102 1/2	Barcl. (Dom. &c) £A£1	26 1/2	27 1/2	+6d	3 7 6
97 1/2	91 1/2	95 1/2	92 1/2	Gulf Coast 4 1/2 % 1956	93	93	—	4 18 3	97 1/2	91 1/2	95 1/2	92 1/2	Bk. of Montreal (£100)	162 1/2	164 1/2	+2 1/2	4 8 0
104 1/2	99 1/2	104 1/2	103 1/2	Kenya 5 % 1948-58...	103	103	—	4 15 2	104 1/2	99 1/2	104 1/2	103 1/2	Bk. of N.S.W. (£200...	68 1/2	68 1/2	—	5 17 0
99 1/2	88 1/2	92 1/2	82 1/2	N. S. Wales 5 % 35-55	89 1/2	86 1/2	-3 1/2	6 2 1	99 1/2	88 1/2	92 1/2	82 1/2	Chartered Bank of India (£5).	19 1/2	18 1/2	-6d	8 0 0
104 1/2	98 1/2	102 1/2	99 1/2	N. Zealand 5 % 1946-54	103	102	-1	4 18 1	104 1/2	98 1/2	102 1/2	99 1/2	Comcl. Bk. of Aus. 10/	19 1/2	18 1/2	-6d	8 0 0
100	89	92 1/2	82	Queensland 5 % 40-60	88 1/2	87 1/2	-1	5 18 0	100	89	92 1/2	82	District A £5, £1 pd.	60 1/2	66 1/2	+6/3	5 10 6
104 1/2	99 1/2	102 1/2	99 1/2	S. Africa 5 % 1945-75	102	102	—	4 18 0	104 1/2	99 1/2	102 1/2	99 1/2	Do. B £1 fully paid.	37 1/2	40 1/2	+2/6	5 0 0
97 1/2	93 1/2	97 1/2	93 1/2	Strus. Set. 4 1/2 % 35-45	98	98	—	4 15 9	97 1/2	93 1/2	97 1/2	93 1/2	Hambros Bank £10	8 1/2	8 1/2	—	6 10 5
Foreign Governments																	
82 1/2	83	89 1/2	82 1/2	Argentina 4 % Recias.	86	86	—	5 6 9	82 1/2	83	89 1/2	82 1/2	Alliance £1, fully pd.	19 1/2	19 1/2	+ 1/2	4 13 0
103 1/2	100	105	100 1/2	Austrian 6 % 1923-43	104	104	—	5 11 3	103 1/2	100	105	100 1/2	Atlas £5, £1 pd.	23 1/2	23 1/2	+ 1/2	4 3 0 1/2
62 1/2	54 1/2	61 1/2	52 1/2	B. Aires (Prov.) 3 1/2 %	58	58	—	6 1 9	62 1/2	54 1/2	61 1/2	52 1/2	Com. £1, fully pd.	23 1/2	23 1/2	+ 1/2	4 6 0
109 1/2	105	112 1/2	108 1/2	Belgian 7 %	112	112	—	8 8 6	109 1/2	105	112 1/2	108 1/2	General Account £5, £1 pd.	14 1/2	14 1/2	—	4 11 0
91 1/2	84 1/2	92 1/2	84	Bulgaria 7 % 1914	84 1/2	84 1/2	—	6 15 0	91 1/2	84 1/2	92 1/2	84	£5, with £1 pd.	32 1/2	33 1/2	+ 1/2	3 14 0
90 1/2	71 1/2	87	70 1/2	Brazil 5 % Fund. Loan	74	75	+1	6 15 0	90 1/2	71 1/2	87	70 1/2	Northern £10, £1 pd.	16	16 1/2	+ 1/2	5 8 0
102 1/2	98 1/2	104 1/2	98 1/2	Do. 6 1/2 % (1927) ...	81	81	—	6 5 9	102 1/2	98 1/2	104 1/2	98 1/2	Phos. £1, fully pd.	13	13 1/2	+ 1/2	3 17 0 1/2
95 1/2	85 1/2	99 1/2	85 1/2	Chil. 6 % (1929) ...	97 1/2	96 1/2	-1	6 5 9	95 1/2	85 1/2	99 1/2	85 1/2	Prudential £1 A...	23 1/2	24 1/2	+ 1/2	5 4 0
114 1/2	105 1/2	114 1/2	109 1/2	China 5 % (1912) ...	35 1/2	35 1/2	+3	12 19 9	114 1/2	105 1/2	114 1/2	109 1/2	Do. £1, with 46 pd.	37 1/2	37 1/2	—	3 12 0
77 1/2	75 1/2	81 1/2	78 1/2	Czechoslovakia 8 %	114	114	—	6 18 6	77 1/2	75 1/2	81 1/2	78 1/2	Royal Exchange (£1)	5 1/2	6 1/2	+ 1/2	4 9 0
95 1/2	88 1/2	96 1/2	88 1/2	Danish 3 %	90 1/2	90 1/2	—	7 12 0	95 1/2	88 1/2	96 1/2	88 1/2	Royal £1, 10s. pd.	7 1/2	7 1/2	—	3 18 0
86 1/2	76 1/2	80 1/2	73 1/2	Egypt Unified 4 %	74 1/2	74 1/2	—	5 7 6	86 1/2	76 1/2	80 1/2	73 1/2	Yorkshire £1, fully pd.	12 1/2	13 1/2	+ 1/2	3 12 0 1/2
95 1/2	85 1/2	92 1/2	83 1/2	Estonia 7 % 1927...	84 1/2	84 1/2	—	6 6 0	95 1/2	85 1/2	92 1/2	83 1/2	...	...	...	...	
100 1/2	90 1/2	100 1/2	93 1/2	Finland 6 % 1923...	20 1/2	21 1/2	+ 1 1/2	4 18 5	100 1/2	90 1/2	100 1/2	93 1/2	...	...	...	...	
19 1/2	16 1/2	21 1/2	18 1/2	French 4 % (British)	20 1/2	21 1/2	+ 1 1/2	5 0 7	19 1/2	16 1/2	21 1/2	18 1/2	...	...	...	...	
107 1/2	100 1/2	109 1/2	103 1/2	German 7 %	106	106	—	6 10 9	107 1/2	100 1/2	109 1/2	103 1/2	...	...	...	...	
93 1/2	84 1/2	93 1/2	86 1/2	Greek 6 % Stab. Ln.	90	90	—	6 17 8	93 1/2	84 1/2	93 1/2	86 1/2	...	...	...	...	
103 1/2	95 1/2	104 1/2	100 1/2	Do. 7 % Refugee	103	103	—	6 9 0	103 1/2	95 1/2	104 1/2	100 1/2	...	...	...	...	
103 1/2	95 1/2	104 1/2	98 1/2	Hungary 7 %	101	101	—	7 11 8	103 1/2	95 1/2	104 1/2	98 1/2	...	...	...	...	
...	...	...	...	Japanese 5 1/2 % 1935-65	93 1/2	94 1/2	+ 1 1/2	5 18 9	...	...	...	...	...	...	...	...	
100 1/2	95 1/2	102 1/2	98 1/2	Do. 6 % (1924) ...	101	101 1/2	+ 1 1/2	5 17 6	100 1/2	95 1/2	102 1/2	98 1/2	...	...	...	...	
36 1/2	22 1/2	26 1/2	16 1/2	Mexican 5 % 1890...	25	26	—	5 16 6	36 1/2	22 1/2	26 1/2	16 1/2	...	...	...	...	
107 1/2	100 1/2	106 1/2	95 1/2	Norwegian 6 % 1921	103	103	—	7 15 0	107 1/2	100 1/2	106 1/2	95 1/2	...	...	...	...	
93 1/2	83 1/2	92 1/2	83 1/2	Peru 7 1/2 % 1922...	98 1/2	98 1/2	—	8 1 0	93 1/2	83 1/2	92 1/2	83 1/2	...	...	...	...	
106 1/2	99 1/2	107 1/2	101 1/2	Poland 7 %	91	91	—	5 0 0	106 1/2	99 1/2	107 1/2	101 1/2	...	...	...	...	
80 1/2	72 1/2	86 1/2	77 1/2	Siamese 6 % 1934-64	106	106	—	4 4 9	80 1/2	72 1/2	86 1/2	77 1/2	...	...	...	...	
104 1/2	78 1/2	96 1/2	76 1/2	Swedish 3 1/2 % 1908...	82 1/2	82 1/2	—	9 4 0	104 1/2	78 1/2	96 1/2	76 1/2	...	...	...	...	
23 1/2	17 1/2	19 1/2	8 1/2	S. Paulo Coffee 7 1/2 %	81	23 1/2	+2	5 13 11	23 1/2	17 1/2	19 1/2	8 1/2	...	...	...	...	
93 1/2	81 1/2	89 1/2	81	Turkish 4 % United	10	10	—	...	93 1/2	81 1/2	89 1/2	81	...	...	...	...	
...	...	...	...	U.S. Gov. 4 1/2 % 1919...	88	88	—	...	...	...	...	...	...	...	...	...	
...	...	...	...	Corporation Bonds	...	...	...	...	...	...	...	...	...	...	...	...	
66 1/2	60 1/2	66 1/2	60 1/2	Berlin 6 % Ster.	92	92	—	6 12 10	66 1/2	60 1/2	66 1/2	60 1/2	...	...	...	...	
105 1																	

NEW ISSUE PRICES.

Stock or Share.	Issue price.	Amt. paid.	Price, Sept. 4, 1930.	Price, Sept. 11, 1930.
Austrian Govt. International Loan, 1930 7%	95	50	1-1 pm	1-1 pm
Courage and Co., 5% debts.....	98	fy. pd.	2-3 1/2 pm	103 1/2-104 1/2
Edmundson's Electricity 5% debts.	93 1/2	58 1/2	2-3 1/2 pm	2 1/2-2 1/2 pm
Ferranti 7% cum. pref.	20/-	12/6	12/3-12/9	12/3-12/9
German 5 1/2% stock.....	90	fy. pd.	86 1/2-86 1/2	85-85 1/2
Japan 5 1/2% stock.....	90	fy. pd.	93 1/2-93 1/2	93 1/2-93 1/2
Kelly's Director's 6 1/2% debts.....	98 1/2	33 1/2	1 1/2-2 1/2 pm	1 1/2-2 1/2 pm
London Electric Railway 5% debts.....	97 1/2	50	4 1/2-4 1/2 pm	4 1/2-4 1/2 pm
Marks and Spencer, 7% cum. pref.	21/-	fy. pd.	21/6-22/9	21/6-22/9
Do., 6% debts.....	102	fy. pd.	103-105	104 1/2-105 1/2
Newcastle-upon-Tyne Electric 5% debts	96	fy. pd.	4-5 pm	4-5 pm
Parkinson & Cowan, ord.	25/-	10/-	9/-9/6	9/-9/6
Do., 7% cum. pref.	21/-	6/-	6/6-7/6	6/6-7/6
Philips Glow Lamps, 10 fl. units	96	75	2 1/2-2 1/2	2 1/2-2 1/2
San Paulo C. 7%	95	...	3 1/2-3 dis	4-3 dis
Skoda Works 6% debts.....	98	41	3 1/2-4 pm	3 1/2-4 pm
South Africa 5%	97 1/2	52 1/2	3-3 1/2 pm	3-3 1/2 pm
South Metropolitan Gas 5% debts.....	95	fy. pd.	2-2 1/2 pm	2 1/2-2 1/2 pm
Tamplyn & Sons, Brewery	23	45/-	33 1/2-34 1/2	33 1/2-34 1/2
Unilever new ord.	20/-	20/-	18/6-19/6	18/9-19/9
U. Molasses 5% pref.	20/-	20/-	18/6-19/6	18/9-19/9

(Continued from page 489.)

be wielded indefinitely. On the other hand, all the companies expect to obtain a certain increase in revenue from their interests in road transport. Rationalisation may continue to exert a salutary, though declining, influence on expenditure. But the 2 1/2 per cent. cut in wages and salaries lapsed in May of this year, and in the six months' "truce" which has followed, the companies are facing an increase in the wages bill amounting, in the case of the Midland and Scottish, to something like £600,000, and in that of the North Eastern to roughly half a million pounds. Altogether, it is difficult to see how total net economies can offset more than, say, half the traffic declines. The L.M.S. and L.N.E.R. may thus be left with a decline in net revenue of something between £2 and £3 millions, and the prime concern of the directors will probably be to maintain the trustee status of their stocks. The railways will doubtless press for wage reductions when the "truce" ends on November 12th. Whereas, however, the rank and file of the three unions were to a large extent prepared for the sacrifice of August, 1928, they are now pressing their leaders to draw up a new programme of demands whose *raison d'être* cannot be regarded as being wholly tactical. Stockholders may be well-advised closely to follow the November wage negotiations. Apart from this question, their long-term prospects must depend on the possibility that the efficiency of the railways, admittedly higher to-day than at any previous epoch, will enable them to obtain a full share of the fruits of eventual trade revival.

The Argentine Situation.—The complete success of the recent movement in Argentina, and the general tranquillity of the Republic (cables our Buenos Aires correspondent), have reacted favourably on commercial and financial prospects. Local bond prices have all improved. The national finances are regarded as sound, and the errors of the late Government should readily be corrected. The Provisional Government has placed competent men in charge of all the finance departments. The state of the Banco de la Nacion is sound, but some changes may be

OFFER TO NEW READERS.

Any reader who makes his first acquaintance with this journal with this week's issue is invited to fill up the attached:

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found necessary in its statutes. The new Cabinet, which is composed of men of responsibility, probity and competence, is pledged to a policy of economy and orderly administration on conservative lines. Meanwhile excellent crop prospects over the whole agricultural area and rising foreign exchange quotations afford some foundation for hopes of business improvement, with bigger railway traffics and increasing imports. Altogether, the change of Government may well open a new era for local industrial enterprise. It is rumoured that the new administration may reopen the Conversion Office in the near future. It has no intention of checking foreign capital investment by discriminative taxation. Meanwhile, the underlying tone of business and finance is firm, and the banking position normal. Public nervousness is absent, the fullest protection and encouragement having been afforded for all services. Our readers may find these views of a well-informed observer, in the Argentine capital, eminently reassuring. Our conclusions on the broader question of Argentina's prospects, from the viewpoint of the investor, are given in a leading article on page 487.

No Rubber Restriction.—An announcement was made last week-end by the Straits Settlements Government that, in view of the refusal of the Dutch authorities to intervene in the rubber question, economic laws must be left to take their course. This finally bolts and bars the door against any fresh scheme of restriction in the rubber industry. Whether the British Government would have been willing to re-impose compulsory restriction had support been forthcoming from the Dutch authorities will never be known. The fact, however, that the Straits Governor, Sir Cecil Clementi, was willing to make the journey to Java to see the Governor-General of the Dutch East Indies, suggests that the British authorities were not unfavourably disposed. Broadly, the Dutch refusal was based, firstly, on the declared aim of the Colonial Government to apply as little compulsion as possible to the native population, which had not asked for restriction; secondly, on the practical impossibility of enforcing any concrete plan; and thirdly, on the likelihood that international resentment might have vented itself by the raising of import duties against the restricting countries. These contentions appear entirely sound. The industry, indeed, has accepted the decision as final, not merely for the present but for all time. Rubber restriction, in fact, is dead. Producers must tighten their belts and rely on the virility of the industry to see them through a severe crisis. A review of the position will be found in a leading article on page 474 of this issue. The strength of the industry lies in its general freedom from debt, funded or otherwise, its weakness in its scattered organisation. There are too many companies, too many directors (their number is put at over 900), and too few connections—financial or personal—with the consuming side. Above all, the problem of a 50 per cent. "native" output must be faced. The effect of the Malayan and Dutch Governments' decision must inevitably be to force out some of the weaker companies. The future may see production increasingly concentrated, on the European side, in large estates, whose aim will be to make profits by mass production at a moderate selling price. Such companies may act, possibly, as intermediate buyers of a good deal of native rubber, and may, in some cases, be interlocked with large consuming companies in America, Great Britain and Europe. Under such a regime, the industry may look for some respite from the distressing price fluctuations which have been its bane ever since its establishment in an Eastern habitat. Never again should it be possible for prices to go above 4s. 6d. and below 4d. within a single quinquennium.

Kreuger and Toll and Ericsson's.—The affairs of Kreuger and Toll have once more been brought before the public, as a result of its recent acquisition of the control of the L. M. Ericsson Telephone Company, Ltd. We understand that Kreuger and Toll now hold

approximately 66 per cent. of the "A" shares in this company. The purchase, incidentally, was denied on several occasions, and only when it was rumoured that America was buying these shares was a definite statement made. Following this deal, it was stated in the Press on Tuesday that Messrs Kreuger and Toll intended to purchase the control of the Diamond Match Corporation, the largest match manufacturers in the United States of America. This has been officially denied. Formed in 1911, with a capital of Kr. 1,000,000, as a real property business, Kreuger and Toll undertook the contracting and manufacture of building materials for its acquired properties. In 1917 the contracting business was handed over to a subsidiary, and the company is now purely a finance house, its main interests being in the match and building industries. Its investments, which represent 90 per cent. of its assets, include such items as 272,000 shares in the Swedish-American Investment Corporation, with a book value of Kr. 101,620,000, and Kr. 32,000,000 in the Swedish Match Company, and Kr. 15,500,000 in the Grängesberg Company, Ltd., besides interests in certain Swedish banks. Kreuger and Toll and the Swedish-American Investment Corporation, together are the largest stockholders in the Swedish Match Company. In exchange for match monopolies, these two companies arrange loans to various countries. In future the L. M. Ericsson Telephone Company will be able to acquire monopolies by the same means, its greatest trade competitor being the International Telephone and Telegraph Corporation of America. The capital of Kreuger and Toll is Kr. 65,000,000, in Kr. 10,000,000 of Kr. 100 "A" shares, carrying one vote per share, and Kr. 55,000,000 of Kr. 100 "B" shares, which receive one vote per 1,000 shares. The reserve fund in 1928 was £133,700,000. The capital of L. M. Ericsson Telephones is Kr. 60,498,800, in 806,651 Kr. 50 "A" shares and 403,325 Kr. 50 "B" shares, both having the same voting power as the shares of Kreuger and Toll. It is, therefore, to be assumed that Kreuger holding is in the vicinity of 500,000 Kr. 50 "A" shares of the L. M. Ericsson Telephone Company.

Columbia Graphophone.—The speech of Lord Marks at the general meeting of Columbia Graphophone on September 4th confirmed the good impression made by the directors' report and accounts. Lord Marks made it clear that the Columbia Company understates its financial strength in its published accounts. The whole of its patents, processes, and goodwill stand in the balance sheet at £1, while plant, freehold land and buildings and investments in subsidiaries are valued at very conservative figures. All obsolete stock has been written off, the stock carried consisting only of current merchandise. The fall in the value of raw materials used has been written off out of profits. The profits of the subsidiaries are included in the trading accounts to the extent only of dividends declared. The loss made by the American company and an exchange loss suffered by another subsidiary have been met out of the reserves of those companies and are allowed for in the value of "investments." Lord Marks emphasised the benefit of having investments well spread. A loss in one part is compensated for by an increased profit in another part of the world. While the present trade depression must affect the purchasing power of the company's customers—and he did not see any sign yet of a trade revival—Lord Marks believed that the developments which the company had in hand would enable it to tide over this difficult trading period. In France a new factory was in course of completion to meet the increasing business in that country; another factory was being built in Greece, and in Japan the reorganisation of the existing factory had been responsible for increased earnings. A new portable gramophone at 57s. 6d. was being marketed to meet the decreased spending power of the masses and the company was developing its sales of radio sets. Lord Marks, unfortunately, made no reference to the company's plans in the sound-film industry, which is so closely allied with the gramophone

trade. As regards the possibility of amalgamations Lord Marks added that they were continually in contact with their competitors and that if any negotiations materialised the shareholders would be informed, but he suggested that the various rumours recently in circulation should be ignored.

Calico Printers.—The complete report of the Calico Printers' Association adds materially to the information given by the preliminary figures which were reviewed in the *Economist* of August 30th last (page 415). The company's experience in the last three years is summarised in the following table:—

	Years ending June 30,		
	1928.	1929.	1930.
	£	£	£
Gross working profit	1,052,150	777,582	698,793
Deprec., repairs, &c.	502,833	509,409	501,607
Debt interest	128,000	128,000	128,000
Net profit	421,316	140,173	69,186
Brought forward	52,998	172,704	61,536
Preference dividend	150,805	150,805	150,805
Rate %	5	5	5
No. of times covered	2.7	0.9	0.4
Ordinary capital:			
Earned £	270,511	Dr. 10,632	Dr. 81,619
Paid £	150,805	100,537	Nil
Earned %	13.4	Nil	Nil
Paid %	7.5	5	Nil
To reserve.....	...	...	Dr. 50,000
Carried forward	172,704	61,536	29,917

The report shows clearly that the decline in the Association's profits has been mainly due to a reduced volume of business. The Association's problems are the precise converse of those of certain large concerns which, with a more or less assured earnings position, have lately been put into jeopardy by a shortage of working capital. The Calico Printers' balance sheet is distinguished by its liquidity. At June 30th last it had visible reserves of nearly £1,300,000, the fruits of thirty years' financial conservatism. Its quick assets showed a surplus over current liabilities of £3,371,000, including realisable investments, carried at or below market value, of £1,154,000. On the other hand, its earning power since the war has been subject to considerable fluctuation, and has recently declined as a result of acute depression in Lancashire. Over 80 per cent. of the Association's production is for export. A year ago, earnings just failed to cover the preference dividend; last year they covered less than half requirements under this heading. The Association must earn gross working profits of at least £780,000 before anything is available for the ordinary shares. Trade fluctuations, consequently, are magnified many times over by the time they reach the ordinary shareholder. In 1927-28 working profit rose by one-fifth, and the earnings on the ordinary shares were nearly quadrupled. In 1928-29 a drop of

164 Branches in Finland

CAPITAL AND RESERVES:
Fmk. 426,000,000.
TOTAL ASSETS (30/6/30):
Fmk. 3,065,966,000.

KANSALLIS-OSAKE-PANKKI

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one-fourth in working profit entirely wiped out the dividend margin. The Association, with its long experience and strong internal position, is well equipped to withstand a prolonged period of difficulty if need be. At the present time, however, a purchase of either the preference or ordinary at 9s. 9d. or 9s. 3d. respectively must be regarded mainly as a gesture of faith in the Lancashire cotton industry.

Metropole Industries.—It is to be hoped that the meeting of shareholders of Metropole Industries, Ltd., next Monday, will decide once and for all which faction of the board of directors is to be trusted to carry out the company's business—Mr J. L. Blum, whose resignation has been requested by the other directors and refused, or the "management committee," consisting of Sir H. Cassie Holden, Mr F. de F. England and Mr S. R. Mullard. We do not profess to know which faction is entitled to be supported, but we think that the shareholders should take steps to obtain a proper account of the stewardship of the old board of directors, consisting of the Marquess of Winchester, Sir Godfrey Fell, Mr J. L. Blum and Mr H. J. Bruce. These directors were responsible for the flotation of two subsidiary companies—Everlith and Metdure, which have entirely failed to live up to their prospectus promises. The parent company, Metropole Industries, which has a capital of £347,500, presents a deplorable report for the period from May 1, 1929, to May 31, 1930. A trading loss of £32,036 is disclosed, following a trading loss of £42,590 in the previous period, to which have been added certain "reserves" and expenses of a non-recurring nature, bringing the total debit balance on profit and loss account to £193,618. After deducting a credit balance on reserve account at April 30, 1929, of £49,078, there remains a debit balance to carry forward of £144,541. This loss includes £8,485 reserve against a loan without security to Mr Blum, and £12,844 reserve against an investment in Associated Automatic Machine Corporation. The directors refer to the first-rate order of the company's gramophone factory, but add that the past management had showed a "complete lack of businesslike qualities" and hold Mr Blum responsible for certain transactions of an undesirable nature. The company is not past the stage where reorganisation and reconstruction may be effective, and we trust that the shareholders will combine to secure efficient management.

Power Corporation of Canada.—The directors of the Power Corporation of Canada, which has large interests in the B.C. Power Corporation, Dominion Power and Transmission, Canada Northern Power, Winnipeg Electric and other Canadian power companies, are able to show a further increase in gross and net earnings for the year to June 30, 1930, in spite of the trade depression. Earnings applicable to the outstanding common stock, at \$4.21 a share, are somewhat below the comparable earnings for the preceding year, but the number of shares outstanding have, in the meantime, been increased to 445,806 from 395,557. The operating revenues showed a gain of over \$800,000, or about 40 per cent. The profit and loss figures for the past three years compare as follows:—

	1928.	1929.	1930.
Revenue	\$ 849,871	\$ 1,947,590	\$ 2,784,681
Profits on sale of securities	1,278,770	1,364,514	918,231
Gross earnings	2,128,641	3,312,104	3,702,912
Net earnings (after expenses, taxes and interest)	1,624,186	2,445,829	2,478,958
Dividend on preference	487,500	680,000	600,000
Earnings on common	5.67	4.46	4.21
Surplus carried forward	1,681,932	2,502,919	3,491,304

In the balance sheet total assets have risen to \$49,596,291 from \$46,963,044. Investments in affiliated companies and other investments are both slightly higher, the former at \$18,920,222, and the latter at \$30,119,964. According to the president, the market value of the securities held by the corporation at

June 30th was well above their "book" value, about 75.7 per cent. of the securities held being Canadian and 18 per cent. American. The increased earnings shown by the subsidiaries indicate that the big power companies, unlike other industrial concerns, are able to maintain their progress in a period of trade depression.

Mining Trust.—It is possible within a short space, writes our mining correspondent, only to touch upon a few points regarding this enterprise. A new phase has quite recently been entered upon, by virtue of the arrangement with the American Mining and Smelting Company, a concern responsible for one-third of the world's production of lead, copper and silver. In this connection, 1,246,000 shares were issued, raising the capital to £5,746,000. On June 30th—prior to this transaction—the stock in hand stood at £102,970; debtors and creditors were comparatively small. Investments totalled £3,494,100; advances, chiefly to subsidiary companies, £892,600. The net income in the shape of interest on investments totalled £34,600—subject to taxation, and with no allowance made for depreciation. On this point it is observed that the quoted securities, which represent the greater part of the amount, showed a very considerable depreciation; but the market prices were nominal and "did not, in the opinion of the directors and their technical advisers, reflect the true value of such investments." The holdings in question include large blocks of shares and debentures in Mount Isa; shares in the New Guinea Goldfields and the Mining Trust of Northern Rhodesia; shares in and advances to the Villamagne and St. Sebastien d'Aigrefeuille mixed-metal properties in Southern France. In the progress report to August 30th of the Technical Committee a new estimate is given of ore reserves at the Mount Isa mines. The total of 30,534,000 tons includes 26,954,000 tons of sulphide containing lead, zinc and silver. The balance, carbonate ore, carries only lead and silver. It should be emphasised that these totals, although conservatively calculated, are merely based on drilling results. The treatment plant is expected to begin operations about the end of the current calendar year, its initial capacity being 1,500 tons per day. The particulars given regarding developments on the property of the New Guinea Goldfields suggest that the possibilities are very considerable. On several of the "locations" good average widths and values have been shown for many hundreds of feet. Results in Northern Rhodesia have so far proved disappointing. On the Villamagne property the proven ore reserves are placed at nearly 4,000,000 tons, the quantity actually blocked out being 405,000 tons. On this lead-zinc proposition, milling is in progress at the rate of 15,000 tons monthly. When conditions become more favourable, i.e., when a sustained rally in metal prices occurs, the company's indebtedness to the Mining Trust is to be discharged by an issue of shares.

Johannesburg Consolidated.—Having regard to the conditions that prevailed during the period, the results for the year ended June 30th last must be regarded as fully up to expectations. It is true that the net profit shows a small decrease; but this has arisen from the necessity of making provision for abnormal depreciation in some of the company's shareholdings. Again no addition is made to the reserve. At the end of 1927-28 this fund stood at the round figure of £1,000,000—a fully adequate provision. It may be recalled that in last year's "Note" we hinted at the possibility of some reduction in the dividend rate. For the first half of the current year the distribution was maintained at the 15 per cent. per annum tax free which has prevailed since 1922-23, but the amount for the second half of the session—which has just been deducted from the shares—is paid subject to tax. Despite the exceptional writing-off already referred to, the company's "stocks and shares" display an increase, due to the acquisition of additional interests in Northern Rhodesia. As usual, the holdings stand in the books at or below current market

prices on the date of the accounts. The results of the last four years are shown:—

	Year ended June 30.			
	1927.	1928.	1929.	1930.
Stocks and shares	4,261,580	4,452,880	4,569,530	4,609,690
Mining properties and advances	110,550	150,680	132,200	156,790
Real estate and buildings	299,320	292,370	295,660	296,680
Loans on mortgage	185,180	229,930	219,900	219,340
Loans on short call	390,140	88,220	14,750	3,220
Sundry debtors and dividends	930,950	767,610	685,340	951,500
Cash	263,970	112,950	261,810	88,580
†Sundry creditors	1,317,370	972,160	1,055,650	1,227,720
Net profit	793,830	692,770	593,200	565,190
Dividend	592,500	592,500	592,500	592,500
Rate per cent.	15%*	15%*	15%*	15%
To reserve	200,000	100,000	...	...
Carried forward	180,530	180,800	181,500	154,190
* Tax free.	† Including final dividend.			

In two branches of industry in which the "Johnnies" company is particularly interested the developments of the past twelve months have been of an unsatisfactory character. The benefits of the modification in the United States tariff on diamonds have been more than counterbalanced by the after-effects of the financial crisis; and "the position has been aggravated by the methods adopted by the Union Government in the disposal to South African cutters of part of the Government diamonds found in Namaqualand." Then, as regards the Potgietersrust Platins, improved results are being obtained from the plant; the grade of ore is well up to expectations, and the developments at the mine have been satisfactory. Unhappily, a fall in the price of platinum to a lower level than for 15 years past has rendered profit-earning by no means easy. On the favourable side may be noted the marked recovery which has lately taken place in the shares of the company's gold-mining subsidiary, the Randfontein Estates. In regard to this the directors observe that "the outlook is very encouraging." Hopeful references are made to the prospects of the Northern Rhodesian Copperfields. On the basis of the current price the shares yield approximately 8 per cent. irrespective of tax.

Modder East.—With this Witwatersrand mine the performance last year of a slightly increased development footage did not fully maintain the ore reserves. Accordingly, it has become necessary, in the first place, to continue a policy of vigorous exploration, and, in the second place, to conserve the reserves by drawing as far as possible from marginal or low-grade material not included in the computation. More than one-half the ore mined in 1929-30 was of this character. The payable ore developed last year amounted to 554,100 tons, value 5.9 dwts., the pay percentage being 17½, as against 19½ in 1928-29. Our usual table is appended:—

	Year ended June 30.		
	1928.	1929.	1930.
Ore crushed, tons	721,000	775,500	817,000
Revenue per ton	26/6	26/7	25/3
Costs per ton	21/-	20/8	20/2
Profit per ton	5/6	5/11	5/1
Total working profit, £	198,591	228,330	206,540
Dividends	117,950	185,780	186,160
Rate per cent.	13½	20	20
Carried forward, £	142,490	177,370	173,990
Ore reserves, tons	1,942,100	2,045,400	2,013,000
Value, dwts.	6.1	6.1	5.8

The increase in tonnage milled reflects the improvements to the treatment plant; but the effects of this, and of a moderate reduction in costs, were more than counterbalanced by decline in grade. Although paying an increased dividend, the directors followed a conservative policy as regards the distribution of the 1928-29 profits. Accordingly, by drawing to a small extent upon the carry-forward, they have been able to maintain the rate. On the basis of the distribution of the past two years, the shares, at the current price of about 2½s., show the high yield of 17 per cent. gross. This must be regarded as an insurance against the uncertain character of the developments.

CAPITAL ISSUES.

ISSUES OF THE WEEK.

By Prospectus or Offer for Sale.

Net total recorded, January 1 to September 6, 1930, £191,527,481.
Total, including conversion recorded, January 1 to September 6, 1930, £281,648,712

National Savings Certificates.
Net sales, week ended September 6, 1930, £200,000.
Total receipts, April 1, 1930, to September 6, 1930, £3,150,000.

	Nominal Capital.	Conversions or Repayments.	New Money Cash Subscriptions.	First Payment.	Further Liability.
To the Public.	£	£	£	£	£
To Shareholders only.	£	£	£	£	£
Total offered for Subscription—Including Conversions.	£	£	£	£	£
Jan. 1 to date	281,648,712	191,727,481	1929	488,764,940	285,239,400
1930	224,430,290	193,164,690	1928	693,100,056	269,058,973
1929	456,647,587	284,546,694	1927	...	365,165,970
1928	...	248,304,235	1926	...	230,782,500
1927	...	144,595,916	1925	...	232,214,500
1926	...	129,228,077	1924	...	209,326,101
1925	...	132,758,151	1923	...	271,399,173
1924	...	204,561,317	1922	...	573,675,653

By Stock Exchange Introduction.

	Amount of Capital Introduced.	Prices at which Dealings Began.	Total Cash Involved.
Amount previously recorded	16,402,378	£	18,085,457
Hatherley Works, 260,000 ord. 5s. (Sept. 1)	65,000	5/3	67,250
Total, week ended September 13, 1930	65,000	...	67,250
Total to date, 1930	16,467,378	...	18,152,707
Total to date, 1929	29,789,581	...	41,098,973

SUMMARY OF BALANCE SHEETS.

CALICO PRINTERS' ASSOCIATION, LIMITED.

LIABILITIES.		ASSETS.	
Amount.	June 30, 1930.	Amount.	June 30, 1930.
5% cum. pref. £1	3,016,104	Fixed assets, 1914	4,606,016
Ord. shares, £1	2,010,736	valuation	— 50,558
4% deb. stock	3,200,000	Copper and other	660,516
Interest accrued	53,333	rollers	249,787
Creditors	431,288	Designs, &c.	...
Owing to subsid.	25,897	Shares in subsid.	...
Sundry deposits	392,211	aries at or below	306,926
and interest	97,681	cost	9,499
Employees' bene-	481,897	Owed by subsid.	685,689
fit fund	900,000	aries	83,583
General reserve	60,000	Investments in	...
Capital reserve	...	Government and	...
Reserve equalisa-	300,000	other stocks at	...
tion of dividends	55,310	or under market	1,154,173
Profit and loss	...	values	— 192,038
	...	Stocks	1,300,490
	...	Debtors	39,265
	...	Debtors	1,612,024
	...	Cash and securities	221,440
	...	Cash	127,725
	...		— 296,167
Total	10,924,786	Total	10,924,786

WHITWORTH AND MITCHELL, LIMITED.

LIABILITIES.		ASSETS.	
Amount.	June 30, 1930.	Amount.	June 30, 1930.
6% cum. pref. £1	500,000	Goodwill at cost	364,306
Ord. shares (£1)	500,000	Freshhold property	92,263
General reserve	35,000	at cost	82,063
Creditors	174,278	Machinery, &c.	11,364
Due to subsidiary	1,131	cost	2,783
Unclaimed divs.	69	Investment in sub-	14,395
Profit and loss	152,327	sidary at cost	13,000
	...	Loan to subsidiary	198,996
	...	Stocks	30,691
	...	Debtors	416,415
	...	Debtors	— 78,472
	...	British Treasury	79,672
	...	Bills at cost	172,396
	...	Cash	87,592
Total	1,362,805	Total	1,362,805

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Government Returns, &c.

NATIONAL ACCOUNTS.

As is shown from the Treasury Return printed below, the total ordinary revenue for the week ended Sept. 6, 1930, amounted to £10,071,900, against ordinary expenditure of £14,067,100. After allocating £1,825,500 to the Sinking Fund, and having allowed for an increase in Exchequer Balances of £142,971, the week's operations, as shown below, increased the National Debt by £5,985,000 to £7,668,000,000:—

(000's omitted.)

National Savings Certificates	£	200
Public Department Advances	£	2,350
Treasury Bills	£	3,410
Sundries	£	25
	£	5,985

A complete analysis of the National Debt at the end of last quarter was printed in the *Economist* of July 5, 1930.

REVENUE.	Estimate for the year 1930-31.	Total Receipts into the Exchequer.			
		April 1, 1930, to Sept. 6, 1930.	April 1, 1929, to Sept. 7, 1929.	Week ended Sept. 6, 1930.	Week ended Sept. 7, 1929.
ORDINARY REVENUE.					
Inland Revenue—	£	£	£	£	£
Income Tax	260,000,000	55,151,000	52,972,000	2,980,000	2,967,000
Sur-tax, including Arrears of Super-Tax	64,500,000	12,820,000	10,900,000	200,000	180,000
Estate, &c., Duties	83,000,000	38,380,000	38,080,000	1,140,000	1,060,000
Stamps	27,000,000	7,050,000	9,570,000	1,000,000	210,000
Excess Profits Duty and Corporation Profits Tax	1,700,000	...	10,000	...	...
Land Tax and Mineral Rights Duty	800,000	140,000	160,000	...	...
Total Inland Revenue ...	437,000,000	113,541,000	111,692,000	5,320,000	4,417,000
Customs and Excise—					
Customs	122,710,000	52,637,000	53,629,000	2,812,000	2,967,000
Excise	129,860,000	50,995,000	52,163,000	665,000	763,000
Total Customs and Excise ...	252,570,000	103,632,000	105,792,000	3,477,000	3,730,000
Motor Vehicle Duties (Exchequer Share)	4,950,000	1,607,088	1,772,000	233,000	178,000
Post Office (Net Receipt)	10,125,000	6,300,000	6,350,000	500,000	900,000
Crown Lands	1,300,000	600,000	560,000	...	...
Receipts from Sundry Loans	33,000,000	15,706,195	10,250,423	76,865	78,688
Miscellaneous Receipts	34,500,000	10,828,154	14,185,394	465,000	2,756,048
Appropriation from Rating Relief Suspense Account ...	16,000,000	16,000,000	...	...	...
Total Ordinary Revenue ...	789,445,000	268,214,437	250,601,817	10,071,865	12,059,736
SELF-BALANCING REVENUE.					
Post Office	60,275,000	24,500,000	23,950,000	1,000,000	900,000
Motor Vehicle Duties apportioned to Road Fund	23,560,000	6,420,912	5,969,000	...	...
Total Self-Balancing Revenue ...	83,835,000	30,920,912	29,919,000	1,000,000	900,000
Total		299,135,349	280,520,817	11,071,865	12,959,736

EXPENDITURE.	Estimate for the year 1930-31 (including Supplementary Grants).	Total Issues out of the Exchequer to meet payments.			
		April 1, 1929, to Sept. 6, 1930.	April 1, 1929, to Sept. 7, 1929.	Week ended Sept. 6, 1930.	Week ended Sept. 7, 1929.
ORDINARY EXPENDITURE.	£	£	£	£	£
Interest and Management of National Debt	304,600,000	141,812,879	152,475,705	4,892,157	5,559,207
Payments to Northern Ireland Exchequer	6,000,000	2,278,222	1,994,331	202,464	178,571
Payments to Local Taxation Accounts	3,300,000	1,173,226	{ 2,748,620	{ 71,462	{ 121,317
Other Consolidated Fund Services			1,626,028		
Supply Services (excluding Post Office)	418,933,000	177,705,267	147,852,428	8,901,000	6,609,000
Total Ordinary Expenditure	732,833,000	322,969,594	306,697,112	14,067,083	12,468,095
Sinking Fund	55,400,000	20,157,357	19,441,690	1,825,455	1,894,267
SELF-BALANCING EXPENDITURE.					
Post Office	60,275,000	24,500,000	23,950,000	1,000,000	900,000
Road Fund	23,560,000	6,420,912	5,969,000	...	...
Total Self-Balancing Expenditure	83,835,000	30,920,912	29,919,000	1,000,000	900,000
Total		374,047,863	356,057,802	16,892,538	15,262,362

The aggregate revenue and expenditure to Sept. 6, 1930, is shown below:—

FINANCIAL YEAR, 1930-31, APRIL 1 TO SEPTEMBER 6.

(000's omitted.)

Expenditure	£ 322,970	Revenue	£ 268,214
Sinking Fund	20,157	Decreases in balances	3,153
		Net Amount borrowed	71,760
	343,127		343,127

POSITION OF THE FLOATING DEBT.				
Ways and Means Advances Outstanding—	Sept. 7, '29.	Mar. 31, '30.	Sept. 6, '30.	Movement, week ended Sept. 6, '30.
Advances by Bank of England ..	750,000	...	...	...
Advances by Public Departments ..	46,100,000	48,530,000	40,420,000	+ 2,350,000
Treasury Bills outstanding	771,310,000	588,885,000	645,095,000*	+ 3,410,000
Total Floating Debt	818,160,000	637,415,000	685,515,000	+ 5,760,000

* Includes £35,000, the proceeds of which were not carried to the Exchequer within the period of the account.

TREASURY BILLS BY PUBLIC TENDER.

Tenders for £40,000,000 in Treasury Bills were opened on Sept. 5, 1930, and the total amount applied for was £45,575,000. Tenders were accepted for bills at three months, dated Monday to Saturday, at 99 9s. 6d., about 75 per cent. and above in full. The amount allotted was £38,000,000.

Date.	Amount Offered.	Amount Applied For.	Treasury Bills at 3 Months. Average Rate.
1930.			
Aug. 15	35,000,000	44,805,000	2 4 4-37
Aug. 22	35,000,000	43,315,000	2 2 1-33
Aug. 29	35,000,000	40,510,000	2 0 6-14
Sept. 5	40,000,000	45,575,000	2 1 8-27

The Bankers' Gazette.

BANK OF ENGLAND.

Return for Week ended Wednesday, September 10, 1930.

ISSUE DEPARTMENT.

Notes Issued—		Government Debt	£ 11,015,100
In Circulation	361,326,291	Other Government Securities	232,895,119
In Banking Department	54,219,531	Other Securities	11,628,532
		Silver Coin	4,641,249
		Amount of Fiduciary Issue ...	260,000,000
		Gold Coin and Bullion	155,545,822
			£415,545,822

BANKING DEPARTMENT.

Proprietors' Capital	£ 14,553,000	Government Securities	£ 45,911,247
Reserve	3,697,795	Other Securities	...
Public Deposits	9,013,456	Discounts and Advances	£ 5,769,699
Other Deposits	£ 67,166,323	Securities	21,641,382
Other Accounts	34,136,908	Notes	27,411,081
7-Day and other Bills	101,303,231	Gold and Silver Coin	54,219,531
	2,306		1,027,929
	£128,569,788		£128,569,788

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

Both Departments.		Amount, Sept. 10, 1930.	Inc. or Dec. on Last Week.	Inc. or Dec. on Last Year.
Note circulation.				
Public deposits	£	361,326,291	- 1,656,210	- 3,632,683
Bankers' deposits	£	9,013,456	+ 1,096,154	+ 4,997,392
Other deposits	£	67,166,323	- 261,391	+ 708,035
Seven-day bills	£	34,136,908	- 479,529	- 2,375,930
Total, outside liabilities	£	2,306	- 950	- 886
Capital and rest	£	471,645,284	- 1,301,926	- 10,298,856
	£	18,250,795	+ 6,612	- 58,101
Government debt and securities.				
Discounts and advances	£	289,821,466	- 1,969,471	- 32,371,531
Other securities	£	5,769,699	- 489,695	+ 2,312,132
Other securities	£	33,269,914	+ 81,911	+ 905,948
Silver coin in issue department	£	4,641,249	- 282	- 384,776
Coin and bullion (bank's reserve)	£	156,573,751	+ 1,052,223	+ 19,181,170
Reserve of notes and coin in banking department	£	55,247,460	+ 2,708,433	+ 22,813,853
Proportion of reserve to outside liabilities—				
(a) Banking department only ("proportion")	%	50%	+ 2 1/2%	+ 22 1/2%
(b) Gold stocks to deposits and notes ("reserve ratio")	%	33 1/2%	+ 1/4%	+ 4 1/2%

Issue Department.		Banking Department.			
Date.	Notes Issued.	Circulation.	Public Deposits.	Bankers' Deposits.	Other Deposits.
1930.					
July 23	£ 414,119	£ 364,138	£ 9,904	£ 67,266	£ 35,207
Aug. 6	412,273	358,377	9,088	60,971	37,405
Aug. 13	412,584	372,978	8,866	61,552	36,787
Aug. 20	413,092	377,379	12,256	66,253	34,020
Aug. 27	414,334	361,791	21,045	61,666	33,594
Sept. 3	414,840	360,868	18,173	62,600	33,799
Sept. 10	414,450	362,983	7,917	67,428	34,616
Sept. 17	415,546	361,326	9,013	67,166	34,137

Issue Department.		Both Depts.		Banking Department.			
Date.	Govt. Debt and Securities.	Other Securities.	Gold Coin and Bullion and Reserve Ratio.	Govt. Securities.	Discounts and Advances.	Other Securities.	Reserve & the "Proportion."
1930.							
July 23	£ 243,904	£ 11,629	155,034	32 1/2%	£ 51,356	£ 7,098	22,102
Aug. 6	243,901	11,629	153,250	32 1/2%	51,666	7,141	22,232
Aug. 13	243,906	11,629	153,595	31 1/2%	51,145	7,960	23,614
Aug. 20	243,786	11,754	154,105	32 1/2%	54,346	6,865	22,744
Aug. 27	243,906	11,629	155,366	32 1/2%	49,371	6,115	25,434
Sept. 3	243,908	11,629	155,888	32 1/2%	49,141	6,480	22,187
Sept. 10	243,910	11,629	155,522	32 1/2%	47,881	6,229	21,559
Sept. 17	243,910	11,629	156,574	33 1/2%	45,911	5,770	21,641

BANKERS' CLEARING RETURNS (000's omitted).

	Town.	Metropolitan.	Country.	Total.
1930.				
January 1 to August 27	£ 26,185,822	£ 1,221,883	£ 1,987,142	£ 29,394,847
Week ended September 3	27,854,926	1,323,598	2,147,253	31,325,777
Week ended September 10	27,854,926	1,323,598	2,147,253	31,325,777
Total to date, 1930	27,854,926	1,323,598	2,147,253	31,325,777
Total to date, 1929	27,854,926	1,323,598	2,147,253	31,325,777
Increase or decrease in 1930	- 247,189	- 39,908	- 53,454	- 340,551
	- 0.9%	- 3.0%	- 2.5%	- 1.7%
Total for year, 1929	39,335,924	1,881,789	3,078,764	44,896,477
Do. 1930	39,311,117	1,854,190	3,039,422	44,204,729
Increase or decrease in 1929	- 224,807	- 27,599	- 39,342	- 291,751
	- 0.6%	- 1.5%	- 1.3%	- 0.7%

PROVINCIAL CLEARING RETURNS.

(000's omitted.)

	Week ended Sept. 6.		Month of August.		Aggregate Weekly Totals Jan. 1 to Sept. 6.	
	1929.	1930.	1929.	1930.	1929.	1930.
Number of working days	26	25	26	25	26	25
BIRMINGHAM	£ 3,029	£ 2,598	£ 10,201	£ 8,457	£ 93,901	£ 86,899
BRADFORD	1,058	858	4,299	3,154	41,771	31,110
BRIISTOL	1,204	1,047	4,698	4,463	40,865	38,834
DUBLIN	4,964	4,405	17,618	17,569	172,618	173,569
LIVERPOOL	834	925	3,155	3,454	30,678	28,569
LEEDS	1,009	739	3,839	3,551	35,474	33,579
MANCHESTER	767	709	2,834	2,274	28,651	25,204
NEWCASTLE	7,178	5,117	31,333	23,376	280,833	231,924
NOTTINGHAM	12,871	10,132	47,346	39,001	449,179	380,652
Sheffield	1,471	1,405	7,276	5,892	53,230	50,613
Other	653	646	2,551	1,835	22,446	21,029
Total	1,295	1,008	4,039	3,503	36,168	32,343
	36,333	29,588	121,931	98,960	1,285,814	1,154,416

OVERSEAS BANK RETURNS.

NOTE.—The latest Return of the Bank of Egypt appeared in the *Economist* of August 23; Lithuania, Portugal and Canada on August 30; Roumania, Russia and Japan on September 6.

BANK FOR INTERNATIONAL SETTLEMENTS.

NATIONAL BANK OF BELGIUM.—In Belgas (000's omitted).

ASSETS.	Position, May 28, 1914.	Sept. 5, 1929.	Aug. 12, 1930.	Aug. 21, 1930.	Aug. 28, 1930.	Sept. 4, 1930.
Gold	232,650	1,020,976	1,208,255	1,208,338	1,209,735	1,209,749
Foreign Bills and Balances Abroad	548,338	874,492	875,133	872,404	869,086	869,086
Silver and other coin	2,022	4,588	4,657	4,565	4,575	4,575
Securities	697,600	766,546	775,520	768,816	776,178	751,271
LIABILITIES.						
Notes in circulation	934,150	2,646,005	3,071,197	3,042,423	3,065,241	3,081,561
Current accounts	112,125	62,499	141,746	149,395	154,893	105,391

(b) In thousand francs.

NETHERLANDS BANK.—In florins (000's omitted).

ASSETS.	Position, May 30, 1914.	Sept. 9, 1929.	Aug. 18, 1930.	Aug. 25, 1930.	Sept. 2, 1930.	Sept. 8, 1930.
Gold	163,092	443,149	390,636	390,615	390,615	390,615
Silver	8,436	19,635	24,820	24,820	24,820	24,820
Home Bills discounted.	153,504	168,977	234,269	234,291	234,352	234,401
Foreign Bills						
In current acct.		110,526	84,740	84,291	115,586	91,517
LIABILITIES.						
Notes in circulation	316,632	824,343	804,345	800,182	843,998	824,505
Deposits	5,016	14,262	24,476	24,718	17,578	12,356

BANK OF JAVA.—In florins (000's omitted).

ASSETS.	Position, May 30, 1914.	Sept. 9, 1929.	Aug. 18, 1930.	Aug. 25, 1930.	Sept. 2, 1930.	Sept. 8, 1930.
Gold	22,971	147,461	165,100	167,200	166,700	168,300
Silver	29,785	24,691				
Discounts, advances, and other investments	77,567	199,171	115,400	117,600	109,700	108,900
LIABILITIES.						
Notes in circulation	109,499	312,106	269,300	262,200	260,800	265,200
Deposits and bills payable	11,250	69,147	41,000	49,600	39,200	36,600

SWISS NATIONAL BANK.—In francs (000's omitted).

ASSETS.	Position, May 31, 1914.	Sept. 7, 1929.	Aug. 15, 1930.	Aug. 23, 1930.	Aug. 30, 1930.	Sept. 6, 1930.
Gold	171,175	506,825	626,508	628,725	639,253	639,585
Foreign Bills and Balances abroad		211,824	337,497	343,278	341,644	342,326
Discounts		146,326	32,379	32,714	27,954	70,123
Advances	103,000	63,863	37,592	37,771	37,264	36,501
LIABILITIES.						
Notes in circulation	275,925	883,874	879,210	872,462	942,658	923,983
Deposits	33,750	60,355	232,286	234,116	175,913	229,314

BANK OF ITALY.—In lire (000's omitted).

ASSETS.	Aug. 31, 1929.	July 31, 1930.	Aug. 10, 1930.	Aug. 20, 1930.	Aug. 30, 1930.
Gold, coin and bullion	5,153,200	5,209,700	5,224,300	5,226,300	5,232,100
Foreign bills and balances abroad	4,969,300	5,080,100	5,056,800	5,091,000	5,098,300
Other cash	240,600	694,300	682,000	589,700	754,700
Gold deposited abroad due by the State	1,824,700	1,793,900	1,793,900	1,792,000	1,792,000
Discounts	3,843,200	2,780,700	2,758,600	2,711,900	2,783,700
Advances	1,558,500	1,072,500	951,000	927,300	1,145,300
Credit with "Istituto di Liquidazione"	897,500	723,800	723,800	657,100	656,400
Government securities	1,059,700	1,417,700	1,136,400	1,136,700	1,136,700
LIABILITIES.					
Notes in circulation	16,701,000	16,181,700	16,142,700	15,890,200	16,074,300
Public deposits	300,000	300,000	300,000	300,000	300,000
Other deposits and drafts	1,645,000	1,845,800	1,623,400	1,828,100	1,669,900
Ratio of reserve to note and sight liabilities combined	54.32%	56.14%	56.91%	57.26%	57.25%

BANK OF SWEDEN.—In kronor (000's omitted).

ASSETS.	Sept. 7, 1929.	Aug. 16, 1930.	Aug. 23, 1930.	Aug. 30, 1930.	Sept. 6, 1930.
Gold	242,186	242,546	242,476	242,445	242,405
Government securities—Swedish	3,339	19,972	19,475	18,966	18,141
Foreign	69,775	65,992	65,992	65,992	65,992
Other Swedish bonds quoted on foreign bourses	177	103	103	103	97
Bills payable abroad	232,177	67,895	62,190	65,885	77,592
Balance abroad	73,963	106,430	106,201	102,899	102,865
Advances made on Government securities and bonds	51,293	37,369	32,128	43,408	38,004
LIABILITIES.					
Notes in circulation	529,158	824,746	511,700	569,935	553,075
Government deposits	141,325	117,128	111,246	100,188	102,881
Private deposits	10,100	18,948	23,610	5,453	16,187

† The sum of the items "Bills payable in Sweden" and "Advances made on Government Securities and Bonds" excludes advances and cash credit which are not available as cover for the note issue.

BANK OF NORWAY.—In kroner (000's omitted).

ASSETS.	Position, May 31, 1914.	Aug. 31, 1929.	Aug. 15, 1930.	Aug. 22, 1930.	Aug. 30, 1930.
Gold and bullion—Gold	44,224	146,759	146,540	146,534	146,523
Balance abroad and foreign bills	28,533	70,477	20,398	19,829	25,092
LIABILITIES.					
Notes in circulation	113,494	314,458	308,359	304,727	314,509
Deposits at sight	7,188	81,655	59,009	56,855	62,049

NATIONAL BANK OF DENMARK.—In kroner (000's omitted).

ASSETS.	Position, May 30, 1914.	Aug. 31, 1929.	May 31, 1930.	June 30, 1930.	July 31, 1930.	Aug. 30, 1930.
Gold and bullion	76,644	172,542	172,262	172,208	172,213	172,203
Loans & discounts	88,470	90,897	110,870	109,884	106,386	106,386
Debtors abroad	24,102	101,532	97,891	95,871	62,618	68,488
Securities	11,988	31,917	47,469	50,001	61,478	51,548
LIABILITIES.						
Circulation	157,266	369,574	371,149	365,613	347,246	349,803
Deposits	6,698	36,615	30,488	39,140	28,377	26,680

BANK OF SPAIN.—In pesetas (000's omitted).

ASSETS.	Position, May 30, 1914.	Sept. 7, 1929.	Aug. 16, 1930.	Aug. 23, 1930.	Aug. 30, 1930.	Sept. 6, 1930.
Gold	521,775	2,564,848	2,473,384	2,473,603	2,474,207	2,474,207
Silver	728,600	713,065	715,930	718,972	720,823	713,885
Loans & Discounts	800,725	2,203,756	2,054,307	2,018,596	2,102,726	2,114,751
Spanish 4% stock	344,475	344,475	344,475	344,475	344,475	344,475
Advances to Treasury	150,000	150,000	150,000	150,000	150,000	150,000
LIABILITIES.						
Circulation	901,550	4,397,900	4,484,209	4,447,205	4,456,179	4,540,874
Deposits	477,500	914,247	815,221	823,797	831,980	814,517

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

ASSETS.	Aug. 31, 1929.	Aug. 7, 1930.	Aug. 15, 1930.	Aug. 23, 1930.	Aug. 31, 1930.
Cash Reserve—					
Gold coin and bullion	168,634	168,570	168,589	168,589	168,589
Foreign exchange	230,745	272,759	271,961	272,833	273,718
Other for exchange	383,099	470,118	469,963	473,723	478,149
Bills discounted	226,277	101,161	86,857	70,802	109,550
Govt. debts	109,622	101,591	101,392	101,392	101,392
LIABILITIES.					
Share capital	43,900	43,900	43,900	43,900	43,900
Reserve fund	9,283	10,272	10,272	10,272	10,272
Notes in circulation	1,046,939	952,148	930,813	886,740	1,018,090
Deposits	74,306	187,629	173,238	205,750	117,434

† In dollar and sterling only

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

ASSETS.	Aug. 31, 1929.	Aug. 7, 1930.	Aug. 15, 1930.	Aug. 23, 1930.	Aug. 31, 1930.
Metal reserve—					
Gold coin and bullion	162,755	162,640	162,640	162,641	162,644
Drafts and notes	39,556	42,922	42,922	42,922	42,922
Silver coin and bullion	8,352	12,096	12,096	12,096	12,096
Inland bills, warrants and securities	293,362	185,403	179,513	181,107	197,848
Advances to the Treasury	88,821	71,311	70,852	70,597	69,877
LIABILITIES.					
Share capital (gold crowns 30,000,000*)	34,756	34,756	34,756	34,756	34,756
Notes in circulation	479,838	429,064	408,482	377,155	439,584
Current accounts, deposits, &c.	117,316	52,538	63,051	95,925	58,080

* Calculated at pre-war parity of exchange.

NATIONAL BANK OF CZECHOSLOVAKIA.—In Cz. K. (000's omitted).

ASSETS.	Aug. 31, 1929.	Aug. 7, 1930.	Aug. 15, 1930.	Aug. 23, 1930.	Aug. 31, 1930.
Gold and silver holdings	1,205,396	1,414,078	1,414,060	1,414,027	1,413,969
Balance abroad and foreign currency	1,756,687	2,154,218	2,163,892	2,163,892	2,163,892
Discounts and advances	953,303	371,269	350,732	350,732	350,732
State notes debt balance	3,950,235	3,541,799	3,540,147	3,540,147	3,540,147
Other assets	715,356	765,724	781,012	817,953	897,947
LIABILITIES.					
Bank notes in circulation	7,499,619	6,591,811	6,453,802	6,284,954	7,077,004
Current account balances	345,167	808,403	949,355	1,139,154	554,568
Other liabilities	263,597	338,486	338,298	352,815	348,330

NATIONAL BANK OF JUGOSLAVIA.—In dinar (000's omitted).

ASSETS.	Aug. 31, 1929.	Aug. 8, 1930.	Aug. 15, 1930.	Aug. 22, 1930.	Aug. 31, 1930.
Cash Reserve—					
Gold	93,859	97,585	97,585	97,585	97,585
Other coin and notes	18,644	18,719	18,093	17,738	17,738
Foreign credits	255,199	242,319	203,281	200,708	18,688
Bills	1,349,808	1,194,706	1,200,530	1,199,321	201,433
Government advances	5,234,613	3,076,458	4,074,752	4,075,754	4,074,751
LIABILITIES.					
Notes in circulation	5,658,625	5,392,591	5,363,174	5,279,968	5,521,396
State credits	227,473	149,967	148,263	148,263	148,263
Deposits	1,037,857	1,396,777	1,361,422	1,422,662	1,198,246

Cash reserve is calculated as follows: One gold dinar as one dinar, one pound sterling as 25 dinars, one dollar as 5 dinars, one lire as one dinar, one Swiss or French franc as one dinar, &c.

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

ASSETS.	Aug. 23, 1929.	July 31, 1930.	Aug. 7, 1930.	Aug. 15, 1930.	Aug. 23, 1930.
Gold and silver holdings	1,556,508	1,592,247	1,593,347	1,594,579	1,595,737
Balance abroad and foreign currencies	1,602,769	910,026	938,940	1,021,169	1,077,850
Discounts and advances	1,523,487	845,494	822,759	805,471	799,894
Advances to the Treasury	3,545,635	3,279,302	3,279,302	3,279,302	3,279,302
LIABILITIES.					
Capital paid up	500,000	500,000	500,000	500,000	500,000
Reserves	1,168,683	1,253,890	1,253,890	1,253,890	1,253,890
Bank notes in circulation	3,997,100	3,435,194	3,554,657	3,626,314	3,638,397
Sight liabilities	2,217,277	1,445,799	1,318,399	1,336,752	1,340,982
Deposits	454,241	284,901	284,830	284,647	284,396

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

	Aug. 31, 1929.	Aug. 7, 1930.	Aug. 15, 1930.	Aug. 23, 1930.	Aug. 31, 1930.
Gold.....	618,575	582,059	582,873	534,623	516,459
Gold exchange.....	4,659,797	4,115,098	3,988,816	3,756,216	3,730,798
Other foreign exchange.....	1,383	2,589	3,018	39,569	39,457
Bills discounted.....	49,030	133,529	137,846	145,818	150,684
Advances.....	108,515	148,098	155,568	157,080	155,646
Debt to the State.....	3,596,758	3,488,763	3,488,763	3,488,763	3,488,763
LIABILITIES.					
Capital paid.....	400,000	400,000	400,000	400,000	400,000
Notes in circulation.....	5,214,126	4,806,182	4,786,931	4,730,386	4,761,060
Deposits and current ac- counts.....	1,547,585	1,515,588	1,472,133	1,867,156	1,875,935
Foreign exchange liabilities.....	2,149,532	1,465,127	1,448,857	927,625	877,573

WEEKLY TRAFFIC RETURNS.

RAILWAYS OF GREAT BRITAIN AND IRELAND.

(b) Week ended Sept. 4, 1930. (c) Week ended Sept. 5, 1930.	Miles Open.	Week ended Sept. 6, 1930. (000's omitted.)					Aggregate 36 weeks, 1930. (000's omitted.)				
		Pas- senger.	Mer- chandise.	Coal and Coke.	Total Goods.	Total for Week.	Pas- senger.	Mer- chandise.	Coal and Coke.	Total Goods.	Total Receipts.
Great Western...	3,751	286	219	113	332	618	8,834	7,563	4,250	11,813	20,647
Do. for 1929...	3,751	304	227	121	348	652	9,126	8,008	4,484	12,492	21,618
London & N. Eastern (c)	6,362	414	304	248	566	1,022	13,060	13,828	9,131	22,959	36,019
Do. for 1929...	6,361	427	410	273	683	1,110	13,527	14,847	9,639	24,486	38,013
London, Mid. & Scot.	6,956	603	503	238	741	1,344	19,364	18,944	8,994	27,338	47,302
Do. for 1929...	6,957	646	584	267	851	1,497	20,458	20,251	9,697	29,948	50,406
Southern	2,179	382	67	22	89	471	11,885	7,745	1,056	3,801	15,686
Do. for 1929...	2,175	407	69	28	97	504	12,098	7,781	1,171	3,952	16,050
Total of above	19,244	1,685	1,139	621	1,760	3,445	53,143	43,080	23,431	66,511	119,654
Do. for 1929...	19,244	1,784	1,290	689	1,979	3,763	55,209	45,887	24,991	70,878	126,087
Metropolitan (c)	59	31.7	4.1	...	...	35.8	1,175.4	142.4	...	...	1,317.8
Do. for 1929...	59	32.4	4.0	...	...	36.4	1,159.6	137.4	...	...	1,297.0
† Underground, E. R. (c)	...	309.2	...	...	...	309.2	1,083.6	...	...	...	1,083.6
Do. for 1929...	...	304	...	...	...	304	1,021.7	...	...	...	1,021.7
London & Sub. Gr. (c)	...	45.9	...	...	...	45.9	1,590.9	...	...	...	1,590.9
Do. for 1929...	...	45.7	...	...	...	45.7	1,490.4	...	...	...	1,490.4
† B'ham & Co. D'wnb	80	3.4	...	...	...	4.0	104.1	26.2	...	...	130.3
Do. for 1929...	80	3.1	...	...	...	4.0	102.8	31.8	...	...	134.6
* Great Northern	562	18.0	13.5	...	...	31.5	...	...	...	...	976.2
Do. for 1929...	562	19.0	14.5	...	...	33.5	...	...	...	...	1,035.2
Great Southern	2,187	39.2	47.2	...	...	86.4	...	...	...	...	2,577.6
Do. for 1929...	2,187	42.3	47.4	...	...	89.7	...	...	...	...	2,675.2

* Aggregate 36 weeks.

† Includes receipts from independent omnibuses during current year.

OVERSEAS RAILWAY RECEIPTS.

Name.	Week.	Ending.	Present Receipts.	Gross Receipts for Week.		Total Gross Receipts.	
				1930.	+ or -	1930.	+ or -
INDIAN.							
Assam Bengal	32	Aug. 9	1,306	Rs. 3,64,000	Rs. 36,049	Rs. 70,63,099	Rs. 8,92,300
Bard L. Ry.	20	16	202	22,400	- 14,200	8,92,300	2,16,000
Bombay & N.Western	20	16	2,079	4,74,159	1,23,462	1,34,24,339	7,32,524
Bombay-Nagpur ...	18	2	3,139	11,55,000	- 2,98,009	2,99,54,343	22,36,683
Bombay, Bar. & C.I.	19	30	3,026	15,80,000	- 2,13,000	4,30,58,000	26,69,000
Madras & S. Mahr.	33	16	3,228	14,00,000	- 3,37,261	3,12,68,584	57,96,008
† Rohilk. & Kumaon	20	16	561	82,902	- 13,393	2,51,89,43	1,07,405
South Indian	20	16	2,371	11,28,479	- 95,501	2,46,32,057	8,48,528

† Including Lucknow-Bareilly State Railway.

CANADIAN.

Canadian National	35	Aug. 31	20,290	6,032,787	-	190,649	147,530,117
Canadian Pacific	36	Sept. 7	15,242	3,951,000	+	10,000	116,994,000

SOUTH AMERICAN.

Antofagasta (Chili and Bolivia)	35	Sept. 7	804	20,490	-	15,110	992,270
Argentina N.E.	10	6	753	14,200	-	22,000	145,500
Argentina Trans. (n)	10	7	111	130	-	4,100	25,576
B.A. and Pacific	10	7	806	110,000	-	34,000	1,171,000
B.A. Central	10	7	...	13,488	-	840	137,233
B.A. Gr. Southern	10	7	...	164,000	-	33,000	1,802,000
B.A. Western	10	7	1,926	65,000	-	10,000	679,000
Central Argentine	10	6	3,359	200,000	-	58,000	1,926,000
Central Uruguayan	10	6	273	29,338	+	2,765	266,132
C. Urug. (E. Ext.)	10	6	311	5,121	-	381	55,417
C. Urug. (N. Ext.)	10	6	185	2,871	-	121	31,499
C. Urug. (W. Ext.)	10	6	211	2,676	+	108	27,585
Cordoba Central	10	6	1,218	74,000	-	...	639,000
Entre Rios	10	6	804	23,100	-	300	233,000
G. West. of Brazil	36	6	1,035	8,800	-	6,200	477,400
Leopoldina	36	6	1,856	39,603	-	27,664	1,241,694
Leopoldina (Trans.)	36	6	1,856	39,603	-	27,664	1,241,694
Nitrate (monthly)	18	Aug. 31	...	...	-	...	...
San Paulo	37	Sept. 7	1,531	38,589	-	326	1,463,252
United of Havana	10	6	1,369	45,564	-	6,920	368,279

* Traffic interrupted by storms.

† Affected by disturbances.

OTHER OVERSEAS.

Gt. Southn. of Spain	35	Aug. 30	104	28,979	-	66,085	3,518,917
Mexican Railway	10	Sept. 7	483	213,200	-	4,600	2,194,800
Paraguay Central	10	Sept. 6	274	4,480	+	670	40,780
Salvador	10	6	100	1,772	-	1,864	22,019

TRAMWAYS WEEKLY GROSS RECEIPTS.

Anglo-Argentine	36	Sept. 9	329	77,937	-	10,488	2,959,320
B. Aires Leocore	10	7	...	10,913	-	1,293	105,657
Liverpool Corp.	36	6	124	30,580	+	84	687,231
Madras Electric	37	Aug. 31	...	...	-	...	...
L.O.O. Tramways	23	Sept. 11	166	47,245	-	1,627	741,958

* Including motor buses.

† Months.

‡ Fortnightly figures.

MONTHLY TRAFFICS.

Name.	Month.	Ending.	Des- cription.	For Month.		Total to date.	
				1930.	+ or -	1930.	+ or -
Bolivar Railway Co.	8	Aug 31	Gross	10,400	+	2,450	95,750
Dorados Railway	8	Aug 31	Gross	13,300	-	21,700	173,900
Emu Bay Railway	8	Aug 31	Gross	4,009	-	2,436	50,141
Rathens & Santiago Rly.	8	Aug 31	Gross	2,110	-	635	24,280
Shanghai Elec. Cons. Co.	8	Aug 31	Gross	338,112	+	30,940	2,679,699
Singapore Traction Co.	11	Aug 31	Gross	142,000	+	12,000	1,510,000

Commercial Reports.

THE CORN TRADE.

Mark Lane, Thursday evening.

Good progress has been made with the ingathering of cereal crops in the United Kingdom during the past week under favourable climatic conditions, but a continuance of fine weather is necessary to complete the harvest and secure the grain in dry condition. Offerings of native wheat at the Statute markets are increasing, and although general run of quality proved somewhat indifferent, some fine dry milling samples were obtainable. Prices vary considerably, but are generally on a lower basis in sympathy with imported varieties. A dull tone pervaded the market for cargoes and parcels, and prices further moved in buyers' favour under heavy offerings from Canada and European countries. Shipments from the latter source, and Russia in particular, have dominated the international situation of late, and forced North American sellers to come into line. Although reliable estimates of the total Soviet surplus this season cannot be accurately gauged, the fact remains that shipments are, and will continue to depress prices while the movement is maintained. Balkan countries are also seeking an outlet for surplus supplies, and competition is likely to be keenly felt from the Danube in the near future. The extent of European offerings has naturally lessened the demand for North American grades resulting in pressing offers from the United States and Canada, where estimates of spring yields are better than expected. Crop prospects are favourable in the southern hemisphere, and chartering is proceeding both from Australia and Argentina for new season's loading. In these circumstances, consumers are naturally confident of abundant supplies throughout the year, and only operate to cover pressing needs. Flour prices are also declining in sympathy with wheat and spot trade is of a retail character, with shipment offers pressing from North America, though American millers require a substantial premium on January-March loadings. Prevailing fine weather and increasing arrivals of maize tends to check consumption and prices ruled easier for near at hand parcels. Barley was obtainable at lower rates, while oats met a dragging sale.

WHEAT.—Easier in sympathy with reduced c.i.f. offers. No. 1 hard Manitoba, ex ship, 36s.; No. 1 Northern Manitoba, ex ship, 35s. 9d.; No. 2 ditto, 35s.; No. 3, 34s.; No. 5 Manitoba, 32s.; No. 6 ditto, 26s. 9d.; No. 1 hard Winter, 34s. 9d.; No. 2 ditto, 34s.; No. 2 mixed Durum, 31s. 6d.; Barusso, 62d. lbs., ex ship to arrive, 33s. 6d.; Australian, 34s.; choice white Karachi, 33s. 3d. per 496 lbs.; English new, 6s. 8d.-7s. per 112 lbs.

FLOUR.—Dull and tendency easier. London straight run, 32s. per sack for country deliveries, and 31s. London area. Of imported, Manitoba patents, 28s.-31s.; Buffalo ditto, 28s.-30s.; Australian, 26s.-27s., ex store. On c.i.f. terms, Manitoba top patents, September-October, 28s.-28s. 6d.; export ditto, 25s. 6d.-26s.; Australian, 23s. 6d.-23s. 9d. per 280 lbs.; Argentine low grade, October-December, 26 7s. 6d. per ton.

MAIZE.—Quiet. Plate, landed 26s. 3d.; ex ship, 25s. 3d.; August-September, also September-October, 25s.; Bessarabian, landed, 26s. 6d.; No. 2 white flat African, ex ship, 24s.; No. 6 yellow, landed, 26s. 6d. per 480 lbs. Yellow maize meal, ex ship, 28, f.o.r. London. Yellow African, ex ship, 25 15s.; white, 25 12s. 6d. per ton.

BARLEY.—Dull. Californian, old, landed, 30s.-35s.; new, ex ship, 30s.-41s., as to sample; Chilian brewing, landed, 30s.-35s.; Chevalier, 38s.-44s.; Australian, 32s.-34s.; Smyrna, 30s.-32s. per 448 lbs.; Black Sea, ex ship, September-October, also Danubian, 16s. 3d.; Persian, new, ex ship, 16s. per 400 lbs.; English, new malting, 6s. 3d.-12s. 9d. per 112 lbs.

OATS.—Quiet. Plate, landed, 14s. 9d.; ex ship, 13s. 9d.; Chilian, tawny, ex ship to arrive, 14s. 9d.; fine white, landed, 12s.; German, landed, 22s.; mixed Canadian feed, ex ship, 12s.; landed, 13s. per 320 lbs.; English, new, 5s. 4d.-5s. 8d. per 112 lbs.

COMPARATIVE AVERAGES OF GRAIN.

The following table gives the estimated sales of home-grown wheat during the harvest years 1930-31, 1929-30, 1928-29, 1927-28:—

	1930-1931.	1929-1930.	1928-1929.	1927-1928.
Estimated sales of home-grown wheat—				
1 week to Sept. 6	Cwts. 129,208	Cwts. 229,935	Cwts. 178,461	Cwts. 202,924
Average price of English wheat per cwt.	s. d. 7 8	s. d. 10 3	s. d. 9 3	s. d. 11 2

The following is a statement showing the Quantities Sold and the Average Price of British Corn in the past two weeks, and for the corresponding week in each of the years from 1926 to 1929:—

Weeks ended.	QUANTITIES SOLD.			AVERAGE PRICE PER CWT.		
	Wheat.	Barley.	Oats.	Wheat.	Barley.	Oats.
1930.						
Aug. 30	Cwts. 103,890	Cwts. 8,350	Cwts. 29,296	s. d. 8 3	s. d. 7 3	s. d. 6 2
Sept. 6	129,208	33,625	31,959	7 8	8 4	6 0
Sept. 4, 1926	288,467	67,266	58,100	11 9	12 9	8 8
Sept. 3, 1927	75,184	34,688	32,310	12 1	14 1	9 7
Sept. 8, 1928	178,461	255,496	62,716	9 3	13 8	9 2
Sept. 7, 1929	229,935	106,178	49,234	10 3	10 1	8 0

AMERICAN WHEAT MARKETS.

The following table shows wheat quotations in recent weeks, with comparative figures for 1929:—

NEAREST FUTURE.	Jan. 2, 1929.	Sept. 11, 1929.	Jan. 2, 1930.	Aug. 27, 1930.	Sept. 3, 1930.	Sept. 10, 1930.
Winnipeg (No. 1 Manitoba)	122	156½	148½	88½	83½	83½
—Cents per 60 lb.						
Chicago (No. 2 Winter)	116½	135½	130½	86½	82½	83½
—Cents per 60 lb.						

The visible supply of wheat in Canada, at 50,129,000 bushels, shows a decrease on the week of 243,000 bushels. Supplies a year ago stood at 63,367,000 bushels.

THE COAL TRADE.

Our Sheffield correspondent writes:—Export demand for coal remains disappointingly quiet except in the case of best hard, which are in good request at 15s. f.o.b. The glut in the supply of secondary qualities is less pronounced. Washed nuts and smalls for industrial use are in slow request and inclined to be easier. In the house coal section business has fallen off somewhat since the higher prices came into operation and supplies are excessive. Demand for foundry coke continues poor at 11s. 6d. and upwards at furnaces.

Our Glasgow correspondent writes:—There has been a slight improvement in shipping business lately, and in the home trade the household demand is opening up. Generally the market may be said to be steadier, but there has not so far been any question of price advances. In fact, washed nuts, the strength of which has been a feature of the market for some time past, owing to limited supplies, seem now to be easing in price. Meetings of the coal masters' committee dealing with the new marketing arrangements and other matters raised by the new Act have been held this week. It is understood that the committee have their proposals now completed, and they will be put before the coalmasters shortly. Prices for shipment are as follows (f.o.b. district ports):—LANARKSHIRE: Ell best, 13s. 6d.; splint best, 16s.; splint second, 14s. 6d.; navigation, 15s. 6d.-16s.; navigation second, 14s. 6d.; Hartley, 15s.; steam, 12s. 6d.; trebles, 13s.; doubles, 12s. 6d.-13s.; singles, 12s.; pearls, 11s. 9d.; dross, 9s. 6d. FIRE: Screened navigation, 16s. 6d.-17s. 6d.; first-class steam, 11s. 9d.; third-class steam, 10s. 9d.; trebles, 13s.-14s.; doubles, 12s. 6d.-13s.; singles, 11s. 3d.; pearls, 11s. 3d. LOTHIAN: Prime steam, 11s.; secondary steam, 10s. 9d.; trebles, 13s.-13s. 3d.; doubles, 12s. 9d.-13s.; singles, 11s. 6d.; pearls, 10s. 6d.-10s. 9d. Ayrshire: Unscreened navigation, 16s.; jewel, 16s.; steam, 13s.; trebles, 13s. 6d.; doubles, 13s.; singles, 12s. 3d.; pearls, 11s. 9d.; dross, 10s. 6d.

Our Cardiff correspondent writes:—General conditions on the Cardiff coal market are unchanged. Inquiries this week have again been inactive, while contractors are reluctant to make arrangements over next year, pending the introduction of the new marketing scheme, and the issue of the negotiations for a new wages agreement. The Conciliation Board met on Tuesday and had a preliminary discussion on the new position created by the Mines Act, but the meeting was adjourned till September 30th, when the employers and workmen will submit their respective proposals for inclusion in the agreement which is to supersede that terminating at the end of the present year. Shipments this week have been substantially less than in the corresponding period last year, and there have been days when over 20 tips have been idle. Quotations have generally ruled on the minimum basis as follows:—Best Admiralties, 20s.; seconds, 18s. 9d. to 19s. 9d.; best drys, 18s. 6d. to 19s. 3d.; Black Veins, 18s. 3d. to 18s. 6d.; Western Valleys, 18s. to 18s. 3d.; Eastern Valleys, 17s. 6d. to 17s. 9d.; best small steams, 13s. to 13s. 3d.; cargo smalls, 12s. to 12s. 6d.; coking smalls, 13s. 3d. to 13s. 6d.; anthracite, best large, 36s. to 37s. 6d.; Red Vein, large, 22s. to 27s.; machine made cobbles, 40s. to 45s.; French nuts, 43s. to 46s.; stove nuts, 39s. 6d. to 43s. 6d.; rubbly culm, 11s. to 11s. 9d.; foundry coke, 30s. to 35s.; patent fuel, 20s. to 21s. 6d.; pitwood,

£746,689 17

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SEE

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Australian hides is a trifle firmer, with a fair amount of business passing. Conditions in the sole-leather market have shown a further improvement this week. Repairers have been responsible for some satisfactory sales of English and wet-salted bonds in the 10-14 lbs. averages, while at the same time there has been a moderate amount of inquiry for lighter weights. Dry hide bonds, also, have accounted for an increased turnover on manufacturing account, and with a general firming up of prices producers of footwear are inclined to cover their requirements with more freedom than has been the case for some time past. Sales of upper leathers have shown signs of expansion. Willow calf features mostly in the orders being received, but at the same time the call for box calf tends to increase. Black and brown glaze kid is a regular trade. Producers of semi-chrome upper stock continue to experience difficulty in effecting sales, and stocks tend to accumulate. Business with curriers is below normal. Suede leather moves off in moderate quantities, while an improving tendency is noticed in connection with the market for reptile skins.

OVERSEAS PRODUCE.

SUGAR.—The market generally lacks stability, and the chief feature of interest was a general decline in British standards of 6d. per cwt., at which a fair business was effected. Other descriptions tend to be easier, and the demand for raw refining kinds marked no improvement. T.L. granulated, spot, London, 19s. 3d. Cuban, 96 per cent., September-October, quoted 5s. 6d.; November, 5s. 6½d.; December, 5s. 7½d. Peruvian ditto, afloat, 5s. 6d. c.i.f. United Kingdom. Of preferentials, British West, August-September, quoted 9s. 3d. c.i.f. London. White Java, September-October shipment, quoted 8s. 3d. c. and f. Calcutta. Mauritius crystals, 99 per cent., October-November, 10s. c.i.f. London. Terminals steady, with a fair business passing. Raws, September sold 4s. 6d.; December, 4s. 8½d.; January, 5s. 5½d.; March, 5s. 9½d. to 5s. 9d. cwt. Cuban receipts for past week totalled 40,443 tons, against 44,035 at same time last year; exports, 47,727, tons, against 100,484; stocks, 1,270,810, against 680,018 tons. Stocks of raw sugar in the three chief ports of the United Kingdom for week ending September 6th totalled 126,331 tons, against 118,954 last year.

COFFEE.—Market generally steady, with a fair demand for all the better liquoring grades. Kenya, good bold, sold 81s.; Costa Rica, common to good, 90s. 6d. to 112s. 6d.; Colombian, bold, 87s. to 112s. 6d.; Maragogipe, 122s. 6d. cwt.

COCOA.—Spot market steady, with moderate dealings. Forward irregular. Accra, F.F. grade, London contract, October-December, sold 27s. 6d. to 26s. 9d.; Liverpool, 27s. to 26s. 3d. f.o.b. G.F. to Continent, October-December, sold 29s. 6d. to 28s. 9d. c.i.f. Terminal market steady but inactive. September sold 30s. 6d.

TEA.—Indian offerings for the week totalled 50,785 packages, which encountered a fair general demand, though prices disclosed slight irregularity. A useful assortment of finest Assam and Darjeeling invoices sold under strong competition at advanced rates, but medium descriptions were barely steady. Southern Indian offerings ruled firmer where quality marked improvement, but otherwise moved off quietly. Flowery broken orange pekoe sold up to 8s. 5d. per lb. Ceylon offerings of 28,290 packages came to a somewhat quieter market. Finest kinds were occasionally dearer, but lower grades often ruled in buyers' favour, especially plain and thin liquoring sorts. Java sales passed off steadily, with a fair demand for the better qualities. Of China, there is only a small trade passing on about former terms.

RICE.—Market weak on lack of European demand. Rangoon two stars, spot, London, 13s. 3d.; Spanish, 15s.; Italian, 15s. 6d. Two stars, September-October shipment, 11s. 7½d., c.i.f. London. Spanish, new crop, 13s. 3d. c.i.f. S.Q., October shipment to Cuba, 11s. 9d. c.i.f.

BEANS AND PEAS.—Beans quiet. Madagascar butters, spot, London, 30s.-33s. 6d.; new crop, October-December, 29s. steady, but business fails to expand. Japanese, spot, 19s.; old, 17s.; September-October, new, 18s.; Dutch marrowfats, prompt, 19s. 6d.; September-October, 19s. 3d. per cwt.

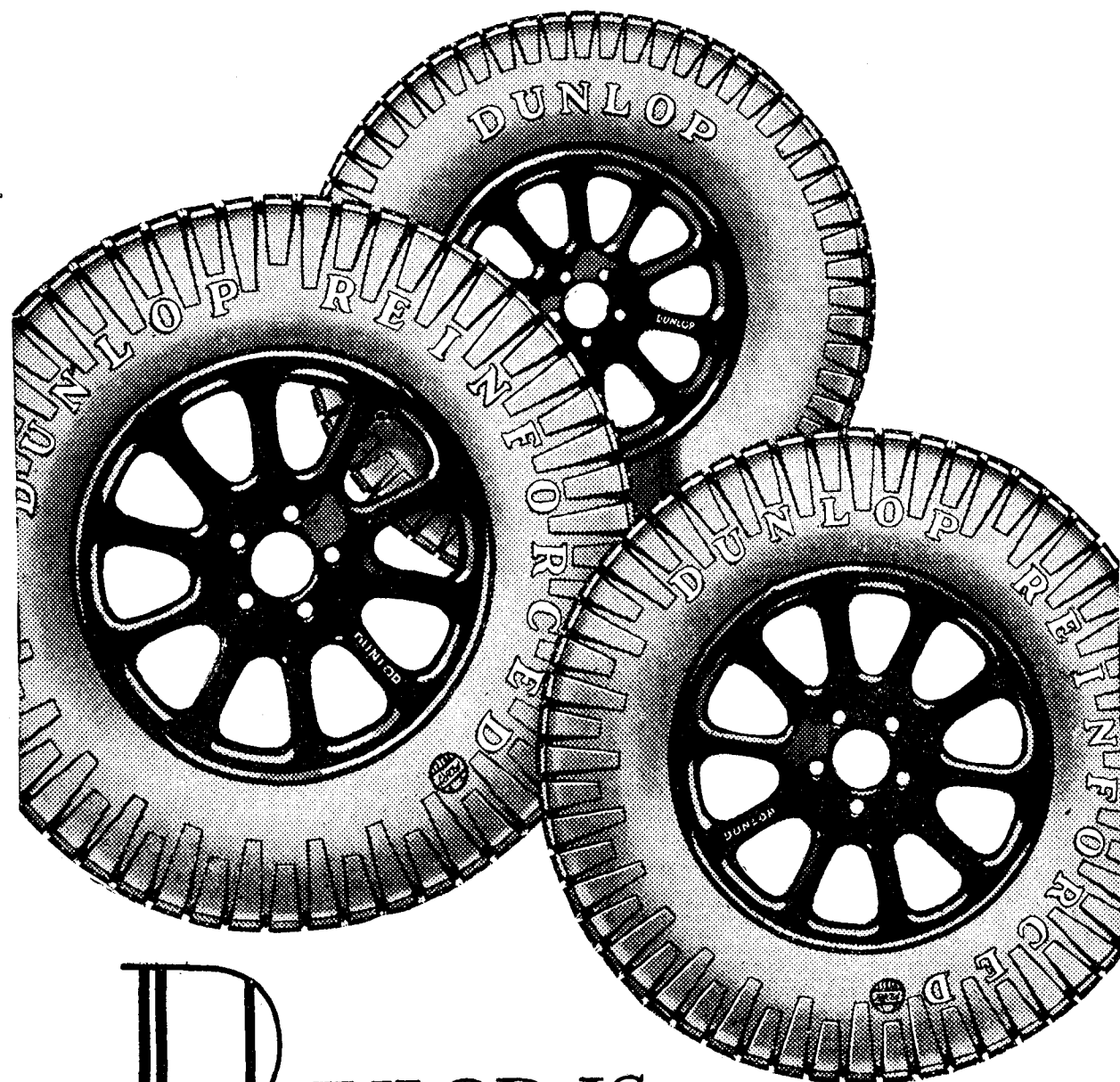
POTATOES.—The market in potatoes has been quiet and prices showed no change on last week.

SPICE.—Pepper in fair support and market firm. Black Lampong, July-August, 5½d.; August-October, 5½d.; October-December, 5½d. Muntok white, August-October, 7½d.; October-December, 7½d. Zanzibar cloves maintained, spot, 1s. 1d.; September-October, 1s. London stock of black increased by 3 tons on the week at 857, against 1,263 at same period last year; white, 78 tons up at 449, against 403 tons last year.

FRUIT (Dried).—Currants quiet, apart from some inquiry for low-priced Australian. Greeks practically cleared and largely nominal on spot. Pyrgos, 27s. 9d.-28s.; Australian, spot, 35s.-47s. Sultanias quiet and old crop cleared. Raisins dull. Figs easier. Evaporated Fruits: Australian apricots continue in demand, but otherwise demand generally quiet and quotations occasionally the turn in buyers' favour.

CANNED GOODS.—In fruit there has been rather more movement of late, chiefly for Australian descriptions, though trade remains below normal. Californian moves off slowly, with ample supplies on offer. Meats: Hams and tongues sell steadily, but corned beef quiet of sale. Condensed milk and milkpowders: There is a fair trade passing at barely steady prices. Honey: A fair inquiry prevailed at the reduced rates current. New Zealand, 66s.-87s. 6d.

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COMMERCIAL TIMES—WEEKLY PRICES CURRENT.

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

LONDON, TUESDAY.		FRUIT (continued)		WOOL—		HIDES—	
CEREALS AND MEAT.		Spanish Onions, Valencia:—		English Southdown, washed		Wet salted—Australian	
GRAIN, &c.	s. d.	case 4s.	5 0 6 0	per lb.	16	per lb.	0 42 0 42
Wheat, No. 3, N. Man. 496 lb.	34 0	case 5s.	6 0 7 0	per lb.	10 1/2	West Indian	0 34 0 42
Eng. Gaz. av., per cwt.	7 8	Onions, Oporto	case 5 0 0 0	Queensland, scd. super cmbg.	25	Cape	0 34 0 5
Barley, Eng. Gaz. av.	8 4	Chestnuts, Hueva	bags 0 0 0 0	N.S.W. greasy, super	13	Dry and Drysalted Cape	0 62 0 8 1/2
Oats	6 0	Grapes, Lisbon	boxes 10 0 13 0	N.Z., gray, half-bred 50-56	10 1/2	Market Hides, London—	
Maize, La Plata, landed, 480 lb.	26 6	Almeria	barrels 12 0 25 0	Crossbred 40-44	9 1/2	Best heavy ox & heifer	0 54 0 7 1/2
Flour, Lon. stan. ex mill, s. d.		LARD—		Merinos 70's	34	Best cow	0 32 0 8
280 lb.	30 6	Irish bladders	62 0 72 0	Crossbred 48's	28	Best calf	0 8 1/2 0 10 1/2
Rice, No. 2 Burma, per cwt. 11	7 1/2	American boxes 56 lbs.	64 9 65 3	46's	15	INDIGO—	
Sago, Pearl, per cwt.	19 0	SPICES—			14	Bengal gd. red-vio. to	
Tapoca, per cwt.		Pepper, per lb.		COAL—		fine—per lb.	5 6 6 6
E.I. flake, fair spot	17 6 0 0	Muntok, fair White	0 0 0 8 1/2	Welsh, best Ad'ty. ton	20 0 0 0	LEATHER—	
Medium pearl	20 0 0 0	Black Lampung	0 6 0 6 1/2	Durham, best gas	15 0 15 3	Sole Bands 8/14 lb.	
Potatoes, good English,		Cinnamon—1st sort, per lb.	0 10 1/2 0	Sheffield, best house	21 0 22 0	per lb.	1 3 2 4
per cwt.	5 6 6 0	Ginger—per cwt.	1 0 1 0 1/2	IRON AND STEEL—		Bark Tanned Sole	2 6 3 3
per 8 lbs.	5 4 5 10	African	0 0 40 0	Copper, Electrolytic, ton	50 10 51 10	Shoulders fm DS Hides	0 7 0 11
Argentine chilled hinds.	4 6 4 10	Jamaica, ord. to good	50 0 90 0	Bars, M'brugh	63 0 0 0	Do. Eng. or WS	0 11 1 5
Mutton, per 8 lbs.		Mace	1 11 2 6	Pig, Cleveland No. 3, ton	63 0 0 0	Do. Eng. or WS	0 7 1 0
English wethers	6 4 8 8	Nutmegs 65's	1 1 1/2 0 0	Bars, M'brugh	215 0 0 0	Dressing Hides	1 6 1 9
N.Z. frozen	3 3 4 4	SUGAR—		Steel Rails, heavy	0 0 0 0	Ro. Eng. Calf, 20/30 lb.	3 6 5 6
Pork, English, per 8 lbs.	5 8 9 0	(Duty, 11s. 8d. per cwt.)		Tin Plates, I.C., per box	18 0 0 0	Aust. Bonds	1 0 1 6
BACON— OTHER FOODS.		B.W.I., crystallised	19 6 22 0	METALS—		VEGETABLE OILS—	
Irish	per cwt. 92 0 103 0	Java, white, c. & f. India,	8 3 0 0	Copper, Electrolytic, ton	50 10 51 10	Linseed, naked, p. ton net	33 10 0 0
Danish	90 0 96 0	REFINED—London	19 14 0 0	Sheets (strong)	79 0 0 0	Rape, refined	35 10 0 0
Canadian	94 0 0 0	Cubas	23 6 24 0	Standard	47 7/6 47 8/9	Cotton-seed, crude	26 10 0 0
Dutch	77 0 88 0	Crushed	22 0 22 6	Soft Eng. Pig	per ton 19 10 0 0	Coconut, deo.	38 10 0 0
HAMS—Irish	0 0 0 0	Granulated	19 9 20 7 1/2	Spelter G.O.B.	18 3/9 18 5	Palm	21 15 23 0
Canadian	0 0 0 0	Home Grown (Oct.)	19 9 19 10 1/2	Tin—English ingots	135 0 136 0	Oil Cakes, Linseed, Eng.	21 10 22 15
American	90 0 112 0	TEA—		Standard cash	133 15 133 17 1/6	per ton	
BUTTER—		Indian & Ceylon—per lb.		CHEMICALS—		La Plata, p. ton	Sept.-Oct. 14/16/3 0 0
Irish creamery per cwt.	126 0 130 0	Pekoe	8 8 2 1	Acid, citric, per lb. less 5%	1 6 1 6 1/2	Calcutta—per ton	Sept.-Oct. 16/7/6 0 0
Australian	116 0 134 0	Broken Pekoe	0 8 1 11	Nitric	0 2 1/2 0 4	Turpentine, per cwt.	s. d. a. d.
New Zealand	121 0 150 0	Orange Pekoe	0 10 6 2	Oxalic, net	0 3 1/2 0 4	MINERAL OILS—	
Danish	144 0 164 0	Broken Orange	0 9 8 5	Tartaric, English less 5%	1 0 0 0	Petroleum—Oil, per 8 lbs.	1 0 0 0
OHRESS—		TOBACCO—		Alum, lump	per ton 9 0 10 0	Water-White	1 1 0 0
Canadian	per cwt. 72 0 80 0	(Duty 8/10-11/24 per lb.)		Ammonia, carb.	per ton 36 0 38 0	Lubricating—per ton	£ s. d.
New Zealand	69 0 74 0	Empire growths, 6/9 1/2		Sulphate	per ton 10 0 12 0	Pales	10/5/0 21/7/6
English Cheddars	65 0 106 0	Virginia leaf		Arsenic, lump	per ton 35 0 40 0	Reds	11/10/0 18/15/0
Dutch	42 0 79 0	Common to fine	0 10 2 6	Bleaching powder, per cwt.	7/10/0 6/12/6	Cylinder	12/0/0 29/10/0
COCOA—		Rhodesian leaf	0 9 1 6	Borax, gran.	per cwt. 11 0 0 0	Fuel—per ton	s. d. a. d.
(Duty, British grown,		Nyasaland leaf	0 9 1 8	Nitrate of Soda	per cwt. 10 9 11 0	S.G. 895, 910	82 6 0 0
9s. 4d.; foreign, 14s. cwt.)		strips	0 10 1 10	Potash—Chlorate, net	0 3 0 12 1/2	" 950	67 6 0 0
Accra, f.f., per cwt.	33 0 36 0	East Indian leaf	0 4 0 8	Sulphate	per cwt. 10 0 11 0	ROSIN—	
Trinidad	54 0 60 0	— strips	0 5 1 2	Soda Bicarb.	per cwt. 9 0 10 6	American	per ton 13 0 18 0
Grenada	52 0 54 0	COTTON—		Crystals	per cwt. 5 0 5 3	RUBBER—	
COFFEE—		Mid-American	per lb. 6-40	Sulphate Copper	per ton 23 10 24 0	Plantation Sheet per lb.	0 4 0 0
(Duty, British grown,		Sakellaris, f.g.f.	10-20	CEMENT—		Fine Hard Para per lb.	0 6 1/2 0 0
9s. 4d.; foreign, 14s. cwt.)		Yama, 32's twist	10 1/2	Portland, best Eng. pr. ton	46 0 48 0	SHELLAC—	
E.I., good to fine, per cwt.	120 0 133 0	60's twist	19 1/2	COPRA—		TN Orange	per cwt. 95 0 97 6
Costa Rica, good to fine	135 0 152 0	FLAX—		S.D. Straits c.f.f., per ton	£ s. d.	SHELLS—	
Cent. Amer., mid to fine	110 0 135 0	Livonian ZK	per ton 44 0 0 0	Oct. 17 0 0 0	Swedish u/s 3 x 8 per std.	W. Aust. M.-o.-P.	3 10 11 10
Kenya, bold sizes	115 0 128 0	Pernau HD	44 0 0 0	Sept.-Oct. 15 17 6	Do. 2 1/2 x 7		
Colombian, mid to fine	105 0 110 0	Slanetz Medium 1st sort.	44 0 0 0	Nov.-Dec. 15 17 6	Do. 2 x 4		
BOGS—		HEMP—		SILK—		Can'da Spruce, Dis.	per load 9 0 0 0
English	per 120 16 0 20 0	Italian P.C.	per ton 44 0 0 0	Canton	per lb. 8 0 9 6	Pitchpine	per std. 32 0 0 0
Danish	13 0 15 0	Manilla, Oct.-Dec. "J2"	22 0 0 0	Tussah	5 0 8 0	Teak	per load 20 0 0 0
FRUIT—		N.Z. African, Oct.-Dec.	21 12 6 20 10	Japan	12 6 14 6	Honduras Mahg. logs	c. ft. 0 11 6
Oranges, South African bxs.	15 0 20 0	Mexican	0 23 18	Italian—Raw, fr. Milan	12 0 14 0	African	" 0 6 6
Oranges		JUTE—				Amer. Oak Boards	" 0 6 0
Denia and Valencia		Native 1st mks.	per ton £ s. d.			Do. Ash	" 0 6 0
cases 300	0 0 0 0	Sept.-Oct.	15 17 6			English Oak Planks	" 7 0 0
504	0 0 0 0	Nov.-Dec.	15 17 6			Do. Ash	" 0 6 6
Lemons, Naples	boxes 12 0 33 0						
Stilian	cases 20 0 27 0						
Malaga	cases 420 No. 1						
Apples: Amer. (var.) bris.	(Small sizes)						
(var.) boxes	0 0 0 0						
Tasmanian boxes	0 0 6 3						
Australian	0 0 0 0						

MEAT.—The price of foreign meat has been slightly firmer, while that of home-killed beef and mutton is practically unchanged. Beef, per 8 lbs.: English, long sides, 5s. 4d. to 5s. 10d.; Argentina, chilled hindquarters, 4s. 6d. to 4s. 10d. Mutton, per 8 lbs.: English, 6s. 4d. to 8s. 8d.; New Zealand wethers, 3s. 3d. to 4s. 4d. Pork, per 8 lbs.: English (under 10 stone), 8s. to 9s.

RUBBER.—Market has been depressed and prices dipped to a new low level record of 3 1/2d. per lb. owing to the refusal of the Eastern authorities to intervene regarding restrictive measures. A moderate recovery since occurred on improved buying orders. Plantation standard sheet, spot, also October, sold, 4 1/2d.; October-December, 4 1/2d.; January-March, 4 1/2d.; April-June, 4 1/2d. to

4 3/4d.; July-September, quoted 4 1/2d.; January-December, 1931, 4 1/2d. per lb. London stocks were increased by 1,219 tons on the week, landings being 2,119, deliveries 900, stock 81,830, against 36,620 at same time last year. Liverpool stock, 1,370 tons up, landings being 1,567, deliveries 197, stock 31,159, against 8,351 tons at corresponding period last year.

HEMP.—Manilla quiet and rather featureless. J2, October-December, quoted £22; K, £20 5s.; L, No. 1, £20; with lower grades in proportion. African sisal, No. 1, f.a.g., October-December, sellers £21 12s. 6d.; January-March, £21 15s. c.i.f. Manila receipts for past week totalled 22,000 bales, against 36,000 at same time last year, and 24,000 in 1928. Estimate for this week 24,000, and the following week 23,000 bales.

VEGETABLE OILS AND OLSEEDS.—Markets are not so active, crushers who bought extensively a few days ago having apparently covered their immediate requirements with prices in their favour. Old crop Plate linseed continues to offer, and is being absorbed fairly well, £14 17s. 6d. having been conceded for seed on spot at Hull, and £14 15s. for September shipment. Pressure on the part of Indian shippers to sell has forced down values. The condition of the new crop in Argentina is satisfactory. The quantity of linseed on passage to Europe is 103,000 tons, and there still remains for shipment this season from South America and India 390,000 tons, or about 40,000 tons more than was actually exported in the concluding stages of last year. Cottonseed is dull, and prices of Egyptians are easier in the absence of demand, old crop quoting about £6 10s., and new offering at £6 12s. 6d. In the oil section linseed oil is in better request from consumers, and prices are steadier, with September delivery ex Hull at £32, and October-December at £30 15s. Cotton oil is quiet, crude Egyptian offering at £26 5s. Other seed oils are quiet, and oilcakes and meals in fair demand at unchanged prices. The market for copra is weaker. Straits S.D. to Rotterdam, September, also October, sellers, £17; November, £17 2s. 6d.; Dutch E.I., October, £17. Palm kernels to Hamburg, September-October, £12 5s.; October-November, £12 7s. 6d.; November-December, £12 10s. c.i.f.

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WEEKLY COMMERCIAL TIMES,

Bankers' Gazette and Railway Monitor

A POLITICAL, LITERARY, AND GENERAL NEWSPAPER.

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THE MONEY MARKET.

MONEY remains very easy, and on Thursday was described as being almost unlendable at rates running for new money from 1 1/2 down to as low as 1 per cent. Renewals of day-to-day loans were effected at 1 1/2 per cent. Discount rates also remain low. Three months' bills were quoted at 2 1/2 per cent. until Thursday, when business was reported at 2 3/4 per cent. On Monday, it was reported that the Bank was selling October Treasury bills

at 2 per cent. This may have represented an attempt to stiffen up discount rates, but if so it has so far proved abortive. Another explanation lies in the fact that this week the Banking Department has increased its Reserve by £4,495,381, and so if the Bank sold Treasury bills to this amount it would simply be following its normal neutralisation policy. In actual fact, Government Securities held by the Bank have been reduced by £7,151,347, and Bankers' Deposits by £1,858,594. This suggests that the Bank went beyond its neutralisation policy, and that the reports that it wished to exert some pressure upon the market were partially justified.

This week £780,000 of Cape gold was offered in the London market, of which £719,000 was bought on French account at the high price of 85s. 0½d. per ounce fine. Next week £500,000 is due to arrive, but £250,000 of this has already been bought forward for France, and so only the balance will be on offer. The only gold withdrawal of note from the Bank of England was one of £188,000 on September 15th, and this was more than offset by the Bank's gold acquisitions during the week, the Bank return showing a net gold increase of £987,000.

The renewed weakness of sterling against the franc is explained by the withdrawal through London of some French funds from Germany as a result of the German elections. The fact that the mark has maintained its strength in the face of these withdrawals is ascribed to transfer of some Dutch money to Berlin. The recent fluctuations in the New York exchange, which were in the main adverse to sterling, are said to be due to operations of a speculative character. It is not believed that the seasonal pressure upon sterling is yet making itself felt, and in any case restricted trade and the low level of cotton and grain prices means that the autumn demand for dollars will be far below its usual dimensions.

	Aug. 26, 1930.	Sep. 4, 1930.	Sep. 11, 1930.	Sep. 18, 1930.	Previous Rate and Date Changed.
Bank Rate	3%	3%	3%	3%	3½ (May 1, '30)
Banks' Deposit Rate	1	1	1	1	1½ (May 1, '30)
Discount/Call	1	1	1	1	1½ (May 1, '30)
Houses' Notice	1½	1½	1½	1½	1½ (May 1, '30)
Market rate (3 months' bills)	2½	2½	2½	2½	...

The August statements of the nine English clearing banks reveal a sudden reversal in the recent upward trend of deposits. This may be to a limited extent the result of withdrawals of money by the public for use during the holidays, and the reduction of £7.2 millions in the banks' cash holdings may be due to the same cause.

	August 1929.	May 1930.	June 1930.	July 1930.	August 1930.
Capital and reserves	130.8	131.4	131.8	131.8	131.8
Acceptances	186.1	144.1	130.7	124.5	121.7
Deposits (including undivided profits, &c.)	1,758.8	1,742.4	1,788.3	1,794.2	1,767.4
Total liabilities	2,075.7	2,017.9	2,050.8	2,050.5	2,020.9
Cash, notes, balance at bank, and cheques in course of collection	237.2	239.3	249.8	242.6	235.4
Money at call	140.8	135.3	142.3	141.7	133.7
Investments	266.6	257.9	259.1	267.0	276.5
Discounts	225.0	246.1	273.1	284.5	279.3
Loans and advances	981.3	955.8	956.2	950.4	934.3
Over for accept., premises, &c.	224.8	183.5	170.3	164.3	161.7
Total assets	2,075.7	2,017.9	2,050.8	2,050.5	2,020.9

Bad trade is reflected in the reduction of £16.1 millions in loans and advances, and in the further contraction of £2.8 millions in acceptances. Possibly owing to the low level of discount rates, the banks last month allowed £5.2 millions of their bills to run off, and, instead of buying fresh bills, added £9.5 millions to their investments.

NEW YORK.

Money remains very easy, and, on Tuesday, call money, which previously had been quoted at 2½ per cent.,

fell definitely to 2 per cent. Open market discount rates on Wednesday were 1½-2 per cent. for ninety days' bank bills, while commercial paper was quoted at 3 per cent.

THE STOCK MARKETS.

The stock markets relapsed into a state of unbroken lethargy, business being of narrow dimensions, though average prices showed only a small decline. Gilt-edged stocks were less firm. Australian Government loans declined, and the election results unfavourably affected German issues. Home rails were marked down on the customarily disappointing traffic figures, while the Argentine railway dividend declaration failed to obviate foreign selling. Industrials attracted less attention than in recent weeks, prices generally showing fractional downward changes. Rubber shares held their ground, but tea shares were again dull. Oils were firmer on inquiry from Paris and Amsterdam. Little interest was taken in mining counters, owing mainly to indications of further instability in base metal prices.

THE COMMODITY MARKETS.

The coal trade continues depressed. Industrial consumption of fuel is still shrinking, and there is no evidence of an improvement in exports. The production of iron and steel has fallen to a low level, but stocks are being slightly reduced; transactions in finished steel are few in number. Outlets for Manchester goods are still difficult to find, but there has been an increase in inquiries from India. A slight improvement has become noticeable in the wool industry, and the hide and leather trades are experiencing an increased demand at higher prices. The jute industry is depressed, and there is no hope of an improvement until the large stocks of finished goods have been reduced. Wheat prices are hardly changed on the week.

THE FOREIGN EXCHANGES.

Business was quiet in the Foreign Exchange market, but movements were generally unfavourable to sterling. Towards the end of last week New York fell away from 4.86½ to 4.85½ on Friday last, but subsequently recovered to 4.86½. Montreal was also lower at 4.85½. Against French francs, sterling was offered down to 123.73 and Belgas were no better than 84.85½ at the close. Milan eased off to 92.82, and there was a distinct demand for Dutch guilders, the rate falling to 12.06½, as against 12.07½ a week ago. Swiss francs were wanted at 25.05½. Madrid displayed less violent fluctuations than recently, but after improving to 43.75 closed at 45.50. Stockholm improved to 18.08½. The results of the German elections failed to affect the exchange, the Reichsmark improving to 20.40, compared with 20.41½ a week ago. The recent improvements in the Argentine and Brazilian exchanges were not fully maintained, the former being 40½d. and the latter 43½d. In the forward market, dollars were quoted at narrower margins, one month being ½ cent premium and three months ¼ cent premium. Forward Paris was at par for one month, and three months was quoted 2½ cents premium. Forward Belgas were in better demand at 1 and 3 cents premium for the respective dates, while Milan forwards continued on offer at discounts of 13 cents for one month and 34 for three months. Madrid forwards showed considerable variation and were dealt in only with some difficulty, one month closing at 1 cent premium and three months at 2½ cents premium. One month Amsterdam continued at par and three months was at ¼ cent premium. Berlin forwards came on offer, one month being 1½ and three months 3½ pfennigs discounts. Forward Switzerland was in demand at premiums of ½ cent and 1½ cents for the respective periods. A slightly better tone was apparent in the silver market, Chinese demands causing an improvement to 16½d. for both spot and forward positions. Hong Kong was quoted at 1s. 3½d. and Shanghai at 1s. 8d.

ECONOMIST INTELLIGENCE BRANCH.

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THE GERMAN ELECTION RESULTS.

BORN in Germany and abroad the results of the polling which took place last Sunday have come as a surprise and have been received in most quarters with something like consternation. It had been hoped that these elections would bring Germany one step nearer towards a two-party—or, in Continental terms, a bi-coalitional—system, which would enable constitutionally-minded and effectively-supported Governments of the moderate Right and the moderate Left to alternate with one another in office at reasonably long intervals. This hope seemed to be warranted by certain features in the home and the foreign situation; at home, by the separation between the sheep and the goats in the Nationalist (Conservative) Party, a split which looked as though it would make co-operation between the moderate Conservatives and the middle parties easier; abroad, by the definitive settlement of the Reparations problem and the complete evacuation of the Rhineland. This hope has been disappointed, and the misgivings which we expressed last week have, unfortunately, been more than justified.

The outstanding feature has been the success of the unconstitutional "parties of violence" on the two extreme wings. The Communists have raised their representation in the Reichstag from 54 to 76; their "opposite numbers" on the extreme Right, the Fascist "National Socialists" (called "Nazis" for short), have made the sensational gain of 95 seats and will come to the new Reichstag 107 strong, after having been represented in the old Reichstag by a band of twelve. These gains have not been made for the most part at the constitutional parties' direct expense; for nearly five million more voters went to the polls last Sunday than in 1928, and this heavier polling will account for more than two-thirds of the additional votes that the Communists and the National Socialists between them have gained. Since, under the German constitution, the number of seats in the Reichstag varies in accordance with the heaviness of the polling at each general election, it follows that, in absolute numbers of seats, the representation of the constitutional parties in the Reichstag will not be very different from what it has been. For example, the groups corresponding to the old Nationalist Party and its minor allies have actually gained half a dozen seats in the aggregate, in spite of the split between the followers of Herr Hugenberg and those of Herr Treviranus. The Centre Party has gained seven seats. The Social Democrats have lost only nine seats; and, with 143 against the National Socialists' 107, they remain by far the strongest single party in the Reichstag. The only serious absolute loss in the ranks of the constitutional parties has been suffered by the German People's Party (the late Dr. Stresemann's group), which will be represented by only 29 members instead of 45.

The meaning of all these figures is this: The occasional voter has voted this time in strength, and has cast his vote solidly against the constitutional parties, whose performance he knows from experience, in favour of the "parties of violence," whose capacities are quite untried, and whose prowess up to date amounts to vociferating that any way they will not commit the sins of omission of "the old gang." The casual voter is apt to vote on impulse, not on reflection, but just for this reason, when he does bestir himself, he is a good weather-cock. What is it that, in his eyes, has so damaged the prestige of all the constitutional parties alike—from the Social Democrats at one end of the scale to the Conservatives at the other?

Partly, the constitutional parties have lost prestige through their own fault, or (perhaps it is fairer to say) through their misfortune in having formed their habits of political action under the old régime, when the

Reichstag did not have the last word and therefore did not have the ultimate responsibility. Responsibility is the only school of Government; and to go through the forms without having to answer for the consequences is the worst schooling that politicians can have. This bad schooling accounts for the ineptitude which all the constitutional parties have displayed to some extent during the last dozen years, when power has really been in their hands. It explains the instability of every combination and the interminable bargaining ("kuhhandel") that has never produced the effective government which the country needs and which it more and more insistently demands. These bad political habits can only be cured by experience; but the German people's patience is running out before the German politicians have learnt their trade.

On the other hand, these inexperienced German constitutional parties, during these first dozen years of their apprenticeship, have been compelled by the international situation to bear a greater burden of odium than any political parties in any country could carry with impunity. The signature and ratification of the Peace Treaty, the military occupations of the Rhineland and the Ruhr, the exaction of reparations, the alleged "oppression" of the German minorities in half a dozen countries outside the post-war frontiers of the Reich—all these national misfortunes and humiliations are laid by the man in the street at the constitutional parties' door. They came into power at the moment of national disaster; their very names are associated with the idea of defeat. One remembers the unpopularity of the Republican parties in France, and the instability of the Republic itself, after the national disaster of 1870-71; and the discomfiture of France then was slight compared to the discomfiture of Germany in and after 1918.

But surely Germany is rapidly being restored to a footing of equality with the other Great Powers? So it seems to us; but things do not look quite the same to German eyes. We congratulate ourselves over the evacuation of the Rhineland, forgetting the last pin-pricks, inflicted by the French army of occupation, from which the evacuated territory is still smarting. We point to the Minorities Treaties, shutting our eyes to the actual plight of the German minority in Poland. We make the most of our painful progress towards disarmament, while the Germans notice that France and her allies have successfully resisted the demand that, in constructing the "yard-stick" for disarmament on land, "trained reserves" shall be taken into account in countries which, unlike Germany, have not been compelled to abandon conscription. We observe how greatly the original reparation demands have been reduced, while the Germans feel the weight of the actual load. Finally, as our Berlin correspondent points out on a later page, the man in the street has been turned against the constitutional parties by the economic crisis from which Germany is suffering like the rest of the world. The rise in German unemployment figures is surely related to the rise in Communist and National Socialist votes. When a depression of the present severity is developing, unhappy is the Government in any country that is compelled to seek the suffrages of the electors. Blame for growing troubles is always imputed to those who have just left the helm, and the swing of the pendulum is accentuated. This has very recently happened in Canada, and, whatever the strength of other influences at work, full allowances must be made for this factor in the case of Germany.

These considerations explain the result of the General Election. But what is the outlook? This is a matter of general concern, for Germany has remained the key country on the Continent, notwithstanding the debacle

of 1918. For instance, it was the failure of Communism to capture Germany in 1919, 1920 and 1923 that accounted more than anything for the failure of Communism to carry the Continent as a whole. If either Communism or Fascism were to get the upper hand in Germany now the repercussions throughout Europe would be very strong. Thus we cannot afford to be indifferent to either of these possibilities. At the same time, we can see a number of features in the situation which may mitigate our anxiety.

The first feature is the existence of Prussia; for the Prussian State, which is two-thirds of Germany, seems to have succeeded already, where the Reich has so far failed, in adapting itself to the political conditions of the new *régime*. Prussia has been, and still is being, effectively governed by a stable coalition of the moderate Left; the Social-Democrat Prime Minister of Prussia, Herr Braun, has become the leading personality in the German Social-Democratic Party; and during the recent election campaign Herr Braun has been making an urgent appeal to the Chancellor of the Reich, Dr. Brüning, for co-operation between the Catholic Centre Party and the Social-Democrats in the politics of the Reich, notwithstanding the personal bickerings between party leaders. If the Social-Democrats are animated by this spirit, and the German People's Party has been chastened by its losses, it is not inconceivable that a coalition, embracing both these groups and everything between them, could be formed. Such a coalition would possess a working majority in the new Reichstag, and if it could secure the friendly neutrality of Herr Treviranus's moderate Conservatives, that would be some offset to the turbulence of the wild men at either extreme.

We may also hope that the extremists will be sobered to some extent by their very success, which seems to have taken them almost as much by surprise as it has taken the rest of the world. At any rate, we need not take it for granted that the "Nazis," when they find themselves the second strongest party in the Reichstag, will behave as badly in that arena as they have behaved in Thuringia since they have dominated the government of that minor member of the German confederation.

We have, no doubt, to contemplate the possibility that the inability of the constitutional parties to co-operate and the determination of the unconstitutional parties to obstruct may make parliamentary government temporarily unworkable in Germany; but, even then, the alternative would not necessarily be a minoritarian dictatorship of either Communist or Fascist complexion. Besides the stability of the Prussian State, there is one other solid rock in Germany's political foundations, and that is the personality and prestige of President von Hindenburg. If there is any living statesman in Europe who could carry on a provisional regime of "government by decree" without closing the door upon an early restoration of parliamentarianism, President Hindenburg is the man.

Thus there are several features in the internal situation of Germany which give reasonable ground for optimism; but a great deal also depends on the reaction abroad. Our Paris correspondent's account, in a later column, of French opinion is not very encouraging; but we are convinced that for Germany's neighbours the moral of the election results is not that we have moved too fast in restoring Germany to her natural place among the nations, but that we have not moved fast enough. If, for example, the evacuation of the Rhineland had been completed a year or two years ago, instead of only this summer, the figures recorded at the polls last Sunday might have been very different. We deplore these German election results; and it is wholesome that this feeling—which is, we believe, widespread—should be realised in Germany. But international public opinion will fail of its effect in Germany if international statesmanship does anything at this juncture which the National-Socialists could represent as being a retaliation for the votes which have been cast in their favour. Nothing would suit them better. In other words, nothing would be so much against the larger interests of Germany and of the world.

THE LEAGUE AND THE BRIAND PLAN.

PARTLY through force of circumstances, partly through more direct design, the Eleventh Assembly of the League of Nations has in its earlier phases revolved largely round the Briand Scheme for a European Union. To say that is perhaps in some ways to give M. Briand's actual proposals an importance they might not have assumed if other factors had not existed to direct the stream of discussion into much the same channel. But the essential fact about M. Briand's plan, nebulous as it so far is, is that it aims at a *rapprochement* which would have imposed itself in any event in the economic field so far as Europe was concerned. Consequently it is certain that, if the French Foreign Minister had never moved at all, the delegates at the Eleventh Assembly would have talked about economic problems, would have talked about them in special relation to Europe, and would have groped about, however tentatively, for some means of creating an economic understanding between European States in particular.

That statement may seem a little hypothetical so far as it is an assertion about what might have happened if something else, namely, the promulgation of the Briand plan, had not happened. But in fact it is a statement that rests on very solid foundations. So far as the League of Nations is concerned, its chief warrant for future economic action is the Protocol regarding the Programme of Future Negotiations adopted at the end of the largely abortive Conference on Concerted Economic Action (the Tariff Truce Conference) last March. The essential feature of the Convention is that it has been signed by every European State and by no non-European. There is already projected, therefore, as part of the definite programme of the League's Economic Section, the prosecution of negotiations making for closer understandings specifically between European States and specifically on tariff questions. To that extent the ground is prepared for M. Briand's proposals in advance, or as his critics, so far as he has any, might prefer to put it, to that extent his proposals are superfluous or redundant.

In point of fact, the opposition between these two points of view is unlikely to arise. If the Briand plan develops within the framework of the League, its expression on the economic side will be identical with the programme the League has already set before it, and no one will be disposed to quarrel about the apportionment of any credit for success or blame for failure. But no questions of that kind belong to the immediate future, for the Briand plan will not be seen in action before 1932 at the earliest, for a committee has been appointed to study the whole plan in detail and report on it to the Assembly of 1931.

At this point it may be well to observe, paradoxical as it sounds, that in reality no Briand plan exists. The French Foreign Minister has produced nothing that can properly be called a plan, and the discussions at Geneva have added no precision to his very tentative suggestions. That is not said in any way in disparagement of M. Briand's initiative. It is far better that definite propositions should be worked out at leisure by the collective wisdom of European statesmen than that the League, or Europe, should be confronted with some concrete scheme elaborated in all its details by the Quai D'Orsay. But it is well to recognise in how primary a stage the proposals remain as yet. On the desirability of some such "closer unity" as M. Briand advocates, there is unanimity—the Assembly discussions have made that entirely clear—but beyond that there is none. As Count Apponyi put it from the Assembly platform, every answer to the Briand questionnaire began with a "yes," but every "yes" was followed by a "but." It might be added, perhaps, that the answers—almost, if not quite, without exception—laid it down that the European organisation, if there were to be one, must fall definitely within the framework of the League. Assembly speakers laid varying degrees of emphasis on that requirement, but M. Motta, of Switzerland, was obviously expressing a general sentiment when he spoke of Europe being "organised through the League and by League means."

THE SOUTH AFRICAN HOLIDAY

A noted medical authority, writing recently of sea-voyaging, as the true antidote of city life, described it as a rhythm of living, of eating and of sleeping, which in turn induces a rhythm of thinking. There is a monotony in ocean travel which may oppress at first but later heals and soothes. The restful influence of ocean horizons and the invigorating effects of sea air, day after day, replenish mind and body alike.

It is these benefits of sea-voyaging that have helped to bring the South African Holiday into such general favour, but the ocean trip is merely a prelude to the fuller change of climate, scenes and interests in this Dominion of sunshine, health and happiness.

"Blue and Gold Tours" is an informative little book on this new field of travel which will be gladly sent *post free* on application to:—

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This was not quite the French idea, and there has been throughout at Geneva an under-current of latent opposition between the French desire to get the Briand plan past the Assembly as quickly and quietly as possible and into the hands of a Committee of European States, and the general Assembly view, interpreted primarily by Mr Henderson, that whatever was done should be done definitely through the League and by the League's authority. That view has definitely prevailed. The meeting of European States, held before the Assembly opened, lasted for three hours and turned solely on questions of procedure. Neither there nor in the Assembly itself has the content of the plan, so far as it yet has content, been discussed, but, both at the European meeting and in the plenary Assembly, insistence on League predominance has been universal. Taking full cognisance of that, M. Briand himself devoted the main part of his Assembly speech to protestations of his own conviction that everything must be by the League and through the League and for the League.

But what is that "everything" to be? For it is clearly time that the plan which has been before the public for twelve months as an idea should now take a more precise shape. It quite definitely has not done so at Geneva. It remains still what it was when M. Briand asked his European colleagues to lunch in September, 1929—a project of a "closer federal link between the States of Europe." As a result of the replies he has received to his subsequent memorandum, M. Briand has summarised what he considers to be more or less agreed conclusions. The European States as a whole, in his view, recognise the necessity for "European co-ordination." Most of them desire the inclusion of non-members of the League like Russia and Turkey in any new organisation. Most of them are prepared to agree to regular conferences between European States, and the majority would favour the establishment of a "committee, bureau or secretariat" to keep the machinery moving in the intervals between conferences. It is mainly to economic co-operation and in some cases to concurrent political action that most Governments look for the most immediate progress in the direction of security.

Such is the summary. This, it will be observed, does not amount to much, but it is all that the European States are prepared at present to accept with any unanimity. It is the sum total of what emerges from the chorus of "ayes" qualified by the chorus of "buts." Something, nevertheless, has been established. The committee of the European States will work out its programme in the next twelve months, conscious of the fact that it is a committee appointed by the League's authority and answerable to the League. There are at least certain lines of advance marked out by events and circumstances. The recent Agrarian Conference at Warsaw was much in the minds of Assembly delegates from the nations participating in it. Herr Schober, the Austrian Chancellor, was one of many speakers who

emphasised the importance of the problems raised at Warsaw, notably the organisation of the Agrarian States and their fiscal relations with the industrial; M. Zaleski, of Poland, and M. Mironesco, of Roumania, concurred; and in another quarter of the field Mr Graham's closely-reasoned speech on the necessity of further action in the direction of tariff reduction supplies the European Committee with a second item for its agenda. Tariffs, it may be argued, are not a specifically European problem. That is obviously true, but in view of the Convention already mentioned, signed by European States alone, looking to future tariff negotiations, it is clearly the line of least resistance to study this problem at first in relation to Europe only.

Speaking generally, the impression that results from a week's discussions at Geneva is surprisingly, though not of necessity disappointingly, vague. All M. Briand has done is to give expression to a general aspiration, and the disquiet everywhere prevailing regarding the condition of Europe has secured a ready hearing for his appeal by delegates who, if convinced of nothing else, are convinced at any rate that something must be done. The German elections, of course, have not made matters easier; and one French paper has immediately brought them into relation with the Briand plan by remarking that "these are the people with whom we are asked to federate." But these are only first reactions, which may differ very much from second thoughts, and if the Assembly debate has not been fertile in suggestions, its outcome is, at least, a universal insistence that, whatever it does, Europe must work within the League, and making use, if possible, of the machinery of the League. We have not, in other words, progressed beyond the starting-point, but at least the right starting-point has been chosen.

THE SLUMP IN ADVERTISING.

THE recent announcement by a Sunday newspaper in the Rothermere Combine that its charge for a page of advertising space is to be reduced from £1,000 to £700 may be regarded as symptomatic of the difficulties confronting the daily and Sunday "national" Press in its efforts to maintain advertisement revenue during the present acute trade depression. For such journals the problem is a vital one, particularly in the case of the "national" dailies with huge circulations, where the cost of production so greatly exceeds receipts from the sale of the paper that, to make ends meet, a vast advertising revenue is a necessity. Poor trade and general lack of confidence in the political and economic outlook have been significantly reflected in a reduction of many advertisers' appropriations for newspaper publicity; in fact, the decline in advertising space would serve, if further proof were needed, as a fairly accurate index of the general commercial recession. In the first of the following tables (our acknowledgments for the data on which they are based are due in each case to *The Newspaper World*), we show

the advertising space occupied in a representative list of papers with a "national" circulation during an early week of July, 1925, and of the corresponding month in each of the past three years:—

	ADVERTISING SPACE (Thousand sq. inches.)			
	Early week in July—			
	1925.	1928.	1929.	1930.
Twopenny Group—				
Times	28.8	30.6	28.7	24.6
Daily Telegraph	23.5	22.4	22.5	19.6
Manchester Guardian	13.3	13.5	14.5	12.1
	65.6	66.5	65.7	56.3
Penny Group*—				
Daily Dispatch	10.9	13.9	14.4	11.8
Daily Express	16.4	20.8	20.7	17.7
Daily Mail	17.0	22.7	20.1	18.1
News-Chronicle	9.1	12.4	11.8	12.5
	53.4	69.8	67.0	60.1
Illustrated—				
Daily Mirror	5.3	8.6	7.3	7.1
Daily Sketch	4.8	7.8	7.8	6.7
	10.1	16.4	15.1	13.8

* The figures shown for the *News-Chronicle* are those for the *Daily News* prior to 1930. Owing to the changed conditions resulting from the fusion of the *Daily News* and *Chronicle*, these figures are excluded from subsequent tables. Figures for the *Daily Herald*, which appeared in a new size and under new auspices in March of this year, are not given by the *Newspaper World*.

Thus, in July of this year, as compared with a year ago, there has been a fall of 14 per cent. in the volume of advertisements in the first group, over 10 per cent. in the second (13 per cent. if the *News-Chronicle* is excluded), and nearly 9 per cent. in the third. The drop shown in July seems fairly representative of the year as a whole, for though similar analyses in February and March show larger reductions in the aggregate for the three groups, the reductions in May and June were smaller. Although, therefore, the figures for a single week are liable to give a mistaken impression owing to special circumstances, we may safely conclude that "national" advertisers in the aggregate have been spending this summer between 10 and 15 per cent. less than a year ago, whereas their expenditure rose by 18 per cent. between 1925 and 1928, and declined about 4 per cent. between 1928 and 1929. In this contraction, it should be appreciated that the recent stagnation of the new issue market has been a contributory factor.

From the point of view of newspaper finance, a further analysis, viz., of total space, is required before the full implications of the slump in advertising can be seen:—

	TOTAL SPACE. (Thousand sq. inches.)			
	Early week in July—			
	1925.	1928.	1929.	1930.
Twopenny Group—				
Times	62.6	68.8	66.5	61.2
Daily Telegraph	55.8	61.0	60.9	53.9
Manchester Guardian	37.1	46.0	54.2	48.2
	155.5	175.8	181.6	163.3
Penny Group—				
Daily Dispatch	25.2	31.5	33.0	31.5
Daily Express	32.3	40.6	40.6	37.8
Daily Mail	32.3	43.4	41.0	37.8
	89.8	115.5	114.6	107.1
Illustrated—				
Daily Mirror	15.2	26.9	21.3	20.2
Daily Sketch	15.0	23.5	21.3	19.6
	30.2	50.4	42.6	39.8

It will be observed that, save in the case of the "Twopenny Group," whose average is somewhat overweighted by the exceptional 1929 figure for the *Manchester Guardian*, the year 1928 seems to have marked the climax of the huge increase in newspaper size which was a feature of the previous years. During the past twelve months smaller advertising space has not only reduced the total,

but, as the next table (in round figures) shows, there have been considerable variations in the ratio borne by advertisement space to aggregate size per copy:—

	RATIO OF ADVERTISEMENTS TO TOTAL SPACE.			
	Early week in July—			
	1925.	1928.	1929.	1930.
Twopenny Group—				
Times	46	45	43	40
Daily Telegraph	42	37	37	36
Manchester Guardian	36	29	27	25
Average	42	38	36	34
Penny Group—				
Daily Dispatch	43	44	44	37
Daily Express	51	51	51	47
Daily Mail	53	52	49	48
Average	49	50	48	44
Illustrated—				
Daily Mirror	35	32	34	35
Daily Sketch	32	33	37	34
Average	33	33	36	35

In the "Twopenny Group" the ratio of advertisements to total space had been declining steadily long before the present trade set-back. In the "Penny Group," the proportion before the slump was falling in the case of the *Mail* and steady in the other two cases. This year all have fallen in varying degree. The "Illustrateds" have been more successful in maintaining the advertisement percentage. How the purchaser of the newspaper has fared in this respect may perhaps be appreciated more easily from a final table, in which we show the percentage changes in "news matter" and advertising space since 1925:—

	NEWS AND ADVERTISEMENTS. (July, 1925 = 100.)		
	Early Week in July—		
	1928.	1929.	1930.
Twopenny Group—			
Total space	113	117	105
"News matter"	122	129	119
Advertisements	101	100	86
Penny Group—			
Total space	129	128	119
"News matter"	128	130	130
Advertisements	129	125	107
Illustrated—			
Total space	167	141	132
"News matter"	169	137	129
Advertisements	162	149	137

The "Twopenny Group" treated the reader very generously, notwithstanding the lack of growth of advertising revenue, up to 1929; the past twelve months have forced them to cut down his "rations" appreciably. The "Penny Group," thanks largely to the policy of the *Daily Dispatch*, have preferred (or, it may be, have been compelled by competition from the new *Daily Herald* and the amalgamated *News-Chronicle*) to let their advertising "proportion" sink, rather than stint their readers of "news." In the "Illustrated Group," the advertiser's unwillingness to pay freely for so expensive a piper has resulted in a more than proportionate diminution of the reader's tune.

CANADIAN WHEAT PROBLEMS.

(BY OUR OTTAWA CORRESPONDENT.)

THE fortunes of the co-operative wheat pools of Canada have been for the past twelve months a subject of controversy—not confined to the Dominion itself. Admittedly their directors and managers have been struggling with a very difficult situation created by the drastic decline in grain prices, and it would be premature to claim that the organisation has surmounted the severest test which it has faced in its whole history. Last February a very serious crisis for the pools was averted by the intervention of the Provincial Governments of Manitoba, Saskatchewan and Alberta, who gave financial guarantees for bank advances made on the crop

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of 1929. This succour tided the pools over the spring and summer months but the termination of the crop year at the end of July found them saddled with a very substantial proportion of Canada's carry-over of wheat (placed by the Dominion Bureau of Statistics at 111 million bushels) and unable to make any further distribution to their members than the initial payment, which had been one dollar per bushel on the basis of No. 1 Northern at Fort William. At the end of July, when the crop of 1930 was approaching the harvesting stage, the pool officials had to face the problem of securing the financial support necessary for marketing it. In view of their experiences with the crop of 1929, the banks were exceedingly chary about making any advances to the pools without some sort of governmental guarantees, but the three Provincial Governments on the prairies decided the guarantees already given had put a sufficient strain upon their financial resources and could not be extended to cover the crop of 1930. So an effort was made to induce the Bennett Ministry, which had assumed office early in August, to act as guarantor for the pools, and there took place at Ottawa a conference on the subject, which was attended by members of the interested Governments and representatives of the pools and the banks. The Federal Government, however, after hearing the representations of the different parties, intimated that it could not consider undertaking the rôle of financial guarantor for the pools: all it would promise to do was to put as liberal a construction as possible upon its powers as administrator of the Finance Act under which Dominion note issues are controlled, for the purpose of helping the banks to finance the movement of the new grain crop.

The pools were thus thrown back upon their own resources and had to drive the best bargain that they could with the banks. After considerable negotiations it was announced that the initial payments for the crop of 1930 would be as follows: wheat (basis No. 1 Northern, Fort William), 60 cents per bushel; barley, No. 3 C.W., 25 cents; and oats, No. 2 C.W., 30 cents. The figure for wheat is 25 cents below the lowest mark for an initial payment recorded in the annals of the pools and 40 cents below the dollar figure, which has been the initial payment in every year except 1928, when a record yield on the prairies sent prices down to a level which necessitated fixing the initial payment at 85 cents. In making this announcement, Mr A. J. McPhail, the chairman of the board of the Central Selling Agency, issued a supplementary statement explaining some of the difficulties which were responsible for the low initial price, exhorting the pool members to stand by their organisation, and promising that "a further payment will be made at as early a date as market and financial conditions will permit."

Unfortunately, the majority of the pool members cannot hope to receive anything like 60 cents per bushel as an initial payment. The wheat crop is, on the whole, reported to be grading fairly well, but it will probably not average much above No. 3 Northern quality, and there will also fall to be deducted the freight charges to Fort William. Freight rates for Saskatchewan, by far the most important grain-growing province, run between 18 and 25 cents per 100 pounds, and on this basis the advances to Saskatchewan farmers for representative grades will be as follows:—

	18 Cent Freight Point.	25 Cent Freight Point.
Wheat.		
No. 1 Northern	44c.	40c.
No. 3 Northern	36c.	32c.
No. 5 Wheat	21c.	17c.

Now from these figures there will also be deductions for threshing costs, which are variously estimated at between 10 and 20 cents per bushel, and for toughness, dampness, smut, etc. As a result, only on the three higher grades can prairie farmers who are members of the pools expect to get a net return of more than 25 cents per bushel, a figure which would have been counted unthinkable two years ago. Moreover, in the case of the coarse grains the net returns will be so small that it will simply not pay the farmers to thresh these crops. Their obvious course will be to utilise them as feed for live-

stock; but, unfortunately, thanks to the operation of the Smoot-Hawley Tariff Bill, the livestock market is in a very depressed condition and there is not yet any assurance that the attempts now being made to revive the export trade in Canadian cattle to Britain will meet with success. Under these circumstances the returns for their labours available for western farmers, whether pool members or not, will be deplorably meagre.

Now the pools, when grain prices were good and a "bull" market was in evidence, claimed a good deal of credit to themselves for increasing the financial returns of their members, and it was inevitable that they would have to meet a barrage of discontented criticism from their members when the present slump in grain prices developed. At present non-pool farmers are getting from 50 to 75 per cent. more in cash for their wheat than are the pool farmers. The latter, it is true, are now receiving only part of what they may ultimately expect, but in view of the experience of the last two years they are none too hopeful regarding further payments, especially as the pools have probably incurred a substantial debt to the three Provincial Governments in connection with the latter's guarantee for the crop of 1929. The private grain interests and other critics of the pools could not be expected to miss the opportunity of exploiting this situation to the detriment of the co-operative organisation and their propaganda has helped to stimulate discontent among the pool members. At numerous places on the prairies disgruntled pool farmers have held meetings to discuss ways and means for escaping from their pool contracts. The favourite suggestion has been that pressure should be brought upon the Western Provincial Governments for legislation which would give pool members freedom from their contracts.

The pool officials have naturally bestirred themselves vigorously to combat such proposals, but undoubtedly they will have to contend with a considerable volume of "bootlegging" of wheat. While they can proceed to enforce the heavy financial penalties which are attached to breaches of the pool contracts, proof of the wrongdoing is not always easy to secure; and if the practice became widespread, enforcement of the penalties would become virtually impossible. Already the pool officials have taken out injunctions against several defaulters who have openly broken their contracts, and they are now involved in the test of legal battle with a wealthy Manitoba farmer who defends his breach of pool contract on the ground that the pool executive also broke it by failing to sell properly the wheat delivered to them in 1928 and to make full payments to their members. The case is likely to be carried to the highest courts and the decision will be very important.

The pool officials are fully cognisant of the difficulties which lie before them unless grain prices materially improve, and the directors of the Saskatchewan pool, whose marketings represent 60 per cent. of the total grain yield of the province, recently submitted to the local Provincial Government a memorandum urging that there should be established, with governmental aid, a Wheat Board which would market the whole of the crop of the province including that of non-pool farmers. Premier Anderson, of Saskatchewan, invited the Premiers of Manitoba and Alberta to discuss the proposal at a conference, but neither of them found it convenient to

attend; he also wrote to the members of the Legislature asking their opinion on the subject and it is understood that the majority of them considered the scheme impracticable. So the idea of a Wheat Board has made no further headway, but if the marketing situation grows much worse, it may have to come into existence under the sponsorship of the Federal Government, for Mr Bennett cannot afford to wash his hands of responsibility for the plight of the western farmers. Meanwhile, the pools will have to struggle along with their problems and their officers can derive some satisfaction from the fact that their competitors of the private grain trade are involved in equally grave troubles.

But over and above the fate of the pools there remains the wider question of the whole future of wheat growing in Western Canada. The most authoritative opinion holds that for some years the prairies must reconcile themselves to a wheat price of something between 75 cents and a dollar per bushel. At this price it will be extremely difficult for the farmer who cultivates a "quarter section" (160 acres) to make ends meet unless he is prepared to accept the standards of living of the peasantry of Eastern Europe; and shrewd judges think that the tendency will be towards very large farm units which, if cultivated with power machinery, can keep their costs of production low and yield adequate profits even with wheat below a dollar.

COAL MARKETING SCHEMES.

The Coal Mines Act of 1930 provided that in the event of the colliery owners failing—either "centrally" or in any district—to formulate a marketing scheme, the task would devolve upon the Board of Trade. The date appointed for the submission of schemes was reached last Friday. Though in a few areas the schemes appear not yet to have taken final shape, the fact that the central scheme and those for most of the important districts are now in the hands of the Board of Trade is clear evidence that the possible eventuality of "Non-Co-operation" contemplated in the Act will not arise.

Details of the important central scheme are not yet available, but sufficient is known of the plans projected in South Wales to throw some light on the policy which coalowners, so far as can be ascertained, are following. The scheme for the South Wales coalfield, we understand, is based on that which has been voluntarily in operation since September, 1929, and which, during that period, is claimed by its originators to have secured for the inland and export prices of South Wales coal a greater measure of stability than those of the other competitive export districts of the United Kingdom. It determines the basic output for the purposes of the Act, the annual and quarterly outputs to be produced, and the minimum prices at which the various classes of coals are to be sold. The standard tonnage is based on the production either in selected quarters during the twelve months ended June, 1928, or in March, 1929. There are special provisions for dealing with collieries that during these datum periods were either not working or were in the course of development, or at which production was wholly or partly suspended owing to alterations, accidents, or other causes, but the main principle governing the determination of the standard tonnage is that of actual production under the trade conditions of the past three years. The actual standard tonnage fixed by the scheme is 90 per cent. of the total output in the selected period, and this standard is to remain unchanged for two years or until the Executive Board shall determine to alter the basis of the standard tonnage for all the owners, and shall carry out any modification of the scheme. There are separate standard tonnages applicable to (a) the anthracite collieries, (b) the Swansea steam coal collieries, and (c) other steam bituminous collieries, and provision is made for the revision of the standard tonnage if it is found that there is a substantial number of owners who for more than a period of one quarter have failed to produce the proportion of standard tonnage which the

total output of the whole district bears to the total standard tonnage of all the owners in the district, the aim being to bring the standard tonnage for all owners into line with actual experience and working. When a change of ownership takes place the standard tonnage of the colliery concerned goes to the new owners, or, where a colliery is closed down, to owners who, before the scheme, controlled its output; in other cases the standard tonnage disappears with the discontinuance of the working of the pit.

In the regulation of production the governing principle is to be an estimate of the amount of "the minimum demand for coal likely to be produced from the district for the forthcoming year (the estimated annual quota)," and "of the reasonable amount of coal (the estimated quarterly allocation) required for the ensuing quarter." In making these estimates the Executive Board is to have regard to the respective estimated quantities likely to be produced for disposal for export and for inland consumption and the corresponding amounts of coal raised and weighed at the pithead. The Board has to take into account, in framing these estimates, the quantities of each class of coal, and it is when these estimates have been approved by the Central Council that they become the basis of district operations. The percentage of the standard tonnage authorised for production will be governed by the state of trade, but it is provided that the quota for each colliery owner shall bear the same proportion to the standard tonnage of such owner as the total annual quota bears to the standard tonnage of all the owners. This principle is also to apply to any additional quantities which may be allocated from time to time, either to the owners generally or to those producing any particular class or classes of coal. It is permissible for colliery companies to carry forward deficiencies from one quarter to another, but only for a period of one year. There are special provisions for the security of the execution of old contracts. Moreover, an owner may agree with any other owner, with the approval of the Executive Board, to produce less than his quarterly allocation for not more than one quarter at a time, provided that they are in respect of the same class of coal, and it is laid down that the approval of the Executive Board to these transfer arrangements shall not be unreasonably withheld.

For the purpose of fixing minimum prices, mines and coals have been divided into groups according to the class of coals produced, and in the grouping and classification of coal for price-fixing purposes the Executive Board is to have the assistance of committees, with consultative powers only, for each group. The minimum prices for the various classes of coals in these groups are to be fixed at as nearly as possible the same time as the quarterly allocations, "but (the Executive Board) may nevertheless, if it think fit from time to time, and at any time, fix or alter any minimum prices, whether at the time of the fixing of the quarterly allocations or not." These prices are to be f.o.b. prices for shipment coal, whether sold f.o.b. or c.i.f., and pithead prices when sold for inland consumption. Discretionary powers are given to the Executive Board also to fix a special minimum price higher or lower than that applicable to coal of any class in respect of any specific contract or series of contracts for the sale of such coal, providing that no "special minimum price shall be fixed which shall deprive one owner in favour of another of any specific contract or series of contracts being in all cases a contract in respect of business normally passing through him and likely to pass to him." The Executive Committee shall consider the matter, and if any variation is proposed by the Board it shall notify all the owners or those affected, or likely to be affected, of the variation. There are stringent regulations aiming at the prevention of evasion by discounts, rebates, extended credit, or allowance in respect of the price, quantity, or the weight of the coal, and a ban is imposed on speculative sales by a provision which states that "no owner shall ship or cause to be shipped any cargo of coal otherwise than in pursuance of a bona fide contract for the sale thereof at a price fixed before the time of shipment, not being a price lower than the minimum price for the time being in force for the class or

classes of coal contained in such cargo for shipment, and any owner committing a breach of this clause shall contribute to the Board 2s. 6d. per ton upon the number of tons of coal shipped." The penalty for over-production is 2s. 6d. per ton, and owners are liable also to a penalty of this amount for any sales under the minimum prices; while there are several additional penalties imposed for delays or refusal to comply with the rules giving the Executive Board access to all the necessary documents and information required by them in administration of the scheme. Collieries producing less than their allocations in the observance of the provisions of the scheme are to be compensated up to a maximum rate of 2s. per ton on the ascertained deficiencies.

It is one of the provisions of the Act that, with the sanction of the Board of Trade, any district may make arrangements for facilitating "the production, supply, or sale of coal or any class of coal"; and for the imposition of a district levy for this purpose. The expiring voluntary scheme in the South Wales coalfield contained a provision for the granting of a subsidy or contribution to certain classes of members or to members in respect of certain classes of coal, but in the scheme as submitted by the South Wales colliery owners for the approval of the Board of Trade this provision is not included. The scheme, however, reserves for the owners the right to submit to the Board of Trade any alteration or amendments in addition to the existing provisions. The Executive Board is to be elected annually, and is to consist of 36 members, 30 representing associated and six non-associated owners.

It remains to be seen what modifications of the foregoing principles other districts will import into their several schemes, but there seems every likelihood that in broad essentials—regulation of price as well as of output—the South Wales plan will be typical of all the district schemes. Final judgment of their merits may await fuller details; but so far as South Wales is concerned it is clear that experience alone will show whether the proposed penalties are heavy enough to act as an effective deterrent on excessive production by individual collieries, or on evasion by combines of the minimum price provisions through the marketing operations of subsidiaries. The best hope is that the transfer arrangements will tend towards the increase of the size of the producing unit, the concentration of the production at the more efficient pits, and therefore a higher level of general efficiency.

Notes of the Week.

Geneva and Tariffs.—The President of the Board of Trade, in a straightforward and courageous speech, has informed the League Assembly that the British Government will ratify the Tariff Truce, thereby giving a definite lead to Europe and the negative direct to the many counsellors who proclaim that only in one form or another of Protection can a remedy be found for the pressing ills which beset this country. Whether Mr Graham will have any success in his plea to the nations to call a halt in tariff warfare and get together in an effort to reduce trade barriers, this winter will show; but the commitment to which he pledged this country is after all a very short one, and the sting in the President's speech was in the statement that we should hold ourselves free to renounce the Truce next spring if nothing is done. In emphasising this proviso Mr Graham was, in effect, repeating the warning given to the World Economic Congress by the British delegates, that, if other nations persisted in pursuing increasingly national and restrictive economic policies, it might well prove impossible to hold in check the influences in Britain which demanded the weapon of retaliation. Be that as it may, Mr Graham has performed good service in three directions. He has forcibly reminded the world of the unanimous conclusions of the World Economic Conference. He has given the chief governments of the world an eleventh-hour chance to pause and consider whether they should not strike away

from a path which is leading them anywhere except to prosperity. He has boldly struck the note of internationalism both in his diagnosis and in his prescription for the depression which is world-wide:—"I cannot see tariffism or economic nationalism making any real contribution. . . . More than ever in the light of the difficulties left by the war we have to sound the international note in our economic relations, in order to promote recovery and to break down the barriers that separate us." That is truth, pure and undiluted. If governments will not swallow it, Mr Graham is none the less justified in presenting the cup once more.

Canada Retaliates.—Mr Bennett, the new Prime Minister of Canada, has lost little time in presenting the first instalment of the fiscal programme on which he won the recent general election, which was that Canadian unemployment and business depression could be cured by effective protection of the home market. Full details of the new proposals, which actually came into force on Wednesday, are not yet available, and detailed comment is therefore not yet possible, but apparently an average increase of 25 per cent. is made in the duties on wide classes of imports, including iron and steel, textiles, metals, paper, boots and shoes, and agricultural implements. It is not yet clear what the net effect on British exporters will be of higher duties, coupled in some cases with increased preferences, although Mr Bennett has endeavoured to meet one Lancashire grievance by lowering the British content of cotton of goods qualifying for preferential treatment from 50 to 33 per cent. While awaiting, not very hopefully, further knowledge on this point, the chief fact to observe is that Canada's new tariff is essentially a reply, and a fighting reply, to America's Smoot-Hawley Tariff. Such information as is available shows that the schedules bristle with measures designed against the United States, and the underlying aim of the whole enactment is laid bare when power is taken to prohibit imports "from any country which is not a contracting party to the Versailles Treaty." Although the avowed object may be to regulate certain shipments from Russia, it is impossible to believe that America is not the target. Tariff war is in full swing on the American continent, with the usual result, which our retaliators here might well observe, of a rise and not a fall in the height of trade barriers. Coming on the eve of the Imperial Conference and on the morrow of Mr Graham's acceptance of the Tariff Truce, Mr Bennett's new policy is a very sharp warning to some British publicists of the severe practical limits which present circumstances impose upon fiscal co-operation within the Empire. Mr Bennett has indeed torpedoed Lord Beaverbrook, which is rather cruel action between two men who in some respects live in the same atmosphere of fiscal delusion. The latter has told us that he can guarantee that under his system of Imperial Protection prices would not rise, and now we have Mr Bennett naively stating that he has "a definite and positive assurance from the manufacturers that the tariff increases will involve no increase of prices to the consumer." Unhappily the consumer has heard that so often that he can no longer be taken in by that form of "confidence trick." He knows, for he has learnt from frequent and bitter experience, that such promises are not and cannot be worth the paper on which they are written.

The Evacuation of the Saar.—On Friday, September 12th, the Council of the League of Nations was enabled, through a previous understanding between the French and German Governments, to take the welcome decision that the Saar Territory is to be evacuated within the next three months by the Franco-Belgian "Railway Protection Force," which is at present stationed there. Some form of Franco-Belgian military occupation of the Saar was a logical corollary of the occupation of the Rhineland, since the territory lies on the border between the Rhineland and France, and some of the lines of communication of the French Army of the Rhine ran

through it. The same logic demanded that, when the Rhineland was evacuated, the Saar should be evacuated too; and it is fortunate that reason has prevailed—and this without too long a delay. The maintenance of a small Franco-Belgian force in the Saar under the new circumstances could not conceivably have ministered to French security, while it could have done much to perpetuate bad relations by making the Germans feel that the evacuation of German occupied territory was not yet quite complete. Technically, of course, the Saar is not German occupied territory; for in the Peace Treaty the territory was ceded by Germany and placed under a Governing Commission responsible to the Council of the League, while the coal-mines in the territory became the property of the French State, in compensation for the French mines in the war-zone which had been temporarily put out of action. This *régime* is due to last for fifteen years from the coming into force of the treaty: that is, until the beginning of 1935. When this period expires, it is provided that a plebiscite shall be held to ascertain whether the population desires the territory to revert politically to Germany or to become part of France. If the population votes for reverting to Germany, then the German State is to repurchase the mines from the French. It has long been a foregone conclusion that, if and when the plebiscite is held, the vote in favour of Germany will be practically unanimous; and Germany has urged France to "make a clean job" of "the liquidation of the war" by adding the rendition of the Saar to the evacuation of the Rhineland and to the definitive settlement of the Reparations question. It is pointed out that the French coal mines are now in working order again, and that the product of the Saar mines during the next five years might be less valuable to France than an anticipation, by five years, of the re-purchase of the mines by Germany. What has France to gain by insisting on waiting for the treaty date, now that the question of military security is no longer involved, while the prospect of the Saar being incorporated in France (if the French ever really cherished that dream) has entirely evaporated? On this point France has not yet seen her way to accept the German point of view; but, in the meantime, the withdrawal of the Franco-Belgian force from the Saar territory will be all to the good.

Poland and her Minorities.—On Thursday, September 11th, *The Manchester Guardian* published, in translation, the alleged text of a Polish official document which, if authentic and accurate, is of serious international concern. The Polish Government has issued a denial of its authenticity; and, pending investigation, the question must not be prejudged. But we may recall that the Polish Minorities Treaty—with which the document, if authentic, is in flagrant conflict—has had to be upheld by international action on two occasions already, and this on behalf of the German Minority whose rights are in question in this case. The document purports to be an instruction from the Governor of the Polish Province of Pomerania (a province which includes "the corridor" as well as certain adjacent territories also previously belonging to Germany). It is addressed to the President of the District Land Office at Graudenz, *à propos* of the plan of expropriation for the year 1930 which this official had submitted in pursuance of the Polish Agrarian Law of December 28, 1925. In virtue of certain co-ordinating and over-riding powers with which he is invested, the Governor instructs the local agrarian authority to revise his plan on the ground that "it entirely leaves out of account political considerations as well as the needs of the defence of the State." In plain words, the plan will not do because it fails—in its proposals for local redistribution of land—to discriminate against German citizens of the Polish State. The Governor corrects this political remissness in detail by giving precise instructions for special discrimination in strategically and politically important districts and special discrimination against certain categories of Germans and even against individuals. The worst passage in the document is the direction that, "because of the necessity of keeping absolutely secret

the above-mentioned political considerations," the real reasons which have influenced the method and manner of settling the various cases must on no account be revealed, and that fictitious reasons "of a departmental character" must be entered in the official records. The point is that the Governor's instruction (if he has really issued such instructions) fly in the face of the obligations undertaken by the Polish State when it signed, with the Principal Allied and Associated Powers, the Polish Minorities Treaty. This treaty followed the common form of the Minorities Treaties signed by States which were newly created or newly enlarged at the peace settlement in consequence of their having been on the winning side in the war; and, among other things, the Polish Treaty provides that "Polish nationals who belong to racial, religious or linguistic minorities shall enjoy the same treatment and security in law and in fact as the other Polish nationals." This is a signed and ratified international instrument which is part and parcel of the peace settlement to which Poland owes her reappearance on the political map of Europe. If the Minorities Treaty is not held sacrosanct, then the political and territorial terms of the Peace Treaty, of which Poland is the beneficiary, forfeit their sacrosanctity in equal measure. The allegation, it will, therefore, be seen, is a very grave one. Neither the Polish Government nor the Council of the League of Nations can let the matter rest as it is. There must be a searching inquiry. The authenticity of the document must be either disproved or proved beyond question. And if it is proved, strong action ought to follow; for if the Minorities Treaties are allowed to go by the board, the new map of Europe certainly will not last.

Back to Politics.—In times like the present there is really no "close season" for politicians, but the period that usually passes as such is over, and a sign of its passing is the resumption of meetings of the Cabinet. Ministers are said to have had under discussion the agricultural policy of the Government which was so sketchily outlined by Mr Snowden in the very last hours of last session. Other urgent topics are not lacking, and if preparation for the Imperial Conference and the Indian Round Table meeting were not sufficient, unemployment, with its ever-rising figures, has thrust itself forward more ominously than ever. Meanwhile the Liberal-Labour conversations regarding emergency works for the absorption of unemployed workers continue intermittently—just frequently enough to give rise to idle gossip of an approaching party pact, and just seldom enough to inspire a popular cartoonist to portray Mr Lloyd George as seated on the step of 10 Downing Street awaiting the Premier's return from his holiday. As regards the sanctioning of specific plans, there is still no official news, although there is much talk of telephone extensions such as were outlined in the famous Liberal pre-election publication, "We can conquer unemployment." As for the rest of the Liberal plans contained in that volume, it has been stated in usually well-informed quarters that the Liberal plans have been "submitted to the Departments"—a phrase which usually serves as a euphemism for "pigeon-holed." There is little evidence, indeed, of the new "drive" which was believed to have been introduced after the translation of Mr. Thomas.

Impending Wage Revisions?—It will not have been forgotten that November brings to an end the period within which the railway companies and their employees are mutually pledged not to put forward demands for alterations in wages. With the cessation of the truce, demands from both sides will doubtless be tabled and negotiations are likely to be protracted and difficult, for the very measures of economy by means of which the railways are endeavouring to restore their prosperity, and with it their power of paying wages, are for the time being resulting in increased unemployment. Short time is spreading and dismissals continue, though the spirit in which the unions have endeavoured to see that the burden of these is distributed as fairly as possible, perhaps promises well for

the atmosphere in which any forthcoming wages negotiations will be conducted. Meanwhile another of the principal sheltered trades is also faced with the necessity of working out a new agreement. Since February the building trades operatives have been chafing under the operation of the sliding scale, and joint meetings have been held to consider the revision of the present national agreement. The unions have asked for some revision of the wage standard, and have put forward other suggestions which in effect involve some reduction in working hours and increases in certain classes of earnings. The employers, in their reply, expressed themselves as unable to concede these requests, and suggested a grading of labourers with differential rates. A conference of all the unions in the building industry will meet on September 26th to consider the matter. The knots to be resolved are more than usually complicated in view of the changes in the demand for different classes of labour which have resulted from the introduction of machinery and new processes, but as six months' notice is necessary to terminate the agreement, there should be time for the highly-developed bargaining machinery of the industry to evolve a peaceful settlement.

Eight Months' Overseas Trade.—We recorded last week a further heavy decline in our foreign trade in August, which brought the total for the year to date even further below the level for the corresponding period of last year than it had been at the end of July. Imports for the eight months amounted to £706,663,000; British exports were £398,375,000, and re-exports, £62,285,000. From the Trade and Navigation Returns, which have since been published, we extract the following details of our imports of raw materials:—

SOME LEADING RAW MATERIAL IMPORTS.
(Quantity Retained.)

	First Eight Months.		
	1928.	1929.	1930.
Iron ore and scrap	3,169,979	3,716,818	3,333,319
Wood and timber, soft sawn	2,520,708	2,706,034	2,892,613
Cotton, raw	8,591,587	8,973,907	6,619,551
Sheep's and lambs' wool	3,830,523	3,880,360	3,913,925
Raw silk, knubs and nolls	2,316,942	2,830,568	2,648,754
Flax, hemp and jute	203,621	205,584	180,691
Cotton seed	387,106	388,120	345,750
Flax or linseed	251,261	212,077	126,879
Petroleum, crude	339,326	333,507	309,537
Hides, wet	392,741	304,066	399,018
Hides, dry	474,996	245,598	319,868
Wood pulp	763,206	1,017,207	1,022,507
Rubber	7,994	1,532,501	1,946,770

These figures, read in conjunction with the corresponding figures of values, reveal the fact that a substantial part of the decline in the total value of our foreign trade is due to the fall in prices, for while the volume of our retained imports of soft sawn timber, wool, hides, wood pulp and rubber has increased, the value of all except the first-named has diminished. What comfort there is in this is somewhat chilled by the heavy fall in the volume of our imports of iron ore and scrap, raw cotton, silk, flax, hemp and jute, oilseeds and crude petroleum. These figures reflect only too plainly the decline in industrial activity as compared with last year. Nor are the details of manufactured exports more encouraging:—

SOME LEADING EXPORTS.
(Quantities.)

	First Eight Months.		
	1928.	1929.	1930.
Coal	33,014,890	38,918,150	37,135,926
Pig iron and ferro-alloys	284,520	385,828	238,157
Railway material	442,538	330,049	302,847
Total iron and steel	2,830,610	2,974,825	2,319,812
Textile machinery	83,923	89,150	66,871
Total machinery	385,712	378,016	336,670
Cotton yarns	114,327,800	115,968,300	93,306,400
Cotton piece-goods	2,612,466,100	2,610,813,900	1,853,242,600
Wool tops	243,095	216,409	187,091
Woolen tissues	93,422,400	76,495,500	55,857,600
Worsted tissues	26,861,900	34,354,200	23,795,500
Linen piece-goods	46,719,400	48,864,400	43,956,000
Boots and shoes	741,268	624,511	604,607
Leather	286,445	234,266	179,123
Paper and cardboard	3,037,472	3,291,465	3,021,112
Locomotives	28,982	27,279	31,734
Motor cars and chassis	20,263	28,758	20,811

Locomotives are the sole redeeming feature of this table. Of the rest there is nothing to be said except that textiles form perhaps the gloomiest patch in a gloomy picture. It would be idle to pretend that these figures are anything but unsatisfactory.

August Iron and Steel Production.—A further heavy contraction in British iron and steel production was recorded during August. The output of pig iron amounted to only 416,700 tons, this figure comparing with 486,100 tons for July, with 682,000 tons for August last year, and with a monthly average of 855,000 tons for the year 1913. The number of furnaces in blast at the end of August was 104, a decrease of only one since the end of July, but of 28 since the end of June. Steel production fell to 451,300 tons for August, as against 621,400 tons for July, 753,300 tons for August last year, and a monthly average of 638,600 tons for 1913. While the holidays, naturally, make August an inactive month, this factor does not account for the reductions in output revealed by comparing last month with August of last year. These reductions amount to 39 per cent. in the case of pig iron, and to 40 per cent. for steel production, and these figures illustrate very clearly both the severity of the trade depression, and the extent to which it is affecting the iron and steel industries. Further evidence is afforded by the August trade returns, which show that, compared with August last year, iron ore imports have fallen from 576,000 to 227,000 tons, or by over 60 per cent.; and that exports of iron and steel products have fallen from 358,192 to 218,828 tons, or in exactly the same proportion as that of the decline in home production. Retained imports of iron and steel products have fallen from 255,000 to 194,000 tons, or by 24 per cent. Pig iron imports were larger than a year ago, but there was a substantial reduction in those of steel blooms, billets and slabs. Finally, home iron and steel prices, according to the Board of Trade index number, registered a fall of 2.5 per cent. during the past twelve months, and in August last stood at only 12.0 per cent. above pre-war. Thus judged from every angle, it is clear that the depression in the steel industry was intensified during August, and it is greatly to be hoped that the faint signs of an autumn revival now becoming apparent possess a real basis. The decline in iron and steel production is common to all iron and steel producing countries, though the fall is insignificant in the case of France. The following table compares the output of pig iron and steel in the first seven months of this year with the corresponding period in 1929:—

PRODUCTION OF PIG IRON AND STEEL IN CHIEF PRODUCING COUNTRIES (FIRST SEVEN MONTHS, 1929 AND 1930).

	Pig Iron.		Steel Ingots and Castings.	
	1929.	1930.	1929.	1930.
(In Thousands of Tons.)				
United Kingdom...	4,269.8	4,206.2	5,687.5	4,983.1
U.S.A.	25,426.1	20,900.9	33,805.4	26,685.1
Germany	7,650.9	6,264.1	9,636.0	7,370.6
France	5,980.1	5,951.6	5,542.0	5,505.4
Belgium	2,324.1	2,111.8	2,358.1	2,110.8
Luxemburg	1,637.0	1,504.1	1,526.7	1,337.7
Total	47,288.0	40,938.7	58,555.7	47,992.7

The decline in the total of the chief producing countries amounts to 13 per cent. in the case of pig iron, and 18 per cent. in the case of steel; the decline has been most severe in the United States, where it amounts to 21 per cent. in steel and 18 per cent. in pig iron. In view of the reduced demand, the meeting of the International Steel Cartel held at Liège last week decided to restrict production by a further 15 per cent., but since the imposition of fines for over-production was abolished some time ago the decision is largely a matter of form.

Cotton Mill Amalgamations.—Our Manchester correspondent writes:—In Manchester this week there have been many rumours of important developments in the near future with regard to the control of the Egyptian cotton spinning trade. Recently there has been a move-

ment described as the formation of a Convention in order to regulate production and prices of yarns. A few weeks ago it was announced that on a ballot the owners of only 62 per cent. of the spindles affected had voted in favour of the scheme; and the promoters are not prepared to proceed with the matter until support has been obtained from 90 per cent. of the employers. Since then, the Provisional Committee which is endeavouring to organise the Convention has had discussions with the firms that voted against the proposals or did not trouble to vote. It is understood that important developments may take place in connection with this matter in the near future. In the meantime reports are being circulated of some working arrangement in the Egyptian spinning section on the lines of marginal prices for standard yarns. It is understood that the part of the Convention scheme which has not met with favour is that relating to the pooling system whereby mills exceeding the average output would make contributions to a pool, whilst those firms producing less than the average would receive payments. There are rumours of discussions taking place of a more ambitious character, which include an amalgamation of concerns now running single-handed. A movement of this kind might result later in an agreement being reached between the half-dozen combines which would then exist. Some trade authorities, however, point out that, if the firms in Lancashire engaged in spinning Egyptian yarns build up an organisation for the purpose of fixing prices on an artificial level, such a development will only mean an extension of competition from other countries; and it is being urged in several directions that relief from the present depression can only be secured by a reorganisation which will have for its object the reduction of standing charges and overhead costs.

Lancashire and the Gold Standard.—Our Manchester correspondent writes:—The memorandum on the gold standard, which has been published by the Directors of the Manchester Chamber of Commerce this week, may have far-reaching importance on the discussions which it is understood are about to take place in political and economic circles. Such an expression of opinion from such an important trade organisation could not have been thought of two or three years ago, and the memorandum has been compiled after very careful consideration. The directors say that they are convinced that the present depressed state of British industry is attributable in a very large degree to handicaps and difficulties resulting from monetary policy, national and international. They think it unlikely that the statement will be questioned that the restoration of the gold standard and the bringing of the pound sterling to its pre-war level of gold value have created numerous difficulties of the gravest character for British industry. This action, they argue, automatically increased the real cost of wages and fixed charges, increased for the State the real cost of the service of the national debt and thus added to the direct and indirect burdens of the producing industries, and especially those working mainly for the export trade. It is pointed out that it is becoming increasingly evident that there is not, nor is there likely to be, an early increase in the production of gold which will be sufficient and adequate to sustain the full volume of world productive capacity and maintain a profitable level of prices for commodities generally. There may be some discussion on the point as to whether the gold standard has not operated internationally the last few years as the industrialist and merchant have always been told by those who support it that it would act. The business man has been led to suppose that if prices fell too far under the régime of the gold standard the fall would be minimised by the provision of cheaper money, and *vice versa*. The statement of the Chamber then boldly asserts that "the present depression is largely due to the persistent fall in prices which monetary policy has entirely failed to correct. It seems to the Board that the world supply of gold is not adequate for the present volume of world productive capacity. It is the considered opinion of the Board that until this difficulty is removed, attempts to

solve the problem of unemployment are doomed to failure." In the circumstances the Board earnestly request the Government to instruct the Macmillan Committee to report at once as a matter of urgency on their findings. Further, the Board urges the Government to take action on the monetary question without delay, and with the guiding principle that the well-being of British industry is of more vital importance to the people of the country than any financial consideration. This action of the Manchester Chamber of Commerce will undoubtedly stimulate the efforts of those who for several years have been agitating for monetary reform. There are rumours that immediately after the resumption of Parliament the Economic Advisory Council will issue a report which will have an important bearing upon the gold standard and world prices and their effect upon industry and unemployment.

Employment and Cost of Living in August.—There was a further decline in employment during August. According to the *Ministry of Labour Gazette*, among the workpeople insured against unemployment in Great Britain and Northern Ireland the percentage unemployed at August 25th was 17.5, as compared with 17.1 per cent. at July 21st and 9.9 per cent. a year ago. It is estimated that on the same dates the numbers of insured persons in employment were 9,548,600, 9,584,700 and 10,274,700 respectively. At August 25th the registered number of persons unemployed (excluding those normally in casual employment) was 1,333,850. This was 107,446 more than a month before and 533,314 more than a year before. Those temporarily unemployed amounted to 609,809 at August 25th, as compared with 652,451 at the end of July and 279,702 a year ago. As regards those normally in casual employment, the number registered as unemployed at the end of August was 96,543, and was 2,668 higher than the number recorded at the end of July, and 20,978 above that of a year ago. It was announced by the Ministry of Labour this week that at September 8th the total number of registered unemployed was 2,139,571. This total includes 1,368,030 wholly unemployed, 674,450 temporarily stopped, and 97,091 persons usually in casual employment. With regard to the cost of living during August, the index number of the Ministry of Labour at September 1st stood at 57 per cent. above the level of July, 1914, and was the same as for a month ago. It compares with 64 per cent. a year ago. For food alone the figures were 44 per cent. at September 1st and August 1st and 54 per cent. a year ago.

An Ingenious Evasion.—Our Berlin correspondent writes:—A compromise has apparently at last been achieved between agricultural and political-commercial interests on the question of the German tariff on butter. By the commercial treaty with Finland, the German Government undertook to limit its butter duties to a maximum of 27.5 Rm. This rate was raised by last year's supplementary agreement to 50 Rm., but was to be reduced in two stages to 30 Rm. by 1935. Meanwhile, however, the German farmers demanded to be released from all obligations in connection with the butter duty, and the Government was requested to renew negotiations with Finland for this purpose. The Government attempted to offer certain special privileges to Finland in return for this concession, but as these were hardly consonant with the most-favoured-nation principle, they gave rise in Holland and Denmark, the butter-exporting countries of the greatest importance to Germany, to a boycott movement against German industrial products. As the negotiations with Finland came to nothing, this most-favoured-nation question ceased to be of practical importance. Subsequently, the German Government sent a special emissary to Helsingfors to reopen negotiations with Finland on a new basis, and the result has just been made public: Germany is to be free to fix what butter duties she likes, but she is to admit a quota of 5,000 tons at the 50 Rm. duty. This quota exceeds the total present export of butter from Finland to

Germany, but is very much less than the amount imported into Germany from Holland and Denmark. The other countries can legally, by virtue of the most-favoured-nation clause, only claim the same privileges which have been granted to Finland, that is to say, to a quota of 5,000 tons at a duty of 50 Rm., and this will certainly be granted to them. At present, it is true, nobody is subject to a duty exceeding 50 Rm., and the quota question will not become acute until the German duty is raised. Thus everything is legally in order. Though the Government fully realised that the whole proceeding might have a very bad psychological effect on German industrial exports, they were of opinion that in the interest of farmers this would have to be endured.

An Austrian Road Scheme.—Our Vienna correspondent writes:—Both as an engineering project and as a contribution to solving Austria's unemployment difficulties, the plans for a road up the Gross Glockner are of interest. The road will give employment to about 3,000 persons for three years. The cost is estimated at 12 million schillings, whereof 10 millions will be raised by the emission of shares and two million by the emission of bonds. A joint-stock company is to be formed, the Federal State to take 60 per cent. of the stock, the A.E.G. in Berlin 33 per cent., and the building firms 7 per cent. The road will be 40 kilometres long and rise to a height of 2,600 metres. This will not only mean further attraction to foreign visitors but also increased transit traffic, as the road will be the shortest route between Munich and Venice, and will consequently play an important part. It will be self-supporting, i.e., a toll will be levied on the expected annual traffic of 17,000 automobiles and 3,500 autobuses to cover interest and amortisation service on the capital sunk. The reason why a German electricity concern is participating in such an enterprise is that the Berlin A.E.G. wants to tap the tremendous hydraulic power of the Austrian Tauern district, and the building of the Glockner road would greatly facilitate the commencement of this work from a technical standpoint. Moreover, the Berlin concern hopes by this procedure to mitigate the doubt which is felt in Austrian economic circles as to the advisability of permitting foreign control of hydraulic power. However, there is a good deal of scepticism entertained in regard to the Tauern power project, not merely in regard to the possibility of solving the problem technically, but also in regard to the possibility of raising the milliard schillings or more which would be necessary to complete the work, even though this money would be sought exclusively abroad. On the other hand, the concession for the extension of the West Tyrol hydraulic power is to be given to a consortium of the Austrian banks. These, too, will raise the necessary capital of about 500 million schillings chiefly abroad, negotiations in this regard having already advanced rather far with French and American financial groups. Both of the above-mentioned projects are based chiefly upon exporting the electric energy generated, particularly to Germany.

Depression in Japan.—Our Tokyo correspondent writes: The midsummer dividends declared by Japanese joint-stock banks have not been maintained in many instances. Two hundred and six out of six hundred and one banks, which had reported by August 2nd to the Bank of Japan, have lowered their rates of dividend for the past half-year. Among the leading banks the Daiichi and the Yasuda in Tokyo and the Thirty-Fourth and the Sumitomo in Osaka reduced their rates each by one per cent. per annum. These dividend reductions are a distinct reflection of generally lower bank earnings, which must be primarily ascribed to the fall in money rates and the decline in the commercial and industrial demand for credit. To these causes may be added the banks' policy of keeping increased cash reserves in hand, prudently pursued since the return to gold. July brought no respite from the depressing downward movement of wholesale prices, though the fall in the general price level was considerably offset by a sharp advance registered by rice and

barley owing to the damage done to the crop by the recent floods. Following the fall of 4.3 per cent. in June, the Bank of Japan's wholesale index number for July recorded a further drop of 2.5 per cent. on the month. Thirty-nine out of fifty-six commodities participated in the decline, but among others textiles and building materials recorded the most conspicuous falls. In comparison with a year ago, prices are down by 19.5 per cent., and in many cases the dimension of the decline is very wide, the fall amounting to 51.3 per cent. in cotton yarn, 44.7 per cent. in raw silk, 29.4 per cent. in copper, 27 per cent. both in wheat and in steel, and 22 per cent. in timber. Retail prices also are falling sharply. The Bank's retail index number for July was down by fractionally less than 2 per cent. on the month, and by 15½ per cent. as compared with a year ago. Despite the continuous contraction in the value of imports and exports, the export season has set in normally this year. The trade returns for last month show that there was a favourable balance of 12,338,000 yen, imports totalling 108,915,000 yen and exports 117,253,000 yen. In comparison with July, 1929, imports fell in value by 62,331,000 yen, or 36.3 per cent., and exports decreased by 70,961,000 yen, or 37.7 per cent. Even when account is taken of the heavy fall in commodity prices, the percentage changes compared with the corresponding month of last year make a rather depressing picture. The decline in imports is largely accounted for by raw cotton, iron and steel, machinery, and timber. On the export side the textile trades made a very poor showing. Raw silk, cotton piece-goods, and silk and rayon manufactures represent in the aggregate more than 70 per cent. of the total shrinkage in exports. A feature in the July returns is a small but welcome net inflow of gold bullion, amounting to 2.6 million yen, after several months of heavy efflux since the return to gold. The gold is understood to have come mostly from China. The agricultural situation is far from cheerful. The average price of spring cocoon for this year is put at 3.98 yen per kamme, as against 7.49 yen a year ago. The fall of other farm products is no less serious, and the sad predicament of the farming classes serves to intensify the trade depression and to militate against an early revival of trade activity. Unemployment is increasing; wholesale dismissal of workers has now extended from the textile trades and the mining industry to other branches of industry.

Transvaal Gold Output.—The total output of gold of the mines of the Transvaal during August reached a new high record, amounting to 921,081 ozs. of fine gold, as compared with 912,652 ozs. produced during July. In August, 1929, the output amounted to 889,601 ozs. of fine gold. The following table shows the monthly output since the beginning of 1923:—

Months of	1924.	1925.	1926.	1927.	1928.	1929.	1930.
January ...	796,768	823,692	796,270	839,782	843,857	876,452	882,801
February ...	760,617	753,925	753,924	779,339	816,133	818,284	818,188
March	795,671	825,479	834,340	860,511	877,380	866,529	889,370
April	768,923	787,519	803,303	824,014	825,907	872,123	869,506
May	809,003	813,249	849,214	859,479	866,186	897,698	916,213
June	773,053	780,251	824,145	855,154	862,363	856,029	887,367
July	829,437	818,202	860,134	851,661	867,211	889,480	912,652
August ...	809,571	808,218	843,854	863,345	891,863	889,601	921,081
September ...	799,422	797,247	839,939	842,118	857,731	849,553	...
October ...	827,583	812,832	853,296	855,743	897,720	888,690	...
November ...	802,313	787,633	840,276	848,059	872,484	861,593	...
December ...	825,273	791,455	836,157	851,225	859,761	851,134	...
Total ...	9,597,634	9,599,702	9,962,852	10,130,630	10,358,696	10,414,066	...

The number of natives employed by members of the Witwatersrand Native Labour Association and Contractors over the past few months was as follows:—

	Dec., 1929.	Jan., 1930.	Feb., 1930.	March, 1930.	April, 1930.	May, 1930.	June, 1930.	July, 1930.	Aug., 1930.
Gold mines	184,280	190,663	196,752	200,134	202,434	202,182	201,324	201,111	202,257
Coal mines	15,326	15,288	15,495	15,250	15,109	15,028	14,943	14,670	14,788
Diamond mines	4,811	5,889	6,584	7,002	5,565	5,340	5,126	5,490	5,754
	204,417	211,840	218,831	222,386	223,108	222,550	221,393	221,271	222,799

There was an increase in the number of natives employed in all branches of mining during August.

United British Insurance Company, Ltd.—Until a year ago the control of this company was vested in the Motor Union Insurance Company by ownership of about two-thirds of the ordinary share capital, the Motor Union being now in turn a subsidiary company of the Royal Exchange. At that time, however, an extensive reorganisation of the United British was undertaken, the preliminary to which was the acquisition from the Motor Union of a proportion of their share holdings by the General Reinsurance Corporation of New York. That the Motor Union, and therefore the Royal Exchange, still retains an interest in the company is evidenced by the fact that the general manager of the Royal Exchange is a member of the United British board. The first step in the reorganisation of the company was the transfer to the Royal Exchange of the life assurance account, as a result of which there has been released to profit and loss account in 1929 the sum of £19,868. Marine business also, which at one time formed the largest account and was responsible for very heavy losses, has been discontinued, and although there appears in the 1929 accounts a small premium income of £18,000 from this source, it is made clear that this income relates to risks entered into before last year. The first effect of the new connection established with the United States has been a tremendous expansion in the motor and general account, the premiums received in this account having risen from £133,000 in 1928 to £290,000 in 1929. The underwriting results, however, have not been encouraging, for there has emerged a loss of £16,000 on the year's working, compared with £12,000 in 1928. In the other departments the premium income has remained comparatively stationary, but an adverse experience in the fire department has resulted in a loss of £22,000, compared with a loss of £4,300 in 1928. Combining the results of all departments and taking account also of items in the profit and loss account, there has been a net trading loss in 1929 of £16,979, compared with a profit of £18,107 in 1928. The preference dividend, costing £22,400, has been maintained out of interest earnings of £30,000, but naturally no ordinary dividend has been paid, the last payment on the ordinary shares being at the rate of 5 per cent. in 1925. The departmental reserves, plus general reserves and profit and loss account balance, total £277,000, and are equivalent to 62 per cent. of the total premium income of the company.

West of Scotland Insurance Office, Ltd.—The greater part of the premium income of this small Glasgow office is derived from fire insurance, which last year was responsible for £165,000 out of a total premium income of £187,000. Judging from the results of this and other comparable companies, the increased fire losses of 1929 seem to bear more heavily on the smaller companies, and in the case of the West of Scotland there was a loss on last year of £8,546, equal to 5.2 per cent. of the premiums, compared with a profit in 1928 of £19,390, equal to 10.8. Indeed, the loss last year would have been heavier but for a welcome and substantial reduction in commission paid, which absorbed 30.5 per cent. of the premiums, compared with 34.1 per cent. in 1928. The accident account yielded a very satisfactory surplus of £2,000, equal to 9 per cent. of the premiums of £22,000. The net result of the year's working was an underwriting loss of £11,160, compared with an underwriting profit in 1928 of £15,249. Notwithstanding this, the dividend has been increased, and the payment for 1929 absorbs £26,000, compared with £24,000 in 1928, being over £10,000 in excess of the interest earnings. The company is controlled by the Commercial Union, which purchased the share capital in 1924 for the equivalent in cash of £462,500. On this original investment the 1929 dividend represents a yield to the parent company of over 5½ per cent. net. The financial position is strong, and the balance sheet shows that, as compared with the paid-up capital of £50,000, the general reserve fund amounts to £108,000.

Four Public Lectures on "The Economics of the Grain Trade" will be delivered by Mr Sydney S. Gampell, M.Sc.Tech., at the City of London College, White Street, Moorfields, E.C.2, on the undermentioned dates at 6.30 p.m.

1. Wednesday, September 24th:
"The Position of the Grain Trade in the Nation's Economic Life."
2. Wednesday, October 15th:
"The Organised Grain Exchanges."
3. Wednesday, October 22nd:
"Pools and Combines in the Grain Trade."
4. Wednesday, October 29th:
"Pre-war and Post-war Governmental Intervention in the World's Grain Trade."

All interested are invited to attend and to participate in the discussion.

Overseas Correspondence.

LEAGUE OF NATIONS.

The Assembly and M. Briand — Disarmament — Amending the Covenant.

(FROM OUR CORRESPONDENT.)

GENEVA, September 16.

THERE has been plain speaking in the general debate of the Assembly, the outstanding subjects being M. Briand's scheme (which the meeting of twenty-seven European States quite properly decided to bring into Assembly discussion), economic problems both in a general sense and as linked up with the Briand scheme, and disarmament. The debate has also ranged over a wider area, including minorities, mandates, arbitration, the amendments to the Covenant, and the organisation of the Secretariat.

Up to the present the general discussion in the Assembly has carried the Briand scheme no further. M. Briand himself, who said that his idea had been received perhaps "too politely," refrained from entering into any detailed analysis of the different views which had been expressed in reply to his memorandum, and contented himself with a general advocacy of closer European union. The tendency has been to approach the matter from the economic rather than the political angle proposed by M. Briand, but despite the obvious variety of critical opinion and the obvious unanimity in favour of closer European co-operation, there is the usual tendency amongst the few out-and-out supporters of the Briand way of approach to criticise the British attitude as the main obstructive force. This is unfair, as the most cursory glance at the replies to the French Memorandum and at the general course of the debate will show. An interesting and outspoken contribution came from Mr Bellegarde, the delegate from Haiti, who supported closer European co-operation as the only means of saving Europe and the world from the "economic and financial imperialism" of the United States. As long as American occupation of Haiti continued business would be interrupted and peace threatened. Confidence could only be restored by a formula of non-intervention, by a strict application of legal equality in the American continent, and absolute respect for the independence of South American States. It was about time, he declared, that the uncertainty of the Monroe doctrine was cleared up.

Mr Henderson added nothing to the British note on European union, but his emphasis on the necessity for the reduction and limitation of armaments as the most important issue has echoed all round Europe. He said quite frankly that after eleven or twelve years this Treaty undertaking still remained unfulfilled despite repeated and solemn acceptances of the obligation, which, he reminded the Assembly, was no less sacred than other Treaty obligations. It was time to honour it, and a disarmament con-

ference ought to be held next year. He announced the British Government's readiness to accept the proposed amendments to the Covenant and the scheme for financial assistance (both of which he considered measures for the promotion of national security), but he made this acceptance subject to a general armaments treaty being carried through. The British Government was also favourable to the acceptance of the principles contained in the General Act which would be a matter for consideration at the Imperial Conference. He strongly supported the majority report of the Committee on the reorganisation of the secretariat.

Mr Graham, the President of the Board of Trade, dealt wholly with the economic depression, which, he said, could only be dealt with internationally. He made a reasoned plea, supported by many other delegates, for putting into practice the principles of the World Economic Conference of 1927, with special reference to a general reduction of tariffs. This was the theme also of Mr Hymans, the Belgian Foreign Minister, M. Beelaerts van Blokland, the Dutch Foreign Minister, the first Swedish delegate, and others. The Dutch Foreign Minister went so far as to say that protection had done the greatest harm to the development of the League.

General Hertzog, addressing the Assembly for the first time, said that in South Africa they were beginning to wonder how much longer Europe would continue to maintain large armaments. He supported Mr Henderson's attitude on amendments to the Covenant and on the General Act, and made one or two rather curious observations on what he seemed to regard as the irritating practice of the Mandates Commission of entering upon "academic" discussions on general principles; however, he gave an assurance that South Africa would never do anything contrary to the mandate. It is also a strange thing that M. Briand, in his otherwise admirable expression of loyalty to the general purpose of the League and his conditional assertion that disarmament was a necessary corollary of security, should have taken credit for France not only for her military reductions but also for her achievement of them during a "régime of complete insecurity!" It is not an encouraging omen that M. Briand, of all men, can speak in these terms. He announced, however, the existence of friendly conversations with Italy and his determination to seek an arrangement which would help forward preparations for a general disarmament conference, and he declared roundly that so long as he remained in office there would be no war. This was undoubtedly well meant, but it has a singular air of limited national liability. The truth of the matter is that neither Europe nor any other part of the world has yet reached the stage where it appreciates or is ready to accept in fact the revolution which the Paris Pact, the Covenant, and other instruments have brought into the constitutional life of the world. It was scarcely to be expected that it would immediately be acted upon, but it is on the realisation of this that most of the essential things now depend.

In a general way it seems probable that the amendments to the Covenant will be substantially accepted—not, perhaps, without some difficulties—that the majority report on the reorganisation of the secretariat will substantially go through, with possibly still greater difficulties in view of the Italian attitude, and that a definite impetus will have been given to both the economic and disarmament work. On some of these things many governments have shown their impatience with the League—that is to say, with a number of governments in the League—for saving its face too long; they consider that the time has come for broader achievement, and the Dutch Foreign Minister, especially, in appealing to the governments to adopt a wiser and more active policy, went so far as to inquire whether the rhythm of League work was to resemble the hitherto leisurely inactivity on the new League buildings. Economic work has certainly not been held up merely for want of a European organisation. At the same time he, with others, recognised that all that had been done in the last ten years had sensibly diminished the risks of war.

UNITED STATES.

Treasury Operations — Money Market — International Mortgage Bank — Industry — Stock Exchange.

(FROM OUR CORRESPONDENT.)

NEW YORK, September 9.

TREASURY plans for tax date financing have been announced. Their effect has not been altogether favourable to the security markets. With a note maturity of \$350,000,000 and a bill issue of \$50,000,000 to meet and interest payments of \$35,000,000 to make, the Treasury is asking for subscriptions to a \$325,000,000 one-year note issue, bearing 2½ per cent. interest. Never before has the Treasury been able to borrow short-term money at so low a rate, the nearest approach to it being a 2½ per cent. coupon in 1924. While at first there was a question raised in some quarters whether the Treasury might not be cutting the corner too sharply, subscriptions to the new issue have been coming in quickly and an over-subscription is anticipated by Treasury and Reserve Bank officials. It is felt that a thorough canvass of banking opinion had been made in advance of the financing, and that the consensus was that cheap money is bound to last for some time to come.

The difference between the amount of the new issue and the maturities and interest payments will be made good by sinking fund accumulations. Sinking fund money since the beginning of the fiscal year has been used sparingly to buy outstanding bonds, and on the next tax date there will consequently be a net reduction of \$75,000,000 in the public debt. Income-tax collections, which, it is hoped, will run at about \$500,000,000, should be sufficient for running expenses until the December quarterly tax day. On November 17th a \$120,000,000 bill issue falls due. It will probably be replaced by another.

As anticipated, the Treasury has also called in some of the 3½ per cent. notes, due in 1932. Series "A" and "B," outstanding in the amount of \$1,149,880,000, have been called in for payment on March 15, 1931. That date was purposely left "open" for the refunding of the notes. There is also a series "C" of the notes, of which about \$450,000,000 are outstanding, which may be called later. In all probability the Treasury expects easy money to continue well into next year, and contemplates refunding the notes at a lower rate than 3½ per cent.

Next week the money market should feel the temporary easing effects of Treasury borrowing to meet maturities pending collection of income-tax cheques. For the past week the call rate has been a trifle harder on the slowness of funds to return to the banks after the month-end and the holidays, and time rates are up ¼ per cent. Reserve Banks increased their credit outstanding by about \$45,000,000 in the week of September 3rd, the bulk of it the result of borrowing by member banks in New York. Holdings of bills and Government securities were little changed; circulation increased considerably; and gold reserves dropped moderately. The recent weakness of francs has shut off further gold exports to Paris, but Canada continues to take gold in small quantities. Bankers here do not believe that seasonal pressure against francs or sterling will bring gold to this country.

Reserve Board policies will undergo no change with the selection of Eugene Meyer, jun., as chairman to replace Roy A. Young. Mr Meyer has had a good deal of experience as a financier, and is well acquainted with the New York money market. If his appointment be confirmed by the Senate, the influence of the New York bank over the Federal Reserve system probably will not suffer.

Interest here is not very active in the plans of a banking group, headed by Lazard Frères, to join the European bankers in an international credit institution, which proposes to grant mortgage credit in countries where long-term money is scarce. The institution will

be comparatively small to begin with, and it is understood that it will have no relation to the Bank for International Settlements. Eventually the new enterprise may become of some importance, but capital in this country is not at present internationally minded enough to give it the attention which it perhaps deserves.

A marked change for the better in business mood has come about within the past week or so. In numerous industries there is still no sign of improvement, but in others gains have been noticeable. Factory orders in general merchandising lines have risen sharply here and there, under the influence of early autumn buying, which has caught the retail trade with small stocks on hand. Commodity prices were much steadier in August, Dun's index of wholesale prices showing a gain of nine-tenths of 1 per cent. and Bradstreet's index disclosing a drop of only three-tenths of 1 per cent. However, the increases were confined wholly to agricultural groups, and recently both wheat and cotton have declined. Both crops are turning out to be about as large as last year.

Steel mill operations in August turn out to be better than was generally reported during the month. Ingot production, as estimated by the American Iron and Steel Institute, was higher in August than in July, the first monthly increase in five months. The gain over July was 161,894 tons, against an increase of 88,503 tons from July to August of last year. Compared with August, 1929, production last month was 844,000 tons lower. Average daily output for the eight months is 144,067 tons, compared with 186,663 a year ago.

Reviving share markets are doing as much as anything else to lift drooping spirits. The unfortunate experience of the public with the market's prophetic powers last spring has not been forgotten, and small investors are hesitating to buy common stocks because of the large number of dividend reductions. Nevertheless, the trend of prices has been upward since the middle of August, and the public is beginning to think that insiders have knowledge of trade improvement which may be denied to them. Professional operators attempting to draw in public buying are having a hard time of it. Should the market advance decidedly from this point much would be done to restore confidence in autumn business. Fixed interest bearing securities continue to advance, and that is an important factor in restoration of confidence.

FRANCE.

Effect of German Elections — Franco-Roumanian Agreement — Production Indices — Stock Exchange.

(FROM OUR CORRESPONDENT.)

PARIS, September 17.

THE result of the German elections has proved a severe blow both to the supporters of M. Briand's plans for the organisation of a United States of Europe and to the large mass of public opinion which had begun to believe that the Briand-Stresemann Locarno policy would lead to a definite and permanent rapprochement between Germany and France. The situation in Germany, from the average Frenchman's point of view, is still admittedly obscure, and there are strong hopes among the mass of the people here that Hitler's astonishing increase of voting strength represents merely the voicing of a large amount of discontent with Germany's general economic condition and not a determination to wreak vengeance on France for the German defeat. It is not overlooked, however, that the looting and destruction of the property of Allied sympathisers after the recent evacuation of the Rhineland was directly due to Hitler's own followers, brought in from other parts of Germany. This caused at the time an immediate strengthening of the doubts felt here as to whether the German people as a whole have really undergone any change of heart worth speaking of. The practical wiping out by the recent election of the former Stresemann Party as an effective force in Germany, and the enormous increase of both the

Communist and the Hitlerist votes, are held by many sections of opinion here to have justified the most pessimistic conclusions as to the real state of the German mind.

To what extent the situation of M. Briand has been prejudiced by the revelation of the strength of the Hitler Party it is as yet impossible to decide. It seems to be recognised, however, by all parties—Socialists and Communists excepted—that French foreign policy, in view of the changed outlook, must undergo modification to meet the more threatening outlook, unless the German Moderate Parties can contrive to get together under the leadership of a Cabinet that will effectively muzzle the Hitlerists. Apart from the Briandist factor, the Tardieu Government will undoubtedly find the German election results a tonic and a source of increased strength to its leader. The most hopeful factor in the situation, from the French point of view, is that any serious attempt to apply the Hitlerist programme would undoubtedly be fatal to German credit, in which case both Russian Soviet and Italian help would be worthless.

The text of the new Franco-Roumanian commercial agreement has now been published by the *Journal Officiel*, and has come into provisional operation. Under this agreement, which is concluded for two years and is renewable automatically, unless either party gives six months' notice of denunciation, each country gives the other the benefit of its minimum tariff and most-favoured-nation conditions. The question of the export to France of Roumanian petroleum products is apparently left outside the scope of the agreement proper, except in the form of a general undertaking, and is to be dealt with independently. The protocol to the agreement contains a special clause running as follows:—

In so far as concerns petroleum products subject to contingent and especially to illuminating oil, motor spirit, heavy mineral oils for lubricating purposes and gas oils, the French Government will consider with the greatest benevolence demands for special authorisations presented by companies, either French or Roumanian, producing derivatives of petroleum or by-products for "cracking" which will result in these products.

The French Government will also consider with benevolence demands for special authorisation of imports of petroleum or residuals for "cracking," which will form the object of a comprehensive programme to be discussed in advance with the Roumanian Government.

Meanwhile, the Compagnie Française des Pétroles, the undertaking which is to handle the French share of 23½ per cent. of the yield from the Mesopotamian oil wells, announces an increase of its capital from 150,000,000 francs to 205,200,000 francs by the issue of 110,400 "B" shares of 500 francs. Of these new shares 100,000 are offered at 550 francs, against payment in cash, to holders of old "A" or "B" shares, and the balance of 10,400 at 700 francs to companies or persons of French nationality, nominated by the board. The company, which is under the control of the French Government, holds 55 per cent. of the capital of 100,000,000 francs of its subsidiary, the Compagnie Française de Raffinage.

Industrial production index figures for July show a drop of three points in the general figure for the nine principal industries, which is 141 (1913 = 100) against 144, the high record figure maintained during March, April, May and June, as compared with a mean of 139 in 1929 and of 127 during 1928. Engineering and building fell 1 point, paper 2, leather trades 3, metallurgy 4, textiles 5 (to 82, against an average of 92 in 1929 and 99 in 1928), motor-car production 8, and rubber industry 15 (913 to 876). Mining shows a rise of three points on the month, to 122 (from 130 in February). The figure representing railway traffic is 130 for both July and August, and that for trucks loaded is given as 130 for July, or a point higher than in June and May and five points lower than the mean during 1929. Railway receipts touched the new high record figure of 306,000,000 francs. Shipping tonnage during July totalled 5,464,000 tons entries (or 230,000 tons less than in June), against a monthly average of 4,840,000 tons in 1929 and 4,620,000 tons outward (or 255,000 tons more than in June), against a monthly average of 4,099,000 tons in 1929. The number

of workers in receipt of unemployment allowances in August was 964 for the whole country, against averages of 909 in 1929 and 5,067 in 1928. The average weekly number in June of applicants for work for whom the labour bureaux were unable to find places was 9,655, and the number of jobs for which employers were unable to secure labour was 18,595. Bankruptcies in August numbered 570, against an average of 726 in 1929 and 684 in 1928.

New share issues in August totalled 152,000,000 francs (of which 17,000,000 francs were new companies and 136,000,000 francs increases of capital by old companies), against 471,000,000 francs in February and monthly averages of 699,000,000 francs in 1929 and 546,000,000 francs in 1928. New bond issues in August were 735,000,000 francs, against 2,790,000,000 francs in February and monthly averages of 567,000,000 francs in 1929 and 298,000,000 francs in 1928. The average rate of interest offered was 4.55 per cent., against 4.65 per cent. in July, and averages of 5.36 per cent. in 1929 and 6.03 per cent. in 1928. The index figure representing quotations of 300 French issues (of variable yield) on the Paris Bourse in August is 424, equivalent in gold to 86 (1913 = 100), against 440 in July, a mean of 507 in 1929 and of 415 in 1928. Business on the Bourse remains at its lowest level, and for the moment there is no indication of the present period of stagnation coming to an end. The plans for the reform of the *Coulisse* market are the subject of much controversy, but the market itself appears to be much more interested in the question of inducing the Government to authorise the introduction of a large number of additional foreign issues here. The Government appears to be insisting on *Coulisse* reform, however, as one of the conditions precedent to any move in this direction. One reason for postponing such a move is the desire not to prejudice the pending important war loan conversion operations, the success of which it is held would be endangered if any appreciable quantity of additional foreign issues were introduced here, or if the Government sanctioned the issue of further loans for the benefit of foreign countries.

GERMANY.

Election Results — Political Prospects — Foreign Trade — Proposed Bata Factory in Silesia.

(FROM OUR CORRESPONDENT.)

BERLIN, September 17.

THE result of the Reichstag elections, with the spectacular success of the Hitler Party and the substantial gains of the Communists, has created a difficult task for the Government, but to all appearances the victory of the extremists has so stimulated the defensive forces of the constitutional parties that it may serve the cause of economic and financial reform better than a more favourable election result would have done. At present, it is true, matters look anything but cheerful: the big budgetary deficit, the gigantic volume of unemployment, with winter approaching to swell the numbers still further, and now, to crown all, a parliament in which the extremist parties are strong enough seriously to hamper the passage of any measures attempted by any Government.

Moreover, the election results are, perhaps, even more disquieting as a symptom of the state of public feeling. Not that the section of the electorate which supported the National Socialists would vote in favour of another war: in the minds of these people, who belong for the most part to the unpolitically-minded section of the population which has hitherto not taken part in elections, the Reparations Agreement represents, not a peace treaty but a net in which the German people has been entangled by international Jewish finance. If they talk of "scrapping the Young Plan," they have in mind a sort of world revolution against the Bourse, which a fantastic political legend has taught them to regard as the source of all exploitation. In these imaginations there is also

involved a feeling that the reparation payments are partly responsible for the economic plight of Germany, and, fundamentally, this idea cannot be attacked by any party because it is true. The reparation payments have obviously contributed to the shortage of capital in Germany, and scarcity of capital is in Germany, more patently than elsewhere, the prime cause of unemployment, and, therefore of the greatest social evil.

The immediate object of the National Socialist agitation was, however, far more concerned with internal than foreign politics. The six million voters whom it mustered were, above all, anxious to make it clear that they have no more faith in a Government which had failed to avert the consequences of the economic crisis. As the Government will need the greatest possible degree of confidence during the coming winter, that is a serious matter, and the task of the parties supporting the Government will be no easy one.

During the election campaign the parties of the Centre fought the Social Democrats on the question whether Germany had hitherto been governed too socialistically or not socialistically enough. Fortunately, it was realised immediately after the elections were over that this dispute was utterly irrelevant and that what matters at the moment is to see that Germany gets governed somehow. Once this idea has thoroughly penetrated, the increased strength of the National Socialists will be recognised as a bogey from which no terrors are to be feared. The idea which must at first occur to every democratically-minded person, that an opposition party which has just achieved a great election triumph should be given a chance to form a government, is as difficult to act upon in the case of the National Socialists as in that of the Communists, for it is perfectly certain that they would not exercise their power within the framework of the constitution, and resign if they were defeated at a future election. They have never allowed any serious doubt of the fact that they would use their power, if they had it, for the construction of a dictatorship. Such a party lies outside the rules of democratic parliamentarianism.

Politically, also, it will be unnecessary to give the Social Democrats enough governmental rope to hang themselves with, if the other parties play their part properly. The only rational solution is a "Great Coalition" of the Centre, the Social Democratic Party, the State Party, and the German People's Party, with a few of the small centre groups to complete its majority. Such a Government *bloc* would have a very firm popular foundation: the Social Democrats and the Centre have an organisation with whose strength nothing, not even the network of local organisations rapidly constructed by the National Socialists, is in any degree comparable. In spite of their losses to the Communists, the Social Democrats, with their 143 out of 575 seats, are still by far the strongest group in the Reichstag. The Prussian Government, which controls the administrative machinery of three-fifths of the Reich, is stronger than ever, and will now, perhaps, be able to carry out its old project of increasing its majority in the Landtag by including the German People's Party in the Prussian Government Coalition.

Thus, public order and safety are not in the smallest degree threatened, nor will the election results in any way imperil the fulfilment of the public or private obligations of Germany. The Prussian Minister-President, Herr Otto Braun, has already declared his conviction that the "Great Coalition" will be formed and will concentrate its entire strength upon the economic problems which are waiting to be solved. If that happens, the further prophecy of the Minister-President will also be borne out, that the rapid rise in the poll of the radicals of the Right will be followed by an equally rapid fall, like the temperature of a patient when the cause of the fever is removed. In 1924 the National Socialists had a similar accession of votes at the Spring elections, but lost them all in the same year, after another dissolution.

The German balance of trade for August shows an export surplus of Rm. 175 millions. The value of exports at Rm. 970 millions is far below that of August,

1929, when it was Rm. 1,189 millions, but has been slowly rising since the spring. Imports, as much owing to the fall in raw material prices as to the depression, have been steadily falling for months, and at Rm. 796 millions are far below last year's figure of Rm. 1,073 millions. The downward tendency of world prices is also noticeable on the export side, and while it explains the lowness of the figure as compared with last year, it makes the increase during the last few months all the more remarkable.

The proposal of the Czechoslovakian shoe manufacturing company, Bata, to build a large new factory in Germany has roused great interest in industrial circles. Bata is negotiating with the Prussian Government for the purchase of an estate, and the Prussian Government, for its own part, would be glad to sell it, for the proposed factory would employ 3,000 workers, and so be of some help in relieving the severe unemployment in Silesia. The German shoe industry, however, is protesting against the proposal on the ground that if Bata carried out its intentions it would lead to dismissals of workers from other factories. A further argument brought forward against it is that Bata has hitherto conducted its Czechoslovakian factories under systems of piece-wages and arrangement of hours which in Germany are regarded as constituting sweating. A demand has been put forward that the future employees of Bata in Germany should be governed by the agreement prevailing in the industry, and so would have to be paid on the same scale as the employees of the other German shoe factories. The Prussian Government has accepted this demand, but Bata has not yet agreed to it, so the negotiations for the purchase of the estate are not yet completed. Until 1929, Bata exported large quantities of shoes to Germany, but in the last two years it has lost ground owing to the increased tariff and the development of the German factories, so that now it would like to resume competition from within Germany itself.

HOLLAND.

Stock Exchange — Industry — Foreign Trade — Capital Issues — Money.

(FROM OUR CORRESPONDENT.)

AMSTERDAM, September 12.

DURING the past month public interest has largely been focussed upon the sensational drop of prices on the Amsterdam Stock Exchange. The steep decline naturally involved many compulsory liquidations, and the pressure from these forced liquidations brought practically all issues to new low records, as a consequence of which one firm of Amsterdam stockbrokers became involved in financial difficulties and had to close its doors.

The drastic drop in quotations in Amsterdam cannot be regarded as being entirely justified by developments in the economic life of the Netherlands. It is undeniable that trading, shipping and industrial circles in this country are experiencing a pronounced setback, but there are no signs of crisis comparable to those which manifested themselves in 1921-22. At that time there was certainly a feeling resembling panic; old-established businesses and banks of repute had to resort to drastic reorganisation; and by reduction of share capital and other means it was sought to write off losses accumulated. Things at present are by no means as alarming as that, and Holland appears to be undergoing a period of intense depression rather than an economic crisis.

The statements issued by the directors of the Royal Dutch, of the Philips Works, and of the Breda Silk Company express the decided view that the present circumstances provide no reason for disquietude, and that the future can be viewed with optimism. These pronouncements were issued by the three concerns in view of the steep and, in their view, unwarranted decline on

the Stock Exchange. The directors of the Philips Works stated that "our business is running satisfactorily in all respects, and the turnover has been larger than in the preceding year, both as regards quantity and value. Furthermore, a new and inexpensive wireless set is being put on the market." Reports concerning other branches of industry are also fairly satisfactory, so that there is no question yet of anything in the nature of a disastrous setback.

The position of the plantation companies, however, gives little occasion for satisfaction, and in view of the sharp decline of rubber and sugar prices there is reason to fear that the worst has not yet been seen in this section. These circumstances will not fail to be reflected on the Amsterdam capital market, as Dutch capital is involved to a very great extent in the rubber, sugar and tobacco companies of the Dutch East Indies, which in past years constituted such an important source of revenue. Now, however, very many of the plantation companies will have to pass their dividends or to reduce them considerably.

The less satisfactory state of business is also reflected in the trade figures. According to the official statistics, the value of imports in July, 1930, was 204 million guilders, against 240 millions in July, 1929. The decline in exports was somewhat less pronounced this time, the value dropping from 107 million guilders in July, 1929, to 154 millions in July, 1930. Compared with June of this year, when the value of exports was 135 millions, the figure for July in fact represents some improvement. The import balance in the first seven months of 1930 amounted to 455 million guilders, as against 434 millions in the corresponding period of 1929. The percentage of imports covered by exports was 69.2 per cent. in January-July, 1930, compared with 72.2 in the first seven months of last year. The decline, as compared with July, 1929, applies not only to the value but also to the weight of the imports and exports; that of the imports being 2,922 million metric tons in July, 1930 (last year 3,040 millions), and that of the exports 1,453 million metric tons (against 1,508 millions last year).

The almost incredible degree of pessimism now prevailing, and the extent to which confidence has been undermined by the continual decline in commodity and share quotations, are strikingly illustrated by the statistics for the capital issues in Amsterdam during the months of July and August, the totals being 35,197 million and 18,102 million guilders respectively. Compared with the previous months of this year, the month of July showed already a decidedly disappointing decline in activity on the issues market, but now August follows with only about half of the July total, in spite of the fact that in the preceding months of this year the issues considerably exceeded the figures for the corresponding period of 1929.

Debentures are the only issues likely to find any favour on the market. In this respect 1930 differs very strikingly from 1929, as will be seen from the following table setting forth the issues, divided into shares and debentures:—

(In million guilders.)		
January-August.		
	1929.	1930.
Shares	213.51	26.92
Debentures	123.32	398.07
	336.83	424.99

During the last two months foreign loans have been floated on the Netherlands capital market to a far less extent than in the first five months of the year. The failure of the German and Austrian loans already brought the figures for June and July far below the average, but during the months of August the total of foreign issues dwindled down to only 3½ million guilders. Only a few public authorities and several very substantial concerns ventured to come on the market with an issue. Industry, trading, plantation and electricity undertakings were conspicuous by their absence, and this certainly speaks volumes as to the circumstances prevailing here.

ARGENTINA.

Impending Revolution — Sound Economic Position — Crop Prospects.

(FROM OUR CORRESPONDENT.)

Buenos Aires, September 5.

The events of September 6th, on which comment was made in last week's ECONOMIST, lend particular interest to this letter, written by our Buenos Aires correspondent on the eve of the revolution.

THAT a drastic change in the government of Argentina is imminent is certain. Equally certain is it that such change will be brought about in a perfectly constitutional manner, even if it involves, as seems highly probable, the resignation of President Irigoyen, and assumption of control by Dr. Enrique Martinez, the Vice-President. Popular affection towards President Irigoyen has been largely alienated by the all-round incompetence in administrative affairs shown by his present régime, and, more particularly, by the growing certainty that he himself has been hoodwinked, and in certain directions misled, by advisers whose only claim to exercise influence rests on their party connections. For the most part unlettered and untravelled men, they have apparently undermined the various departments of State, replacing old and competent officials by nominees of similar mental attainments to their own, though of a humbler social category. The result has been an all-round loosening of the springs in the administrative machine, together with an absence of all Parliamentary control. Open charges to this effect have been made by the Minister of War, who has just resigned, and inasmuch as he is one of President Irigoyen's oldest friends, and was formerly one of his warmest supporters, General Dellepiane's letter to the Press, in which he gave the reason for his action, has created a profound sensation.

It must not, however, be thought that the general commercial and financial situation of Argentina is anything but prosperous. Official finances are momentarily straitened owing to the reduced revenues caused by falling imports throughout 1930, but there has been no great addition to national indebtedness, and the banking and general financial figures are sound. Party capital is being made by the Opposition of the fact that the Government owes some \$140,000,000 paper to the Banco de la Nacion Argentina, and that this debt, being in excess of the 20 per cent. of the Bank's capital, which is the limit of government borrowing laid down in the Institution's statutes, is unconstitutional. It is true; but, as a similar breach of the law has been regularly committed any time during the past ten years, there is no cause for alarm, and the general position of the Banco de la Nacion according to its latest balance sheets is thoroughly sound. Nor is the slight drop in the stock exchange quotation of national bonds anything to cause alarm, while exchange, which fell to 38d., banks' cable drawing rate on London, promptly recovered, and is 39½d. at the time of writing. It is, indeed, reasonable to expect that if the actual state of uncertainty gives place to a feeling of confidence, brought about by the appointment of a strong and able ministry under a responsible head more closely in accordance with modern ideas than is the present occupant of the Presidential Chair, a sharply favourable reaction will at once characterise all sections of Argentine business.

Natural conditions are exceptionally satisfactory throughout the whole cereal growing regions of the Republic, with a total area sown which is slightly in excess of last season's ploughing. Wheat is 8,150,000 hectares; linseed, 3,050,000; oats, 1,653,000; barley, 617,000; rye, 462,000; birdseed, 31,800. In all, an increase of 4.1 per cent. on the year. Both wheat and linseed have never looked better, and as another month will see linseed harvesting begin, while the northern wheat ripens early in November, it looks very much as though, if no untoward disaster occurs, Argentina will see one of her bumper crops. Moreover, weather conditions are excellent for the sowing of maize, while conditions and prospects for

the pastoral industry could not be better. Nor is the general trade movement of the country in any way responsive to the immediate political unrest, though import business is beginning to feel the effect of depreciated exchange, inasmuch as stocks are now running down and will cost much more to replace. Prices are therefore rising, with the natural tendency towards checking consumption. Nevertheless the commercial situation, regarded as a whole and viewed in its relation to the season of the year, is quietly firm and at the same time fraught with much promise. Heavy crops and improved exchange are two factors which may be reasonably expected before the end of 1930, and their favourable influence on Argentine railway prospects needs no emphasis, while the multiple productive and industrial forces of the Republic have so many ramifications, and the capital interests involved are so varied, that it is to everyone's interest to seek out an amicable and, above all, a pacific solution to the present political difficulties which will be already a matter for history before these lines are in print.

HONG KONG.

Currency Situation — Trade in Textiles — Politics — Piracy.

(FROM OUR CORRESPONDENT.)

HONGKONG, August 7.

THE Colony is gradually adapting itself to its depreciated currency, but the process is causing disturbance to trade and individual hardship. The fall in the gold value of the dollar from 2s. to the present level of 1s. 3d. has not sent local prices up in the same proportion, for there were appreciable quantities of stocks imported before the slump in exchange, and these have tended to moderate prices. Moreover, the worldwide fall in commodity prices has offset the higher dollar equivalent of gold prices. This is shown in the piece-goods trade, where bulk business in woollens earlier in the year, and in cottons within the past few weeks, has been effected at prices very little above the level of those for the buying seasons of the previous year. The individual member of the community who has commitments in England is, however, a heavy sufferer, unless he is fortunate enough to be a civil servant or on the staff of one of the institutions which pay salaries on a gold basis. If he is dependent upon an income in local currency, he is in the unenviable position of having to meet an increase in the cost of living here, while having to disburse some 60 per cent. more than normally for his remittances to England. This bears heavily upon a man who has to provide for the education of children.

The appointment of an Economic Mission to the Far East has aroused a certain amount of mild interest here. It is not expected that the Mission will gain much information which is not already well known to any home organisation trading with the Far East, but the inclusion of a cotton section with representatives of textile operatives will probably provide the workers of Lancashire with indisputable evidence of the great strides made by Japan in recent years. During July the buying season for cotton fancy piece-goods opened, some three months later than usual. Tentative inquiries in the early part of the summer led to no results, as Manchester prices, at the current rate of exchange, were far above the Chinese dealers' ideas. A revival of the inquiries a few weeks ago met with a more reasonable response and ultimately substantial business was booked. This was only made possible by certain foreign importers utilising favourable exchange contracted for before the dollar had sunk to its present level.

The policy of giving dealers the benefit of profit on exchange has not commended itself to the majority of foreign importers, and at one time it looked as if the latter would be excluded from participating in the busi-

ness. However, the dealers have slightly improved their offers and, with a temporary rise in exchange, further business has been effected, orders to the value of over £100,000 having been placed so far. It is obvious that this business has been of little advantage either to Manchester or to local import firms, but it indicates that there is still an appreciable demand for Lancashire cloths, despite the increased activity of Japanese manufacturers. The steady impoverishment of Chinese consumers has greatly stimulated the production of Japanese piece-goods. While the latter cannot compare for quality and finish with cloths manufactured in Lancashire, their low price and wide variety of designs suit the consumer, who gets something good enough for his purpose at probably not much more than half the price he would have to pay for the British article.

The political situation has recently undergone further development, but it does not appear to be leading to any definite result. The emergence of Mr Wang Ching Wei, who has now thrown in his lot with the Northern War Lords, will probably lead to a re-grouping of the politicians, but it looks as if the Nanking Government will manage to retain its hold of Shanghai, where most of the wealth of the country is concentrated. The capture of Changsha by so-called Communists, who are now threatening Hankow, is a menace to the trade of the Yangtze Valley, but, beyond adding to internal chaos, it is not likely to affect the situation. Canton has enjoyed comparative peace and quietness for some time past, and the activities of various hostile armies in Kwangsi and Northern Kwangtung have not had any disturbing influence. It is, of course, extremely disappointing that, after the promise of early 1929, the Nanking party has been unable to extend its authority to-day beyond its two home provinces. It still controls Canton and Hankow in name, but both these centres are practically independent and, although they continue to remit revenue to Nanking, their allegiance is far from strong.

After a respite of ten months another successful piracy has been carried out. The steamer concerned was a small coaster flying the British flag, but was not subject to the usual anti-piracy regulations, as it plies between Saigon and Hongkong without calling at a Chinese port. As usual the steamer was taken to Bias Bay, where the booty was landed. The withdrawal of a Canton Government gunboat, which for several months had been patrolling the approaches of Bias Bay, provided the pirates with an opportunity which they lost no time in seizing.

The new 26,000-ton liner *Empress of Japan* arrived here last week, having done the voyage from Southampton in the record time of 20 days. She sails for Vancouver to-day on her maiden voyage, carrying as far as Shanghai an anti-piracy guard of a detachment of White Russians. These Russians have been organised by the Hongkong Police Department to take the place of regular British troops who have hitherto acted as steamer guards. British owners wishing to protect their steamers from attacks by Chinese pirates now have to employ Russian guards at their own expense. Those companies which are subject to British income tax are not unnaturally dissatisfied, but so far they have been unable to persuade the authorities at home that British forces should be employed to safeguard British steamers from piracy on the high seas.

Letters to the Editor.

KREUGER AND TOLL.

TO THE EDITOR OF THE ECONOMIST.

SIR,—I have read with interest your "Note" last week on the position of Kreuger and Toll. In this connection it appears to me to be of the utmost importance to obtain a correct perspective of the events of the past year by comparing earnings, yields, market prices, &c., over a period of

the last three years, as such a comparison makes it abundantly clear that the decline in market prices of the shares and debentures is solely due to technical and psychological factors.

The comparison is as follows:—

	Profit.	Divi- dend.	Debentures. High. Low.	Shares. High. Low.
	Kr.	%	%	%
1928 ...	19,854,000	25	684	635
1929 ...	27,119,000	30	863	430
1930 ...	...	...	656	446

It appears from the above that, although the recurring consolidated profits for the present year have been officially estimated in the last report to total Kr. 75,000,000, compared with Kr. 53,000,000 for 1929, without taking into consideration any new acquisitions made during the year, of which there have already been two very important ones in the Svenska Cellulosa and Ericsson Telephone Company, and although the dividend was in April raised from 25 per cent. to 30 per cent., the price of debentures has since April been as low as 480 per cent., compared with a high and low two years ago of 684 and 635, when the dividend was only 25 per cent.

The consolidated earnings for 1929 were 72 per cent., of which 35 per cent. were stated to be recurring. This year the recurring earnings should be at least 45 per cent., and there is no reason to suppose that the non-recurring earnings (so-called) will not be maintained at the same rate. I recall two major items of revenue during the present year which did not appear in last year's profit—one being the increased or restored dividend of the Grangesberg Company, from 5 per cent. to 17 per cent., the difference amounting to about Kr. 2,800,000, and the other being the large profit realised on the disposal of the \$75,000,000 of French Government bonds, which perhaps turned the scale in favour of the increased dividend for 1929, as that profit was made just before the declaration of the dividend in April.

The decline in prices to, at one time, absurdity levels, has in my opinion been due to three causes in no way related to the intrinsic value of the shares. There is no shadow of doubt that Kreuger and Toll, Swedish Match and International Match are all three in very much stronger positions than last year or the year before. Expansion of the first two has proceeded relentlessly in complete disregard of the international depression, and is still proceeding apace, and yet market prices of the shares are lower than in 1928.

The three reasons are:—

(a) World deflation. The lower level of share prices in all countries has led to repatriation of shares to Sweden from foreign markets to an extent that the Swedish market cannot or could not possibly absorb.

(b) Complete change in the investor's psychology—yield is now the sole determining factor in share prices, investors refusing entirely to discount prospects, whereas for many years the steady expansion of the Kreuger group made investors willing to accept as low as 3 per cent. in current yield, in consideration of the future prospects. The prevailing depression has obscured the fact that Kreuger expansion has proceeded at the same steady rate, new developments having taken place with the usual regularity in spite of the depression.

(c) The severest criticism of the Kreuger and Toll Trust has related to the alleged lack of sufficient diversification. Attention has been centred in these unhappy days on the company's huge portfolio of largely exotic bonds, and in view of the persistent political unrest in the countries where Kreuger has large interests, it is alleged that should political troubles come seriously to a head, the sentimental effect on the market for Kreuger shares might be to depress prices very considerably.

The remedy for the last-mentioned fault has been largely found in developments this year, when, quite recently, the company acquired the controlling interest in the Ericsson Telephone Company, which certainly provides a first-class means for diversification. The Svenska Cellulosa Company—although the pulp business is very depressed at the moment—also provides another basket for some of the eggs. Apart from all this—although it may be admitted that political disturbances could have a depressing effect temporarily on the price of the shares—any such disturbances should have no effect whatsoever, intrinsically, as Kreuger has tied up very effectively all the countries to whom loans have been granted, and there need be no fears that political troubles could possibly lead to loss for Kreuger and Toll.—I am, &c.,

London, E.C.3.
September 15th.

F. R. P.

Books and Publications.

MIGRATION.

IN his highly concentrated survey of human migrations in pre- and post-war years,* Dr. Ferenczi, of Geneva, has produced a stimulating and provocative piece of work—provocative, that is to say, of the constructive thought on international lines which he himself indicates as the only satisfactory solution of a problem impregnated with the seeds of political discord. The main focus of his study is upon those mass movements of labour power which traverse political frontiers without traversing continental boundaries. Thus, apart from its reactions upon intra-continental migrations (and he is able to show that the imposition of the U.S.A. quota system has gravely affected the movement of European labour and that where labour cannot come to capital, capital will tend to come to labour) he has very little to say about the large streams of emigration which have peopled the British Empire and diversified the United States. His main preoccupation is with the movement of labour power as between European continental States—including, of course, those large movements of seasonal labour which were a striking feature of pre-war German economic life. In such discussions France and Germany emerge as the principal immigrating States, and the respective national policies pursued by these two countries in regard to the assimilation and regulation of immigrant labour form the subject matter of two of the most instructive sections of Dr. Ferenczi's monograph. They bring us into immediate relation with the reverse side of the coin, the corresponding problems of the two principal emigrating States: Italy and Poland. Though it is not heavily stressed, the post-war political menace of Franco-Italian friction under the sway of this particular economic relationship, looms large through these sections of Dr. Ferenczi's study. Nor is it merely Italian relations which are complicated by the problem of immigrant labour. According to Dr. Ferenczi, the position of Polish workers in France has been the subject of "endless complaints" concerning the linguistic, educational and political rights of the immigrants.

Such is the nature of the material which the author presents on behalf of his plea for further study, as a preliminary to the supercession of particular national agreements by general international regulations as the normal method of dealing with the problem of migrant labour.

* "Kontinentale Wanderungen und die Annäherung der Völker." Von Dr. Imre Ferenczi. Verlag von Gustav Fischer. Jena, 1930. pp. 50.

BOOKS RECEIVED.

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

(It would be a convenience to our readers if publishers would make a point of notifying us of the prices of books sent for inclusion in this column.)

The Eastern Frontiers of Germany. By René Martel. (London) Williams and Norgate, 38, Great Ormond Street, W.C.1. 7s. 6d. net.

A history of the German-Polish controversy, with an attempt to present impartially the points of view of both sides.

Interest Rates and Stock Speculation. By Richard N. Owens and Charles O. Hardy. (London) Allen and Unwin, Ltd., Museum Street. 10s. net.

A competent study of the influence of the money market on the stock market.

Volkswirtschaftliche Theorie des Bankkredits. By Dr. Albert Hahn. (Tübingen) J. C. B. Mohr (Paul Siebeck). 9 m.

An analysis of the functions of credit and the part it plays in trade cycles.

La France Economique en 1929. (Paris) Librairie du Recueil Sirey, 22, Rue Soufflot.

An excellent year-book in which each branch of French economic activity is the subject of a separate signed article.

Die deutsche Zahlungsbilanz. (Berlin) Verlag bei E. S. Mittler und Sohn.

A most valuable analysis of Germany's international balance of payments for the years 1924-29, preceded by a discussion of the nature of an international balance of accounts.

Der Neue Plan. By M. J. Bonn. (Leipzig) Verlag von Duncker und Humblot. 11 Rm.

An examination of the Reparations question which contains an interesting chapter on the future of German financial policy.

Deutschland und der Young-Plan. Von D. Carl Bergmann. (Berlin) Wilhelm Christians Verlag, Unterwasserstr. 8. Rm. 4.40.

Contains the documents relating to the Young Plan, with a useful introduction.

Che Cosa è la Banca. By Prof. R. Bachi. (Rome) Tipografia del Senato.

A lecture on the functions of banks.

Das Münzwesen und Seine Reform. By Dr. Eduard Kellenberger. (Bern) Verlag A. Francke A.-G. 8 fr.

The first volume of a projected series in currency banking and stock exchange organisation in Switzerland.

Haushaltsrecht und Reichsstat. By Dr. jur. Max E. F. Kühnemann. (Berlin) Wilhelm Christians Verlag, Unterwasserstr. 8.

A well-documented volume on the laws governing German public finance.

Moody's Steam Railroads, 1930. (London) Moody's Investors Service, Ltd., King William Street House, E.C.4.

The usual exhaustive and up-to-date book of reference, running to almost two thousand pages and generously furnished with maps. To summarise is impossible; it can only be said that the investor or the statistician who wishes to know anything about a railway, American or foreign, will be well advised to begin by referring to this volume.

Official Year Book of the Union of South Africa, 1928-29. No. 11. (London) Union of South Africa, Trafalgar Square. 5s. net.

An indispensable work of reference to everybody who has to deal with South African economic or political matters. It contains a most comprehensive range of official statistics, carried in many cases up to 1929, but in a few instances only to 1927.

The Banker, September, 1930. (London) Financial Newspaper Proprietors, Ltd., Bishopsgate, E.C.2. 2s. 6d. net.

Includes an article by H. Parker Willis on "The Gold Position of the United States."

Journal of the Parliaments of the Empire. July, 1930. (London) Empire Parliamentary Association, Westminster Hall, Houses of Parliament. 10s. net.

Overseas Official Publications. Vol IV. No. 2.—July, 1930. (London) Royal Empire Society, Northumberland Avenue. 5s. per annum.

The Sociological Review. July, 1930. (London) Leplay House Press, 65, Belgrave Road, S.W.1. 5s. net.

The National Trust for Places of Historic Interest or Natural Beauty. Report for 1929-30. (London) 7, Buckingham Palace Gardens.

A report of a successful year's work, with some beautiful photographs of recent acquisitions.

Tolley's Complete Income Tax, Super-Tax, Sur-Tax, etc. (London) Waterlow and Sons, Ltd., London Wall. 3s. 6d.

A chart which reduces the arithmetical ability required by the income-tax payer to a working knowledge of the first four rules.

City of Manchester: Abstract of Accounts, 1929-30; Financial Abstract, 1918-30. (Manchester) City Treasurer, Town Hall.

L'Imposizione delle Imprese di Carattere Internazionale. By Mario Pugliese. (Padova) Casa Editrice Dott. A. Milani, Già Litotipo.

A discussion of the taxation problems raised by the rapid development of undertakings having an international sphere of action.

Die Finanzierung des deutschen Strassenbaues. (Berlin) Berliner Börsen-Zeitung G.m.b.H., Kronenstr. 87.

A most elaborate German treatise on the finance of roadbuilding and road upkeep. There are chapters on the experience of France, England and the United States.

The Stock Exchange.

AUSTRALIAN FINANCE.

THE immediate crisis in Australian Government finance has been sensibly relieved of recent weeks. While the world is congratulating Australian statesmen upon their good sense in having enlisted the help of the Bank of England and followed Sir Otto Niemeyer's sound, if stern advice, holders of Australian Government stocks may well consider their position. Sir Otto has declared that, with her short-term loans provided for, Australia has two years' breathing space before any large debts mature. What are her long-term, as distinct from her short-term, prospects?

The economic problems of Australia have been discussed in the *Economist* of July 26th and August 30th last. The financial problem before the Federal Government this year was concerned with the means of providing for payment abroad of the interest on the external debt and for the repayment of maturing loans. Mr Scullin has stated that the annual requirements for loan interest and services of the Commonwealth and State Governments and semi-government authorities now amount to about £36 millions a year. In previous years the Commonwealth and State Governments have been in the habit of borrowing abroad considerable sums. They have, therefore, had no difficulty in finding exchange cover for their external interest obligations. This year, however, it has been impossible for Australia to raise new loans in London or New York. At the same time there has been a severe drop in the value of Australian export trade. Since July, 1929, the price in Great Britain of foreign wheat has fallen by nearly 41 per cent., and that of Australian wool by 36 per cent., with the result that Australia's income from exports has been reduced by about £40 millions. The Commonwealth Government, which is now responsible for all the State debts, confronted in its financial year 1930-31 with the difficult task of finding exchange cover for interest and sinking fund payments, called upon the Old Lady of Threadneedle Street for advice and assistance.

A way out of these difficulties was found, but not before Sir Otto Niemeyer and the chairmen of several Australian banks had told a number of plain home-truths to Australian ministers and had obtained assurances of far-reaching financial measures. In the first place, a foreign exchange pool has been formed in London on which the service of Australian external loans is to be the first charge. The commercial banks in Australia have undertaken to find sterling exchange for £36 millions a year in London against the payment of a like amount by the Federal Government into a special account to be opened at the Commonwealth Bank in Australia. For this relief the Commonwealth Government is entirely indebted to the good offices of the commercial bank directors. In the second place, the Bank of England has agreed to help in providing for the repayment of maturing loans this year. The £5,000,000 Treasury bills maturing on September 2nd were met by offering new six months' bills in the market by tender. These bills were actually placed at an average discount of £3 0s. 2d. per cent., the issue being over-subscribed.

The Australian financial system is to undergo a thorough overhaul. The Federal and State budgets are to be balanced. The Federal and State Governments' expenditure is to be reduced. The State Government's borrowing programme is to be cut down from £24 millions to £17 millions. All external borrowing is to be suspended until short-term maturities have been provided for. No approval is to be given to new unproductive works.

Objections to these drastic measures have, naturally, been voiced in several quarters. Mr Hughes regards Sir Otto Niemeyer's advice as favouring Great Britain's at the expense of Australia's industries. The Australian Council of Trade Unions has called upon the Federal and State Labour Governments to repudiate the decisions on

the ground that they involve wage reductions and a lowering of the standard of living. As an alternative plan the Council of Trade Unions has recommended the inflation of credit, the maintenance of Trade Union wages and working hours, the dissolution of the Loan Council, the compulsory reduction of interest rates and limitation of dividends, and the revision in Australia's favour of the Australian War Debts Settlement with Great Britain. These views are no doubt those of the extremists, but the majority of the delegates at the decisive Conference failed to reject them, and they stand on record as the declared policy of Australian labour.

Indeed, the question arises whether Mr Scullin will be able to hold his colleagues to the "bargain" made with Sir Otto Niemeyer and the bankers. Mr Lyons, the Acting Federal Treasurer, is reported as having informed the Victorian Labour Party's Conference in Melbourne that Sir Otto's opinions on reducing costs of production "did not express the Government's views," and that the Government "did not stand for wage reductions at the workers' expense to benefit other interests." When Sir Otto returned from New Zealand, Mr Lyons added, he would investigate the question of reduced interest on loans. The investor, however, has only a cabled summary of Mr Lyons's speech available, and is unable to put these pronouncements into their true context.

There is a real danger that sacrifices agreed to readily enough at a conference of premiers under the stimulus of the convincing logic and reasoning of Sir Otto Niemeyer may become irksome when they have to be endured for years. It has already been pointed out (*vide* the *Economist* of August 30th) that if the present fall in commodity prices continues, there may well be a prolonged period of financial strain for Australia in which rigid economy, hard work and lower standards of living will be imperative. Unless the volume of Australian exports shows an increase, a heavy reduction in her receipts from abroad will imply a heavy reduction in purchasing power in the country. If, in these circumstances, she cannot borrow abroad the £36 millions she requires to meet her debt obligations, she must raise this at home and still further reduce internal purchasing power. Unless and until export prices recover, this situation can only be relieved by a fall in the internal price level—which must take time. Australia will be fortunate if she is able to effect considerable wage adjustments without industrial troubles. While prospects of a bumper wheat harvest this year and a recovery in wool prices afford some grounds for believing that economic conditions may be improved by next year, it is by no means certain that the improvement will be so marked as to make it easy for the Federal Loan Council to borrow again, on an appreciable scale, in London or New York.

The problem of providing for maturing loans in the next few years is, therefore, a serious one. It is fortunate, as Sir Otto Niemeyer has pointed out, that Australia has a breathing space before large maturities occur. The following table gives the amounts of the loans maturing in London, New York and Australia in the next ten years:—

Year to June 30th*	STATE MATURING LOANS.		
	In Australia.	In London.	Total.
1930	£ 38,118,884	£ 3,781,700	£ 41,900,584
1931	27,811,893	25	55,784,108
1932	14,571,595	Nil	43,853,435
1933	23,491,639	12,992,904	81,338,303
1934	33,744,913	13,634,199	64,078,773
1935	24,328,062	15,560,089	53,000,931
1936	15,388,283	14,769,698	55,647,901
1937	3,699,074	2,006,336	19,324,840
1938	4,113,608	Nil	59,409,748
1939	412,598	2,358,276	2,770,874
1940	9,058,058	9,390,095	32,641,733

* Including W. A. and Queensland figures.

COMMONWEALTH MATURING LOANS.

Year to June 30th	In London.	In Australia.	Total.
1931	Nil	£ 27,972,190	£ 27,972,190
1932	Nil	29,281,840	29,281,840
1933	Nil	44,853,760	44,853,760
1934	Nil	16,699,661	16,699,661
1935	Nil	13,112,780	13,112,780
1936	Nil	25,489,920	25,489,920
1937	Nil	13,619,430	13,619,430
1938	Nil	55,296,140	55,296,140
1939	Nil	Nil	Nil
1940	Nil	14,193,580	14,193,580

It will be seen that so far as redemptions in London are concerned no Commonwealth loans mature between now and 1940. The States' maturities are negligible until 1932, when nearly £13 millions fall due in London.

On the whole, the market values of Commonwealth and States Government stocks—all of which now rank equally in security—have held their ground remarkably well in the face of these uncertainties. The next table compares the present market prices of representative stocks with those ruling in December, 1928, when the Commonwealth Government assumed responsibility for the States' debts.

	December, 1928.		Present Time.	
	Price.	Yield.	Price.	Yield.
Commonwealth 5% 1945/75	98½	5.10	86	5.9
Queensland 5% 1940/60	98	5.12	84½	6.15
Victoria 5% 1945/75	98½	5.09	85	5.95
S. Australia 5% 1945/75	97½	5.12	85	5.95
New S. Wales 5% 1935/55	97½	5.19	83	6.375
W. Australia 5% 1945/75	99½	5.05	86	5.9

There appears to be no disposition on the part of large holders of Australian stocks to part with their holdings at the present depressed levels. Investment trust companies and other professional investors will doubtless watch the development of Australian finances carefully before deciding upon any change of policy.

THE WEEK IN THE MARKETS.

THE LONDON STOCK EXCHANGE.

SETTLING DAYS.

TICKET.	ACCOUNT
September 23.	September 25.

ALL traces of the end-August "boomlet" having disappeared, markets relapsed this week into a condition of boredom. Business was meagre in the extreme, the public evincing a lack of faith, while professionals waited for a lead. Such information as the week's news afforded was negative, the speeches of Australian statesmen and the results of the German elections being alike unfavourably commented on. The scandalous state of affairs revealed by the Combined Pulp and Paper Company's statement had a bad effect on sentiment in the industrial market, while mining and other speculative counters were dull on the absence of any indication that commodity prices had touched bottom. In these circumstances the fact that prices on the average have receded no more than about 2 per cent. from the levels reached a fortnight ago is a not unencouraging sign. In few cases is any considerable weight of stock in the market. The Stock Exchange, in short, is prepared for better times, but lacks faith in their early arrival.

The gilt-edged market was dull throughout the week, quotations on the whole tending to ease. Funding Loan dropped back slightly, but Five per Cent. War Loan was steady to firm. Australian loans slumped on the ambiguities in the speech of the Acting Federal Treasurer, to which reference is made in the preceding article. Dealers showed unwillingness to take stock on to their books, and "turns" became wide.

The result of the elections was a bear point for German bonds, though only a moderate amount of stock was offered after the first bout of selling. Other European loans were easier. Brazilians were quiet despite sinking fund purchases. Little business was done in Far Eastern stocks, though Japanese remained firm.

The home railway traffic figures induced the usual precautionary lowering of quotations, particularly of the two "heavy" group stocks. The traffic position is discussed in an Investment Note on page 535. The Argentine railway final dividends (which are set out on page 536), were generally in accordance with expectation, but the market lowered prices on the fear that the companies had divided over the hilt. The Entre Rios and Central Uruguay payments were, however, regarded as disappointing, while the Leopoldina announcement that the interim dividend on the preference would be deferred until the end of the year came as a thoroughly unwelcome surprise.

The industrial markets were quieter than for some weeks past, price changes being fractional. A few investment orders were reported for electric supply shares, and the approach of the annual show produced the usual ripple of speculation in motor shares, the favourite counter being Austins. The lower profits and dividend of Imperial Airways brought out some selling, though the market had been bearish for some weeks. Match shares were steady on a narrow business. A few orders were received for Imperial Chemical, though every slight rise tended to bring out stock. Turner and Newall showed a fresh decline. Breweries were quiet, Allsopps being marked down on the proposed ordinary share issue, while dealings in tobacco shares were scarcely sufficient to test quotations. Among store shares, Selfridge Provincial fluctuated sharply before the issue of the report (which is dealt with on page 537). Gramophone shares were in moderate demand in mid-week, but did not hold their ground. The news of the Argentine Navigation deal (discussed on page 537) caused further slight buying of the ordinary shares, which had risen by 50 per cent. during the previous month. No interest was taken in textiles. Cables and Wireless again met a friendless market. Bank shares hardened slightly, but insurance shares had a dull appearance.

Rubber shares held their own fairly well in the absence of new developments, good or bad, in the industry. Dealings, as usual, were on the most modest of scales. Tea shares were dull, though few measurable price declines were recorded, apart from Consolidated Tea shares, which were further realised. The slightly harder appearance of the oil share market was due less to the American position than to a moderate amount of support from Paris and Amsterdam, centring on Eagle issues and Royal Dutch respectively.

A marked dearth of business continued in the mining share market. A feature in the Kaffir section was the rise of Van Ryn Deep and New Kleinfontein on amalgamation rumours, afterwards denied. Village Deep improved on Cape support, while Central Mining, "Johnnies," and Rand Mines all made some headway. Northern Rhodesian issues were very quiet, movements being mostly downwards. Congo Borders failed to hold on early rise. De Beers deferred and preferred advanced on Paris buying, but tin shares continued to stagnate. The fall of copper to a new low level had little effect on share values, Tintos and Tharsis improving slightly.

"FINANCIAL NEWS" DAILY BARGAIN INDEX.
(Approximate number of Bargains recorded in Stock Exchange Lists.)

	Sept. 11.	Sept. 12.	Sept. 15.	Sept. 16.	Sept. 17.	Sept. 18.
Government and Municipal Loans	994	891	1,275	1,207	1,224	1,158
Transport, Communications, and Public Utilities	701	651	817	746	788	779
Commercial and Industrial Banks, Insurance and Financial	1,473	1,445	1,747	1,637	1,571	1,615
Mines (including Nitrates)	345	367	439	428	384	410
Oil	269	375	395	356	343	328
Rubber, Tea and Coffee	104	93	117	130	149	125
Total	145	209	186	115	144	123
Total	4,031	4,031	4,976	4,619	4,603	4,538

* Including iron and steel and breweries.

"FINANCIAL NEWS" DAILY AVERAGE OF 30 INDUSTRIAL ORDINARY STOCKS.
(1928 = 100.)

Highest of 1930. (Apr. 17).	Lowest of 1930. (Aug. 26)	Sept. 11.	Sept. 12.	Sept. 15.	Sept. 16.	Sept. 17.	Sept. 18.
90.6	72.6	80.3	80.3	70.0	79.3	78.9	78.7

LONDON ACTIVE SECURITY PRICES AND YIELDS.

NOTE.—Shares with a New York quotation, or with definite American interest, are distinguished by italics.

In calculating the yields on the stocks and shares quoted below allowance is made for interest accrued since the last payment. Where stocks are definitely redeemable at a certain date the yield includes any profit or loss on redemption; where stocks are redeemable at or before a certain date the final date of repayment is taken when the stock stands at a discount and the earliest date when the quotation is above par. The return on ordinary stocks and shares is calculated on the dividends paid by the company during the last year.

1929.		1930 (to date).		Name of Security.	Sept. 10, 1930.	Sept. 17, 1930.	Rise or Fall.	Present Yield.	Year 1929.		1930 (to date).		Name of Security.	Sept. 10, 1930.	Sept. 17, 1930.	Rise or Fall.	Present Yield.
High.	Low.	High.	Low.						High.	Low.	High.	Low.					
British Funds.																	
56 1/2	52	57 1/2	52 1/2	Consols 2 1/2 %	55 1/2	55 1/2	+ 1/2	4 10 11									
88 1/2	84 1/2	90 1/2	84 1/2	Consols 4 %	88 1/2	88 1/2	...	4 11 8									
80 1/2	72 1/2	80 1/2	74 1/2	Conv. Loan 3 1/2 %	78 1/2	78 1/2	...	4 9 9									
100	93	100 1/2	93 1/2	Do. 4 1/2 % 1914-1915	100	100	...	4 13 0									
...	...	105 1/2	102 1/2	Do. 5 % 1914-1915	105 1/2	105 1/2	- 1/2	4 14 0									
91 1/2	82 1/2	93 1/2	85 1/2	Funding 4 % 1910-1911	92 1/2	92 1/2	...	4 8 6									
100 1/2	97 1/2	101 1/2	98 1/2	Treasury 4 1/2 % 1912-1913	101 1/2	101 1/2	...	4 2 0									
101 1/2	97 1/2	103 1/2	99 1/2	Treasury 5 % (D)	103 1/2	103 1/2	...	4 5 0									
95 1/2	86 1/2	90 1/2	81 1/2	Victory Bonds 4 %	86 1/2	86 1/2	...	4 5 0									
103 1/2	99 1/2	104 1/2	100 1/2	War Loan 5 % 1912-1913	104 1/2	104 1/2	...	4 16 0									
101 1/2	99 1/2	103 1/2	100 1/2	War Loan 4 1/2 % 1912-1913	103 1/2	103 1/2	...	4 13 0									
65 1/2	60	66 1/2	61 1/2	Local Loans 3 1/2 %	65 1/2	64 1/2	- 1/2	4 13 0									
51 1/2	44	49	40	India 2 1/2 %	45 1/2	45 1/2	...	5 11 1									
61 1/2	50	59 1/2	47	Do. 3 %	55 1/2	54 1/2	- 1/2	5 11 1									
71 1/2	60	68 1/2	55 1/2	Do. 3 1/2 %	64 1/2	63 1/2	- 1/2	5 11 1									
92 1/2	80	90	73	Do. 4 % 1915-1916	86	86	...	5 11 1									
105 1/2	99 1/2	105 1/2	100 1/2	Palestine 4 1/2 %	104 1/2	104 1/2	...	4 12 0									
103 1/2	103 1/2	108 1/2	104 1/2	Sudan 5 1/2 % Bonds	108	108	...	5 2 10									
84 1/2	86	93	87 1/2	Ulster 4 1/2 % 45-75	93	93	...	4 19 0									
Dominion and Colonial Governments.																	
99 1/2	90 1/2	95 1/2	84	Australia 5 % 1914-1915	89	87	-2	5 18 0									
91 1/2	86 1/2	91 1/2	86 1/2	Canada 4 % 1910-1911	102 1/2	102 1/2	...	5 4 0									
97 1/2	91 1/2	95 1/2	92 1/2	Ceylon 5 % 1914-1915	100	100	...	5 4 0									
104 1/2	99 1/2	104 1/2	99 1/2	Gold Coast 4 1/2 % 1914-1915	94 1/2	94 1/2	+ 1/2	4 18 8									
104 1/2	98 1/2	103 1/2	101 1/2	Kenya 5 % 1914-1915	102 1/2	103 1/2	+ 1/2	4 17 3									
99 1/2	88 1/2	92 1/2	82 1/2	N.S. Wales 5 % 35-55	86 1/2	86 1/2	...	6 2 1									
104 1/2	98 1/2	103 1/2	99 1/2	N.Z. 5 % 1914-1915	102 1/2	102 1/2	...	4 18 1									
100	90	92 1/2	82 1/2	Queensland 5 % 40-60	87 1/2	86 1/2	- 1/2	5 19 3									
104 1/2	99 1/2	102 1/2	99 1/2	S. Africa 5 % 1914-1915	102 1/2	102 1/2	...	4 18 0									
97 1/2	93 1/2	97 1/2	93 1/2	Strat. Sec. 4 1/2 % 35-45	98	98	...	4 15 9									
Foreign Governments.																	
83 1/2	83	89 1/2	82 1/2	Argentina 4 % Recia.	86	86	...	5 6 9									
100	100	105 1/2	100 1/2	Australia 6 % 1923-43	104 1/2	104 1/2	...	5 11 3									
82 1/2	54 1/2	61 1/2	52 1/2	B. Aires (Prov.) 5 1/2 %	58	57	-1	6 9 0									
109 1/2	105 1/2	112 1/2	108 1/2	Belgium 4 % 1910-1911	112 1/2	112 1/2	...	6 9 9									
91 1/2	82 1/2	86 1/2	83 1/2	Bulgaria 7 1/2 % Loan	84 1/2	84 1/2	...	6 18 6									
90 1/2	71 1/2	78 1/2	70 1/2	Brazil 5 % Fund. 1914	75	74	-1	6 18 0									
102 1/2	94 1/2	94 1/2	94 1/2	Do. 6 1/2 % (1917)	81	81	...	8 8 0									
96 1/2	93 1/2	99 1/2	92 1/2	Chili 6 % (1929)	96 1/2	96 1/2	...	6 5 9									
55 1/2	41 1/2	52 1/2	47 1/2	China 5 % (1912)	35 1/2	37 1/2	+ 2	13 6 9									
114 1/2	105 1/2	114 1/2	109 1/2	Czechoslovakia 8 %	114 1/2	114 1/2	...	6 18 6									
77 1/2	75 1/2	81 1/2	78 1/2	Danish 3 %	80	80	...	3 15 0									
86 1/2	86 1/2	89 1/2	88 1/2	Danish 4 %	90 1/2	89 1/2	- 1/2	5 15 0									
95 1/2	90 1/2	94 1/2	91 1/2	Egypt United 4 %	94 1/2	94 1/2	...	5 7 6									
95 1/2	85 1/2	92 1/2	83 1/2	Estonia 7 % 1927	84 1/2	83 1/2	- 1/2	8 7 0									
100 1/2	90 1/2	100 1/2	93 1/2	Finland 6 % 1923	95 1/2	95 1/2	...	6 6 0									
19 1/2	16 1/2	21 1/2	19 1/2	French 4 % (British)	21 1/2	21 1/2	...	4 18 5									
21 1/2	18 1/2	21 1/2	20 1/2	Do. 5 %	21 1/2	21 1/2	...	5 0 7									
107 1/2	100 1/2	109 1/2	103 1/2	German 7 %	106 1/2	106 1/2	...	6 10 9									
93 1/2	84 1/2	93 1/2	86 1/2	Greek 6 % Strat. Ln.	90	90	...	6 17 8									
103 1/2	95 1/2	104 1/2	100 1/2	Do. 7 % Refugee	103 1/2	103 1/2	...	6 9 0									
103 1/2	95 1/2	104 1/2	100 1/2	Hungary 7 1/2 %	101 1/2	101 1/2	...	5 11 8									
100 1/2	95 1/2	102 1/2	98 1/2	Japan 5 1/2 % 1915-65	94 1/2	94 1/2	...	7 18 9									
36 1/2	22 1/2	26 1/2	26 1/2	Do. 6 % (1924)	101 1/2	101 1/2	...	5 17 6									
108 1/2	101 1/2	104 1/2	100 1/2	Mexican 5 % (1899)	26 1/2	24 1/2	-2	5 16 6									
107 1/2	100 1/2	106 1/2	95 1/2	Norwegian 6 % 1921	103 1/2	103 1/2	...	5 16 6									
83 1/2	83 1/2	92 1/2	83 1/2	Peru 7 1/2 % 1922	98 1/2	98 1/2	...	7 15 0									
106 1/2	99 1/2	107 1/2	101 1/2	Poland 7 %	91 1/2	90 1/2	- 1/2	8 1 0									
86 1/2	75 1/2	86 1/2	77 1/2	Stamess 6 % 1914-64	106 1/2	106 1/2	...	5 0 0									
104 1/2	97 1/2	104 1/2	97 1/2	Swedish 5 1/2 % 1908	82 1/2	83 1/2	+ 1/2	4 4 10									
23 1/2	17 1/2	19 1/2	18 1/2	S. Paulo Coffee 11 %	83 1/2	83 1/2	...	9 4 0									
93 1/2	81 1/2	89 1/2	81 1/2	Turkish 4 % United	104 1/2	104 1/2	...	5 13 11									
86 1/2	86 1/2	96 1/2	88 1/2	Uruguay 5 % 1919	88 1/2	88 1/2	...	5 13 11									
105 1/2	98 1/2	104 1/2	99 1/2	Corporation Stocks.													
105 1/2	98 1/2	104 1/2	99 1/2	Berlin 6 % 1932-57	92 1/2	88 1/2	-4	7 0 0									
101 1/2	98 1/2	103 1/2	99 1/2	Birmingham 5 % 1916-56	103 1/2	103 1/2	...	4 14 5									
101 1/2	98 1/2	103 1/2	99 1/2	British 5 % 1916-56	102 1/2	102 1/2	...	4 16 7									
99 1/2	95 1/2	99 1/2	95 1/2	Danish (Cuma) 7 %	93 1/2	93 1/2	...	7 16 3									
104 1/2	100 1/2	103 1/2	99 1/2	H. London 6 % 1910-70	99 1/2	99 1/2	...	5 1 2									
104 1/2	100 1/2	103 1/2	99 1/2	Johannesburg 5 1/2 % 1937-52	100 1/2	100 1/2	...	5 10 0									
66 1/2	60	66 1/2	60 1/2	L.O.O. 3 %	64 1/2	64 1/2	...	4 13 9									
67 1/2	61 1/2	67 1/2	62 1/2	Met. Wat. Bd. B. 3 %	67 1/2	67 1/2	...	4 11 4									
104 1/2	99 1/2	103 1/2	99 1/2	Port of London 5 % 1920-70	103 1/2	103 1/2	...	4 14 6									
108 1/2	103 1/2	111 1/2	104 1/2	Sains. (Dept. of) 7 %	110 1/2	110 1/2	...	6 4 0									
98 1/2	93 1/2	98 1/2	88 1/2	5 1/2 % 1914-1915	88 1/2	88 1/2	...	6 8 0									
British Railways.																	
90 1/2	78 1/2	94 1/2	62 1/2	G. Western Ord. Stk.	70 1/2	72 1/2	+2 1/2	10 6 6									
15 1/2	10	13 1/2	5														

NEW ISSUE PRICES.

Stock or Share.	Issue price.	Amt. paid.	Price, Sept. 11, 1930	Price, Sept. 18, 1930.
Austrian Govt. International Loan, 1930 7%.....	95	75	1-1/2 pm	1-1/2 pm
Courage and Co., 5 1/2% debts.....	98	75	103 1/2-104 1/2	103 1/2-104 1/2
Edmundson's Electricity 5% debts.....	93 1/2	68 1/2	2-3 pm	2 1/2-2 3/4 pm
Ferranti 7% cum. pref.....	20/-	12/6	12/3-12/9	12/3-12/9
Kelly's Directories 6 1/2% debts.....	98 1/2	33 1/2	1 1/2-2 1/2 pm	1 1/2-2 1/2 pm
London Electric Railway 5% debts.....	97 1/2	50	3 1/2-4 1/2 pm	4 1/2-4 3/4 pm
Marks and Spencer, 7% cum. pref.....	21 1/2	10/-	21/6-22/0	21/6-22/0
Do., 6% debts.....	102	10/-	104 1/2-105 1/2	104 1/2-105 1/2
Newcastle-upon-Tyne Electric 5% debts.....	96	75	100 1/2-101 1/2	100 1/2-101 1/2
Parkinson & Cowan, ord.....	25/-	10/-	9/-9/6	9/-9/6
Do., 7% cum. pref.....	21/-	6/-	6/6-7/6	6/6-7/6
South Africa 5%.....	98	41	3 1/2-3 3/4 pm	3 1/2-3 3/4 pm
South Metropolitan Gas 5% debts.....	97 1/2	52 1/2	3-3 1/4 pm	2 1/2-3 1/4 pm
Tampin & Sons, Brewery.....	95	75	98 1/2-99 1/2	98 1/2-99 1/2

FOREIGN STOCK EXCHANGES.

NEW YORK.

The bull movement of early September has been brought to a halt, like its British counterpart. A fair volume of selling at the beginning of the week has been succeeded by all-round caution, with the volume of trading sharply restricted. Numerous causes have contributed to this result. At a time when real confidence is lacking, the slightest check to an upward movement is apt to produce nervous profit-taking. The effect of the German elections was initially exaggerated, some persons even envisaging a flight of capital from Germany. The delay in the autumn business revival in America, again, is causing a downward revision of estimated corporation earnings. Numerous brokerage houses have appreciably shaded off their expectations of the course of values during the next few weeks. Steel production shows little change, though prices are firmer. Oil shares have been steady on a decrease in gasoline stocks, but copper shares have reflected the fresh weakness in the position of the metal. Call money is cheaper at 2 per cent.

	Sept. 4, 1930.	Sept. 11, 1930.	Sept. 18, 1930.		Sept. 4, 1930.	Sept. 11, 1930.	Sept. 18, 1930.
U.S. 3 1/2% T. Bds.	105 1/2	105 1/2	106 1/2	Phelps Dodge	30	30 1/2	30 1/2
Do. 4 1/2% T. Bds.	112 1/2	112 1/2	112 1/2	Fullman	68 1/2	68 1/2	66
Do. 4 1/2% T. Bds.	101 1/2	101 1/2	101 1/2	Sears-Roebuck	71	74 1/2	69 1/2
Do. 4 1/2% T. Bds.	102 1/2	102 1/2	102 1/2	Studebaker	30	31	30 1/2
Do. 4 1/2% T. Bds.	103 1/2	103 1/2	103 1/2	Un. Fruit	87 1/2	86 1/2	84
Atchafalpa	217 1/2	221	218	U.S. Leather	8	8	8
Ches. & Ohio	48 1/2	50 1/2	48	U.S. Rubber	19	19 1/2	18 1/2
Erie	40 1/2	40 1/2	41	U.S. Steel	67 1/2	170 1/2	166 1/2
Illinois Central	113	114	111	Westinghouse	47 1/2	155	147 1/2
W.Y. Central	162	163 1/2	161 1/2	Woolworth	61	67 1/2	65
Pennsylvania	73 1/2	74 1/2	73	Worthington Pump	129 1/2	130	122
Southern Pacific	115	118 1/2	116	Am. Pow. & Light	81 1/2	86 1/2	83 1/2
Southern Ry.	84	87	84 1/2	Am. Tel. & Tg.	212	217 1/2	214 1/2
Union Pacific	216	220	216	Electro P. & L.	69 1/2	75 1/2	72 1/2
Am. Can.	127 1/2	133 1/2	126	Int. Tel. & Tg.	41 1/2	42 1/2	41 1/2
Allegheny Corp.	21	22 1/2	21 1/2	Nat. Pow. & L.	45 1/2	49	46 1/2
Amer. Smelting	66 1/2	69 1/2	64 1/2	Radio Corp.	39 1/2	42 1/2	38 1/2
Anacosta	46 1/2	48	44 1/2	Utilities P. & L.	35 1/2	36 1/2	36 1/2
Bethlehem Steel	86 1/2	88 1/2	87 1/2	W. Union Tel.	171	171 1/2	169
Chrysler Motor	27 1/2	28 1/2	27 1/2				
Corn Producers	213 1/2	216 1/2	212	Associated Gas "A"	30 1/2	30 1/2	30 1/2
Eastman Kodak	70 1/2	73	70 1/2	Mid-Cont. Pet.	23	23 1/2	23 1/2
Gen. Electric (New)	44 1/2	45 1/2	43 1/2	Pan Amer. B.	52	54	52
Gen. Motors	77 1/2	79 1/2	75 1/2	Sinclair Oil	21	22	20 1/2
Int. Harvester	34 1/2	38 1/2	35 1/2	Std. California	60 1/2	60 1/2	60 1/2
Montg. Ward	82 1/2	85 1/2	84 1/2	Do. N.J.	68 1/2	70 1/2	68 1/2
Natl. Biscuit							

By courtesy of the Standard Statistics Company, Inc., of New York and 13, Copthall Avenue, London, we print the following index figures of American values calculated on closing prices (1926 = 100) :-

	1928.		1929.		1930.		
	Lowest.	Highest.	Lowest.	Highest.	Beginning of Year.	Sept. 10.	Sept. 17.
335 Industrials	132.5	186.4	134.5	218.9	146.0	144.0	140.2
33 Bonds	120.5	139.7	127.8	173.5	134.3	124.9	123.0
34 Utilities	128.3	180.6	177.6	330.4	202.2	223.8	219.5
Total, 402 Stocks	130.3	178.9	140.3	228.1	153.0	153.6	150.1
Average yield of 50 Industrial Common Stocks	3.32%	4.42%	3.10%	5.23%	4.83%	4.45%	4.53%

DAILY AVERAGE OF 50 INDUSTRIAL COMMON STOCKS (1926 = 100).

Highest of 1930. (Apr. 10.)	Lowest of 1930. (June 24.)	Sept. 10.	Sept. 11.	Sept. 12.	Sept. 13.	Sept. 15.	Sept. 16.	Sept. 17.
202.4	149.6	170.8	169.5	167.6	167.4	165.0	165.2	165.7
TOTAL DEALINGS IN NEW YORK.								
		Sept. 11.	Sept. 12.	Sept. 13.	Sept. 15.	Sept. 16.	Sept. 17.	Sept. 18.
Stock Exchange—								
Shares (Thous.)	1,732	1,091	1,018	1,559	1,765	1,185	1,373	
Bonds (Value Thous. \$).....	7,992	8,218	4,732	6,936	8,995	8,939	8,198	
Gurb—								
Shares (Thous.)	395	451	254	336	350	304	316	

* 2-hour session.

BERLIN.

After the severe declines in security prices which continued from the beginning of June to the beginning of August, the tendency in Berlin became somewhat calmer last month. Weak selling appeared to have come to an end—the Bourse being characterised by complete absence of turnover and narrow fluctuations. Small purchases (in which, however, the general public took only a minor part) even brought about substantial rises in certain classes of securities. Political conditions in July, contingent on the dissolution of the Reichstag and the fear of a budgetary deficit, were unfavourable to the market, but opinion subsequently became more optimistic. The gains of the extreme parties, particularly of the National Socialists, in last Sunday's election, produced immediate weakness in values, shares like Potash, Siemens and the Reichsbank falling as much as 10 points last Monday. In the period before the elections mortgage bank shares were particularly strong. The business of these banks, unlike that of the credit banks, has been developing very favourably. A keen demand occurred for departmental store shares, the companies having suffered much less than the smaller individual shops from unfavourable trading conditions. The condition of the steel industry is unfavourable, the break-up of the International Steel Cartel foreshadowing an intensification of competition. Bonds were again neglected, and in spite of the great liquidity of the money market, the demand for long-term securities remained restricted.

Official "Cash" Quotations in all cases.

	Aug. 4, 1930.	Sept. 8, 1930.		Aug. 4, 1930.	Sept. 8, 1930.
Banking and Insurance.			Industrials—cont.		
Berliner Handels-Gen.	145	143 1/2	Deutsche Erdöl...	73 1/2	74
Commerz und Privatbank	132	127 1/2	Deutsche Linoleum	178	175
Darmstädter	183	181 1/2	Dynamit Nobel...	150	153 1/2
Deutsche und Disconto	125 1/2	123 1/2	Fabermühle Papier	133 1/2	135
Dresdner	125	123	Gelsenkirchen...	106 1/2	109 1/2
Reichsbank	244 1/2	253	Görlitzer Waggon	102	106
Allians und Stuttgarter	193 1/2	182 1/2	Harpener	96 1/2	102
Nordstern	227	223	Hirsch Kupfer	122	128
Communications.			Karl Aschersleben	184 1/2	205
Deutsche Reichsbahn Pref.	94 1/2	93 1/2	Karstadt	91 1/2	101 1/2
Hamburg-Amerika	90 1/2	91 1/2	Lindström	500	470
Hansa	149	161	Mannesmann	84 1/2	83 1/2
Norddeutscher Lloyd	90	91 1/2	Nationale Autom.	11	9 1/2
Industrials.			Norddeutsche		
Allg. Elektrizität	138 1/2	139	Orenstein und Kopp	64	72
Augsburg-Nürnberg	70 1/2	68 1/2	Polyphon	60	59 1/2
Bemberg	90 1/2	90 1/2	Riebeck Montan...	186	184 1/2
Bergmann	171	166	Rütgers	95 1/2	97 1/2
Continental Gummi	141 1/2	143	Salzdetfurth	49 1/2	57
Daimler-Benz	27 1/2	29	Sarotti	318	328
Dessauer Gas	131	137	Schlesische Textilwerke	106	108 1/2
			Schweinfurt-Patzenhofer	12	10
			Siemens und Halske	260 1/2	252
			Tietz	190 1/2	199
			Verein. Glanzstoff	130	136
			Verein. Stahlwerke	123	123 1/2
			Zellstoff Walldorf	77 1/2	77 1/2

AMSTERDAM.

After many weeks of unbroken pessimism, the beginning of September witnessed a turn for the better. Bear interests withdrew or hastened to cover their positions. Though the public gave some support, professional speculation was chiefly responsible for the upward turn of quotations, and prices have since receded. Disturbing fluctuations have occurred in quotations for

Royal Dutch shares. Philips and Margarine Unie have fallen to new low records. The directors of the A.K.U. issued a statement to the effect that the company was not in need of new funds, and no issues of shares or debentures were contemplated. The market was unaffected by this statement. Rubber shares were unfavourably influenced by the final failure of the rubber restriction negotiations. Amsterdam Rubber declined to 80, against a peak price of 295 in 1929. Sugar shares declined on rumours that the V.I.S.P. was disposing of an important quantity of sugar at a cut price. Some sales of inferior sugar have in fact been made to Japan at a reduced figure, and the V.I.S.P. may be prepared to dispose of additional quantities. For superior sugar, however, a further reduction in price is doubtful.

	May 15, 1930.	Aug. 15, 1930.	Sept. 15, 1930.		May 15, 1930.	Aug. 15, 1930.	Sept. 15, 1930.
4 1/2% Gov. Bds., 1916	101 1/2	102 1/2	102 1/2	Algem. Explorat.	195 1/2	163	131
4% Bonds, 1916...	98 1/2	99 1/2	100 1/2	Anlem.	318 1/2	283	280
4 1/2% Bonds East Indies	96 1/2	99 1/2	99 1/2	Ned. Ind. Gas.	220	206	215
4 1/2% Amsterdam, 1913/1914	99 1/2	101	100 1/2	Royal Dutch	406 1/2	387 1/2	364
4 1/2% Rotterdam, 1930	91	100 1/2	100 1/2	Amsterdam Rub'r	143 1/2	104 1/2	86 1/2
Amsterdam Bank	194 1/2	181 1/2	173 1/2	Deil Batavia	94	63	48 1/2
Koloniale Bank	176	157	151 1/2	East Java	191	150 1/2	131
Ned. Ind. Handelsbank	152	135 1/2	126 1/2	Hoesa Rubber	160	83	65
Neth. Trading Soc.	169	152 1/2	150 1/2	Serbadijati Sumatra	106 1/2	71 1/2	57 1/2
Rotterdam Bank	108	107 1/2	106 1/2	Allied Sumatra	72	48 1/2	44 1/2
Van Berckelaer Pat.	115 1/2	71 1/2	73 1/2	Holland Amer. Line	34	23 1/2	23 1/2
Central Sugar	49	58	55 1/2	Royal Packet	209 1/2	178	165
Shipbuilding Wilton	...	...	...	Neth. Shipping U.	175 1/2	146 1/2	141 1/2
Dutch Art. Silk	85	91	80 1/2	Navigation "Nederl."	166	137 1/2	144 1/2
Margarine Unie	302 1/2	242 1/2	245 1/2	Royal Steamship	69	68	62
Knechtelmeist. Aco.	135 1/2	96 1/2	101 1/2	Java China Japan Line	83	71	71
General Art. Silk	112 1/2	85 1/2	81	Vorstenlanden	130x	120	114 1/2
Dutch Ford	283	260	258 1/2	Trading Co. Amsterd.	482 1/2	408	365 1/2
Philips Elect. Lamp	436	333 1/2	322	Java Plantations	336	320	285
Swedish Match	307 1/2	259	269	Neth. India Sugar	218	188	176
Kreuger & Toll	588	486	492	Besocki	...	310	314 1/2
Intern. Cred. Trad.	216	207	191	Deil Batavia	363 1/2	308	289 1/2
Redjang Lebong	80	73	70 1/2	Deil	157	94	95 1/2
Wingkep Tin	157	94	95 1/2	Senembah	395	317	319 1/2
Bolton	153	81 1/2	71 1/2				

x Ex dividend.

† Ex rights.

INVESTMENT NOTES.

New Issue Prospects.—The offer, on Monday next, of £3,500,000 of 5 per cent. debentures by the General Electric Company, at 98, will mark the effective opening of the autumn's new issue season. In few recent years has the outlook been more difficult to discern. The country has now had the benefits (such as they are) of cheap money, for a full six months, and many borrowers are feeling that it is high time that long-term capital rates moved in sympathy. For the present, foreign issues in London are not being encouraged. A Hungarian Government Loan, postponed from the spring, may be floated shortly, but borrowers like Danzig, Greece and Brazil are in a less favourable position, while internal political factors may be a bar to borrowing by Poland and Yugoslavia. At home, Liverpool, Birmingham, Ipswich and Ayr are probable or possible corporation borrowers during the next few weeks, on terms which will doubtless afford investors a yield of around 5 per cent. Some of the larger industrial concerns may test out the market with issues of debentures, but the effective rate in their case is much more difficult to prophesy. Strong concerns like Tate and Lyle deemed it advisable in the spring to offer the investor 5 1/2 per cent. or more. The General Electric issue represents an effort to tighten up the rate by 1/2 per cent. Whether this will be successful, in the case of other industrial borrowers, remains to be seen. It may be hoped, however, that if signs of stringency develop, issuing houses will choose to offer slightly more generous terms rather than to leave large amounts of undigested stock on the market. A few concerns may endeavour to market limited amounts of "equity" shares. Samuel Allsopp & Sons, the brewers, for instance, will shortly issue £466,408 £1 ordinary shares to holders,

without rights, at 22s. 6d. per share. For ordinary share issues in general, however, and for speculative company flotations in particular, present conditions are entirely unsuitable. The fewer issues made of the latter type, the better for all concerned.

Home Rail Traffic.—Last week we considered the position of the "Big Four" railways in the light of their total gross traffic returns for the first thirty-five weeks of the current year, and suggested that, if the present depression continued, total gross receipts in 1930 would be not less than £12 millions below the 1929 figures. In the following table, the returns of each company for the first thirty-seven weeks of 1929 and 1930 are set out category by category:—

	(000's omitted.)					
37 weeks.	L.M.S.R.	L.N.E.R.	G.W.R.	S.R.	Total.	
Passengers—	£	£	£	£	£	
1929	21,073	13,960	9,423	12,486	56,942	
1930	19,922	13,458	9,110	12,244	54,734	
Inc. or dec. £	— 1,151	— 502	— 313	— 242	— 2,208	
Inc. or dec. %	— 5.4	— 3.6	— 3.3	— 1.9	— 3.9	
Merchandise—						
1929	20,846	15,266	8,236	2,868	47,216	
1930	19,458	14,197	7,783	2,829	44,267	
Inc. or dec. £	— 1,388	— 1,069	— 453	— 39	— 2,949	
Inc. or dec. %	— 6.6	— 7.0	— 5.5	— 1.4	— 6.3	
Coal and Coke—						
1929	9,944	9,898	4,602	1,203	25,647	
1930	9,225	9,354	4,359	1,086	24,024	
Inc. or dec. £	— 719	— 544	— 243	— 117	— 1,623	
Inc. or dec. %	— 7.2	— 5.5	— 5.3	— 9.7	— 6.3	
Total—						
1929	51,863	39,124	22,261	16,556	129,804	
1930	48,605	37,009	21,252	16,158	123,024	
Inc. or dec. £	— 3,258	— 2,115	— 1,009	— 398	— 6,780	
Inc. or dec. %	— 6.3	— 5.4	— 4.5	— 2.4	— 5.2	

£1,814,000 (representing an "acceleration" of £832,000), and for the third period £2,103,000 (an "acceleration" of only £289,000). The next few weeks will show whether this feature was due merely to normal summer influences, or to more permanently reassuring tendencies.

Argentine Railway Dividends.—All the leading Argentine railways, except the Buenos Aires and Pacific, have now announced their final dividends for 1929-30. The figures are necessarily below those of a year ago, but they exceed, in some cases, the estimated earnings we forecast in our article of July 19 last. The following table shows the rates of dividend paid in recent years, and the yield on Argentine railways ordinary stocks at present prices:—

	Total Ordinary Dividends.			Ordinary Stocks.		Yield at Present Price.
	1927-28.	1928-29.	1929-30.	Highest Price, 1929.	Present Price.	
B.A. Great Southern.....	% 8	% 8	% 6	110½	86	£ s. d. 7 4 6
Central Argentine	7	7	5	100½	75	7 2 0
B.A. Pacific	7	7	4	106½	85½	6 2 9(a)
B.A. Great Western	7	7	4	100½	66	7 19 0
Entre Rios	7	7	5	100½	79	7 19 0
N. Eastern	Nil*	Nil*	Nil*	41	29	Nil

* "O" debentures paid in full each year. † Not yet announced. (a) Yield based on 1928-29 dividend.

Broadly speaking, the market's writing down of Argentine railway share values in the last twelve months has represented an intelligent anticipation of actual facts. Present prices, on the basis of this week's dividends, bring the shares within the 7 per cent. to 8 per cent. yield category, which the market usually regards as appropriate for these stocks. The detailed accounts of the various companies, which will appear during the next few weeks, will show whether this year's dividends have been fully earned in every case, whether reserve allocations have been reduced, or whether the railways have, under pressure of hard times, discovered new and productive sources of economy to offset decreased gross receipts, without prejudicing present or future efficiency. Investors will also be anxious to learn whether operations have been continued in respect of the somewhat overdue programmes of mileage extension, which were in hand, or in contemplation, before the depression started. In any case, this week's dividends may be interpreted as an encouraging indication of the confidence of the various boards in Argentina's recuperative powers, when "normal" times return.

Combined Pulp and Paper Mills.—The most recent addition to the growing list of scandals connected with the recent new company boom is revealed in a report issued by the present board of the Combined Pulp and Paper Mills, Ltd. This company was formed in October, 1927, to acquire various German companies producing pulp for the paper and rayon industries. It has a present issued capital of £790,000, in 700,000 ordinary shares of £1 and 1,800,000 deferred shares of 1s. In 1929, the ordinary shares were run up to 36s. 8d. and the deferred shares to 6s. 6d. This week, business was done at 1s. 10½d. and 3d. respectively. There have been many changes on the board, Sir Henry Penson having relinquished his office because he did not share the board's opinion with regard to its policy in Germany, Mr B. Philipp on private grounds, and other directors for reasons which have not been made public. Sir Walter Towneley, speaking at the adjourned annual meeting on March 28th last (vice Mr A. M. Oppenheimer, who resigned during 1929), declared that the company was solvent and should have a prosperous future, though profits had been made on certain deals which "would not repeat themselves." The auditors, Messrs Oscar Berry, Froude and Company, whose report, dated March 19, 1930, had contained stringent qualifications, were not reappointed. Two new directors, Messrs H. D. Drysdale and W. Tudor Pole, were elected at the meet-

ing, and Mr C. Baker joined subsequently. These three new directors now state that profits amounting to £301,251 shown in the last two years' accounts were non-existent, a total loss of £418,819 having, in fact, been sustained. An investigation, carried out by Messrs Sissons, Bersey, Gain, Vincent and Company, has revealed amazing irregularities in the compilation of the accounts. The company is, in fact, in a critical condition. Unless £240,000 is quickly forthcoming to complete the purchase of certain shares in two Silesian companies, the company is in danger of losing the greater part of its assets. In all, a minimum of £500,000 is required to save the assets and provide working capital. The new directors suggest that this sum might be obtained by subscription from shareholders to an issue of 8 per cent. debentures with participation as to 25 per cent. of profits. The directors also suggest that shareholders should appoint a committee with whom they could discuss various other questions. The revelations in this case are among the worst in the long recital of financial irregularities which began exactly a year ago, when the Stock Exchange Committee suspended dealings in the "Hatry" securities. If the good name of the London company capital market is to be preserved, some effective means must obviously be devised of safeguarding bona fide investors not merely against such victimisation as these scandals have revealed, but also against the consequences of their own excessive optimism in boom times.

Gaumont British Picture Corporation.—The report of Gaumont British Picture Corporation for the year to March 31, 1930, is a disappointing document. Gaumont British is by far the largest cinema-theatre circuit in this country—the total number of theatres owned or controlled through its subsidiaries being approximately 837—but its earning power appears to be inferior to that of its rivals. This is largely due to the unfortunate effects of the acquisition of Denman Picture Houses, Ltd., and General Theatre Corporation in 1928. These companies, according to the Gaumont British report, are able to distribute nothing after paying their prior charges and providing for amortisation of leases and depreciation. The only flourishing theatre subsidiary of Gaumont British is Provincial Cinematograph Theatres, Ltd., which was acquired in 1929. The total share capital of Gaumont British now amounts to £3,750,000, of which £1,250,000 consists of 7½ per cent. preference shares and the balance of ordinary shares of 10s. After providing for all expenses, depreciation, debenture interest and preference dividends, the company only earned sufficient to pay the 6 per cent. dividends on its ordinary shares, the dividends on the new shares being calculated on the due amount of the instalment payments. The ordinary shares, however, have been issued from time to time at considerable premiums which have been applied to reserve. This premium reserve amounts to £2,459,530, which is approximately the size of the issued ordinary capital. It will therefore be observed that the company is only earning 3 per cent. on the cash subscribed on its ordinary share capital. The following table gives an analysis of the profits for the last three years:—

	Years ended March 31st.		
	1928.	1929.	1930.
	£	£	£
Total profits	282,711	305,826	387,584
Overhead expenses	16,053	21,102	70,506*
Income tax	33,119	25,288	19,311
Depreciation	10,500	30,603	10,603
Debenture interest.....	47,249	52,000	67,740†
Preference dividends	70,449	84,375	93,750
Earned for ordinary	105,341	92,458	125,673
Percentage earned	10.5%	6.0%	6.0%
Percentage paid	6.0%	6.0%	6.0%
Carried forward	45,341	27,296	27,816
* Including £56,824 interest account.			
† Including £17,040 debenture stock sinking fund account.			
Overhead expenses now include an item for interest account of £56,824, which is only partly explained by the			

secured loan and interest accrued at the National Provincial Bank for £223,670. It is difficult to ascertain the exact liquid position from the balance sheet, but, eliminating the items of amounts due from and owing to subsidiary companies on loan and current accounts, the company would appear to have current assets (cash and debtors) of £168,165, against current liabilities (creditors and interest and dividends accrued) of £318,214. The company would thus appear to be by no means well provided with working capital. The balance sheet declares shareholdings in subsidiary companies at no less than £5,718,702. The Gaumont British group is still expanding. The directors declare that the profits of the theatres this year will benefit from the British Acoustic apparatus, which is being installed at a much lower cost than other systems. The 10s. ordinary shares, which were as high as 32s. 10½d. last year, are now quoted at 12s. 9d.

The Dunlop Company and Rubber Restriction.—The official announcement that no new scheme of rubber restriction is to be enforced, has quickly been followed by an intimation that two producing companies are suspending operations—the Lanadron Rubber Estates in Malaya and the Java Rubber Estates in the Dutch East Indies. Other announcements of the same tenor are expected during the next few weeks, though difficulties connected with the dispersal and repatriation of native labour may prevent the Eastern export figures from showing any marked decline during the next month or two. Meanwhile, the Dunlop Rubber Company, which owns 70,000 acres of rubber-planted lands in the East, has lost no time in defining its attitude. A statement issued over the signature of the chairman, Sir Eric Geddes, declares that the company was in accord with the action of the Government when it abolished the restriction scheme, in 1928, though not with the precise procedure of abolition. The company believes that, under the urge of high prices, the native "family" grower in the Dutch East Indies could quickly raise his output from 100,000 tons to 350,000 tons per annum. With a London price of anything above 8½d., this incentive would be in evidence. Can the European owner produce at a profit below such a figure? By implication, the Dunlop Company replies in the affirmative. Last year, its costs were as low as 5½d. per pound, f.o.b. Singapore. This year it is cropping on an average of 4½d. per pound. For the month of August last, the cost was estimated to be under 4d. When new and improved areas come into tapping, a cost of under 3d. per pound is expected. These cost figures have been obtained, Sir Eric declares, by rigid economies, extensive group management, improved tapping methods, cultivation, manuring and rejuvenation of old rubber land, and by the use of improved planting methods and materials in new areas. Whether these figures include any allowance for home administrative charges is not clear, and in any case, charges for freight, landing, etc., must be allowed for before the prices can be compared with the London market quotation. They remain, however, an impressive testimony to the possibilities of reduced costs, which are open to large, efficient, and well-situated European estates, even in difficult times like the present.

Selfridge Provincial Stores.—In one respect the accounts of Selfridge Provincial Stores, Ltd., to August 30th last—presented with exemplary promptitude—are encouraging to shareholders, since they show that profits have been fully maintained in a year of difficult trading conditions. Closer inspection suggests several qualifications to this statement. In the first place the figures relate to dividends received from the subsidiary companies during the twelve months, and the full effect of the setback in general trade may not have been experienced in the average trading period covered by the subsidiary accounts. Secondly, there is no sign of earnings regaining the 1926-28 level, not to mention the prospectus forecast (in November, 1926) of a profit

of £350,000, "advancing within a reasonable time to £450,000." The results achieved since the company's public debut are shown below:—

	Period ended Oct. 31, 1927.	Period ended Aug. 31, 1928.	Year ended Aug. 31, 1929.	Year ended Aug. 30, 1930.
	£	£	£	£
Dividends received	327,101	277,916	217,757	228,216
Outgoings (incl. income tax) less transfer fees	90,557	63,542	50,318	65,242
Net revenue	236,544	214,374	167,439	162,974
Dividend on ordinary (7 per cent.)	133,518	168,000	168,000	162,750
Number of times covered	1.8	1.3	1.0	1.0
Dividend on deferred	Nil	Nil	Nil	Nil
Written off preliminary expenses	100,000	48,270	Nil	10,000*
Increase or decrease in carry-forward	+ 3,026	- 1,896	- 561	+ 224

* Contributed by Selfridge & Company, Ltd.

When the company's ordinary shares were first publicly offered, the chairman, Mr Gordon Selfridge, Senr., clearly contemplated that the company would be well on its feet by 1929, when Selfridge and Company's guarantee of the 7 per cent. ordinary dividend had expired. Last year this guarantee was extended for another twelve months. Will it be further extended, seeing that the dividend payment still involves distribution of profits up to the hilt? Mr Selfridge's contribution of £10,000 this year for the writing down of the Provincial Company's "preliminary expenses" (which will now stand at £80,000), is a "gesture" which will reassure some shareholders, but the extension of the guarantee would open up much bigger questions. Selfridge and Company has already been called on this year to pay out £31,000 on a guarantee of the 25 per cent. ordinary shares of William Whiteley, Ltd., which does not expire for another twelve years. There is obviously a limit to the extension of such obligations. Shareholders will also look for enlightenment, at the meeting, as regards the increase, during the last twelve months, of £154,390 in the Provincial Company's loans from subsidiaries, and the expansion, on the other side of the balance sheet, of £151,000 in its total shareholdings in subsidiaries, taken at cost. A full statement covering such points as these, at next Friday's meeting, would be a most effective means of silencing the "efforts . . . to spread misleading and entirely unfounded information as to the value of the shares," of which the board complains in a letter issued with the report.

Argentine Navigation and the Royal Mail Group.—It was announced in the Press (apparently unofficially) on Tuesday last that the Royal Mail group had disposed of its holdings in the Argentine Navigation Company (Nicolás Mihanovich). The purchasers are understood to be an Anglo-Argentine syndicate for whom Hambros Bank and Messrs J. Henry Schroeder and Company are acting as banking guarantors. The Royal Mail group has hitherto held the control of the Argentine company, which was one of its most successful subsidiaries. The company's capital is £2,000,000 in 400,000 £1 preference

SECURITY FIRST

ROYAL
INSURANCE COMPANY, LIMITED

HEAD OFFICES: LIVERPOOL AND LONDON.

shares and 1,600,000 £1 ordinary shares. The following table shows the manner in which the group's holdings were distributed:—

	Preference Shares.	Ordinary Shares.
R.M.S.P.	£ 19,108	£ 356,392
Lampport and Holt	45,361	50,639
Liverpool, Brazil and River Plate S.N. Co.*	...	658,000

* Subsidiary of Lampport and Holt.

The balance sheet and report of the Argentine company, for the year ended December 31st last, disclosed a net profit of £287,584, from which dividends of 12 per cent. and 10 per cent. were paid on the preference and the ordinary capital respectively, and £90,000 was carried to the reserve fund. The fleet of over 300 vessels, aggregating over 100,000 tons, appeared in the balance sheet at £1,149,350, and a further £467,043 represented payments on vessels under construction. The liquid assets at that date exceeded current liabilities by £243,460, the company holding British Government securities of £627,473. The sale would appear to be a further step towards the clearing up of the administrative and financial affairs of the Royal Mail group, for which an advisory committee was formed some time ago. Last month the Court appointed Sir William McLintock receiver and manager of Lampport and Holt, at the request of the debenture-holders. This would appear to have been an essential preliminary to the conclusion of the present arrangement. The rise of the Argentine Company has been one of the picturesque stories in the annals of commerce. The founder, Nicolás Mihanovich, a Dalmatian, immigrated to Argentina as a young man and earned his living by ferrying passengers ashore from visiting vessels. As time went on he enlarged his business and eventually formed the Argentine Navigation Company in 1909. In 1917 the Royal Mail acquired his holding, and in 1920 the company's vessels flying the Uruguayan flag were transferred to a Uruguayan subsidiary. The company carries on a network of passenger and cargo services along the South American coast, in certain ports of which it enjoys something like an exclusive position. It has also plant for towing, salvage, shipbuilding and repairing purposes, and maintains a regular passenger service between Buenos Aires and Asunción.

Staveley Coal and Iron.—By contrast with most iron and steel companies this old-established Midland concern has shown considerable stability of earnings during the last few years:—

Year ended June 30.	1928.	1929.	1930.
	£	£	£
Net profit	204,723	266,118	266,094
Brought forward.....	73,970	114,313	111,162
Ordinary Capital.			
Paid, £	164,380	169,269	203,121
Earned per cent.	6.2	7.9	7.8
Paid per cent.	5.0*	5.0*	6.0*

To reserve	100,000	75,000
Carried forward	114,313	111,162
	99,135	

* Tax free.

Below are set out the percentage earnings and payments on the ordinary capital for the past ten years:—

ORDINARY CAPITAL.					
Year to June 30.*	Earned %	Paid %	Year to June 30.*	Earned %	Paid %
1921.....	10.0	10.0	1926	2.4	5.0
1922.....	7.3	7.5	1927	7.4	7.5
1923.....	12.5	10.0	1928	6.2	5.0
1924.....	14.3	10.0	1929	7.9	5.0
1925.....	9.8	7.5	1930	7.8	6.0

* Free of tax.

The sum of £75,000 is set aside this year for reserve against £100,000 last year, raising the general reserve item to £775,000. The balance of £99,135 is carried

forward, against £111,162 brought in. The company continues to follow a conservative financial policy, both in the matter of depreciation allowances and dividend distribution, while technical improvements in pipe manufacturing promise favourably to affect earnings in the future. The balance sheet reveals a satisfactory liquid position. At 1½, the ordinary £1 shares yield £5 16s. 6d. per cent. free of tax, allowing for a final dividend of 3½ per cent.

The Copper Position.—American Copper Exporters Incorporated has reduced its price for electrolytic delivered in Europe by 0.25c. to 11.05c. per lb. Its domestic price for America is thus reduced to 10½c. per lb., which compares with a high level of 24 cents per lb. in March, 1929. Some of the smaller independent producers in America are now offering electrolytic at only 10½c. per lb. In London standard copper has fallen to £46 5s. per ton cash, and electrolytic to £50 per ton cash. The American quotation is the lowest for nearly thirty years, and the London quotation is the lowest level touched since January, 1902, when £45 2s. 6d. was recorded. A year ago Copper Exporters Incorporated had copper firmly stabilised at 18c. per lb. The initial cut from 18c. to 14c. was made in April this year, and the tendency has since been downward. The decline this week follows upon the publication of depressing statistics in America for August, showing a heavy increase in stocks of refined copper. With only a small decline in the stocks of blister, the combined stocks at the end of August were over 17,500 tons higher. The following table shows the increase in stocks in America during the last three months, together with output and deliveries:—

	June.	July.	August.
	Tons.	Tons.	Tons.
Refined output	124,821	123,179	120,778
Domestic deliveries	71,887	75,436	56,810
Exports	44,818	42,466	38,319
Stocks (end month)	316,762	322,089	347,738
Blister output	108,574	107,754	111,497
Stocks (end month)	256,531	242,212	234,135
Combined stocks (end month)	573,293	564,301	581,873
United States mine output	56,465	54,249	56,779

The marked decline in deliveries is disturbing. Moreover, in spite of a further closing down of mines in the United States during August, it is remarkable that the mine output should show a small increase. Mines in the United States are now producing 50 per cent. less than last year, but South American mines show only a moderate decline, while Canada has actually increased its output. An uncertain factor is International Nickel Company, which is about to make a heavy increase in its output of copper. It is believed probable that International Nickel will ask for an import tariff to protect the Canadian producers of copper, and will then endeavour to place its surplus in the European market. It seems doubtful whether even the present low level of copper prices will hold. The outlook for copper-producing companies must remain, for the present, uncertain, and it is not surprising that even the shares of Rhodesian copper companies, which will not enter production for years, have suffered from the general liquidation in the market.

Rand Rumours.—During the week, writes our mining correspondent, some activity at rising prices has been witnessed in the shares of the Van Ryn Deep and of the New Kleinfontein—the latter a concern regarded as being virtually on its last legs. Rumour postulated a scheme for the absorption of the little company by the big one. Reference to a map of the field suggests the improbability of any such arrangement. The main area of the Kleinfontein—the Apex—lies on the dip of the Van Ryn Deep but alongside that of the Brakpan. In point of fact, some years ago a drive from the Brakpan workings was

PRELIMINARY NOTICE.

The List will open on Monday, 22nd September, 1930, and will close on or before Wednesday, 24th September, 1930, for Cash Applications. Applications by holders of the existing 7 per cent. Debenture Stock, desiring to convert their holdings, will be received up to and including Monday, 29th September, 1930.

The General Electric Company Limited.

SHARE CAPITAL.

	Authorised.	Issued.
6½ per cent. "A" Cumulative Preference Shares of £1 each ...	£1,800,000	£1,800,000
7½ per cent. "B" Cumulative Preference Shares of £1 each ...	1,800,000	1,800,000
Ordinary Shares of £1 each ...	2,400,000	2,253,645
British Ordinary Shares of £1 each ...	1,600,000	—
	<u>£7,600,000</u>	<u>£5,853,645</u>

There is now outstanding £2,919,340 7 per cent. Mortgage Debenture Stock (of which £60,100 Stock has been drawn for repayment on 30th September, 1930), but the whole amount of such Debenture Stock will be paid off by 30th September, 1931, or satisfied by the issue of 5 per cent. Mortgage Debenture Stock, together with a cash payment, on the terms stated below.

Holders of 7 per cent. Mortgage Debenture Stock (except the Stock drawn for repayment on 30th September, 1930) have the right exercisable up to the 29th September, 1930, to convert their holdings into an equivalent amount of 5 per cent. Mortgage Debenture Stock, together with a cash payment of £4 per cent., in addition to the interest accrued up to the 30th September, 1930, on the Stock so converted.

ISSUE OF

£3,500,000 5 per cent. Mortgage Debenture Stock at 98 per cent.

Interest payable 31st March and 30th September.

SECURITY.—A Specific Mortgage (subject only to the charge securing the existing Debenture Stock above-mentioned, which is to be paid off), on the main part of the Company's freehold and leasehold properties, fixed plant and machinery, etc.

REDEMPTION.—At 100 by 1967 by drawings at 100 per cent. or by purchase at or under 100 per cent.; or up to and including 30th September, 1937, at 105 per cent.; or after 30th September, 1937, and up to and including 30th September, 1947, at 102 per cent.; or thereafter at 100 per cent.

The Prospectus will state (inter alia):—

1. The Company was registered in 1900 and is one of the largest electrical manufacturing concerns in the British Empire.
2. **Assets.**—At 31st March, 1930 (including surplus from present issue after conversion or repayment of the 7 per cent. Mortgage Debenture Stock and payment of the expenses of the issue) ... £10,912,400
or sufficient to cover the Debenture Stock now offered more than three times.

3. Profits. —1926 ...	£936,537
1927 ...	872,661
1928 ...	901,118
1929 ...	902,771
1930 ...	979,476

The amount required to provide the Interest and Sinking Fund for the present issue is £210,000 per annum, and it will be seen that such amount is covered more than four times on the above basis of profit and without reckoning any additional profits from the use of extra capital raised by the present issue.

Trustees for the Debenture Stockholders.
MIDLAND BANK EXECUTOR AND TRUSTEE COMPANY LIMITED.

Directors.

SIR HUGO HIRST, BART., Chairman and Managing Director.
E. G. BYNG, Vice-Chairman.
M. J. RAILING, Joint Managing Director.

ARTHUR CHAMBERLAIN.

J. Y. FLETCHER.

J. FRASER.

LESLIE C. GAMAGE.

SIR J. P. HEWETT, G.C.S.I.

G. H. IDE.

MAJOR-GENERAL HON. SIR NEWTON J. MOORE, K.C.M.G., M.P.

SIR WILLIAM NOBLE.

A. H. RAILING.

H. W. ROBERTS.

M. SOLOMON.

S. D. WHITE.

C. WILSON.

F. WINSTANLEY.

Bankers.

MIDLAND BANK LIMITED, Head Office, Poultry, London, E.C. 2, and Branches.

Brokers.

ROWE, SWANN & CO., 24, Old Broad Street, and Stock Exchange, London, E.C. 2.

Registered Office.

Magnet House, Kingsway, London, W.C. 2.

Prospectuses and Forms of Application are now available from:—

MIDLAND BANK LIMITED, Poultry, London, E.C. 2,
BELFAST BANKING COMPANY LIMITED, Waring Street, Belfast,
THE CLYDESDALE BANK LIMITED, 30, St. Vincent Place, Glasgow,
NORTH OF SCOTLAND BANK LIMITED, Castle Street, Aberdeen, or
Any of their respective Branches; from
Any of the Offices of the Company; and from
Messrs. ROWE, SWANN & CO., 24, Old Broad Street, London, E.C. 2.

extended into the Kleinfontein ground—with most disappointing results. In September, 1929, New Kleinfontein shareholders were advised that the company could not continue normal operations and must begin the process of closing down. Meantime, owing to various causes—including the unexpected improvement in the value of the ore mined—the company has been making fairly substantial profits. Nevertheless, failing fresh developments, the closing-down process has merely been prolonged. An official cable advises the discovery in the central area of the mine—i.e., the original property—of a discovery the exact nature of which is to be tested by diamond drilling. This may represent the actual reason for the buying of the shares. According to an official cablegram from Johannesburg, there is no foundation for the amalgamation rumours.

CAPITAL ISSUES.

ISSUES OF THE WEEK.

By Prospectus or Offer for Sale.

Net total recorded, January 1 to September 13, 1930, £191,727,481.
Total, including conversion recorded, January 1 to September 13, 1930, £281,848,712

	National Savings Certificates.		New Schemes or Money		First Further	
	Net sales, week ended September 13, 1930, £100,000.	Total receipts, April 1, 1930, to September 13, 1930, £3,250,000.	Capital.	Repay- ments.	scriptio- Payment.	Liability.
To the Public.	£	£	£	£	£	£
To Shareholders only.	£	£	£	£	£	£

	Total Offered for Subscription—		Total Offered for Subscription—		Total Offered for Subscription—	
	Including Conversions.	Excluding Conversions.	Including Conversions.	Excluding Conversions.	Including Conversions.	Excluding Conversions.
Jan. 1 to date—	£	£	£	£	£	£
1930	281,948,712	191,827,481	1929	488,764,940	285,239,400	269,058,073
1929	229,440,290	193,114,690	1928	693,100,056	230,782,600	365,165,970
1928	457,732,317	285,631,694	1927	...	230,782,600	232,214,500
1927	...	248,771,926	1926	...	209,326,101	271,399,173
1926	...	150,253,882	1925	...	573,675,653	...
1925	...	129,523,500	1924	...	...	...
1924	...	134,518,045	1923	...	...	...
1923	...	206,682,637	1922	...	...	...

By Stock Exchange Introduction.

	Amount previously recorded	Amount of Capital Introduced.	Prices at which Dealings Began.	Total Cash Involved.
Total, week ended September 20, 1930.....	16,467,378	Nil	Nil	Nil
Total to date, 1930	16,467,378	Nil	Nil	18,152,707
Total to date, 1929	29,789,581	Nil	Nil	41,098,973

[Other Stock Exchange information, including the latest dividend announcements, summary of balance sheets, profit and loss figures and shorter notices will be found on page 546 under the heading "Company News."]

OFFER TO NEW READERS.

Any reader who makes his first acquaintance with this journal with this week's issue is invited to fill up the attached:

To Publisher, "Economist Newspaper, Ltd.,"
6, Bouverie Street, E.C.4.

In order to test the value of your publication I should like you to forward this to me by post for the next four weeks. If I then decide to become a subscriber, it is understood that there will be no charge for the copies thus received, but otherwise I shall be willing to pay 4s. to cover their cost.

Name

Address

WEEKLY TRAFFIC RETURNS.

RAILWAYS OF GREAT BRITAIN AND IRELAND.

(b) Week ended Sept. 11, 1930. (c) Week ended Sept. 12, 1930.	Miles Open.	Week ended Sept. 13, 1930. (000's omitted.)					Aggregate 37 weeks, 1930. (000's omitted.)				
		Passen- gers, &c.	Merchandise, &c.	Coal and Coke.	Total Goods.	Total for Week.	Passen- gers, &c.	Merchandise, &c.	Coal and Coke.	Total Goods.	Total Receipts.
Great Western...	3,751	276	220	109	329	605	9,110	7,783	4,359	12,142	21,252
Do. for 1929...	3,751	297	228	118	346	643	9,423	8,236	4,602	12,838	22,261
Lon. & N. Eastern (c)	6,362	398	369	223	592	990	13,458	14,197	9,354	23,551	37,009
Do. for 1929...	6,361	433	413	259	673	1,110	13,960	15,266	9,868	25,164	39,124
Lon. & Mid. & Scot.	6,956	558	514	231	745	1,303	19,922	19,458	9,225	28,683	48,605
Do. for 1929...	6,957	615	595	247	842	1,457	21,073	20,846	9,943	30,790	51,863
Southern	2,179	359	83	30	113	472	12,244	2,828	1,086	3,914	16,158
Do. for 1929...	2,175	388	86	32	118	506	12,486	2,857	1,203	4,070	16,556
Total of above Do. for 1929...	19,244	1,591	1,186	593	1,779	3,370	54,734	44,266	24,024	68,290	120,242
Metropolitan (c)	59	31-9	4-1	...	...	36-0	1,207-3	146-5	...	...	1,353-8
Do. for 1929...	59	32-6	4-0	...	...	36-6	1,192-2	141-4	...	...	1,333-6
† Undgd. R. R. (c)	...	285-5	...	...	...	285-5	11,121	...	...	...	11,121
Do. for 1929...	...	290-3	...	...	...	290-3	10,507	...	...	...	10,507
Lon. & Sub. Gr. up	...	45-3	...	...	...	45-3	1,636-2	...	...	...	1,636-2
Do. for 1929...	...	46-9	...	...	...	46-9	1,537-3	...	...	...	1,537-3
B. I. & Co. D. wnb	80	3-0	...	...	...	3-8	107-1	27-0	...	...	134-1
Do. for 1929...	80	3-5	...	...	...	4-2	106-3	32-6	...	...	138-9
† Great Northern b	562	14-3	15-7	...	...	30-0	...	...	...	...	106-8
Do. for 1929...	562	16-4	17-2	...	...	33-6	...	...	...	...	108-2
Great Southern b	2,187	35-9	47-5	...	...	83-4	...	...	...	...	265-0
Do. for 1929...	2,187	37-7	45-9	...	...	83-6	...	...	...	...	275-8

* Aggregate 36 weeks.

† Includes receipts from independent omnibuses during current year.

OVERSEAS RAILWAY RECEIPTS.

Name.	Weeks.	Ending.	Present Mileage.	Gross Receipts for Week.		Total Gross Receipts.	
				1930.	+ or -	1930.	+ or -
INDIAN.							
				Rs.	Rs.	Rs.	Rs.
Assam Bengal ...	33	Aug. 16	1,306	3,84,000	- 24,908	74,47,099	- 65,764
Barel L. Ry.	21	23	202	21,800	- 8,900	9,14,100	- 2,24,000
Bengal & N. Western	21	23	2,078	4,78,456	- 78,707	1,39,36,155	- 7,77,871
Bombay Nagpur ...	20				- 2,06,044	3,22,66,343	- 26,94,764
Bombay Bar. & C.I.	21	Sept. 15	3,094	17,00,000	- 2,63,000	4,64,80,000	- 31,48,000
Madras & S. Mah.	34	Aug. 23	3,229	13,01,000	- 3,98,855	3,25,69,584	- 61,94,882
Rohilk' & Kumaon	21	23	561	86,686	+ 844	26,05,629	+ 1,08,249
South Indian	21	23	2,371	11,78,899	- 71,631	2,57,65,899	- 9,65,216

† Including Lucknow-Bareilly State Railway.

CANADIAN.

				\$	\$	\$	\$
Canadian National	36	Sept. 7	20290	4,369,750	- 724,964	151,899,867	- 31,879,944
Canadian Pacific...	37	14	15242	4,715,000	+ 67,000	121,709,000	- 25,268,000

SOUTH AMERICAN.

				£	£	£	£
Antofagasta (Chili and Bolivia) ...	36	Sept. 7	804	23,350	- 9 810	1,015,620	395,555
Argentine N.E.	11	13	753	15,200	- 1,800	160,700	10,900
Argentine Trans./d'n.	11	14	111	2,616	- 2,995	28,192	10,582
B.A. and Pacific	11	14	2,806	112,000	- 34,000	1,283,000	392,000
B.A. Central	11	14	...	11,786	- 1,342	149,019	5,922
B.A. Gt. Southern	11	14	15,009	178,000	- 29,000	1,980,000	500,000
B.A. Western	11	14	1,926	62,000	- 28,000	741,000	215,000
Central Argentine	11	13	3,359	198,000	- 67,000	2,124,000	579,000
Central Uruguayana	11	13	273	25,587	+ 43	294,710	26,544
C. Urug. (N.E. Ext.)	11	13	311	4,914	- 76	58,331	3,362
C. Urug. (W. Ext.)	11	13	185	2,475	- 184	33,974	1,928
C. Urug. (W. Ext.)	11	13	211	2,903	- 3	30,488	3,875
Cordoba Central	11	13	1,218	70,000	...	709,000	62,000
Entre Rios	11	13	804	26,700	+ 1,800	259,700	13,700
G. Westn. of Brazil	37	13	1,035	9,900	- 8,600	487,000	116,700
Leopoldina	37	13	1,658	39,150	- 35,095	1,280,844	410,225
Nitrate (Termal)	37	13	410	Rs. 271,000	- 17,000	10,633,000	322,000
Nitrate (monthly)	† 8	15	410	13,730	- 23,130	311,084	285,201
San Paulo	38	14	153	41,426	- 7,816	1,510,768	300,146
United of Havana	11	13	1,369	37,208	- 15,742	405,487	162,287

* Traffic interrupted by storms. † Affected by disturbances.

OTHER OVERSEAS.

Gt. Southn. of Spain	36	Sept. 6	104	£	—	£	£	—	£
Mexican Railway	10	7	483	Pes. 78,753	—	48,738	3,597,670	—	791,95
Paraguay Central	11	13	274	\$ 213,200	—	4,600	2,194,800	—	127,20
Salvador	10	6	100	3,770	+	10	44,550	—	3,30
				1,772	—	1,864	22,019	—	15,56

TRAMWAYS WEEKLY GROSS RECEIPTS.

				£	£	£	£
Anglo-Argentine ...	37	Sept. 16	329	78,299	—	7,814	3,037,619
B. Aires Lacrosse	10	7	...	10,913	—	1,293	152,805
Liverpool Corp. ...	32	6	124	30,580	+	84	105,657
Madras Electric	10	15	...	Rs. 51,229	+	3,845	687,231
L.O.O. Tramways	25	18	166	81,858	—	13.6	7,93,187
							2,004,031

* Including motor buses.

† Months.

‡ Fortnightly figures.

The Yorkshire Insurance Company have removed to Yorkshire House, 66 and 67 Cornhill, London, E.C.3. Telephone: Avenue 2648 (six lines).

The Canadian Pacific Railway Company intimate with reference to its shares of the new par value of \$25 per share that, in the case of European shareholders, the new certificates will be issued in denominations not exceeding ten shares, unless otherwise requested.

COMPANY MEETINGS, &c.

INITIAL SERVICES (1928), LIMITED.

RESOURCES FURTHER STRENGTHENED.

The second ordinary general meeting of Initial Services (1928), Ltd., was held on the 17th instant, at Winchester House, Old Broad Street, London.

Mr W. J. Chinneck, who presided, said that the trading profit for the year ended June 30, 1930, including gross dividends on shares of subsidiary companies, amounted to £206,940, after providing working expenses and management remuneration. That showed an increase of £5,132 over the previous year. The total profit for the year, carried to the balance sheet, amounted to £210,482, compared with £158,527 for the previous year. When considering the profits of the year ended June 30, 1929, however, they must remember that the company was only incorporated on September 17, 1928, and the sum of £43,678, being the estimated profit for the period preceding incorporation, was used to reduce goodwill.

The liquid resources of the company were very considerable. At June 30th last, cash at bankers and in hand amounted to £140,866; investments in British Government securities to £98,070; sundry debtors and payments made by the company in advance to £40,634; and amounts owing by subsidiary companies, including dividends since declared, to £24,726—a total of approximately £304,000. Against that total were sundry creditors and amounts owing to subsidiary companies, which together were less than £16,000, and the reserve for income tax had now increased to £80,000, a sum which should be more than sufficient to cover the liability of the company to June 30th last. The directors had also reserved the sum of £8,000 necessary to provide the preference dividend accruing for the three months to June 30, 1930. After providing for the preference and interim dividends mentioned and for all taxation there remained a balance with which they now had to deal of £117,255.

In order to consolidate still more the strong position of the company, the directors recommended that goodwill should be further written down by £13,694, reducing it to £200,000, which was less than one year's profit; also that the sum of £30,000 should be transferred to general reserve account, which would then stand at £55,000. They further recommended a final dividend on the ordinary shares of 4d. per share, less tax, which, together with the interim distribution of 2d. per share, less tax, already paid, was at the rate of 50 per cent. for the full year on the ordinary shares of 1s. each. That final dividend, less tax, would absorb £58,125, leaving a balance of £15,436 to be carried forward to the next year's account. It must be remembered that the past year had been one of extreme difficulty in all businesses. The directors hoped, therefore, that shareholders would consider that the accounts before them were satisfactory and that they would approve the directors' proposals for further strengthening the company's resources. Since the close of the financial year they had continued to make satisfactory progress.

The report and accounts were unanimously adopted.

Orders for the publication in these columns of the reports of Company Meetings should be addressed to the Reporting Manager of THE ECONOMIST, 6 Bouverie Street, Fleet Street, London, E.C.4.

Government Returns, &c.

NATIONAL ACCOUNTS.

As is shown from the Treasury Return printed below, the total ordinary revenue for the week ended Sept. 13, 1930, amounted to £5,674,400, against ordinary expenditure of £10,408,200. After allocating £620,000 to the Sinking Fund, and having allowed for a decrease in Exchequer Balances of £538,818, the week's operations, as shown below, increased the National Debt by £4,790,000 to £7,673,000,000—

(000's omitted.)

	£		£
National Savings Certificates ...	+ 100	Post Office and Tel.	- 400
Bank of England Advances	+ 750		
Public Department Advances ...	+ 650		
Treasury Bills.....	+ 3,690		
	+ 5,190		- 400

A complete analysis of the National Debt at the end of last quarter was printed in the *Economist* of July 5, 1930.

REVENUE.	Estimate for the year 1930-31.	Total Receipts into the Exchequer.			
		April 1, 1930, to Sept. 13, 1930.	April 1, 1929, to Sept. 14, 1929.	Week ended Sept. 13, 1930.	Week ended Sept. 14, 1929.
ORDINARY REVENUE.					
Inland Revenue—	£	£	£	£	£
Income Tax	260,000,000	56,486,000	54,238,000	1,335,000	1,326,000
Sur-tax, including Arrears of Super-Tax	64,500,000	12,990,000	11,070,000	170,000	170,000
Estate, &c., Duties	83,000,000	39,116,000	39,366,000	730,000	1,280,000
Stamps	27,000,000	7,310,000	10,840,000	250,000	1,276,000
Gross Profits Duty and Corporation Profits Tax	1,700,000	...	10,000	...	...
Land Tax and Mineral Rights Duty	800,000	140,000	160,000	...	...
Total Inland Revenue ...	437,000,000	116,036,000	115,738,000	2,495,000	4,046,000
Customs and Excise—					
Customs	122,710,000	54,936,000	55,835,000	2,299,000	2,206,000
Excise	129,860,000	51,915,000	53,483,000	920,000	1,320,000
Total Customs and Excise	252,570,000	106,851,000	109,318,000	3,219,000	3,526,000
Motor Vehicle Duties (Exchequer Share)	4,950,000	1,607,088	1,624,000	...	<i>Dr. 148,000</i>
Post Office (Net Receipt).....	10,125,000	6,200,000	6,250,000	<i>Dr. 10,000</i>	<i>Dr. 10,000</i>
(Crown Lands	1,350,000	600,000	560,000	...	...
Receipts from Sundry Loans	33,000,000	15,706,195	10,610,183	...	359,760
Miscellaneous Receipts	34,500,000	10,888,547	14,207,157	60,393	21,763
Appropriation from Rating Relief Suspense Account ...	16,000,000	16,000,000	...	...	...
Total Ordinary Revenue	789,445,000	273,888,830	258,307,340	5,674,393	7,705,526
SELF-BALANCING REVENUE.					
Post Office	60,275,000	25,500,000	24,850,000	1,000,000	900,000
Motor Vehicle Duties apportioned to Road Fund	23,560,000	6,420,912	6,117,000	...	148,000
Total Self-Balancing Revenue	83,835,000	31,920,912	30,967,000	1,000,000	1,048,000
Total	...	305,809,742	289,274,340	6,674,393	8,753,526

The Bankers' Gazette.

BANK OF ENGLAND.

Return for Week ended Wednesday, September 17, 1930.

ISSUE DEPARTMENT.

	£	\$
Notes Issued—		
In Circulation	357,767,920	11,015,100
In Banking Department	58,651,779	232,888,772
		11,629,028
		4,467,100
Amount of Fiduciary Issue	260,000,000	
Gold Coin and Bullion	156,419,699	
	£416,419,699	\$416,419,699

BANKING DEPARTMENT.

	£	\$
Proprietors' Capital	14,553,000	38,766,247
Reserve	3,711,746	9,655,101
Public Deposits	8,933,517	22,409,251
Other Deposits		27,785,787
Bankers'	\$65,307,729	58,651,779
Other Accounts	33,785,802	1,091,062
7-Day and other Bills	99,093,531	
	3,081	\$126,294,875
	£126,294,875	\$126,294,875

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

Both Departments.	Amount, Sept. 17, 1930.	Inc. or Dec. on Last Week.	Inc. or Dec. on Last Year.
Note circulation	357,767,920	— 3,558,371	— 37,640,412
Public deposits	8,933,517	— 79,939	— 2,077,572
Bankers' deposits	65,307,729	— 1,848,594	— 1,230,974
Other deposits	33,785,802	— 351,106	— 379,264
Seven-day bills	3,081	— 775	— 30,785
Total, outside liabilities	465,798,049	— 5,847,235	— 14,090,584
Capital and rest	18,264,746	— 13,951	— 30,785
Government debt and securities	282,670,119	— 7,151,347	— 37,640,412
Discounts and advances	5,376,536	— 383,163	— 2,077,572
Other securities	34,038,273	— 768,365	— 1,230,974
Silver coin in issue	467,100	— 5,851	— 379,264
Gold and bullion (bank's reserve)	157,510,761	— 937,010	— 20,589,761
Reserve of notes and coin in banking department	59,742,841	— 4,495,381	— 24,677,350
Proportion of reserve to outside liabilities—			
(a) Banking department only ("proportion")	55%	+ 5%	+ 25%
(b) Gold stocks to deposits and notes ("reserve ratio")	33%	+ 1%	+ 5%

(000's omitted.)

Date.	Issue Department.		Banking Department.			Gold in or out of Bank.	Bank Rate.
	Notes Issued.	Circulation.	Public Deposits.	Bankers' Deposits.	Other Deposits.		
1930.	£	£	£	£	£	£	%
July 30	412,279	368,377	9,088	69,971	37,405	1,847 out	2 1/2
Aug. 6	412,584	372,978	8,866	61,522	36,787	302 in	2 1/2
13	413,092	377,379	8,266	66,253	34,020	3 in	2 1/2
20	414,334	361,791	21,045	61,665	33,594	1,213 in	3
27	414,840	360,868	18,173	62,600	33,799	504 in	3
Sept. 3	414,460	362,983	7,917	67,428	34,616	381 out	3
10	415,546	361,326	9,013	67,166	34,137	267 in	3
17	416,420	357,768	8,934	65,308	33,786	653 in	3

(000's omitted.)

Date.	Issue Department.		Both Depts.		Banking Department.			
	Govt. Debt and Securities.	Other Securities.	Gold Coin and Bullion and Reserve Ratio.		Govt. Securities.	Dis- counts & Advances.	Other Securities.	Reserve & the "Proportion."
1930.	\$	\$	\$	%	\$	\$	\$	\$
July 30	243,901	11,629	153,250	32 1/2	51,666	6,741	22,292	44,873
Aug. 6	243,906	11,629	153,595	31 1/2	53,146	7,960	23,614	40,617
13	243,786	11,754	154,105	32 1/2	54,346	6,865	22,744	46,726
20	243,906	11,629	155,366	32 1/2	49,371	6,115	25,434	53,574
27	243,908	11,629	155,888	32 1/2	49,141	6,460	22,187	55,020
Sept. 3	243,910	11,629	155,522	32 1/2	47,881	6,229	21,559	52,539
10	243,910	11,629	156,574	33 1/2	45,911	5,770	21,641	55,247
17	243,904	11,629	157,511	33 1/2	38,766	5,377	22,409	59,743

BANKERS' CLEARING RETURNS (000's omitted).

	Town.	Metropolitan.	Country.	Total.
1930.				
January 1 to September 3	26,939,310	1,253,401	2,035,973	30,228,684
Week ended September 10	668,427	30,289	57,826	756,542
Week ended September 17	692,340	28,077	50,784	771,201
Total to date, 1930	28,300,077	1,311,767	2,144,583	31,756,427
Total to date, 1929	28,568,260	1,354,107	2,202,957	32,125,307
Increase or decrease in 1930	- 268,183	- 42,333	- 58,374	- 368,880
	- 0.9%	- 3.1%	- 2.6%	- 1.1%
Total for year, 1929	39,935,924	1,881,789	3,078,764	44,896,477
Do. 1928	39,311,117	1,854,190	3,039,422	44,204,729
Increase or decrease in 1929	+ 624,807	+ 27,599	+ 39,342	+ 691,751
	+ 1.6%	+ 1.5%	+ 1.3%	+ 1.6%

PROVINCIAL CLEARING RETURNS.

(000's omitted).

	Week ended Sept. 13.		Month of August.			Aggregate Weekly Totals Jan. 1 to Sept. 13.	
	1929.	1930.	1929.	1930.	Inc. or Dec.	1929.	1930
Number of working days	£	£	25	25		£	£
BIRMINGHAM	2,010	1,654	10,201	8,457	- 17.0	95,911	88,553
BRADFORD	858	666	4,299	3,154	- 26.6	42,629	31,776
BRISTOL	941	931	4,698	4,463	- 5.0	42,069	39,881
DUBLIN	4,285	4,022				176,903	177,590
HULL	740	703	3,515	3,454	- 1.7	21,446	20,272
LEEDS	689	506	3,439	3,551	+ 7.5	36,153	34,084
LEICESTER	760	636	2,834	2,274	- 19.7	29,411	25,839
LIVERPOOL	7,099	5,101	31,333	23,376	- 25.3	287,932	237,025
MANCHESTER	10,645	7,683	47,346	39,001	- 17.6	459,824	388,335
NEWCASTLE	1,195	1,095	7,276	5,892	- 19.0	54,425	51,707
NOTTINGHAM	515	489	2,551	1,835	- 28.0	22,961	21,518
SHEFFIELD	762	617	4,039	3,503	- 13.2	36,931	33,051
Total	30,499	24,103	121,931	98,960	- 18.8	1,316,605	1,158,631

OVERSEAS BANK RETURNS.

NOTE.—The latest returns of the Banks of Lithuania, Portugal and Canada appeared in the *Economist* of August 30; Roumania on September 6; Bank for International Settlements, Danzig, Poland, Italy, Switzerland and Netherlands on September 13.

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

	Sept. 19, 1929.	Aug. 28, 1930.	Sept. 4, 1930.	Sept. 11, 1930.	Sept. 18, 1930.
RESOURCES.					
Total gold reserve	2,989,400	2,955,930	2,934,590	2,559,600	2,975,540
Total bills discounted	933,920	193,270	231,260	183,190	163,150
Bills bought in open market	241,100	165,270	170,390	193,120	208,860
Total U.S. Govt. securities	177,610	601,910	602,040	602,030	610,380
Total bills and securities	1,357,630	957,030	1,012,270	985,120	989,410
Total resources	5,573,800	4,759,240	4,822,280	4,806,380	5,001,380
LIABILITIES.					
Federal Reserve notes in actual circulation	1,847,430	1,337,250	1,367,620	1,351,250	1,349,330
Deposits—Memberbank—reserve account	2,381,360	2,418,870	2,393,360	2,428,290	2,456,280
Total deposits	2,428,870	2,470,070	2,454,000	2,476,630	2,485,550
Capital paid in and surplus	421,110	446,700	446,720	446,770	446,810
Total liabilities	5,573,800	4,759,240	4,822,280	4,806,380	5,001,380
Ratio of total reserves to deposit and Federal Reserve note liabilities combined	73.8%	81.9%	80.8%	81.3%	81.6%

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

	Sept. 19, 1929.	Aug. 28, 1930.	Sept. 4, 1930.	Sept. 11, 1930.	Sept. 18, 1930.
RESOURCES.					
Total gold reserves	220,140	976,230	926,360	982,200	996,410
Total bills discounted	102,150	31,210	63,570	26,120	21,600
Bills bought in open market	44,540	49,380	51,300	59,600	69,600
Total U.S. Govt. securities	64,330	187,750	187,750	187,930	195,390
Total bills and securities	397,620	270,450	307,250	270,110	281,590
Deposits—Memberbank—reserve account	965,420	1,012,680	975,940	1,905,360	1,022,200
Ratio of total reserves to deposit and Federal Reserve note liabilities combined	76.0%	85.2%	81.5%	85.2%	84.5%

SOUTH AFRICAN RESERVE BANK.—In £'s (000's omitted).

	Aug. 23, 1929.	July 25, 1930.	Aug. 1, 1930.	Aug. 8, 1930.	Aug. 15, 1930.	Aug. 22, 1930.
ASSETS.						
Gold coin and bullion	7,774	6,488	6,444	6,799	6,872	7,007
Subsidiary coin	75	182	173	173	181	184
Bills discounted	8,160	8,204	8,099	6,730	7,271	8,160
Investments	596	1,169	1,341	1,341	1,105	1,405
Capital	1,000	1,000	1,000	1,000	1,000	1,000
Reserve	600	720	720	720	720	720
Notes in circulation	8,103	7,459	8,922	8,160	7,509	7,214
Government deposits	2,054	2,312	1,748	1,139	1,919	2,379
Bankers' deposits	4,868	4,730	4,636	5,135	5,194	4,948
Ratio of cash reserves to liabilities to public	49.8%	44.7%	44.3%	46.7%	46.5%	46.9%

IMPERIAL BANK OF INDIA.—In rupees (000's omitted).

	Aug. 23, 1929.	July 25, 1930.	Aug. 1, 1930.	Aug. 8, 1930.	Aug. 15, 1930.	Aug. 22, 1930.
ASSETS.						
Total securities	26,10,58	29,47,30	31,46,49	38,21,81	28,71,29	28,45,66
Loans	9,27,32	14,48,39	16,24,41	17,58,88	17,21,50	18,48,41
Cash credits	23,59,20	30,89,88	31,27,49	32,07,82	30,98,73	30,11,46
Inland bills	3,69,83	2,81,47	45,15	39,73	2,33,34	2,31,45
Foreign bills	19,41	45,15	39,73	40,74	39,39	38,66
Dead stock	2,82,77	2,78,14	2,77,93	2,78,12	2,78,45	2,78,47
Bal. with other banks	20,08	12,64	4,43	12,68	4,20	3,53
Cash	29,92,08	22,26,63	23,50,24	22,26,85	24,11,07	27,21,35
LIABILITIES.						
Capital paid up	5,62,50	5,62,50	5,62,50	5,62,50	5,62,50	5,62,50
Reserve	5,27,50	5,37,50	5,37,50	5,37,50	5,37,50	5,37,50
Total deposits	84,50,86	90,37,11	95,11,97	94,75,72	93,75,00	96,89,87
The above includes—						
Deposits in London	1,000	4,019	4,863	5,000	5,873	6,797
Advances in London	970	5,213	6,215	7,220	7,158	8,130
Cash, &c., at other Banks in London	148	92	28	97	29	26

BANK OF FRANCE.—In francs (000's omitted).

	Sept. 13, 1929.	Aug. 22, 1930.	Aug. 29, 1930.	Sept. 5, 1930.	Sept. 12, 1930.
ASSETS.					
Gold	39,030,518	47,194,609	47,241,623	47,477,717	47,542,834
Foreign assets					
Sight deposits	7,220,998	8,805,684	8,837,704	8,832,314	8,839,305
Bills discounted	18,747,392	18,881,178	18,800,646	18,794,705	18,785,176
Commercial bills dis- counted at home	7,795,420	5,121,602	6,406,076	4,896,658	4,859,501
Advances against sec. To the State	8,811,552	8,504,399	8,504,399	8,504,399	8,504,399
Other advances	2,448,279	2,731,483	2,835,379	2,835,379	2,803,691
Other assets (exclud- ing forward exch.)	2,534,672	2,866,368	3,204,772	3,238,382	3,074,592
LIABILITIES.					
Notes in circulation	65,469,559	72,016,512	73,676,564	73,433,001	72,875,318
Public deposits	14,048,088	10,175,975	10,108,638	9,993,421	10,611,131
Private deposits	4,866,877	7,369,296	7,328,769	6,803,572	6,450,539
Other liabilities	2,204,527	2,549,839	2,612,732	2,530,163	2,496,951

MONTHLY STATEMENT OF LONDON CLEARING BANKS.

(000's omitted).

	Barclays Bank Limited.	Coutts and Co.	Glyn, Mills and Co.	Lloyds Bank Limited.	Martins Bank Limited.	Midland Bank Limited.	National Bank Limited.	National Provincial Bank Limited.	West- minster Bank Limited.	Williams Deacon's Bank Limited.	Aggre- gate.
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NATIONAL BANK OF CZECHOSLOVAKIA.—In Cz. K.
(000's omitted).

ASSETS.	Sept. 7, 1929.	Aug. 15, 1930.	Aug. 23, 1930.	Aug. 31, 1930.	Sept. 7, 1930.
Gold and silver holdings	1,205,428	1,414,060	1,414,027	1,413,969	1,413,954
Balance abroad and foreign currency	1,774,469	2,163,892	2,218,638	2,309,236	2,348,864
Discounts and advances	961,019	350,732	296,579	336,714	312,393
State notes debt balance	3,945,488	3,540,147	3,538,114	3,530,424	3,525,895
Other assets	716,388	781,012	817,953	897,947	919,536
LIABILITIES.					
Bank notes in circulation	7,221,510	6,453,802	6,284,954	7,077,004	6,805,317
Check account balances	625,888	949,355	1,139,154	594,568	858,472
Other liabilities	282,800	338,298	352,815	348,330	346,465

NATIONAL BANK OF JUGOSLAVIA.—In dinar (000's omitted).

ASSETS.	Sept. 8, 1929.	Aug. 15, 1930.	Aug. 23, 1930.	Aug. 31, 1930.	Sept. 8, 1930.
Cash Reserve	93,897	97,687	97,738	97,842	97,888
Gold	18,857	18,093	18,427	18,683	18,460
Other coin and notes	271,810	203,281	200,708	201,433	222,004
Foreign credits	1,331,168	1,200,530	1,199,321	1,214,182	1,233,674
Bills	4,213,360	4,074,752	4,075,754	4,074,751	4,074,752
Government advances	5,636,513	5,363,174	5,279,966	5,521,396	5,537,702
Notes in circulation	227,873	148,263	148,265	148,265	148,265
State credits	1,230,914	1,361,422	1,422,662	1,198,246	1,210,238
Deposits					

Cash reserve is calculated as follows: One gold dinar as one dinar, one pound sterling as 25 dinars, one dollar as 5 dinars, one lire as one dinar, one Swiss or French franc as one dinar, &c.

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

ASSETS.	Sept. 7, 1929.	Aug. 15, 1930.	Aug. 23, 1930.	Aug. 31, 1930.	Sept. 7, 1930.
Gold and silver holdings	1,560,234	1,594,579	1,595,737	1,597,723	1,599,703
Balance abroad and foreign currency	1,672,937	1,021,169	1,077,850	1,155,444	1,167,888
Discounts and advances	1,521,037	805,121	795,894	788,388	776,657
Advances to the Treasury	3,546,635	3,279,302	3,279,302	3,279,302	3,279,302
LIABILITIES.					
Capital paid up	500,000	600,000	500,000	500,000	600,000
Reserves	1,168,248	1,253,501	1,254,057	1,254,091	1,254,115
Bank notes in circulation	4,170,148	3,626,314	3,638,397	3,682,823	3,740,657
State credits	2,158,373	1,336,752	1,340,986	1,371,591	1,313,303
Deposits	453,576	284,647	284,392	284,331	284,165

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

ASSETS.	Sept. 7, 1929.	Aug. 15, 1930.	Aug. 23, 1930.	Aug. 31, 1930.	Sept. 7, 1930.
Gold	619,729	552,873	534,623	516,459	517,314
Gold exchange	4,752,369	3,988,816	3,756,216	3,730,798	3,605,448
Other foreign exchange	1,428	3,018	39,569	39,457	39,467
Bills discounted	48,415	137,846	145,818	150,684	150,429
Advances	112,766	153,568	157,080	155,646	161,146
Debt to the State	3,586,758	3,488,765	3,488,763	3,488,763	3,388,763
LIABILITIES.					
Capital paid up	400,000	400,000	400,000	400,000	400,000
Notes in circulation	5,382,654	4,786,931	4,730,386	4,761,060	4,873,633
Deposits and current accounts	1,320,968	1,472,133	1,867,166	1,875,993	1,584,621
Foreign exchange liabilities	2,134,313	1,448,857	927,625	877,573	803,197

RUSSIAN STATE BANK.—Note-Issuing Department.

(In Tchervonets—000's omitted.) (NOTE: 1 Tchervonets = 10 gold roubles.)

ASSETS.	Sept. 16, 1929.	Aug. 1, 1930.	Aug. 16, 1930.	Sept. 1, 1930.	Sept. 16, 1930.
Gold in coin and bullion	25,096	45,424	47,418	48,404	48,400
Other precious metals	3,932	2,549	2,466	2,354	2,238
Foreign currency	7,477	5,655	4,975	5,013	4,766
Drifts in foreign currency	48,235	304	304	304	304
Collateral for short term loans	106,937	158,068	161,837	162,915	163,292
LIABILITIES.					
Bank notes transferred to State Bank	142,711	210,860	214,706	217,692	216,191
Balance to which notes may still be issued	1,289	1,140	2,294	1,308	2,809

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

ASSETS.	Position, May 30, 1914.	Sept. 7, 1929.	Aug. 15, 1930.	Aug. 23, 1930.	Aug. 31, 1930.	Sept. 8, 1930.
Gold	35,091	300,896	300,450	302,271	302,016	302,016
Balance abroad and foreign bills	90,379	555,390	1,099,127	1,099,302	1,133,530	
Discounts and advances	21,826	300,960	372,322	372,823	372,404	
LIABILITIES.						
Notes in circulation	105,151	1,547,442	1,712,056	1,702,795	1,700,796	
Notes transferred to State Bank	123,941	1,457,501	1,295,394	1,351,955	1,349,300	
Balance at notice	21,225	155,895	194,577	117,870	160,485	

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

ASSETS.	Sept. 7, 1929.	Aug. 15, 1930.	Aug. 23, 1930.	Aug. 31, 1930.	Sept. 7, 1930.
Gold coin and bullion	6,343	6,529	6,531	6,533	6,535
Net foreign exchange	20,416	16,055	16,769	16,424	16,199
Subsidiary Estonian coin	13,639	14,069	14,059	14,150	13,887
Home bills discounted	11,811	9,941	10,186	10,537	9,571*
LIABILITIES.					
Notes in circulation	33,079	30,867	33,772	33,241	31,369
Sight deposits and current accounts	16,208	15,291	13,176	13,422	13,967
Ratio of reserve to current liabilities	54.29%	48.95%	49.63%	49.20%	50.15%

* Includes Ekr. 6,340,094-37 guaranteed by the Government.

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

ASSETS.	Sept. 11, 1929.	Aug. 13, 1930.	Aug. 20, 1930.	Aug. 27, 1930.	Sept. 3, 1930.	Sept. 10, 1930.
Gold bullion and coins	23,904	24,044	24,052	24,052	24,054	24,058
Silver coin	4,576	7,510	7,212	7,131	6,869	7,038
Balance abroad	48,629	46,161	44,972	46,618	46,959	
Treas. notes and am. change	10,124	16,748	15,412	14,372	13,422	13,784
Short term bills	90,226	87,597	87,805	88,296	89,000	88,289
Loans against securities	58,268	53,837	54,441	54,400	54,449	54,436
Other assets	18,784	17,015	17,521	17,247	17,433	17,391
LIABILITIES.						
Notes in circulation	44,659	44,705	45,085	46,622	46,721	46,011
Capital paid up	18,581	18,735	18,735	18,735	18,735	18,735
Reserve	3,091	4,452	4,452	4,452	4,452	4,452
Special reserve	2,500	3,500	3,500	3,500	3,500	3,500
Deposits	13,655	18,608	18,880	18,858	18,905	18,905
Current accounts	60,897	57,513	59,105	57,918	57,662	57,997
Government accounts	94,642	95,568	93,492	91,703	93,529	92,405
Other liabilities	19,576	8,734	9,293	9,597	8,441	10,047

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

ASSETS.	Position, June 30, 1914.	Aug. 24, 1929.	Aug. 2, 1930.	Aug. 9, 1930.	Aug. 16, 1930.	Aug. 23, 1930.
Gold coin & bullion	221,320	1,121,949	880,582	875,686	869,676	869,205
Other coin & bullion			56,590	57,295	57,691	56,909
Discounts	41,740	678,668	658,315	657,721	658,036	657,505
Advances	70,540	74,135	59,163	59,005	59,003	59,003
LIABILITIES.						
Notes	362,270	1,229,722	1,108,711	1,036,975	1,022,700	1,041,657
Govt. deposits	87,340	544,134	488,002	581,183	558,284	552,891
Other deposits	11,440	369,127	135,701	149,904	151,033	167,631

NATIONAL BANK OF EGYPT.—In £ (000's omitted).

ASSETS.	Position, May 31, 1914.	July 31, 1929.	Apr. 30, 1930.	May 31, 1930.	June 30, 1930.	July 31, 1930.
Gold	1,571	3,666	1,852	3,861	3,907	3,940
Govt. securities	2,084	42,294	42,722	39,982	37,811	35,696
LIABILITIES.						
Notes in circulation	2,400	21,839	25,178	23,905	22,000	20,660
Govt. deposits	2,315	18,288	15,091	12,849	10,992	7,727
Other deposits	2,600	16,436	16,546	16,439	17,522	18,680

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

CENTRAL BANK OF CHILE.—In \$ (000's omitted).

ASSETS.	Aug. 16, 1929.	July 25, 1930.	Aug. 1, 1930.	Aug. 8, 1930.	Aug. 15, 1930.
Gold at home	63,039	63,066	63,037	63,033	63,029
Gold abroad	400,662	299,011	292,744	290,113	301,816
Discounts and advances	75,661	97,209	106,655	126,829	106,601
LIABILITIES.					
Notes of the bank in circulation	338,596	321,851	329,357	323,621	317,249
Deposits	129,217	56,372	53,566	77,952	80,191
Paid-up capital	90,625	90,832	90,832	90,832	90,832

LONDON RATES.

	Sept. 11, 1930.	Sept. 12, 1930.	Sept. 13, 1930.	Sept. 15, 1930.	Sept. 16, 1930.	Sept. 17, 1930.	Sept. 18, 1930.
Bank rate (changed from 3½% May 5, 1930)	3%	3%	3%	3%	3%	3%	3%
Market rates of discount—							
60 days' bankers' drafts	2½	2½	2½	2½	2½	2½	2½
3 months' do.	2½	2½	2½	2½	2½	2½	2½
4 months' do.	2½	2½	2½	2½	2½	2½	2½
6 months' do.	2½	2½	2½	2½	2½	2½	2½
Discount (Treasury Bills)—							
3 months'	2½	2½	2½	2½	2½	2½	2½
Loans—Day to day.	1½	1½	1½	1½	1½	1½	1½
Short	1½	1½	1½	1½	1½	1½	1½
Deposit allowances: Bank	1	1	1	1	1	1	1
Discount houses at call	1	1	1	1	1	1	1
At notice	1½	1½	1½	1½	1½	1½	1½

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

Comparison with previous week—

Short Loans.	Bank Bills.			Trade Bills.		
	3 Months.	4 Months.	6 Months.	3 Months.	4 Months.	6 Months.
1930.	%	%	%	%	%	%
Aug. 28	1½	2½	2½	2½	2½	2½
Sept. 4	1½	2½	2½	2½	2½	2½
" 11	1½	2½	2½	2½	2½	2½
" 18	1½	2½	2½	2½	2½	2½

RATES OF EXCHANGE.

London on		Usance.	Par.	Sept. 19, 1929.	Sept. 11, 1930.	Sept. 18, 1930.
New York.....	dollars to £1	Cable	4.866	4.864-4.848	4.866-4.848	4.866-4.848
Montreal.....	dollars to £1	Cable	4.866	4.863-4.888	4.866-4.888	4.865-4.888
Paris.....	francs to £1	T.T.	124.21	123.85-88	123.80-82	123.71-77
Berlin.....	marks to £1	T.T.	20.43	20.35-36	20.41-41	20.39-41
Amsterdam.....	florins to £1	T.T.	12.107	12.082-09	12.078-1	12.078-1
Brussels.....	belgas to £1	T.T.	35.00	34.87-88	34.861-1	34.85-86
Milan.....	lire to £1	T.T.	92.46	92.66-68	92.82-84	92.82-84
Zurich.....	francs to £1	T.T.	25.22	25.14-15	25.05-06	25.05-06
Copenhagen.....	kroner to £1	T.T.	18.159	18.091-20	18.162-1	18.162-1
Stockholm.....	kroner to £1	T.T.	18.159	18.091-20	18.091-1	18.091-1
Copenhagen.....	kroner to £1	T.T.	18.159	18.208-21	18.16-16	18.16-16
Madrid.....	pesetas to £1	T.T.	25.221	32.86-88	44.65-50	45.45-47
Lisbon.....	escudos to £1	T.T.	...	108.1-108.8	...	108.1-108.8
Vienna.....	schillings to £1	T.T.	34.581	34.43-46	34.42-44	34.42-46
Prague.....	krona to £1	T.T.	16.41	16.31-16.31	16.31-1	16.31-1
Belgrade.....	dinars to £1	T.T.	25.221	27.61-27.61	27.61-1	27.61-1
Budapest.....	pengo to £1	T.T.	27.72	27.77-80	27.75-78	27.75-78
Bukarest.....	lei to £1	T.T.	813.6	815-817	814-815	815-816
Sofia.....	leva to £1	T.T.	25.221	687-673	686-673	686-673
Athens.....	drachmas to £1	T.T.	375	375-375	374-374	374-375
Constantinople.....	piastres to £1	T.T.	110	1010-1015	1010-1015	1010-1015
Moscow.....	roubles to £1	T.T.	9.46	79.41-43	94.5-102.5	94.5-102.5
Warsaw.....	zloty to £1	T.T.	43.38	43.3-43.3	43.3-43.3	43.3-43.3
Reinsborg.....	F. marks to £1	T.T.	193.23	192.4-193	193-193	192.4-193
Reval.....	kroon to £1	T.T.	48.66	48.4-49	48.4-49	48.4-49
Riga.....	kroon to £1	T.T.	18.159	18.15-25	18.20-27	18.20-27
Alexandria.....	lira to £1	T.T.	25.221	25.22-25	25.20-30	25.20-30
Buenos Aires.....	plastras to £1	Sight	97 1/2	97 1/2-97 1/2	97 1/2-97 1/2	97 1/2-97 1/2
Rio de Janeiro.....	pence to peso	90 days	16	63 1/2-57 1/2	41 1/2-41 1/2	40 1/2-40 1/2
Montevideo.....	pence to peso	90 days	51	48-48 1/2	41 1/2-42	41 1/2-42
Valparaiso.....	pesos to £1	90 days	40	139-37	39-60	38-94
Lima.....	Eng. to Per. £1	90 days	par	19 1/2 prem.	14.17 1/2	13.95
Calcutta.....	pence	90 days	18	1 1/2-1 1/2	1 1/2-1 1/2	1 1/2-1 1/2
Bombay.....	to	90 days	18	1 1/2-1 1/2	1 1/2-1 1/2	1 1/2-1 1/2
Madras.....	rupees	90 days	18	1 1/2-1 1/2	1 1/2-1 1/2	1 1/2-1 1/2
Hong Kong.....	ster. to dollar	T.T.	...	1 1/11-1 1/11	1 1/11-1 1/11	1 1/11-1 1/11
Rangoon.....	ster. to tael	T.T.	...	2 1/2-2 1/2	1 1/11-1 1/11	1 1/11-1 1/11
Singapore.....	ster. to dollar	T.T.	2s. 4d.	2 1/2-2 1/2	1 1/11-1 1/11	1 1/11-1 1/11
Kobe.....	ster. to yen	T.T.	24.582	1 1/11-1 1/11	2 1/2-2 1/2	2 1/2-2 1/2
Manila.....	ster. to peso	T.T.	24.0662	2 1/2-2 1/2	2 1/2-2 1/2	2 1/2-2 1/2
Mexico.....	pesos to £1	T.T.	9.76	9.76-10.05	10.20-30	10.15-35
Siam.....	ster. to baht.	T.T.	21.818d.	...	1 1/2	1 1/2

The stocks in Shanghai on the 13th instant consisted of about 102,000,000 ounces in sycee, 146,000,000 dollars and 4,200 silver bars, as compared with 102,000,000 ounces in sycee, 146,000,000 dollars, 300,000 Saigon dollars and 4,280 silver bars on the 6th instant.

GOLD AND SILVER PRICES.

	Gold		Silver—		Date.	Silver.
	Per Ounce.		Cash	Forward		Cash.
1930.	s. d.	d.	d.	d.		d.
Sept. 12.....	85 0½	16½	16½	16½	Sept. 21, 1923	32½
" 13.....	85 0½	16½	16½	16½	" 19, 1924	34½
" 15.....	85 0½	16½	16½	16½	" 26, 1925	32½
" 16.....	85 0½	16½	16½	16½	" 17, 1926	28½
" 17.....	85 0½	16½	16½	16½	" 16, 1927	25½
" 18.....	85 0½	17	17	17	" 20, 1928	26½

NOTICES.

The Yorkshire Penny Bank, Ltd., have acquired Farleigh House, 97-99 Cheapside, E.C.2, and have transferred the London branch of the bank from 27 King Street, E.C.2, to the ground-floor office at 97 Cheapside, E.C.2. When the necessary alterations are completed on the first floor, the administrative work of the bank in London will be carried on at the new address.

The Midland Bank announces the opening of a new branch at 30 Mather Avenue, Mossley Hill, Liverpool.

The Midland Bank announces that on September 22 the business conducted at the branches at 305, Finchley Road, and 132, Finchley Road, Hampstead, London, N.W.3, will be amalgamated and transferred to new premises at 122, Finchley Road, under the joint management of Mr. S. Lewington and Mr. A. H. Mauchell.

Company News.

SUMMARY OF BALANCE SHEETS.

GAUMONT-BRITISH PICTURE CORPORATION, LIMITED.

LIABILITIES.		Compared with March 31, 1930.	ASSETS.		Compared with March 31, 1930.
Amount.	£		Amount.	£	
7½% cum. prf. £1	1,250,000		Cash	116,351	- 140,823
Ord. shares (10s.)	2,500,000	+ 659,344	Stocks	10,044	+ 7,183
6½% deb. stk.	784,000	- 16,000	Investments in subsidiaries	5,718,702	+ 359,243
Int. accrued	9,874	+ 3,125	Loans to subsidiaries	147,005	
Forfeited shares	17	+ 17	Debtors	586,867	+ 392,891
Bank loan	223,670	- 859,650	Motor car at cost	Nil	- 1,525
Mortgage Int.	17,700	+ 17,700	Properties and Shares in other cos.	1,266,220	+ 54,608
Loans from subsidiaries	173,048	- 152,286		232,012	+ 232,012
Creditors	290,641	+ 145,861			
Income tax reserve	—	- 40,000			
Leaseholds reserve	51,706	+ 10,603			
Debs. &c. Sinking fund	17,040	+ 17,040			
Reserve	2,459,530	+ 961,910			
Profit and loss	152,970	+ 15,171			
Total	7,930,196	+ 756,584	Total	7,930,196	+ 756,584

NORTHCLEFFE NEWSPAPERS, LIMITED.

LIABILITIES.		Compared with June 30, 1930.	ASSETS.		Compared with June 30, 1930.
Amount.	£		Amount.	£	
Ord. shares	141,450	+ 100	Shares on sub-	1,656,377	+ 469,082
Management shares	10,000	—	liaries at cost	571,903	+ 542,864
5½% deb. stock	3,000,000	—	Owing by sub-	459,935	- 166,884
Interest accrued	42,625	- 1,375	sidiaries	95,000	- 1,076,345
Investment reserve	7,903	- 254	Other investm.	27,530	+ 27,530
Undeclared interest	9,863	- 16,454	Loan to associ-	16,975	+ 10,511
Creditors	—	—	ated co.	231,071	+ 167,496
			Capital expendi-	Nil	- 86,817
			ture	15,000	- 15,000
			Debtors	138,050	+ 98,956
			Discount on deb-	—	—
			entures	—	—
			Debit profit and	—	—
			loss	—	—
Total	3,211,841	- 28,607	Total	3,211,841	- 28,607

SELFRIDGE PROVINCIAL STORES, LIMITED.

LIABILITIES.		Compared with Aug. 31, 1929.	ASSETS.		Compared with Aug. 31, 1929.
Amount.	£		Amount.	£	
Ord. shares (£1)	3,000,000	—	Shares in sub-	3,372,102	+ 151,000
Def. shares (2/-)	300,000	—	Invest. in Self-	4,167	—
Loans from bankers	94,000	+ 2,000	ridge & Whiteley	70,970	- 2,360
Loans from sub-	163,390	+ 157,418	contractors	1,942	+ 243
sidary cos.	2,000	+ 233	Loans to sub-	96,106	+ 6,657
Creditors	82,169	- 2,400	sidary companies	6,272	- 1,288
Revenue account	—	—	Debtors	90,000	—
			Div. declared but	—	—
			not received	—	—
			from subsidiaries	—	—
			Cash	—	—
			Preliminary exp.	—	—
Total	3,641,559	+ 154,251	Total	3,641,559	+ 154,251

STAVELEY COAL AND IRON COMPANY, LIMITED.

LIABILITIES.		Compared with June 30, 1930.	ASSETS.		Compared with June 30, 1930.
Amount.	£		Amount.	£	
Ord. shares, £1	3,385,356	—	Properties	3,546,240	- 38,382
Railway tolls, &c.	—	- 103,766	Shares in subsidiary	877,277	- 96,126
Creditors	255,122	+ 33,618	and other cos.	—	—
Due to subsidiaries	5,430	+ 5,430	Shares in Indus-	—	—
Insurance funds, &c.	284,760	+ 46,760	trial Housing	—	—
Depreciation re-	—	—	Association	—	—
serve	572,409	—	517,460 £1, with	—	—
General reserve	700,000	+ 100,000	4s. called & paid	103,492	—
Profit and loss	292,623	- 43,173	Stocks	322,694	- 7,972
			Debtors	411,842	- 11,655
			Due from sub-	—	—
			sidaries	15,000	+ 15,000
			Advances	82,400	+ 82,400
			Cash	136,755	+ 95,604
Total	5,495,700	+ 38,869	Total	5,495,700	+ 38,869

DIVIDEND ANNOUNCEMENTS.

Name of Company.	Rate % per Annum, except where marked % or Stated in Cash. • Interim div. † Final div.			Dividend for Whole Years.	
	Interim or Final.	Date of Payment.	Method of Payment.	Latest Year.	Previous Year.
RAILWAYS.					
Central Argentine Railway	2½%†	...	...	5	7
North Eastern of Uruguay Rly.	3%†	...	...	7	7
Baral Light Railway	3%†	plus bon	us of 2%	10	12
BANKS.					
Eastern Bank	4%*	...	Less tax	...	...
Electrobank	6%†	...	...	12	10
Royal Bank of Ireland	6%†	...	...	10	10
Savings and Economic Bank of Bihar.	...	...	...	2d. p.s.	...
Yokohama Specie Bank	...	...	...	10	10
INSURANCE.					
Britannic Assurance	5/-p.s.*	...	Tax free	...	...
TEA AND RUBBER.					
Doomoo Tea of Ceylon	22%†	...	...	27	32½
Highland Tea of Ceylon	10%*	...	Less tax	31	30
Mocha Tea of Ceylon	15%†	...	Less tax	37½	50
New Dimbula	27½%†	Oct. 21	...	...	...
Scottish Ceylon Tea	10%*	Sept. 19	...	...	...
Tismoda Estates	20%*	...	...	...	...
MINING.					
Globe and Phoenix Gold Mining	1/- p.s.*	Oct. 16	Tax free	...	...
OTHER COMPANIES.					
A. J. Van Den Bergh	26%*	Oct. 1	...	6	...
Aiblon Greyhounds	2½%*	...	...	...	...
Alexander Thorn and Co.	2½%*	...	...	...	...
Alliance and Dublin Consumers Gas	7½%*	...	...	...	...
Argentine Land and Investment Army and Navy Co-operative ...	6%†	Oct. 1	Less tax	10	10
Automatic Telephone Manufacturing	7½d.p.s.*	Oct. 15	Less tax	...	...
Bell Telephone of Canada	3½%*	Oct. 1	Less tax	...	...
Bombay Gas	2%*	Oct. 15	Quarterly	...	...
Bradleys (Chepstow Place)	3½%*	Nov. 1	Less tax	...	...
British and Allied Investments	5%*	...	...	...	...
Bursledon Brick	5%*	...	Less tax	10	...
Canadian and Foreign Investment	7½%*	...	Less tax	13½	20
Chamberlain King and Jones	3%*	Oct. 8	Less tax	...	...
Chicago-Gaika Development	2½%*	Oct. 1	...	...	...
City and Foreign Investment	2½%*	Oct. 1	...	...	...
City Offices	4%†	...	...	...	...
Cohen Weenen	15/6 p.s.*	Oct. 15	Less tax	7	...
Consol. Waterworks of Rosario	3%*	Oct. 1	Less tax	36	18
East Asiatic Industry	5%*	...	Tax free	5	10
Electrical Finance and Securities	5%*	...	Less tax	...	...
English and Caledonian Investment	2½%*	Oct. 1	...	...	...
Equitable Debenture and Assets (Def.)	4%*	Oct. 1	...	...	...
Gaumont British Picture Corpn.	6%*	Oct. 1	Less tax	6	6
General Investors and Trustees	10-85d.	...	Less tax	...	...
Hendon Electric Supply	p.s.*	...	Tax free	...	...
Ibbotson Bros. and Co.	4/- p.s.*	Sept. 30	...	...	...
International Automatic Telephone	3½%*	Oct. 1	Tax free	5	7½
International Telephone and Telegraph	3½%*	Oct. 1	Less tax	...	...
Joseph May (Leeds)	50c. p.s.*	...	Quarterly	...	...
Margate Estates	5%*	Oct. 1	Less tax	6	5
McCrack and Drew	4%*	Oct. 24	Less tax	...	...
Midland Electric Corporation	2½%*	...	Less tax	...	...
Monte Video Waterworks	3%*	...	Less tax	...	...
National Electric Construction	5%*	Oct. 1	Less tax	...	...
Petroleum Corporation of America	37½c.p.s.*	Sept. 30	Less tax	...	...
Price Brothers and Co.	50c. p.s.*	Oct. 1	Quarterly	...	...
Reckitt and Sons	3½%*	Oct. 1	Less tax	...	...
Samuel Webster and Sons	5%*	Oct. 1	Less tax	...	...
Second Alliance Trust	11%*	Oct. 1	Less tax	...	...
Second Caledonian Trust	3½%*	Oct. 1	Less tax	22	21
Southend Waterworks (Orig.)	8%*	...	...	...	...
" (7% max.)	6%*	...	...	...	...
" (5% max.)	6%*	...	...	...	...
St. James' Court Estate	3%*	Sept. 30	Less tax	...	...
Third Scottish Western Investment	4%*	Oct. 1	Less tax	...	...
T. Mandelburg and Co.	24%*	...	...	...	...
Whitehall Court	7½%*	...	...	...	...
United Fruit	\$1 p.s.*	Oct. 1	Plus bon us of 1½% Quarterly	12½	11½

REPORTS AND NOTICES.

BANKS.

AUSTRALIAN BANK OF COMMERCE, LIMITED.—The thirtieth report reveals a profit for year ended June 30, 1930, of £180,693, as compared with £218,545. The ordinary dividend is reduced from 8 per cent. to 7 per cent., absorbing £154,560, against £176,640. A transfer of £25,000 is made to reserve, against £40,000. Carry forward is increased from £28,670 to £29,803. Total assets have fallen from £19,980,768 to £17,765,510. Coin, bullion, &c., stands at £1,814,495, against £787,122. Cash at London bankers at short call has fallen from £659,168 to £229,622. British Treasury bills and other Government and municipal securities stand at £749,182, against £881,105. Bills receivable stand at £1,382,558, against £2,375,570. Deposits stand at £13,353,280, against £14,714,138.

COMMONWEALTH BANK OF AUSTRALIA.—The report for the half-year ended June 30, 1930, shows profit on banking business of £246,282. This compares with a profit of £254,166 for half-year ended December 31, 1929, and £240,356 for the half-year ended June 30, 1929. From rural credits department the profit was £40,198, against £29,211 for December half-year and £28,133 for June half-year, 1929. Profits from note issue department for the half-year was £491,272, comparing with £446,954 for December half-year and £477,094 for June half-year, 1929. Total assets at June 30, 1930, amounted to £97,308,552, against £97,921,005 at June 30, 1929. Investments stand at £22,310,233 (face value, £22,314,850). Investments at June 30, 1929, stood at £16,949,187. Note issue department amounted to £44,954,327, against £42,798,227 on June 30, 1929. Deposits, &c., amounted to £42,813,732, against £43,873,957 at June 30, 1929.

MISCELLANEOUS.

IMPERIAL AIRWAYS.—In a preliminary statement the directors of this pioneer airway company announce a net profit for the year to March 31st last of £60,138, compared with £78,861 for the previous twelve months. Together with the balance of £6,689 brought forward from last year, there is available £66,827, against £82,911. The ordinary capital, which is now fully paid, receives a dividend of five per cent., requiring a net amount of £18,371, against a previous

distribution of 7½ per cent. requiring £35,558. This year, however, a provision of £25,000 is made for income tax. The sum of £20,956 is carried forward to the next account. Last year the balance of the preliminary expenses and underwriting commission were written off, taking £20,664, while the directors provided an additional reserve for obsolescence of £20,000 over and above the "normal" allocation for depreciation, the amount of which was unstated. This year the allowance for obsolescence is £85,387.

INCORPORATED ACCOUNTANTS' EXAMINATIONS.—The next examination of candidates for admission to the Society of Incorporated Accountants and Auditors will be held on November 3rd, 4th, 5th and 6th in London, Manchester, Cardiff, Leeds, Glasgow, Dublin, Belfast, Cape Town, Johannesburg and Durban. Women are eligible under the society's regulations to qualify as incorporated accountants upon the same terms and conditions as are applicable to men. Particulars and forms are obtainable at the offices of the society, Incorporated Accountants' Hall, Victoria Embankment, W.C.2.

THE INTERNATIONAL NICKEL COMPANY OF CANADA, LIMITED.—The company offer common stockholders additional common shares for subscription *pro rata* in the ratio of six shares of common stock for each 100 shares of common stock held of record on August 7, 1930. Subscription price per share will be \$20 Canadian currency if paid in Toronto or Montreal, \$20 United States currency if paid in New York, or £4 2s. 2½d. if paid in London.

R.M.C. TEXTILES (1928), LIMITED.—The board of directors notify that dividend warrants will be posted on September 30th in respect of interim dividends at the rate of 8 per cent. per annum, less tax, on the preference shares of the company, and 3 per cent. actual, less tax, on the ordinary shares. The directors state that, notwithstanding the untoward general trading conditions at home and abroad, sales have increased and the clientele has grown very considerably during the initial half of this year. Prospects for the coming season are good, particularly as a satisfactory response has resulted from very extensive development work which has been undertaken to widen the range of fabrics, with a view to neutralising any possibility of adverse trading conditions interfering with the natural progress of the company. From present indications, the company's factories should be engaged at full capacity throughout the coming season. The board has decided to make March 31st the end of the financial year in future.

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS.

Company.	Period Ending	Balance from Last Account.	Net Profit After Payment of Deben- ture Interest.	Amount Available for Distri- bution.	Appropriation.					Corresponding Period Last Year.	
					Dividend.			Carried to Reserve, Deprecia- tion, &c.	Balance Forward.	Net Profit.	Divi- dend.
					Prefce.	Ordinary.					
						Amount	Amount.				
		£	£	£	£	£	%	£	£	£	%
Banks.											
Australian Bnk. of Commerce	June 30	28,670	180,693	209,363	...	154,560	7	25,000	29,803	218,545	8
Royal Bank of Ireland.....	Aug. 31	10,717	65,446	76,163	...	25,500	10	40,000	10,663	64,672	10
Breweries.											
Tennant Brothers	June 30	11,997	78,752	90,749	8,319	57,314	14†	12,000	13,116	77,696	14†
Gas.											
Alliance and Dublin	June 30*	29,055	62,778	91,833	...	59,165	7‡	...	32,668	55,161	7‡
Iron, Coal and Steel.											
Staveley Coal and Iron.....	June 30	111,162	266,094	377,256	...	203,121	6†	75,000	99,135	306,117	5†
Motor and Cycle.											
Halley Motors.....	Mar. 31	<i>Dr. 1,817</i>	<i>Dr. 12,749</i>	<i>Dr. 14,566</i>	...	...	...	...	<i>Dr 14,566</i>	<i>Dr. 5,546</i>	...
Nitrate.											
Rosario Nitrate	Dec. 31	<i>Dr. 62,006</i>	<i>Dr. 5,551</i>	<i>Dr. 67,557</i>	...	...	...	...	<i>Dr 67,557</i>	<i>Dr. 2,099</i>	...
Rubber, &c.											
Seaport (Selangor) Rubber..	June 30	20,391	2,702	23,093	...	...	...	1,500	21,593	12,511	6
Sungkai-Chumor Estates ...	June 30	20,749	3,776	24,525	...	...	...	2,500	22,025	12,681	10
Shipping.											
Tyne Steam Shipping	June 30	7,104	19,835	26,939	...	20,460	5	...	6,479	23,803	5
Shops and Stores.											
Selfridge Provincial Stores	Aug. 30	569	162,975	163,544	...	162,750	7	(†)	794	167,439	7
Tea.											
Hornsey Tea Estates.....	June 30	1,000	8,484	9,484	600	5,400	45	2,061	1,423	5,763	40
Textiles.											
Adams (Thomas), Ltd.....	June 7	5,102	<i>Dr. 24,540</i>	<i>Dr. 19,438</i>	...	...	...	<i>Dr. 22,000</i>	2,562	5,155	...
Trust.											
City & Foreign Investment	Aug. 31	1,222	22,203	23,425	9,400	8,800	7	5,000	225	14,546	7
Other Companies.											
Bursledon Brick Co.	June 30	4,935	7,228	12,163	874	5,406	13‡	750	5,133	10,496	20
Cohen, Weenen and Co.....	June 28	15,617	110,047	125,664	54,000	36,000	36	...	35,664	103,869	18
Coventry Gauge and Tool...	July 31	264	5,476	5,740	...	5,000	5	...	740	3,958	Nil
Denman Picture Houses ...	Mar. 31	43,627	23,210	66,837	...	...	...	...	66,837	97,126	...
Gaumont-British Picture Corporation	Mar. 31	27,296	236,464	263,760	93,750	125,154	6	17,040	27,816	207,437	6
General Theatre Corporation	Mar. 31	20,063	133,629	153,692	93,750	...	...	46,562	13,380	130,544	...
Ketton Portland Cement ...	June 30	1,809	10,997	12,806	5,813	...	...	4,000	2,993	1,809	...
Leyland and Birmingham Rubber	June 30	33,696	45,606	79,302	6,000	45,000	7½	...	28,302	112,384	12‡
May (Joseph) and Sons (Leeds)	June 30	5,054	35,317	40,371	15,000	12,000	6	8,234	5,137	31,472	5
Northcliffe Newspapers...	June 30	<i>Dr. 39,094</i>	<i>Dr. 98,957</i>	<i>Dr 138,051</i>	...	...	...	...	<i>Dr 138051</i>	<i>Dr 39,094</i>	...
Theatre Royal, Drury Lane	June 30	11,253	17,079	28,332	...	15,625	2‡	...	12,707	44,663	12‡
Veno Drug Co. (1925)	Mar. 31	3,384	46,161	49,545	19,200	26,400	12 pf.o.	...	3,945	58,641	12 pf.o.

MINING OUTPUT STATISTICS.

GOLD.

Company.	Period.	Tons Crushed.	Company.	Period.	Tons Crushed.
Balaghat	August	3,700	New Kleinfontein	August	52,300
Blackwater	August	3,800	Nundydroog	August	11,568
Broken Hill South	Aug.-Sept.	29,360	Oregeun	August	13,500
Champion Reef	August	24,600	Razende	August	6,400
Chosen Corporation	August	9,760	Sherwood Starr	August	5,000
Geover	August	2,628	Sons of Gwalla	August	13,656
Globe and Phoenix	August	6,065	South Kalguli	August	8,501
Glynns Lydenburg	August	6,600	Taqua and Abosso	August	9,950
Great Boulder	August	9,414	Transvaal Gold	August	15,000
Luipards Vlei	August	30,000	Wahl	August	18,541
Lulit	August	1,517	Wanderer	August	15,900
Mysore	August	17,959	Wit. Deep	August	43,200

TIN.

Company.	Period.	Tons Recovered.	Company.	Period.	Tons Recovered.
Anglo-Burma	August	39½	Malaysian	August	14½
Anglo-Nigerian	August	51	Nigerian Cons.	August	14
Aramayo	August	203	Offin River	August	7½
Baba River	August	3	Pahang	August	22½
Batina Monguna	August	3½	Patino Mines	August	1,329
Beralt	August	4	Penawab	August	78
Bisich	August	55	Pengkalan	August	71½
Consolidated Tin	August	200	Petaling	August	149
Flint	August	7½	Rambutan	August	9
Gopeng	August	67	Renong	August	27
Hongkong	August	23½	Ribong Valley	August	16½
Idris Hydrule	August	15½	San Fux	August	15½
Jantar Nigeria	August	15	Siamese Syndicate	August	149
Joe	August	20½	Siput	August	14½
Kaasa	August	20½	Sungel Kinta	August	15½
Kay Yew	August	24	Tanjong	August	30
Kent	August	30	Tekka	August	32
Kinta	August	13	Tekka-Talping	August	45
Kaduna Syndicate	August	13	Temagor	August	7½
Kaduna Prospectors	August	13	Tongkah Harbour Tin	August	89
Lahat	August	18	Ulu Klang	August	14
Lower Bisich	August	11	United Tin	August	27
Malayan Cons.	August	69	Zaaplaats	July	25

WORKING PROFIT, TRANSVAAL.—Total estimated working profit of the gold mines of the Transvaal for the month of July 1930, amounted to:—Witwatersrand, £1,128,807; outside districts, £55,300; total, £1,184,107. The estimated working profit in June, 1930, was: Witwatersrand, £1,090,090; outside districts, £51,107; total, £1,141,197.

ELECTROLYTIC ZINC.—Production during four-weekly period ended August 20th—4,216 tons zinc, of which 60 tons used at the works.

CROWN DIAMOND.—Output for August:—66,300 loads washed yielded 9,221 carats.

DUNDER COAL.—Output and sale for August, 43,780 tons.

Commercial Reports.

THE CORN TRADE.

Mark Lane, Thursday evening.

The completion of the United Kingdom harvest is being attended by unsettled climatic conditions, and yields of grain in many districts are below average. Barley is showing indifferent quality, really fine malting samples being scarce, but oats are fairly satisfactory. Larger supplies of native wheat are reaching the Statute markets, but trade still drags, and prices generally ruled in buyer's favour. On the import market, demand shows no improvement, and in face of abundant supplies, both actual and prospective, buyers are able to cover their requirements quite easily as occasion arises, and consequently show little desire to enter into forward commitments. Russian offerings have been somewhat intermittent, but heavy shipments from the Black Sea ports constitute a depressing factor in the International situation. Certain quantities have been purchased by United Kingdom millers, but the bulk is being directed to Continental and Mediterranean destinations, Italy in particular purchasing heavily, reported sales being in the neighbourhood of 1,000,000 quarters. A continuance of the movement is indicated by the active demand for freight space, upwards of 100 vessels booking so far this month, from Danubian and South Russian ports, as Rumania and Bulgaria have liberal quantities to ship. In these circumstances, export sales from North America are difficult to effect, despite continued price concessions. Northern Hemisphere receipts are rapidly increasing, as both the United States and Canadian new crops are turning out much larger than previously expected, visible supplies in the Dominion approaching a record. Elevator accommodation is full to overflowing, both on the Atlantic and Pacific seaboard, and with every prospect of larger supplies forthcoming from the Southern Hemisphere at the turn of the year, there appears nothing to check the downward course of prices. Flour was marked down in sympathy with wheat, though not following the full decline, presumably on account of the poor demand for feeding offals, while Canadian and American makes are pressing for shipment. Feeding stuffs shared in the depression, the sale of maize being adversely affected by the low prices accepted for Russian and Danubian barley, which attracted more attention of late. Oats dull and tending in buyer's favour.

WHEAT.—Unsettled. No. 1 hard, Manitoba, ex-ship, 35s. 6d.; No. 1 Northern Manitoba, ex-ship, 34s. 9d.; No. 2 ditto, 34s. 3d.; No. 3, 33s. 6d.; No. 5 Manitoba, 31s.; No. 6 ditto, 26s. 9d.; No. 1 hard Winter, 34s.; No. 2 ditto, 33s. 6d.; No. 2 mixed Durum, 31s. 6d.; Barusso, 62½ lbs., ex-ship to arrive, 32s.; Australian, 33s.; choice white, Karachi, 32s. 6d. per 496 lbs. English, new, 6s. 5d.-6s. 11d. per 112 lbs.

FLLOUR.—Easier. London straight run 31s. per sack for country deliveries, and 30s. London area. Of imported, Manitoba patents, 28s.-30s.; Buffalo ditto, 28s.-30s.; Australian, 25s.-26s. 6d., ex-store.

MAIZE.—Easier. Plate landed, 25s. 9d.; ex-ship, 23s. 9d.; August-September also September-October, 23s. 6d.; Bessarabian landed, 25s. 9d.; No. 2 white flat African, ex-ship, 21s. 6d.; No. 6 yellow, landed, 25s. 9d. per 480 lbs. Yellow maize meal, ex-ship, £7 15s. f.o.r. London. Yellow African, ex-ship, £5 15s.; white, £5 10s. per ton.

BARLEY.—Easier. Californian old landed, 30s.-35s.; new, ex-ship, 30s.-41s. as to sample; Chilean brewing, landed, 30s.-35s.; Chevalier, 38s.-44s.; Australian, 32s.-34s.; Smyrna, 30s.-32s. per 448 lbs. Black Sea, ex-ship, 15s.; Danubian, 15s.; Persian new, ex-ship, 14s. 3d. per 400 lbs. English new malting, 6s. 3d.-13s.; feed, 5s. 3d.-5s. 9d. per 112 lbs.

OATS.—Weak. Plate landed, 14s. 3d.; ex-ship, 13s. 3d.; Chilean tawny, ex-ship to arrive, 14s.; white landed, 21s.; German landed, 22s.; mixed Canadian feed, ex-ship, 11s. 9d.; landed, 12s. 9d. per 320 lbs. English new, 5s. 4d.-5s. 8d. per 112 lbs.

COMPARATIVE AVERAGES OF GRAIN.

The following table gives the estimated sales of home-grown wheat during the harvest years 1930-31, 1929-30, 1928-29, 1927-28:—

	1930-1931.	1929-1930.	1928-1929.	1927-1928.
Estimated sales of home-grown wheat—				
1 week to Sept. 13	Cwts. 183,823	Cwts. 309,008	Cwts. 266,589	Cwts. 233,852
2 weeks to Sept. 13	313,031	538,943	445,050	511,960
Average price of English wheat per cwt.	s. d. 7 3	s. d. 9 11	s. d. 9 2	s. d. 10 8

The following is a statement showing the Quantities Sold and the Average Price of British Corn in the past two weeks, and for the corresponding week in each of the years from 1926 to 1929:—

Weeks ended.	QUANTITIES SOLD.			AVERAGE PRICE PER CWT.		
	Wheat.	Barley.	Oats.	Wheat.	Barley.	Oats.
1930.						
Sept. 6	Cwts. 129,208	Cwts. 33,625	Cwts. 31,959	s. d. 7 8	s. d. 8 4	s. d. 6 0
Sept. 13	183,823	96,724	36,250	7 3	8 3	5 11
Sept. 11, 1926	389,336	124,119	71,527	11 2	12 9	8 6
Sept. 10, 1927	202,924	127,318	54,400	11 2	13 8	9 2
Sept. 15, 1928	266,589	284,109	79,428	9 2	12 4	9 0
Sept. 14, 1929	309,008	206,624	52,131	9 11	11 5	7 11

AMERICAN WHEAT MARKETS.

The following table shows wheat quotations in recent weeks, with comparative figures for 1929:—

NEAREST FUTURE.	Jan. 2, 1929.	Sept. 18, 1929.	Jan. 2, 1930.	Sept. 3, 1930.	Sept. 10, 1930.	Sept. 17, 1930.
Winnipeg (No. 1 Manitoba) —Cents per 60 lb.	122	150½	148½	83½	83½	80½
Chicago (No. 2 Winter) —Cents per 60 lb.	116½	131½	130½	82½	83½	83½

The visible supply of wheat in Canada, at 73,779,000 bushels, shows an increase on the week of 23,650,000 bushels. Supplies a year ago stood at 64,792,000 bushels.

THE COAL TRADE.

Our Sheffield correspondent writes:—There has been a slight progress in the export trade of South Yorkshire, Notts and Derbyshire, but the position remains extremely unsatisfactory. Industrial consumption of fuel continues to shrink and there is little or no forward buying of furnace coke. Prices are unchanged, except that bargains can be had in secondary and small sorts. The advance in prices has checked sales of house coal. Best sorts have been increased as much as 5s. per ton.

Our Glasgow correspondent writes:—There has been little change in the coal trade position. With the exception of prime splint coal in Lanarkshire, which is moving off steadily, all classes of large coal are freely offered and the collieries are shading their prices when offered definite business. Nuts are well maintained on the whole, although there is some irregularity as regards the smaller sizes. To-day's prices for the shipping trade are approximately as follows (f.o.b. district ports):—LANARKSHIRE.—Ell best, 13s. 6d.; splint best, 16s.; splint second, 14s. 6d.; navigation, 15s. 6d.-16s.; navigation second, 14s. 6d.; Hartley, 15s.; steam, 12s. 6d.; trebles, 13s.; doubles, 12s. 6d.-13s.; singles, 12s.; pearls, 11s. 9d.; dross, 9s. 6d. FIFE.—Screened navigation, 16s. 6d.-17s. 6d.; first-class steam, 11s. 9d.; third-class steam, 10s. 9d.; trebles, 13s.-14s.; doubles, 12s. 6d.-13s.; singles, 11s. 3d.; pearls, 11s. 3d. LOTHIAN.—Prime steam, 11s.; secondary steam, 10s. 9d.-trebles, 13s.; doubles, 12s. 9d.; singles, 11s. 6d.; pearls, 10s. 6d.-10s. 9d. Ayrshire.—Unscreened navigation, 16s.; jewel, 16s.; steam, 13s.; trebles, 13s. 6d.; doubles, 13s.; singles, 12s. 3d.; pearls, 11s. 9d.; dross, 10s. 6d.

Our Cardiff correspondent writes:—Business on the Cardiff coal market this week has again been very depressed, and owing to the decreased volume of trade, the Great Western Railway Company have decided on the drastic course of shutting down temporarily the twelve tips in the Cardiff East Dock, seven at Barry, two at Newport and one at Port Talbot. It is probable that this action has been precipitated by the recent order of the Ministry of Transport further reducing the charges for the tipping and weighing of coal. It has been estimated that the two decreases have involved a loss of place since October, 1929, in these charges have involved a loss of revenue to the company of over £200,000 per annum. Contract inquiries in respect of supplies over 1931 continue exceptionally quiet, but it is pointed out that the advantage of arranging forward a statutory scheme involving minimum prices as well as output regulation. During the week the supply of tonnage has been insufficient to cope with colliery outputs, with the result that there has been much irregularity of working, while some pits have been permanently abandoned. The following are the current approximate quotations:—Best Admiralties, 20s.; seconds, 18s. 9d. to 19s. 9d.; best dries, 18s. 6d. to 19s. 3d.; Black Veins, 18s. 3d. to 18s. 6d.; Western Valleys, 18s. to 18s. 3d.; Eastern Valleys, 17s. 6d. to 17s. 9d.; best small steams, 13s. to 13s. 3d.; cargo smalls, 12s. to 12s. 6d.; coking smalls, 13s. 3d. to 13s. 6d.; anthracite, best large, 36s. to 37s. 6d.; Red Vein, large, 22s. to 27s.; machine-made cobbles, 40s. to 45s.; French nuts, 43s. to 46s.; stove nuts, 39s. 6d. to 43s. 6d.; rully culm, 11s. to 11s. 6d.; foundry coke, 30s. to 35s.; patent fuel, 20s. to 21s. 6d.; pitwood, ex ship, 26s. to 28s. 3d.

IRON AND STEEL.

We extract the following from the weekly report of the London Iron and Steel Exchange:—Although the slight improvement in business noticeable in the iron and steel markets at the end of August has not continued, the gain then made has been maintained. Merchants and consumers in all branches of the trade continue to buy cautiously and show a conservative attitude in undertaking commitments. The belief seems to be growing that prices have touched bottom, and one of the brighter features of the market is that there has been some inquiry for forward delivery. This has been particularly noticeable in the pig-iron market, in which the closing down of furnaces has considerably reduced output, and has enabled the producers to dispose of some of the heavy stocks which had accumulated. Consumers apparently realise that in some districts a revival in demand might find the market somewhat short of material, and as a consequence are more inclined to consider buying forward. The position in the semi-finished steel department has been rather confused since the breakdown of the European Steel Cartel's price-fixing scheme. Prices at first fell heavily, but have since become firmer. The British makers continue to receive a fair amount of support from the home consumers, but are experiencing keener competition from Continental producers than for some time past. The demand for finished steel is irregular. The general attitude of all buyers in this department is one of caution. Export business has improved somewhat from the stagnation experienced during August, but is still far from satisfactory.

Our Middlesbrough correspondent writes:—A fair business is passing in Cleveland iron with home consumers, and the tone of the market encourages the feeling that business will gradually widen out. This is supported by the improved statistical position, and according to which the current production is being absorbed, and the some reduction in the stocks held by makers is taking place. The business transacted at Tuesday's weekly market was of moderate extent and practically all for home consumption. Prices were unchanged, viz.: No. 1, 66s.; No. 3, 63s. 6d.; No. 4 foundry, 62s. 6d., and No. 4 forge, 62s., f.o.b. or f.o.t. In hematite new orders are coming to hand for fair quantities, and there are more on export account than recently. Deliveries against old contracts are on a better scale, so that altogether stocks are being reduced, which is a satisfactory feature. Makers are expecting an increased demand in the near future, and adhere to 71s. for mixed numbers for delivery over a month or two, but for very prompt delivery it would be possible to obtain slight concessions. Shipments of pig iron are poor, the total to the 15th inst. being only 6,968 tons against 8,770 tons for the same period in August. In the manufactured departments no new contracts of importance are reported, but several are under negotiation, from which it is expected some business will result. In the meantime, several mills are working very irregularly. Continental billets and sheet bars are being offered on this market at much below local prices and some business has been done. Prices for local finished steel, &c., are unchanged from last week. The ore market is still idle, and imports against running contracts are on a much reduced scale this month. Best rubio is nominally unaltered at 19s. c.i.f., and the current freight Bilbao-Middlesbrough, is about 5s. 6d. Coke for prompt delivery is offering at 16s. 6d. delivered furnaces, but for delivery ahead 17s. to 17s. 6d. is asked according to period. The number of furnaces in operation in the district remains at 25.

Our Sheffield correspondent writes:—The expectations of a revival of trade in the iron and steel industry this month have not so far been realised and the position is very disappointing. In a few instances orders are coming in rather better, but, taking things as a whole, there is no improvement. In fact, the steel trade has never been worse and the output in August was the lowest recorded for many years. Here and there in the lighter and finished sections

one hears of briker conditions and the position and outlook for stainless steels and the more modern special steels is regarded as favourable, but these materials are not bought in large quantities. The worst of the depression is found in semi-finished steels. Many of the local open-hearth furnaces are standing. Orders for railway steel, alike from overseas and at home, are sluggish, and firms here are feeling the effects of the severe economies which are being practised by the British railways. The present month has brought additional business for some classes of hand tools. Australian buying has been reduced to the lowest level ever recorded and stocks of essential commodities in the Commonwealth are approaching exhaustion. Prices are unchanged but weak.

Our Glasgow correspondent writes:—Dulness still persists in the iron and steel industries in the West of Scotland. Purchasers continue to buy only small parcels to meet immediate needs. Competition from the Continent for semis is still keen but buyers here are exercising considerable caution and, considering the low prices offering, purchases are not extensive. The principal orders reported during the last few days are those placed by the Soviet Government for mining machinery with the engineering firms of Messrs Mavor and Coulson, of Glasgow, and Messrs Andrew Kyle and Company, of Galston. There is no fresh development in the tube trade and sheet makers are still finding export business poor.

Our Cardiff correspondent writes:—Slightly improved conditions have existed this week in the tinplate trade, and a fair amount of merchant business has been arranged on the basis of from 17s. 6d. to 18s. per basis box in anticipation of a reduction in the makers' present minimum price of 18s. This expectation of a lower minimum price is based on the recent decline in the prices of raw materials, and particularly tin and scrap. Local steel bars are unchanged at £6 per ton and foreign bars at £4 10s. per ton. Imports of foreign materials continue fairly active, and there are now only two blast furnaces in operation in South Wales compared with nine at the beginning of the year. Galvanised sheets continue a quiet market on the basis of £11 17s. 6d. per ton, and it is stated that makers are contemplating the reconsideration of their present quotations.

OTHER METALS.

TIN.—Market opened with a generally quiet tone and prices gave way under selling pressure, but with firm Eastern cables and a better demand, values subsequently marked some improvement. Standard cash changed hands at £133 12s. 6d. to £134 5s. and £134 2s. 6d.; three months, £135 7s. 6d. to £136 and £135 12s. 6d. In the East, sales were reported at £137 10s. to £138 7s. 6d. per ton c.i.f. terms.

COPPER was in fair request, but offerings proved in excess of market capacity and values moved in buyers' favour. Standard cash sold at £47 2s. 6d. to £46 1s. 3d.-£46 3s. 9d., and three months £46 18s. 9d. to £46 3s. 9d. and £46 5s. per ton.

LEAD quiet and easier on liberal supplies. Good soft foreign pig, September, sold £18 5s. to £17 11s. 3d.; October, £18 2s. 6d. to £17 11s. 3d.; December, £18 2s. 6d. to £17 10s.; January, £18 1s. 3d. to £17 10s. per ton.

SPELTER in poor support, but holders refrained from pressing and market fairly steady. September sold £15 17s. 6d. to £15 18s. 9d.; November, £16 3s. 9d.; December, £16 6s. 3d. to £16 5s. per ton.

ALUMINIUM steady. Home trade, £95; export, £100 per ton.

QUICKSILVER maintained. Spot, £22 2s. 6d. per bottle.

TIN PLATES quiet. I.C. coke, prompt and forward, 18s. per box, f.o.b. Swansea.

ANTIMONY quiet and barely steady. English regulus quoted £38 to £45; Chinese ditto, spot £27; September-October, £26 10s.; crude, September-October, £15 5s. per ton c.i.f.

ANTIMONY OXIDE, September-October, £20 10s. ton c.i.f.

FIGURES OF ASSURANCE A.M.P.

By careful and prudent administration the A.M.P. has made more than £42,000,000 for the benefit of its Policyholders since its establishment in 1849, and this, after providing for all expenses of management, commission, taxes, etc. A.M.P. premiums are low. Bonuses high and policies, as befits the largest British Mutual Life Office, world-wide. Assets £74,000,000. Annual Income £10,500,000. Full particulars on application.

MUTUAL AUSTRALIAN PROVIDENT SOCIETY Established 1849. 75-76 King William St., London, E.C.4. D. E. WALKER, Manager for the United Kingdom.

ANTIMONY ORE, 60 per cent. September-October, 4s.; 50 per cent. ditto, 3s. 6d. per unit c.i.f.

WOLFRAM dull and easier: Chinese, spot 18s.; September-October, sellers 18s.; buyers 17s.; Burmese, spot, sellers 17s.; September-October, 17s. c.i.f. per unit.

THE COTTON TRADE.

LIVERPOOL: September 17th.

For the past week the market has been steadier, but very little business has been transacted. There has been no change in the weather conditions in the cotton belt, improvement in the East offsetting any deterioration in the West. The United States figures of consumption for August were 352,000 bales, against 379,000 bales last month and 558,000 bales in August last year. There is no pressure by the South to sell, for, whilst the ginnings are fairly heavy, farmers are reported to be holding for the co-operative associations. There is plenty of inquiry from spinners, but not much business is going through. A few long-distance contracts have been made, but neither spinners nor merchants seem anxious at present to encourage this. Spot sales for the week 11th to 17th (inclusive) are 25,000 bales, of which 8,670 are American, 5,750 Brazil, 1,160 Argentine, 4,750 Peru, 3,050 Egyptian, 1,450 African, 1,600 East Indian, and 580 sundries. Imports for the same period are 14,387 bales of which 8,202 bales are American, 50 Argentine, 2,832 Peru, 481 Egyptian, 900 African, 1,760 East Indian, and 162 sundries. Quotations to-day are: American Middling, 6-20; Egyptian Sakel, 10-50; Uppers, 8-52; Brazil Fair, 6-00; Peru G.F. Smooth, 6-60; West African Middling, 6-25; and East African, 7-20.

MANCHESTER, September 17th.

Although the tone of the market rather tends to improve, and spinners and manufacturers are encouraged by the larger inquiry, actual business is slow in broadening and contracts are still for very limited quantities. Nervousness with regard to future prices continues, and uncertainty exists as to conditions in markets abroad. In cloth for India there has been an increased inquiry, and the trade outlook is rather better. Cables have been received from Calcutta and even Bombay asking for prices to be wired out, but so far very few bids have come back. Some fair lines have been booked in light fabrics for Madras. Reports have come to hand of larger clearances in China and a few more transactions have been put through in white shirtings, whilst for Hong Kong fancies have been sold more freely. Operations for Egypt, South America and the Continent have been rather featureless, and home trade buyers remain cautious. It is still impossible for manufacturers to restart idle looms. The general inquiry in the yarn market continues rather healthier and moderate sales have occurred in American counts. A slight improvement is taking place in the Egyptian yarn section, certain spinners having booked orders more freely.

Statement of the Cotton Trade.

	1930.					Corresponding Date.	
	Aug. 27.	Sept. 3.	Sept. 10.	Sept. 17.		1929.	1928.
	d.	d.	d.	d.	d.	d.	d.
Raw Cotton—Mid. American..... per lb.	6-59	6-50	6-40	6-30	9-78	10-31	
" Sakellaridis Fully Good Fair Egyptian..... per lb.	10-40	10-35	10-20	10-50	17-05	17-45	
Yarns—32's twist..... per lb.	10-10	10-10	10-10	10-10	15-1	15-1	
" 40's twist..... per lb.	11-1	11-1	11-1	10-1	15-1	15-1	
" 60's twist (Egyptian)..... per lb.	11-1	11-1	11-1	11-1	28	28	
32-lb. Printers, 116 yds., 16 by 16, 32's and 50's.....	20 0	20 0	20 0	19 9	24 3	25 3	
36-lb. Shirtings, 75 yds., 19 by 19, 32's and 40's.....	22 6	22 6	22 6	22 3	27 9	28 3	
38-lb. ditto, 38 yds., 18 by 16, 10 lb.....	12 4	12 4	12 4	12 4	14 7	15 3	
39-lb. ditto, 37 yds., 16 by 15, 8 lb.....	11 1	11 1	11 1	11 1	13 7	13 7	

THE WOOL TRADE.

Our Bradford correspondent writes:—Interest this week has centred mainly on the raw material markets. In Sydney the sales opened in an encouraging manner, not the least satisfactory feature being the good clearance effected; in fact, about 95 per cent. of the wool was sold. There was good general competition in which Continental and Japanese buyers made their presence felt, but Yorkshire buyers were by no means silent. Based on cable quotations from Sydney, Bradford prices of tops are very low, and if the sales in the primary markets continue on the opening level, efforts will have to be made to bring prices of tops more into line with the cost of production. In London, also, wool has sold this week rather better than many traders expected. Bradford and French buyers operated fairly freely in merinos on the opening day, and it soon became obvious that most owners were willing to sell greasy and scoured merinos on something like the July basis of values. Some really super wools made practically the prices ruling at the last series, but declines were recorded in most of the others. Ordinary merinos, for example, were about 5 per cent. down, with the same percentage decline shown in Queensland and Victorian scoureds. It was noticeable that seedy or burry sorts were neglected. In fine crossbreds there was a fall of not more than 5 per cent., though medium sorts suffered to the extent

of anything from 7½ to 10 per cent. About 5 to 7½ per cent. would cover the decline in scoured Australian crossbreds, and 10 per cent. in New Zealand, though few of either description were sold. Slips revealed a decline of from 7½ to 10 per cent., and both greasy and scoured crossbred lambs were about 10 per cent. down. In Cape wools greasy combings and scoureds were about 5 per cent. cheaper. The effect on the Bradford market has not been very pronounced, but merino topmakers are adopting a firmer attitude in view of the difficulty likely to be experienced in replacing. It is recognised that Bradford is still below the raw material markets, and there seems to be a growing impression in some quarters that wool is not likely to be much cheaper. Demand for tops however, is "spotty," and weak sellers both in tops and yarns, undermine the market and make it exceedingly difficult for others to realise reasonable rates. The liquidation of stocks is proceeding under pressure from the banks in some cases, and this has a disturbing influence. It is apparent, however, that most traders have more confidence in merinos than they have in crossbreds, and fashion in piece-goods is decidedly in favour of the finer and soft handling wools which are now relatively cheap.

THE JUTE TRADE.

DUNDEE: September 17th.

After a considerable decline a steadier tone has developed in the raw jute market. "Bears" have now become much more reserved, and are unwilling to discount the Calcutta prices further, especially in regard to Daisee fibre, which has all along been the most depressed. Recently the Calcutta mills have been buying large quantities of jute, and so far this season have bought about three million bales, or more than half of their requirements for the whole season, while shippers also have been buying on a larger scale at the low prices ruling. There is a rumour that the Indian Government is to be approached with a view to inviting support for the ryots, or jute growers, in order to enable them to withstand the continued fall in prices of raw jute, while there are statements made that the export tax might be increased. Daisee assortment has been sold down to £14 for October-November shipment, but now sellers are quoting £14 10s. lowest, with threes at £14 and fours at £12, the latter having been done as low as £11 12s. 6d. Tossa assortment rules at £16 10s., threes at £16 and fours at £14 15s., October-November. First Marks and Lightnings remain unchanged from the lowest at which business has been done. The respective prices are £19 and £17 for good marks. The Calcutta goods market fails to be supported, so that there is a tendency for prices to decline. Stocks of goods throughout the world are very heavy and, until these are taken up by consumers, it is not expected that values can improve. This week, the Indian mills are all idle in accordance with their policy of working one week less per month in order to reduce output and stocks. The agreement in this respect goes on until the end of March next year, but there are indications that this agreement might be extended. Business in jute yarns in this market continues of small importance, owing to the poor demand for jute cloth. The value of common 8 lb. cops is steadily held at 2s. and 8 lb. spools at 2s. 1d., but twist is lower at 4½d. for 3-ply 8 lb., and sacking yarns are easier at 2½d. for 24 lb. weft, and 3½d. for 8 lb. chains. Heavy rove is reduced to £27 for 48 lb., but the 200 lb. quality is maintained at £18. Fine yarns are very quiet, and carpet qualities are entirely neglected. Orders for jute cloth are still of small dimensions, and prices are rather lower. The value of 10½ oz. 40 in. hessians is 3d. to 3½d., and for 8 oz. 2½d. to 2½d. is wanted. The latter prices are low in comparison with the heavier weights. Linoleum hessians are dull and nominal, but inquiry for heavy goods, especially sacking and tarpauling, portends the placing of more orders in this branch. Prices for Calcutta hessians have fallen to 19s. 3d. for 10 oz., and 14s. 9d. for 8 oz., September; 19s. 6d. and 15s. respectively, October-December; and 19s. 9d. and 15s. 3d. for January-March.

HIDE, LEATHER AND ALLIED TRADES.

The upward trend of prices for hides and skins at the auctions held at Manchester on Tuesday suggests a considerable improvement in demand. However, there is a feeling that the forcing of prices beyond what the present state of the leather industry can stand will only result in a setback in values. Owing to this, not a few in the hide trade view the possibility of further considerable advances as remote. In the South American market regular business has been done with the United States and Europe in frigorifics, parcels of Argentine ox having changed hands on the basis of 6½d., while 6½d. has been realised for cows. The River Plate market for drys has been fairly active. Parcels of B.A. Americanos have changed hands at 8d., and M.V. Americanos at 8½d. An active demand has been experienced for African hides and sales of Capes 7½d. and 8½d. for the same selections of dry-salted 20/30 lbs. Enquiry for sole leather has again been of a satisfactory character, and fair quantities have been bought, especially by the repairing section at slightly firmer prices. Manufacturers of footwear have accounted for moderate sales of dry hide bends, and there seems to be more tendency for this branch of the trade to place orders for future delivery. Offal is not a good market. Generally speaking, the position is considered sound, consumers for the most part have been working on very small margins of stock, and with the higher prices now being made for hides, there must of necessity be a readjustment of leather values. The upper leather section has also experienced a better call for most descriptions, especially for willow calf. Curriers are still short of orders.

OVERSEAS TRADE RETURNS.

IMPORTS (Value C.I.F.).

	Month ended August 31.		8 Months ended August 31.	
	1929.	1930.	1929.	1930.
I.—Food, Drink, and Tobacco—				
A. Grain and flour.....	8,665,732	5,690,909	59,246,098	46,033,182
B. Feeding stuffs for animals.....	917,626	388,442	6,303,284	4,106,869
C. Meat.....	10,704,123	8,743,992	77,521,216	77,663,596
D. Animals, living, for food.....	1,415,947	1,714,066	9,136,592	10,517,821
E. Other food and drink, non-dutiable.....	18,061,737	15,418,278	140,057,285	125,401,767
F. Other food and drink, dutiable.....	5,134,041	4,487,373	44,680,103	38,776,146
G. Tobacco.....	794,859	710,724	8,358,218	7,665,790
Total, Class I.....	45,694,065	37,151,784	345,302,796	310,165,171
II.—Raw Materials and Articles Mainly Unmanufactured—				
A. Coal.....	2,511	1,423	22,541	18,438
B. Other non-metallic mining and quarry products and the like.....	608,631	422,558	3,866,779	3,803,837
C. Iron ore and scrap.....	644,367	289,605	4,080,850	4,021,886
D. Non-ferrous metalliferous ores and scrap.....	1,452,449	946,444	11,625,264	9,158,380
E. Wood and timber.....	6,082,270	5,044,077	25,744,495	27,280,114
F. Raw cotton and cotton waste.....	3,262,444	1,724,151	49,902,332	30,671,828
G. Wool, raw and waste, and woollen rags.....	2,714,654	2,255,432	50,357,664	36,328,377
H. Silk, raw, knaps and noils.....	120,414	50,619	1,164,039	1,047,125
I. Other textile materials.....	737,860	431,613	10,168,111	7,669,301
J. Oils, seeds, nuts, oils, fats, resins and gums.....	3,299,794	2,488,491	30,115,986	24,347,155
K. Hides and skins, dressed.....	1,709,339	1,165,133	13,548,886	11,709,196
L. Paper-making materials.....	1,056,798	1,011,928	8,264,777	8,124,793
M. Rubber.....	1,966,889	572,069	10,583,731	7,846,731
N. Miscellaneous raw materials and articles mainly unmanufactured.....	1,038,262	1,111,830	7,479,909	7,072,586
Total, Class II.....	24,697,003	17,515,373	226,925,364	179,099,747
III.—Articles Wholly or Mainly Manufactured—				
A. Coke and manufactured fuel.....	523	204	8,926	6,868
B. Earthenware, glass, abrasives, &c.....	1,021,730	855,205	7,236,776	7,178,090
C. Iron and steel and manufactures thereof.....	2,165,785	1,641,594	16,189,996	15,893,411
D. Non-ferrous metals and manufactures thereof.....	3,187,075	2,227,942	24,359,875	21,028,281
E. Cutlery, hardware, implements, and instruments.....	636,149	615,043	5,574,859	5,163,376
F. Electrical goods and apparatus.....	570,615	521,897	3,590,396	4,464,114
G. Machinery.....	1,728,317	1,405,459	12,793,105	12,595,187
H. Manufactures of wood and timber.....	922,707	658,176	6,287,608	5,923,135
I. Cotton yarns and manufactures.....	907,207	729,682	6,900,591	6,342,846
J. Woollen and worsted yarns and manufactures.....	1,193,895	1,178,104	10,992,896	9,481,487
K. Silk and silk manufactures.....	1,156,211	866,254	8,984,203	7,717,201
L. Manufactures of other textile materials.....	1,501,844	1,264,520	11,290,723	10,492,861
M. Apparel.....	1,931,212	1,586,111	13,087,208	13,076,595
N. Chemicals, drugs, dyes and colours.....	1,636,402	1,194,669	10,908,724	9,265,178
O. Oils, fats, and resins, manufactured.....	4,316,122	3,577,851	29,471,623	33,719,010
P. Leather and manufactures thereof.....	1,353,921	1,261,185	10,068,616	10,103,446
Q. Paper and cardboard.....	1,552,350	1,634,913	11,608,063	11,811,538
R. Vehicles (including locomotives, ships, and aircraft).....	688,208	480,820	7,553,566	4,950,407
S. Rubber manufactures.....	335,006	240,681	2,472,881	2,677,211
T. Miscellaneous articles, mainly or wholly manufactured.....	2,683,120	2,248,747	20,479,133	17,905,985
Total, Class III.....	29,488,262	24,189,057	219,859,768	209,795,926
IV.—Animals, not for food.....	370,655	388,363	2,158,712	2,382,140
V.—Parcel Post, non-dutiable articles.....	726,618	660,786	4,573,048	5,220,856
Total.....	100,976,603	79,905,363	798,819,688	706,663,040

OVERSEAS PRODUCE.

SUGAR.—The market remains in the same quiet and generally featureless state as that existing for some time past. Continental crop conditions are favourable, and a large production is indicated. The condition of the crop in the United Kingdom is less good, owing to a lack of sunshine, and previous estimates may have to be modified. Raw refining sugars meet a slow market, but prices are steady. Terminal sections opened steadier, but soon became quieter. Moderate transactions in raw include December, 4s. 8½d.; January, 5s. 5½d.; March, 5s. 9d.; May, 5s. 11½d.; August, 6s. 1½d. Cuban 96 per cent., October sellers, 5s. 4½d. c.i.f. U.K. Czecho granulated ready to the U.K. 7s. 9d.; November-December, 6s. 9d. f.o.b. Hamburg. Cuban receipts last week cabled 36,450 tons against 24,230 same time last year, exports 75,480 against 70,560, stocks 1,231,490 against 630,330. Stocks of raw sugar in the three chief ports of the United Kingdom for week ending September 13, 1930, amounted to 117,558 tons against 137,070 last year.

COFFEE.—With sustained inquiries, both on home and export account, general stability characterised the market, with Kenya qualities marking a decided advance. Quantities of new crop so far to hand have sold readily. Costa Rica is in small supply. Some mountain-grown Jamaica fared well.

COCOA.—Only retail transactions occurred on the spot at easy prices. Forward positions, after a rather sharp decline, became irregular. Accra F/F, October-December, London contract, sold 27s. to 28s. 6d.; Liverpool, 28s. f.o.b.; G/F, October-December, Continent, sold 29s. to 28s. 6d. c.i.f. Terminal, September, sold 30s. 7½d. to 30s.; October, 29s. to 30s.; December, 30s. to 29s. 3d.

EXPORTS OF PRODUCE AND MANUFACTURES OF THE UNITED KINGDOM (Value F.O.B.).

	Month ended August 31.		8 Months ended August 31.	
	1929.	1930.	1929.	1930.
I.—Food, Drink, and Tobacco—	£	£	£	£
A. Grain and flour	390,354	334,965	3,243,334	2,999,247
B. Feeding stuffs for animals	230,825	185,824	2,172,534	1,423,731
C. Meat	131,094	113,724	1,084,928	944,110
D. Animals, living, for food	18,832	8,910	126,371	108,665
E. & F. Other food and drink	2,999,718	2,766,643	21,860,485	19,869,890
G. Tobacco	768,377	578,546	6,321,728	5,986,373
Total, Class I.	4,539,200	3,988,612	34,809,380	31,332,006
II.—Raw Materials and Articles Mainly Unmanufactured—				
A. Coal	3,958,815	3,198,638	31,035,641	31,085,636
B. Other non-metallic mining and quarry products and the like	165,522	125,408	1,344,461	1,136,642
C. Iron ore and scrap	103,429	49,083	1,134,241	369,342
D. Non-ferrous metalliferous ores and scrap	150,663	56,304	1,310,172	587,091
E. Wood and timber	35,457	19,710	268,258	207,139
F. Raw cotton and cotton waste	66,409	50,291	834,863	467,298
G. Wool, raw and waste and wool- len rags	624,986	328,204	6,800,913	3,461,152
H. Silk, raw, knots and noils	2,574	452	19,710	11,123
I. Other textile materials	33,851	12,486	279,908	215,622
J. Oil seeds, nuts, oils, fats, resins and gums	404,315	272,533	3,538,256	2,557,308
K. Hides and skins, undressed ...	154,061	67,691	2,032,732	1,075,986
L. Paper making materials	136,858	63,970	1,058,498	754,874
M. Rubber	21,587	13,205	192,334	126,936
N. Miscellaneous raw materials and articles mainly unmanufac- tured	188,959	128,868	2,524,216	2,029,147
Total, Class II.	6,047,486	4,386,843	52,374,203	44,085,296
III.—Articles Wholly or Mainly Manufactured—				
A. Coke and manufactured fuel	356,083	331,372	2,605,653	2,216,044
B. Earthenware, glass, abrasives, &c.	1,283,449	950,881	9,294,355	8,409,902
C. Iron and steel and manufac- tures thereof	5,572,539	3,606,028	45,700,260	37,159,466
D. Non-ferrous metals and manuf- actures thereof	1,536,293	843,189	12,119,735	8,662,451
E. Cutlery, hardware, implements, and instruments	821,780	543,953	6,140,151	5,110,677
F. Electrical goods and apparatus ..	1,163,339	751,160	8,477,859	7,912,433
G. Machinery	4,421,440	3,507,271	36,300,134	32,886,799
H. Manufactures of wood and timber	232,815	183,750	1,909,516	1,482,838
I. Cotton yarns and manufactures ..	12,017,921	6,552,424	95,598,921	65,877,600
J. Woollen and worsted yarns and manufactures	5,669,992	3,450,829	37,120,205	26,085,070
K. Silk and silk manufactures ...	192,120	114,386	1,419,488	1,107,894
L. Manufactures of other textile materials	2,342,835	1,386,892	18,137,898	14,025,024
M. Apparel	2,582,736	1,706,265	16,436,125	13,421,683
N. Chemicals, drugs, dyes, and colours	2,038,572	1,515,778	17,042,015	15,330,751
O. Oils, fats, and resins, manufac- tured	765,187	597,888	5,780,923	5,260,794
P. Leather and manufactures thereof	687,574	350,918	5,105,487	3,822,700
Q. Paper and cardboard	815,988	645,261	6,281,015	5,915,060
R. Vehicles (including locomotives ships, and aircraft)	4,309,797	3,476,281	34,753,253	34,425,718
S. Rubber manufactures	284,996	206,602	2,315,380	1,981,186
T. Miscellaneous articles mainly or wholly manufactured	3,739,744	2,393,895	25,577,728	20,301,235
Total, Class III.	50,835,200	33,115,623	388,116,101	311,395,705
IV.—Animals, not for food	164,119	123,802	1,343,006	1,034,546
V.—Parcel Post	1,458,867	1,162,089	11,664,159	10,527,143
Total	63,044,872	42,776,369	488,306,849	398,374,694

fraction under 2 per cent., and although the three months' bill rate was generally given as $2\frac{3}{4}$ per cent., a fair amount of business has lately been done at a level 2 per cent. Rates such as these leave no margin at all to bill brokers, who obtain the bulk of their money from the clearing banks, while the banks in their turn are earning far less than their usual rate of profit on their bill holdings. Unfortunately, it is difficult to see how rates can improve, so long as money remains so plentiful, and as the abundance of money is due to the depressed state of trade no early rise in rates can be expected. It will be recalled that last week the Bank's attempt to stiffen up rates by selling some of its bills proved a complete failure, and while the gradual increase in the volume of Treasury bills may eventually have a slight effect, rates are likely to remain low for some time to come.

* * * *

This week £496,000 of fine gold arrived from the Cape, of which £250,000 had already been sold forward to Paris. Of the balance, £60,000 was taken by India and the trade, and the remaining £186,000 was bought for Paris at 85s. 0½d. per ounce. Paris also withdrew standard gold from the Bank on the first four days of this week, the total sum withdrawn amounting to £753,477. Apparently these shipments were arranged at the end of last week, when the franc exchange fell to Frs. 123.67, and although the rate has subsequently risen it has not been practicable or profitable to cancel the arrangements with the refiners.

* * * *

The key to recent exchange fluctuations and gold movements is to be found in the reactions following the German elections. For a few days at the beginning of the week there was an incipient flight from the mark, the French withdrawing funds, and other money going to Holland. This accounts for the recent strength of the franc and florin and weakness of the mark, especially as the Reichsbank had been meeting demands upon it by sales of sterling. Fortunately, the Reichsbank responded to the emergency by ceasing to sell sterling and instead shipping gold both to Paris and, it is believed, to Amsterdam. The exchanges at once responded, and by Wednesday the mark was back at Mk. 20.41, and confidence had been partially restored.

	Sep. 4, 1930.	Sep. 11, 1930.	Sep. 18, 1930.	Sep. 25, 1930.	Previous Rate and Date Changed.
Bank Rate	3%	3%	3%	3%	3½ (May 1, '30)
Banks' Deposit Rate	1	1	1	1	1½ (May 1, '30)
Discount / Call	1	1	1	1	1½ (May 1, '30)
Houses / Notice	1½	1½	1½	1½	1½ (May 1, '30)
Market rate (3 months' bills)	2½	2½	2½	2	...

This week's Bank return revealed few notable changes. Public deposits were £4,376,714 higher, and bankers' deposits declined by £1,133,866; but, as Government securities rose by £2,290,000, it would seem that the Bank has discontinued any attempt to bring pressure on the market by curtailing resources. Note circulation underwent a further contraction of £1,998,923, and the "proportion" was maintained at the satisfactory figure of over 55 per cent.

NEW YORK.

A favourable impression has been created by the recent increase of 6 per cent. in debits of individual bank accounts outside New York City. This is regarded as a sign of improving trade. The New York Reserve Bank has denied the report, inspired possibly by Dr. Luther's visit, that an international bankers' conference has been arranged, but it is still believed that such a conference will take place late in the year. Money remains very easy and plentiful. Call rate is still 2 per cent., while the open market discount rate on 90-day bankers' acceptances is only $2\frac{1}{4}$ per cent.

THE STOCK MARKETS.

The stock markets were overshadowed by political portents and the news of a further "break" on Wall Street. Gilt-edged advanced sharply on Wednesday. German loans slumped, recovered and relapsed, closing well below pre-election prices. Home Rails were weak on uncertainty as to the impending wage negotiations and poor traffics, but among foreign rails "Bags" were in demand, and Pacific advanced on the dividend announcement. Industrials were mainly quiet with business restricted. United Molasses declined on the passing of the interim dividend. Rubber shares trended downwards, but tea shares were well maintained. Oils fell on the cut in petrol. Mining shares recorded further falls, Congos relapsing to £12, while London Tin was marked down on the passing of the preference dividend.

THE COMMODITY MARKETS.

Although there has been a slight improvement in best qualities, the demand for coal shows no signs of expansion. Activity in the iron and steel industries continues on a low level, and the improvement in the pig-iron section has not been maintained. The low prices of raw cotton and raw wool have not yet stimulated the demand by manufacturers. Hides and leather are firm. Stocks of timber are still large, but it is hoped that the decline in imports will result in an improvement in this trade. Wheat prices show a sharp decline.

THE FOREIGN EXCHANGES.

Business continued quiet in the exchange market, and temporary improvements favourable to sterling in the principal exchanges were not maintained. New York, after falling to 4.85½, improved at the close to 4.86, as against 4.86½ a week ago. Paris touched 123.85, but was in demand again at 123.78 later. Demands for sterling took the Belgian exchange to 34.86½, representing a difference of ½ cent. in favour of sterling on the week. Milan improved to 92.80, while heavy German demands for guilders took the Dutch rate quickly to 12.04½ on September 22, although the close was slightly better at 12.05½. Switzerland continued steady at 12.05½, but Spanish pesetas displayed considerable fluctuations, showing a slight gain on the week of 30 cents at 45.20. The German exchange was subjected to heavy pressure by Continental sales, and the Reichsmark depreciated to 20.43 on 23rd inst.; a better tone was evident towards the close and a rally to 20.41 occurred. The Scandinavian exchanges showed no noticeable change, while the Eastern exchanges continued steady at last week's levels. Buenos Aires, however, depreciated by ½d. to 40.4, but Rio was ½d. better at 5.8. In the forward market dollars were cheaper at par for one month and ¾ cents premium for three. Paris forwards continued at last week's small premium. Forward belgas were in good demand at premiums of 1½ centimes for one and 3½ centimes for three months. Milan forwards were strongly offered at discounts of 16 and 40 centesimi respectively. Forward pesetas moved to discounts of 2 and 5 centimos for the one and three months' positions. Forward guilders, with the fall in the spot rate, moved to discounts of ¼ and ½ cents, while forward Reichsmarks were at one time unsaleable at discounts of 6 pfennigs for one month and 11 pfennigs for three. These later steadied to 3½ and 9 pfennigs for actual business. After a relapse to 16½d. owing to Chinese selling silver displayed a slightly firmer tone, and closed 7d. under the week's highest price at 16½ for both spot and forward positions. Hong Kong was 1s. 4d. and Shanghai 1s. 7½d.

MONTHLY TRADE SUPPLEMENT.

We publish this week our Monthly Supplement, in which will be found an appreciation of the trade situation at home and abroad, together with statistical information on the foreign trade, price movements, currency, and production of the leading commercial countries of the world. Its contents include an index of electricity production, and a series of indices of British trade activity.

THE IMPERIAL CONFERENCE.

In one respect there is a similarity between the circumstances which surrounded the last Imperial Conference in 1926, and those which face the Dominion delegates as we welcome them to our shores to-day. On both occasions our visitors found the Mother Country plunged in gloom. Four years ago the aftermath of the general strike and the prolongation of the coal dispute were impeding a long-hoped-for recovery; while to-day Britain, like some of the countries from which the delegates come, is in the clutches of deep economic depression, and many of her public men are casting round indiscriminately, if not despairingly, for a quick patent cure for the ills of the body politic. But there the similarity comes to an abrupt end. The outstanding tasks of the Conferences of 1926 and 1930 are as different from one another as they could well be. High constitutional politics dominated the former; practical economic problems will engage the latter. The Conference of 1926 will live in history for the decisive step taken in the evolution of inter-Imperial relations. When it opened, grave doubts existed in more than one Dominion whether membership of the British Commonwealth was really compatible with perfect national freedom and equality of status. When it ended, the greatest doubter of all, General Hertzog, was able to say that the question of Dominion status had been settled for ever. The real meaning of the work of that Conference was that British hegemony in the Commonwealth—a stage in itself painfully and slowly evolved out of sovereignty—had passed peacefully into a free and equal partnership. Thus were the prophets confounded who had predicted that the niceties of pride and status would disrupt the slender, fragile bonds of a loose-knit Empire.

No major constitutional or political problems confront the Conference of 1930, and with these out of the way the assembled statesmen will be able more freely to discover and pursue objects which are common to their interests in the economic field. It is essentially in that field that the work of the present Conference will lie. As the Prime Minister indicated in the House of Commons towards the close of the Session, such "policy" questions, for instance, as that of limitation of armaments and its relation to security of Empire routes, and machinery for the settlement of inter-Imperial disputes will come up for discussion. But there can be no doubt that both in the full-dress debates and in the work of the sub-committees practical economic questions will occupy the centre of the stage. No member of the Commonwealth has escaped the effects of the world depression. All want more markets and more trade for the various commodities which they produce. There is a big field for exploration in the vast territories of the Empire, and we trust it will be explored with determination. But the explorers will not, we are convinced, achieve satisfactory results unless they first school themselves to the observance of the limits of practical politics. There are those in this country who believe that it is possible to create an Empire fiscal unit or to divert the great stream of British exports to Imperial markets; there are those who even harbour dreams of huge migration schemes which are more chimerical than ever to-day, when unemployment touches every Dominion; there are those in the Dominions and at home who believe that members of the Commonwealth can persuade each other to reverse fiscal policies and surrender long-cherished ambitions. If the Conference were to start from any such angle as these, it would run straight up against a brick wall and break up without accomplishment. But, in spite of the vigorous efforts put forth in some quarters to lead the Empire statesmen on the trail of the Chimera, we do not believe that they will follow.

If they will avoid the spirit of megalomania they will find abundant practical work ready to their hands. Let them start from the common fact that the Empire and every one of its units want more trade, and that not one

of the units is ready for spectacular changes of economic policy. There remains enormous scope for establishment of common interests, and the devising of machinery for their satisfaction; for finding methods of drawing closer together in mutual knowledge and consultation. In fact, the great opportunity of the Conference which meets next week is to establish the means for regular economic liaison work for the Empire very much on the pattern of that which functions at Geneva for a larger field. Surely within the Empire such work has far more favourable opportunity, for it will be inspired by similarity of outlook, and will not be hampered by so great a diversity of interest as is, of necessity, the work of the League. Moreover, the time is very ripe for such co-operative effort. The units of the Empire have achieved not merely political equality but full economic manhood, and with that manhood must come increasingly a realisation of the economic interdependence of nations, not merely British nations, but of all the great nations of the world. We may expect, therefore, that as Conference succeeds Conference, all economic problems, whether they be of tariffs or communications, of marketing, of finance, of agriculture or what-not, will be approached with an ever-increasing breadth of vision.

It is high time, then, to set to work upon the machinery of co-operation. Most opportune is the lead given to the Conference in a joint memorandum by the accredited representatives of British Capital and Labour—the Federation of British Industries and the General Council of the Trades Union Congress. The gist of this memorandum, which arises out of the separate but harmonising reports previously issued by the two bodies, is that "the better economic organisation of British Commonwealth of Nations" demands permanent consultative machinery, whose establishment in the form of a Secretariat should be preceded by an Empire Economic Conference on the lines of the World Economic Conference of 1926. What is wanted, the memorandum emphasises, is not "spasmodic effort" but "permanent machinery." To this line of thought and to such proposals we hope the Conference will give unstinted attention, for in a sense other discussions will be of a secondary and subservient interest. Important individual subjects will not be lacking on the agenda, and, as the Prime Minister has said, they will include the development of trade by trade commissioner services and publicity, the work of the Imperial Economic Committee and the Empire Marketing Board, agricultural co-operation, industrial research, transport and communication. All these are questions of immediate practical importance, but discussions on such problems at each successive Conference would be infinitely more fruitful and valuable if, in the interval between the Conferences, a permanent and expert body were to have them under unceasing consideration.

There is another subject, listed by the Prime Minister for discussion, which, when it is reached on the agenda, will evoke the liveliest interest, both here and in the Dominions. That is the question of establishing Import Boards, or, to use Mr MacDonald's words, "bulk purchase and price stabilisation." The idea is one that has greatly attracted some sections of the Labour Party, including certain members of the present Government. But it is one which bristles with difficulties and dangers—and bristles all the more, if discussions are to proceed upon the assumption that British "bulk purchases" of food and raw materials are to be confined wholly or in any specified degree to the products of those countries which form the British Commonwealth. Mr E. F. Wise had the teachings of practical experience behind him when last session he warned the House of Commons that if bulk purchase boards are to operate to the public advantage, the field of their operations must know no hampering restrictions. Equally serious difficulties beset the "quota system" recently advocated, in the case of

wheat, from the Conservative as well as from the Labour ranks. It is much to be hoped that the Conference will not allow itself to be stampeded by the superficial attractions of far-reaching schemes of this sort, but will at least insist upon a thorough investigation as a precedent to action. This remark is one that we might well apply to the whole work of the Conference. If it pursues the spectacular its performance will inevitably be nugatory. If it eschews alluring improvisation and sticks to its humdrum last of practical organisation, seeds of great results may be sown.

It has been said that the last Imperial Conference brought into being the Third British Empire. *Divide et impera* was the motto of the first; *Primus inter pares*, of the second; *liberté, égalité, fraternité*, of the third. But with the fateful Indian Round-Table Conference looming so closely ahead we cannot forget that the evolution of the Empire is not yet complete. Some day there will be a fourth British Empire in which partnership will have been extended to many a race and creed. India, British India and the Native States will be represented at the Imperial Conference, and their presence will be a reminder of the essential fact that the future of India is not merely a British problem or an Indian problem, but a problem of close and urgent importance to the Empire as a whole. Let us hope that coincidence in the same autumn of the assembly of Empire statesmen and the Anglo-Indian discussions may prove a happy one, and that from the first helpful influences may be wafted into the second.

THE LEAGUE AND GOLD.

EIGHT years ago the Genoa Conference recommended the nations of the world to put an end to exchange chaos by linking their currencies to gold as rapidly as possible. It added, however, that when this had been done, it was important that efforts should be made to prevent "undue fluctuations in the purchasing power of gold." The return to the gold standard was achieved by one country after another in the ensuing few years, and in the opinion of the World Conference of 1927 the greater stability of foreign exchange rates was one of the main reasons for the increase in international trade which was then beginning to take place. A downward drift of prices, however, which was already becoming apparent, brought into prominence the importance of the second part of the Genoa Conference recommendations. In 1928 the Advisory Committee set up in connection with the World Conference recalled the fears entertained at Genoa of the dangers that might arise from large movements in price level and the detrimental effects upon industry, agriculture and conditions of employment that would follow, and invited the Council of the League to call the attention of its Financial Committee to the subject. This was followed by the setting up of an international Gold Delegation to explore the problem. The urgency of the problem committed to it has been emphasised in the meantime by the continued downward drift of prices culminating in the present slump.

The first interim report of the Delegation has been issued this week and is summarised on a later page. It is based upon a collection from the most authoritative sources of statistics and estimates of gold supplies and requirements, and presents in terse and clear language a comprehensive picture which suggests that there is a real danger of disequilibrium between the supply of gold and expanding monetary requirements due to the normal increase of the world's production and trade, and that this disequilibrium will grow unless steps are taken to prevent it. The report includes some preliminary observations as to measures that might be taken for this purpose.

Sceptics have, from time to time, pointed out that some comparatively recent estimates of future gold production, like those of coal and oil resources, have constantly been falsified by the event and proved to be under-estimates. But the Delegation have been alive to this experience and for the purposes of exposition have adopted, not the more gloomy estimates from official, or

semi-official, sources, but the rather more optimistic figures of Mr Kitchin. It has also been urged that the output of gold should increase if its value rises, that is to say, if wages and other prices included in the cost of producing gold increase. But according to the Delegation the available evidence seems to show that gold production is remarkably insensible to changes in the price level. In our view there is no legitimate reason to distrust as overdrawn the account given by the Delegation, which had at its disposal the best expert opinion in the world, and is itself composed of a highly-qualified body of bankers and economists. We do not, in fact, anticipate that there will be any serious challenge to the estimates adopted by the Committee.

What the world's requirements are likely to be depends upon the currency and credit systems imposed by legislation on banking practice. What action is needed to harmonise these requirements with the probable supply without involving a violent disturbance of the price level cannot be so categorically laid down. Clearly, there is no problem more suited to be considered, and, if necessary, dealt with by common agreement between the nations, than this question of the monetary standard common to them all. It may at times appear in the course of the world's economic history that one nation may benefit at the expense of another; but recent events have emphasised once again that, even though this may for a time appear to be the case, the welfare, at all events, of the great trading nations, is bound up increasingly with that of each other. This is due to increasingly close relations in many spheres, but in none is the connection more intimate than in regard to monetary policy. It needs no extended argument to prove that all have a common interest in the stability of the value of gold; no nation can take action or change its policy in regard to its use of gold without affecting all, and, as the Delegation rightly point out, there is inevitably a tendency among the nations to imitate one another in their monetary legislation, since national credit to some extent depends upon conventional ideas as to the relation between gold reserves and a country's monetary system.

The present document, therefore, has a great international significance in two respects. In the first place it puts forcibly before those concerned in all nations what may fairly be regarded as an agreed view of the world's gold situation. Any action that any nation may take hereafter must be taken in the light of the conditions here portrayed, and have regard to the effect of its actions on the situation as a whole. A common agreement in diagnosis of a situation is, in this as in other matters affecting many nations, the first, the most important, and sometimes even the only necessary step towards harmonising international policy. The setting up of the Delegation would have been justified even if its work had gone no further than this. But the report also foresees that international action, or perhaps we should say co-ordinated national action, will become necessary. It is true that many of the suggestions of the Delegation relate to local action, but their most important observations concern the suggestion that, as trade and commerce expand, it may be desirable to modify present standards as regards the ratio of gold cover to notes and sight liabilities. This minimum is in normal times never used; its function is to establish confidence, and its amount is largely conventional. Obviously any reduction of these ratios must be very gradual and only proceed strictly according to the necessities of the gold situation; but the Delegation are clearly right in thinking that if the gold basis of the world's currencies proves insufficient for its expanding trade without involving a fall in the price-level with all its undesirable consequences, some such action as that proposed will become inevitable. The only other alternatives are to break the link between the currencies of the world, and to face again the hindrances to economic intercourse involved in fluctuating exchanges, or to attempt the much more difficult and complicated feat of devising some other common standard.

The matter is thus one for consideration by governments and by the monetary authorities of the various nations. So far as the latter are concerned, the Bank

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for International Settlements, one of whose primary objects is to provide facilities for banking co-operation, affords a means ready to hand for harmonising ideas. We hope that both governments and banking authorities will not only study the situation presented in this important report, but will express their willingness to co-operate in such steps as may be desirable and practicable to meet the situation here portrayed, and to be guided in their national arrangements in accordance with it. There should, at all events, be no doubt as to the attitude of Great Britain, whose authorities have been so prominent in working for international reconstruction and banking co-operation, whose money market has played so important an international rôle, and whose industrial life is so deeply affected by the general conditions of world trade.

THE LATEST TURN IN CHINA.

"THE Young Marshal" Chang Hsüeh-liang has intervened in the *mêlée* after all. By amicable arrangement, his troops are moving south of the Great Wall, from the three Eastern Provinces of Manchuria, into Hopei, the *quondam* metropolitan province of Chihli, and are taking the province over from the Shansi troops of Yen Hsi-shan, who are peacefully retiring. Thus we have yet another new move in the Chinese war-game. This time it is easy to record the facts, but the interpretation is as difficult as ever.

The least doubtful inference is that the recent attempt to set up at Peking an All-China Government, in rivalry to the Government at Nanking, is acknowledged to have been a failure. The attempt was made, under the aegis of Yen Hsi-shan and Fêng Yü-hsiang, by Wang Ching-wei, the leader of the Left Wing of the Kuomintang Party and the head and front of the Opposition in the Party to Chiang Kai-shek. Evidently, Wang Ching-wei has not met with success in his latest move on the political chess-board. But what about Yen Hsi-shan? His policy and prospects must remain obscure until we learn (if we ever do learn) where his troops that are now evacuating Hopei are going. If they are going west into their native highlands of Shansi, that would indicate that Yen is repenting of his intervention in the general affairs of China during the past two years and is reverting to his old policy of keeping within the borders of his own province—a policy which he pursued with such remarkable success from the beginning of the Chinese Revolution down to 1928. On the other hand, if the Shansi garrisons in Hopei are moving south, that would indicate that Yen is gathering all his forces for an attempt to retrieve his position at the front in Shantung, where he recently met with a serious defeat at the hands of Chiang Kai-shek. If we only knew in which direction the Hopei garrisons were moving, we might divine not only Yen Hsi-shan's policy, but Chang Hsüeh-liang's as well; for it is evident that the

understanding on which the province of Hopei is being transferred to Manchurian hands must have covered the question of where the retiring Shansi troops are to go.

Of Chang Hsüeh-liang it is reported that he telegraphed to Yen Hsi-shan, Fêng Yü-hsiang and Chiang Kai-shek simultaneously, calling upon them to conclude an armistice forthwith, proposing that, during the ensuing negotiations for permanent peace, the three commanders should maintain the military *status quo*, and threatening to take punitive measures against any of the three who would not fall in with his plan of pacification. This *démarche* has the air of being impartial and disinterested, but presumably that is just the common form of diplomacy. The real question is: On which side of the fence is "the Young Marshal" at last coming down?

On the whole, it seems likely that he is coming down on the side of Nanking, and that the golden bridge which he is building for Yen Hsi-shan in Hopei is to enable Yen to retreat and not to assist him to advance. This seems likely when we consider the internal situation in Manchuria, and the direction in which "the Young Marshal's" personal interests require him to travel.

Of course, "the Young Marshal's" first object is to remain in power; and it might be supposed that the most serious threat to his power would be the claim of the Nanking Government to become the central Government of China in fact as well as in name. Chang Hsüeh-liang, however, did not take that view in 1928, when the Kuomintang forces reached the southern borders of Manchuria at the climax of an advance which had carried them in three campaigns from Canton to Peking. In that advance, they had overthrown one warlord after another; and their latest victim had been "the Young Marshal's" own father, Chang Tso-lin, who had found himself compelled to hand over the province of Chihli to Yen Hsi-shan and to retire to the north of the Wall—only to be blown up in his train as it steamed into Mukden. Yet, even in those alarming circumstances, "the Young Marshal" elected to come to terms with Nanking and to hoist the Kuomintang flag. Now, after the lapse of two years, when the union of all China south of the Wall, momentarily, achieved by Nanking in 1928, has unhappily dissolved, Chang Hsüeh-liang has far less reason to be afraid of the Nanking Government than he had then. Accordingly, we may leave this negative consideration on one side.

What is the chief positive consideration in "the Young Marshal's" mind? Like all Governments, democratic or despotic, his *régime* depends upon retaining a certain measure of support from public opinion; and local Chinese public opinion in the three eastern provinces of the Republic in Manchuria is bound to be strongly Nationalist—in the literal if not in the technical sense of the term. For the Chinese in Manchuria, the personal and party politics of China south of the Wall are of little interest or importance in themselves. The Manchurians are colonial pioneers who are glad to have left the problems

and quarrels of the old country behind them. All their energies are bent upon taking effective possession of a new country of vast potential wealth. But in their struggle to make Manchuria Chinese they have not only to wrestle with Nature—with frost and drought and cold. Their most formidable opponents are other human competitors—the Russians and the Japanese. At present, these foreign rivals both have the advantage over the Chinese in Manchuria in technical and in military power. In spite of industrious Chinese railway-building and abortive Chinese railway-snatching, the two trunk railways in Manchuria remain respectively in Japanese and in Russian hands. Japan's military superiority to the local Chinese Government in Manchuria is so evidently overwhelming that there can be no question of the Chinese trying conclusions with the Japanese on this ground for an indefinite time to come. And Russia's military superiority was demonstrated last year to be just as overwhelming for practical purposes. Last year, it will be remembered, Chang Hsueh-liang's Government tried to jostle the Russians out of their treaty rights in the Chinese Eastern Railway by a show of force. The experiment was a disastrous failure. The Russians hit back to the minimum extent necessary to compel the Manchurian Government to reinstate them. "The Young Marshal" lost the greatest possible amount of "face"; and his representatives are at this moment engaged in an aftermath of negotiations with the Soviet Government in which the diplomatic support of Nanking is appreciated. Thus, instead of finding themselves this year with the Russians eliminated and with only the Japanese to deal with, the Chinese in Manchuria are rather further than before from their goal. They are probably reflecting that there is no short cut and that they can only hope to win in the long run by weight of numbers. In numbers lies their strength; for, while the Russian and Japanese populations in Manchuria remain stationary, the Chinese population has been increasing lately at an average rate of something like three-quarters of a million souls a year. This vast annual increase is produced by immigration; the immigrants come from Old China, south of the Wall; and from this point of view the Chinese in Manchuria are not indifferent to the politics of the Old Country. It does not much matter to them what persons or parties exercise authority there. It does matter, very much, that China Proper should be united and at peace, because it is only under these conditions that the whole weight of "the Four Hundred Millions" can be thrown into the scales of international competition in Manchuria until the Chinese scale tips the Russo-Japanese scale into the air. This is how the civil war between Chiang and Feng and Yen presents itself to Manchurian eyes; and, if we place ourselves in this standpoint, we may conjecture that Chang Hsueh-liang's present intervention is designed on the whole for the benefit of Nanking.

While Chinese internal politics churn round in cyclic motion, the revision of China's relations with foreign Powers—other than Russia and Japan—goes steadily forward. It has been officially announced that the rendition of Wei-hai-wei is to take place on October 1st. It is reported that the British Minister in China has exchanged notes with the Minister of Foreign Affairs at Nanking for the rendition of the British Concession at Amoy (a small affair, it is true) on the conditions on which, last year, we "rendited" the Concession at Chiukiang. It is further reported that an agreement has been reached regarding the disposal of the British share of the Boxer Indemnity Fund. Moreover, the Anglo-Chinese negotiations for the relinquishment of extra-territoriality are in train; and the report of a hitch does not mean that the negotiations are likely to break down. Meanwhile, a British trade mission is on its way to the Far East. British business men are as anxious as Manchurian Nationalists to see unity and peace restored in China. If this happy result is to be achieved at last, we are in good posture for taking advantage of it for the mutual benefit of China and Great Britain.

NINE MONTHS' NEW CAPITAL.

THE third quarter of the year is normally slack in London's new capital market; but this year, as last, special influences have been at work to keep new applications down to a very low level. Last year the public had been rendered cautious by the spectacular collapses of new boom flotations of the previous two years. This year the deepening trade depression and the unchecked slide of commodity prices have undermined the public confidence; and we have a combination (curious to the casual observer) of a superabundance of cheap money and a lack of demand for the public financing of enterprise. The present month has actually seen only one public issue of any prominence, and that was for conversion purposes. For the past nine months the total of London's new capital issues is, by a coincidence, almost identical with the figure for January to September, 1929. As will be seen from our first table, foreign borrowers contribute more, and Empire borrowers less, to the total, while the amount taken for employment at home is rather larger:—

NINE MONTHS (JANUARY 1 TO SEPTEMBER 30).

	1913.	1927.	1928.	1929.	1930.
Total new issues	Mln. £. 150.3	Mln. £. 249.8	Mln. £. 290.7	Mln. £. 193.0	Mln. £. 192.5
Destined for domestic use	25.6	171.2	211.7	116.7	123.1
Destined for British possessions	56.9	52.9	52.1	56.3	38.1
Destined for foreign countries	67.8	25.7	26.9	20.0	31.3

These figures represent "new money," and do not take into account any issues or parts of issues made for the purpose of conversion or replacement. The totals for all borrowings including all issues for conversion would read as follows:—(January to September in each case) 1928, £462,585,817; 1929, £230,488,270; 1930, £286,140,421. The amount of new money absorbed by domestic purposes, it will be seen, is very substantially less than in 1928 or 1927. Our next table analyses more closely, in comparison with previous years, the destination of the new capital issued in the past nine months:—

DESTINATION OF NEW CAPITAL.

	First Nine Months.					
	1912.	1913.	1927.	1928.	1929.	1930.
United Kingdom—Government	Nil	Nil	66,853,800	84,311,000	200,000	43,790,000
Other	36,533,400	25,595,200	104,362,000	127,336,400	116,488,200	79,309,200
British Possessions—Government	7,714,900	20,003,800	19,673,100	38,283,000	26,366,100	27,294,800
Other	27,786,900	36,944,200	33,224,800	13,858,800	29,939,200	10,862,200
Foreign countries—Government	35,501,800	56,948,000	52,897,900	52,141,800	56,305,300	38,157,000
Other	9,584,500	24,021,500	3,577,500	10,253,800	3,650,000	21,330,000
Grand total	151,030,700	150,321,400	249,854,400	290,685,200	193,057,700	192,589,200

In the September quarter net sales of National Savings Certificates were £1,850,000, and, in view of the hard times that the country is passing through, it is remarkable that in only one week of the present year—the first week in February—did encashments exceed sales of these certificates. Classed with home Government issues in the past quarter is the Ulster Loan of £2,000,000 5 per cent. stock at 99 issued in July. Otherwise the first item under the heading 1930 in the above table was built up entirely in the first half of the year, and consists mainly of new cash, not directly required to meet maturities, raised by the February issue of 4½ per cent. Conversion Loan. Borrowings for other than Governmental purposes by both Dominions and Foreign countries have been unusually low. How stagnant the demand for new financing by home commerce and industry has been in the past

quarter is revealed by the very last item in our next table, which classifies quarterly figures according to classes of borrowers:—

CLASSES OF BORROWERS. (£ million.)

	Total.	British Government.	Foreign and Colonial Govts.	British, Colonial and Foreign Corpns.	Foreign Railways.	Mines, Finance and Exploration.	Rubber and Oil.	Balance (Mainly Home Industry).
Total whole year, 1923	271.4	77.7	95.8	4.8	5.4	15.5	7.7	64.5
Total whole year, 1924	209.3	13.7	90.6	18.8	1.0	12.7	2.3	70.2
Total whole year, 1925	232.2	45.6	30.7	25.3	3.8	18.0	19.1	89.7
Total whole year, 1926	230.7	4.7	54.6	49.2	8.2	26.9	6.2	80.9
Total whole year, 1927	355.1	66.0	67.5	37.9	5.4	33.2	11.0	134.1
Total whole year, 1928	369.0	83.8	56.1	26.4	3.1	49.7	8.7	141.2
Total whole year, 1929	285.2	65.4	30.0	12.1	7.8	41.5	6.4	122.0
1928—1st quarter	169.0	85.7	22.7	3.0	1.0	16.7	2.2	37.7
2nd " "	75.7	Dr. 0.5	14.4	10.0	Nil	11.0	0.6	40.2
3rd " "	45.9	Dr. 0.8	7.6	9.4	2.1	15.5	5.6	38.7
4th " "	78.4	Dr. 0.5	7.6	9.4	2.1	15.5	5.6	38.7
Total whole year, 1928	369.0	83.8	56.1	26.4	3.1	49.7	8.7	141.2
1929—1st quarter	96.9	1.9	27.2	0.3	3.8	21.2	4.9	37.6
2nd " "	77.4	Dr. 0.3	Nil	11.4	Nil	12.9	0.1	53.3
3rd " "	18.7	Dr. 1.4	2.8	0.4	Nil	2.4	1.1	13.4
4th " "	92.2	65.2	Nil	Nil	4.0	5.0	0.3	17.7
Total whole year, 1929	285.2	65.4	30.0	12.1	7.8	41.5	6.4	122.0
1930—1st quarter	87.7	38.4	14.6	15.9	2.7	1.0	6.7	8.4
2nd " "	81.9	1.6	30.8	18.8	Nil	6.3	2.0	22.4
3rd " "	22.9	3.8	3.0	Nil	0.8	3.0	0.5	11.8

A comparison of the figures in the last three columns for 1928 and for 1930 reveals with great clarity the absence of investment enterprise or of the speculative spirit. The next table carries our analysis of the issues of the nine months into greater detail:—

ANALYSIS OF NEW CAPITAL APPLICATIONS.

Description.	Total First Half-Year, 1930.	Third Quarter, 1930.	Total, Nine Months to September 30,	
			1929.	1930.
British Government Loans	£ 39,960,000	£ 3,830,000	£ 200,000	£ 43,790,000
Colonial Government Loans	27,000,800	294,000	26,366,100	27,294,800
Foreign Government Loans	18,480,000	2,850,000	3,650,000	21,330,000
British Corporation, County and Public Board Loans	32,971,300	Nil	7,826,000	32,971,300
Colonial Corporations and Public Board Loans	1,739,000	Nil	3,859,900	1,739,000
Foreign Corporations	Nil	472,500	Nil	Nil
British railways	4,265,000	4,875,000	1,920,000	9,140,000
Colonial railways	2,512,500	363,100	10,200,000	10,755,000
Foreign railways	2,685,000	825,000	3,835,000	3,510,000
Australasian mines	Nil	257,800	12,000	257,800
South African mines	493,500	Nil	1,811,600	493,500
Other mines	4,316,700	150,800	8,116,000	4,467,500
Exploration, financial and investment trusts	2,593,100	2,634,900	26,689,600	5,228,000
Breweries and distilleries	1,184,000	809,100	3,371,700	1,935,700
Merchants, importers, &c.	Nil	Nil	425,300	Nil
Stores and trading	3,220,300	Nil	3,839,700	3,220,300
Estate and land	397,100	Nil	3,801,900	397,100
Rubber	605,800	487,000	1,750,800	1,092,800
Oil	8,050,000	Nil	4,320,800	8,050,000
Iron, coal, steel and engineering ..	Nil	1,185,100	4,395,800	1,185,100
Electric lighting, power and telegraph ..	1,771,000	1,328,500	11,961,200	3,099,600
Tramways, omnibus, &c.	381,600	Nil	380,700	381,600
Motor traction and manufacturing ..	130,800	975,000	1,356,100	1,105,800
Gas and water	Nil	Nil	3,739,000	Nil
Hotels, theatres and entertainments ..	367,500	Nil	6,987,400	367,500
Patents and proprietary articles ..	Nil	Nil	544,500	Nil
Docks, harbours and shipping	3,023,600	2,067,600	4,691,400	3,023,600
Banks and insurance	13,507,000	46,253,000	15,574,500	15,574,500
Manufacturing and miscellaneous ..	169,655,600	22,933,600	193,057,700	192,589,200

A glance at the latest figures for all the categories which might be described as speculative or semi-speculative serves to enforce the conclusions which we have just drawn. The most significant drop of all will be found in the category "exploration, financial and investment trusts." In our previous quarterly articles the largest issues of the first half of 1930 have been listed. In the September quarter issues of over £1 million were few and far between. Here are the chief:—

Date of Issue.	Name and Description.	Nominal Amount.	Issue Price.	Latest Price.
July 19	Austrian Govt. International Loan, 1930, 7% star. bonds, 1957	£ 3,000,000	95	1½ dis.
12	London Electric Ry., 5% deb. stk., 1985-95	5,000,000	97½	4½ prem.
26	Skoda Works, 6% deb., 1985-95	2,500,000 (a)	95	2 dis.
5	Newcastle-upon-Tyne Electric, 5% deb. stk.	2,300,000 (b)	96	5 prem.
5	South Metropolitan Gas, 5% deb. stk., 1950-60	1,000,000	97½	3½ prem.
Sept. 22	General Electric, 5% deb. stk.	3,500,000 (b)	98	...

(a) £1,189,935 for conversion purposes. (b) For conversion purposes.

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In view of the persistence of economic depression and of the uncertainty produced on the Continent by recent events in Germany, the new capital market has not yet awakened from its slumber, and slack times appear likely to continue.

It should be appreciated that the new capital issues included in our quarterly surveys take no account of Stock Exchange "introductions," an aspect of the capital market which was discussed fully in the *Economist* of July 27, 1929 (page 175). In the following table we show the total amounts involved in these "introductions" during the past seven quarters. "Cash values" are calculated on the assumption that the whole of the nominal value of the stock "introduced" is taken up at the price at which dealings on the Stock Exchange open:—

TOTAL CASH INVOLVED IN ISSUES BY STOCK EXCHANGE INTRODUCTION.

	United Kingdom.	Colonies.	Abroad.	Total.
Year 1929—	£	£	£	£
1st Quarter	15,191,600	393,700	3,094,400	18,679,700
2nd Quarter	9,465,500	1,284,400	2,166,400	12,916,300
3rd Quarter	3,574,700	217,100	5,778,300	9,570,100
4th Quarter	733,400	304,400	1,437,500	2,475,300
Total Year 1929	28,965,200	2,199,600	12,476,600	43,641,400
Year 1930—				
1st Quarter	3,982,300	1,477,000	8,399,900	13,859,200
2nd Quarter	839,600	Nil	2,685,100	3,524,700
3rd Quarter	67,200	100,000	601,500	768,700
Total, Nine Months, 1930	4,889,100	1,577,000	11,686,500	18,152,600

† Nominal amount of capital introduced, £31,519,934.

‡ Nominal amount of capital introduced, £16,467,378.

Fairly active in the first quarter of this year this method of introducing new investments to the British public has dwindled away almost to nothing.

Issues for public information only have been on a very small scale during the past quarter, the total cash involved in such issues of the first nine months of 1930 amounted to £18,152,600, as compared with £41,166,100 recorded in the first nine months of 1929.

THE GROZNY OIL TRUST.

(BY A CORRESPONDENT.)

The Grozny Oil industry has this year celebrated the tenth anniversary of its activity under the Soviet régime. That these ten years have been a period of very successful working is illustrated by the fact that, whereas the annual output before the war was about 1½ million tons, it is expected to amount to some 6 million tons this year.

Before the war Grozny produced 14 per cent. of the total Russian output of mineral oil, but its production has now risen to 36 per cent. of the total, owing to the coming into production in 1913 of an entirely new area, known as the New Grozny Fields. From 1922-23 onwards, the output of the New Grozny Fields has exceeded that of the old fields, and now amounts to about 84 per cent. of the total Grozny output. Further, there have been added to the Grozny Oil Trust the Maikop Fields, which are yielding at present three times as much oil as they did before the war.

The following table shows the total output, spouter production and drilling since 1920. From 1927-28, the figures include the Maikop statistics:—

OUTPUT AND DRILLING OF THE GROZNY TRUST.

Year.	Total Output. Thousand Tons.	Of which from Spouters. Thousand Tons.	Drilling. Metres.
1920-21	1,155	706	1,842
1921-22	1,416	732	3,441
1922-23	1,446	612	16,800
1923-24	1,583	864	40,517
1924-25	1,978	1,231	57,029
1925-26	2,356	1,548	73,309
1926-27	3,022	2,051	102,946
1927-28	3,717	2,654	86,400
1928-29	4,660	3,512	101,400
1929-30 (9 months)	4,426	3,587	90,000

In Grozny, as in all the Russian oil fields, it took about five years after the war for drilling to get thoroughly under way. By 1925-26, the time of the inception of the Soviet selling organisation abroad, very substantial production was attained both at Baku and at Grozny. Owing, however, to the fact that about 80 per cent. of the oil produced by the Trust is from spouters, its output is subject to violent fluctuation. In the old fields, the spouter output fell from 571,000 tons in 1925-26 to about 150,000 tons for the first nine months of this year. It is possible that similar fluctuations may occur at the new fields, but whereas the wells at the old fields give about 75 per cent. of water, the amount of water at the new fields is insignificant and the spouters appear to be well under control.

The number of producing wells has increased from 177 in 1920-21 to 691 in 1928-29, but though there was an increase of 316 wells at the old Grozny fields, their output has fallen to 50 per cent. since 1925-26. There has been less drilling this year than was laid down in the annual schedule; though there has been extensive exploitation drilling in the old fields, practically none of the numerous new fields have been prospected, with the single exception of the tapping of a prolific new pool in the Maikop.

The Grozny refineries are adequate to handle present output. Their condition leaves much to be desired, but new refineries and cracking plant are being built both at Grozny and Tuapse, and a paraffin extracting factory has also been constructed. During the first few years of operation, the amount of petrol and lamp oil extracted from the crude oil was low: the proportions in 1920 were, 5 per cent. petrol, 4 per cent. lamp oil, and 80 per cent. fuel oil. In 1925, the percentages of petrol and kerosene had improved to 14½ and 10.7 per cent. respectively. By 1929-30 the proportions had risen to 19.4 per cent. petrol and 18.5 per cent. lamp oil, while fuel oil constituted only 51 per cent. The production of lubricating oil amounts to less than 2 per cent. The quantity of crude oil treated by the Grozny Oil Trust refineries in various centres during 1929-30 was 4,195,000 tons.

The capital outlay of the Grozny Oil Trust has been very considerable. The main items in its constructive expenditure have been: pipe-line from Grozny to Tuapse, Rs. 28,700,000; refinery and cracking plant at Tuapse,

Rs. 27,200,000; paraffin factory at Grozny, Rs. 5,200,000; refineries and cracking plant at Grozny, Rs. 13,000,000; electric stations, Rs. 3,400,000; and water supply for New Grozny Fields, Rs. 3,500,000. Before the war, there was only one pipe-line from Grozny to the port of Petrovsk on the Caspian Sea; since 1929, a new one has been in operation to Tuapse on the Black Sea. Products from Tuapse amounting to about 1½ million tons annually go to the Ukraine and abroad. Though the demand for petrol in Russia is increasing with the development of transport, it is not yet great, and most of the petrol is exported. The kerosene, on the other hand, probably because the quality is inferior to the Baku product, and not up to foreign government specifications, is all shipped to the Ukraine.

The table below shows the rapid progress made in the export of oil products:—

EXPORTS OF THE GROZNY TRUST OIL.

Year.	Petrol. (Tons.)	Kerosene.	Crude Oil.	Fuel Oil.
1921-22	25,900	...	4,100	...
1922-23	29,600	...	28,000	...
1923-24	119,000	543	71,000	...
1924-25	227,000	113,000	55,000	...
1925-26	285,600	71,700	96,200	...
1926-27	382,000	59,000	112,000	10,000
1927-28	469,600	100,100	143,200	5,200
1928-29	633,600	2,000	157,000	213,400
1929-30 (6 mos.)	353,900	2,500	84,100	163,500

As the table shows, the bulk of the exports consist of petrol. There has been some difficulty in finding a market for the fuel oil owing to its high paraffin content, but in the last two years substantial progress has been made in the disposal of this product.

THE GOLD DELEGATION'S REPORT.

A SUMMARY.

THE Interim Report of the Gold Delegation of the Financial Committee of the League of Nations is concerned with the future of the world's gold supply and with the question "whether the current and prospective production of gold on the one hand and the normal increase in demand as world production and trade increase on the other are such as to make it likely that the general trend of prices over a series of years (and apart from short-term oscillations) will be in an upward or downward direction." The Committee propose to deal, in a later report, with the methods of the distribution of gold, the effect of price fluctuations on general prosperity, the best method of measuring such fluctuations, and with short-term, as distinct from long-term, movements of prices. The following is a summary of their report:—

THE SUPPLY OF GOLD.

(a) *Gold Production.*—The present production of gold in the world amounts to about \$400 million per annum and is likely to rise slightly above that figure during the next three or four years. On the other hand, both the official or semi-official estimates of probable production in the course of the next ten years and the unofficial estimates compiled and submitted by Mr Joseph Kitchin, a recognised authority on precious-metal statistics, suggest that a decline is to be expected thereafter. Forecasts for the next ten years are given in Table I.

TABLE I.—ESTIMATES OF FUTURE PRODUCTION OF GOLD.
(In millions of dollars.)

Year.	South Africa. *	Canada. *	U.S.A. *	Australia. *	India. *	Others.	Total.	Total according to Mr Kitchin.
1930	211.7	40.3	42.8	11.2	7.6	91	405	404
1931	207.3	40.9	42.2	12.4	7.5	91	401	402
1932	213.2	41.5	41.5	12.2	7.4	91	407	410
1933	206.8	42.1	41.0	11.9	7.3	90	399	407
1934	198.1	42.8	40.3	11.7	7.3	90	390	403
1935	189.8	43.4	38.9	11.4	7.2	90	381	398
1936	166.7	44.0	37.3	11.2	7.1	90	356	397
1937	167.4	44.7	36.7	10.9	7.0	90	357	392
1938	167.4	45.3	36.5	10.7	7.0	90	357	384
1939	133.3	45.9	36.3	10.5	6.9	90	323	370
1940	124.1	46.5	36.1	10.2	6.8	90	314	370

* Official or semi-official estimates furnished to the Gold Delegation.

(b) *Monetary Gold Stocks.*—"The gold reserves of banks of issue and Treasuries at the end of 1928 amounted to about \$10,035 million, to which must be added a further sum estimated at about \$915 million representing gold in circulation in a few countries, gold in commercial banks and hoarded coin, &c., outside Asia—a total therefore of \$10,950." The provisional figures to the end of 1929 show a total monetary stock of \$11,175 million. There is no evidence that gold flows to any large extent from non-monetary sources such as private hoards, ornaments, &c., to monetary resources except during times of war. Such accumulations may, therefore, be disregarded.

THE DEMAND FOR GOLD.

(a) *Non-Monetary Demand.*—The trend of gold to India is assumed by the Delegation to be from \$80 to \$90 millions per annum, a rate of consumption rather less than in the last pre-war quinquennium. They observe that attempts are being made to extend banking and investment habits in India, but they do not think it would be safe to anticipate any material reduction in the Indian demand for many years to come. Information as regards industrial use is far from complete, but after studying the evidence available, the Delegation consider that the total may be estimated at from \$180 to \$200 millions per annum, leaving rather more than half of the new production available for monetary purposes.

(b) *The Monetary Demand.*—The Delegation have collected statistical information from the great majority of the gold using countries, from which it appears that the aggregate of note and sight liabilities at the end of 1928 amounted to about \$24,500 million. At the end of this year "the actual gold held amounted on the average to a little over 40 per cent. of these liabilities and minimum legal requirements to from 29.34 per cent. If the actual proportions in which central banks empowered to do so divide their reserves between gold and foreign assets be accepted as normal, then their legal gold requirements, as interpreted in practice, amount on an average to about 32 per cent.

"But banks of issue must normally keep some margin of cover over and above their minimum legal requirements—possibly 7-10 per cent., or even more. If some such margin in excess of legal requirements as that mentioned were actually held by all banks and the distribution of gold in the world was in precise proportion to the notes and sight liabilities of each country, the total gold stock at present available would only just suffice."

The demand for currency depends on the volume of production and trade and the transactions to which such trade gives rise. In the absence of any important changes in currency systems, it may be assumed that future gold requirements will increase in proportion. Various estimates have been made as to the annual growth of the world's trade in past years, a rate of 3 per cent. having been put forward by Professor Cassel and Mr Kitchin. The Delegation do not attempt to decide this difficult question, and consider it wiser not to employ a single figure. They have accordingly framed an estimate on rates of growth of both 2 and 3 per cent. per annum. On this basis they have drawn up Table II., showing the future supplies of gold available for monetary purposes in relation to the increase in demand for gold "in the absence of any measures to economise its use or to redistribute local surplus stocks."

For the purposes of this table the Delegation have used the more optimistic unofficial estimate of Mr Kitchin, instead of the somewhat lower official or semi-official estimates; but on every one of the assumptions made, except the first, the supply of new gold available for monetary purposes will be inadequate in 1934. This first assumption is, however, incompatible with existing currency requirements and practice. "In view of the present decline in prices and monetary circulation and of the business depression through which we are passing, the demand for monetary gold has received a temporary check. It is, moreover, not impossible that industrial consumption may be slightly lower than we have presumed, with the result that more new gold will reach the reserves of central banks. But, in spite of this possibility, the evidence points,

in our opinion, conclusively to the prospect of a serious situation arising as soon as or shortly after business activity revives, unless steps to alleviate it are taken in time. Moreover, unless new and unexpected sources of supply are discovered, the decline in the output of gold is likely to continue at an accelerated rate after 1940, as the South African Mines, which account for over 50 per cent. of present annual production, become gradually exhausted.

Such, roughly, are the general outlines of the situation as we see it to-day in the light of the information available. That situation will, of course, be further aggravated if countries endeavour once more to put gold coin into circulation, or if the tendency, which has been noticeable in certain quarters, to convert foreign asset reserves into gold is accentuated. Moreover, in view of the situation in the silver market, the possibility of China's employing gold by one method or another for currency purposes must be borne in mind. On the other hand, certain countries have a very low gold cover and, if the actual ratios are not increased, an average cover for all countries of under 40 per cent. might prove adequate even under existing legislation."

THE DISTRIBUTION OF GOLD.

The Delegation then proceed to consider the distribution of gold. They point out that fifteen countries hold over 90 per cent. of the gold reserves of the world, and that in these fifteen countries there was, in 1928, a surplus of roughly \$2,450 million over the 33 per cent. cover. Three of the fifteen countries had a deficit of nearly \$300 million, so that the surplus of the remainder amounted to \$2,750 million. Of this latter sum, \$1,500 million were in the United States. The legal minimum requirements of these twelve average about 38 per cent., and if a further 7 per cent. is added for normal use, the surplus totalled nearly \$750 million, or, including gold held by commercial banks in the Argentine and Australia, \$1,000 million. "The general conclusion to which these figures point is that, in the unlikely event of those countries which now hold reserves of less than 33 per cent. remaining content with the ratios existing at the end of 1928, a theoretical surplus exists which about equals the amount of new gold likely to become available for monetary purposes during the next five years." Commenting on these figures, the Delegation remark that "if the distribution of gold is the result of excessive or abnormal competition by a few countries, or if it has the effect of sterilising important amounts of monetary stocks, serious consequences will arise affecting the general level or prices."

In recent years an unusual movement has taken place. France and the United States, for example, in 1929 increased their reserves by some \$540 million, while in the three years ended 1928 ten countries acquired \$1,055 million, or nearly 90 per cent. of the gold mined during that period. "To some extent the acquisition of gold by a relatively small number of countries represented the exceptional movement of gold to reserves which, for one reason or another, had become depleted during or after the war; to some extent it was the inevitable result of the general economic disequilibrium from which the world has been suffering. We cannot shut our eyes to the fact that the question of the most effective distribution of gold is likely to become of steadily increasing importance in future years as the supplies of new gold become smaller. It may, however, be expected that the special causes which have determined the gold movements of the last few years will gradually work themselves out and that the possibility of an optimum distribution being achieved later by means of intelligent co-operation will steadily increase."

REMEDIAL MEASURES.

Clearly, unless certain important changes in general currency practice and legislation as compared with pre-war conditions had been effected, with the result of economising gold, there would have been a serious shortage to-day, and in view of the future shortage indicated in the Delegation's tables, "the probable trend of prices in the future must obviously give rise to some anxiety." The

TABLE II.—ESTIMATE OF FUTURE MONETARY DEMAND FOR GOLD IF NO ECONOMY IN ITS USE IS MADE.
(In millions of dollars.)

Year.	Estimated gold production.	Non-monetary demand.	Available for monetary purposes.	Increments to gold reserves required to provide				Excess or deficit of amount of new monetary gold available compared with increment required to provide			
				33% cover for average increases in notes and sight liabilities of:		40% cover for average increases in notes and sight liabilities of:		33% cover if notes and sight liabilities increase at:		40% cover if notes and sight liabilities increase at:	
				2% p.a.	3% p.a.	2% p.a.	3% p.a.	2% p.a.	3% p.a.	2% p.a.	3% p.a.
1930	404	180	224	167	253	200	303	+ 57	- 29	+ 24	- 79
1931	402	182	220	170	260	204	313	+ 50	- 40	+ 16	- 93
1932	410	184	226	174	269	209	323	+ 52	- 43	+ 17	- 97
1933	407	186	221	178	276	213	332	+ 43	- 55	+ 8	- 111
1934	403	188	215	180	285	217	341	+ 35	- 70	- 2	- 126
1935	398	190	208	184	294	221	352	+ 24	- 86	- 13	- 144
1936	397	192	205	188	302	226	363	+ 17	- 97	- 21	- 158
1937	392	194	198	192	311	230	373	+ 6	- 113	- 32	- 175
1938	384	196	188	196	321	235	385	- 8	- 133	- 47	- 197
1939	370	198	172	200	330	240	396	- 28	- 158	- 68	- 224
1940	370	200	170	204	340	244	408	- 34	- 170	- 74	- 238

Delegation is, however, of opinion that if the need is recognised, "certain remedial measures may be found which may be expected, for at any rate the next decade, to correct the consequences we fear." Of the changes that have already taken place, the replacement of gold by notes for domestic use has in no way weakened the general credit structure, but the concentration of reserves has greatly facilitated the task of those responsible for monetary policy. "It has enabled banks of issue to appreciate from week to week and from month to month the variations which take place in the total demand for currency; in addition, it has helped to substitute savings which fructify for gold in the pockets of the people or for gold in hoards which constitute a direct and useless charge on the community, and it has enabled the world to judge how far the available monetary gold stock and the accessions to it are likely to prove adequate for the needs of the future. We trust that the concentration of monetary gold in the reserves of central banks and its limitation as a means of payment to international transactions may shortly become generalised, and that, in those countries where gold coin is still employed for domestic transactions or lies locked up in the vaults of private banks, measures of reform may be adopted. In this connection, we would remark that there is no essential difference between gold coin and gold certificates. An appreciable economy might be effected if all gold coin, gold holdings against certificates and gold immobilised in commercial banks, were made available to perform what is now generally recognised as its proper function in the currency mechanism of to-day."

The most important suggestion of the Delegation, however, relates to minimum reserve percentages. Countries may require varying proportions according to their economic situation. "But the minimum reserves which are required by law to-day are to a large extent the outcome, not of these considerations, but of past tradition, of convention and habit, of the natural fear which each individual legislature has that a departure from general practice may impair confidence in the currency." Moreover, the legal minimum cover is not in general used, its main function being "to establish confidence, active operations being conducted, not with this minimum, but with the additional margin which is held in gold or assets immediately convertible into gold. The minimum is largely conventional, and a considerable economy could quite certainly be accomplished were the current accepted minima reduced. We believe that this could be done without in any way weakening the general credit structure." If a single country, however, were to act alone it would weaken confidence in its currency and most countries would demand that an international understanding should first be reached. The Delegation does not think the difficulties of reaching agreement should prove insuperable. Universal agreement would not at first be required, but if the countries with the largest reserves adopted an agreed policy, others would almost certainly follow their example. The Delegation, of course, presumes that if such action were taken the central banks would reduce the proportion actually held; otherwise the agreement would be abortive.

Other suggestions are concerned with the increased use of cheques, post-office banking facilities, giro transfers, clearings, etc., and the replacement of bank notes of small denomination which require gold cover by token coins which do not.

Care, however, should be taken to see that such measures are not taken in advance of actual needs and that a credit structure should not be built on the gold so economised in excess of the normal growth of production and trade.

Referring to the economies of gold resulting from the adoption of the gold exchange system, the Delegation observe that it would be helpful if countries which have not yet stabilised their currencies, or were considering the desirability of modifying their currency, would adopt a similar system.

Finally, attention is drawn to the danger of the consequence that might result if countries on this standard were to convert their foreign assets into gold. "We are aware that the extension of the gold exchange system has been criticised in certain quarters on the grounds that it may involve, if improperly applied, a risk of inflation. But we believe that this danger would be largely obviated if reserves of foreign assets were as a rule concentrated in central banks." Confidence in these foreign assets would be strengthened if by international agreement such reserves were immune from seizure or confiscation in time of war.

Further consideration is to be given to remedial measures at subsequent meetings.

The Delegation responsible for the report, which is forwarded without any dissenting minute, is composed as follows:—M. Albert Janssen (Chairman), Professor at the University of Louvain, formerly Minister of Finance, formerly Director of the National Bank of Belgium; Professor M. J. Bonn, of the University of Berlin; Professor Gustav Cassel, of the University of Stockholm; Comte de Chalendar, Managing Director of the "Compagnie d'Assurances Générales sur la Vie," formerly Financial Attaché to the French Embassy in London, formerly Inspector of Finance; Sir Reginald Mant, K.C.I.E., C.S.I., Member of the Council of India, Member of the Royal Commission on Indian Currency and Finance, 1925-26 Dr. Feliks Mlynarski, Professor of Banking at the Academy of Commerce in Warsaw, formerly Vice-Governor of the Bank of Poland; Dr. Vilem Pospisil, Governor of the National Bank of Czechoslovakia; Professor O. M. W. Sprague, of the Bank of

England, formerly Converse Professor of Banking and Finance at the Graduate School of Business Administration, Harvard University; Sir Henry Strakosch, G.B.E., Chairman and Managing Director of the Union Corporation, Ltd., London; Dr. L. J. A. Trip, formerly Governor of the Java Bank, formerly Treasurer-General of the Netherlands. Resigned before the second session: Professor Alberto Beneduce, President of the Credit Institute for Public Works, Rome. To succeed Professor Sprague after the second session: Mr George E. Roberts, Vice-President of the National City Bank of New York.

In presenting the report to the Council, the Financial Committee commends it to the serious attention of the authorities responsible for the monetary systems of the various countries and proposes that it should be communicated to all members of the League as well as to non-member States. This recommendation has been accepted by the Council.

Notes of the Week.

New Moves in the Tariff Campaign.—Although the Cabinet has held several meetings, no news is forthcoming of the result of the Labour-Liberal conferences on unemployment remedies, and no light on the subject could be gleaned from Mr Lloyd George's week-end speech at Stowmarket, when he contented himself with saying that the Government's prestige was depreciating, but that he would support "any Government that deals wisely, firmly, and promptly with the trade and unemployment situation." More interest attaches to two new moves from various quarters of the tariff camp. Mr Neville Chamberlain's speech at the Crystal Palace, on September 20th, is notable, because, speaking with authority as the Chairman of the Conservative Central Organisation, he carried Conservative fiscal policy a stage further than Mr Baldwin has ever ventured. "Safeguarding" is nominally the official Conservative policy, but, according to Mr Chamberlain, it will, if his party returns to power, be something much more far-reaching and rapid than any interpretation which has hitherto been attached to that phrase. We put his actual words on record:—

It cannot be too clearly understood that it is not our intention to repeat that cumbrous, slow, and partial procedure which we adopted in the experimental stage. The new Government of Canada has brought in an emergency tariff, which is a tariff of a provisional character. Why should not we take a leaf out of the Canadian book? It is all in the family. Why should not we, in the first few months of our office, bring in an emergency tariff? It may be, perhaps, somewhat of a rough-and-ready kind, but it will give our home manufacturers a breathing space.

In other words, unless Mr Baldwin disowns his chief lieutenant, the official Opposition policy has become a lightning general tariff, thrust upon the country in "rough and ready" form, which is a euphemistic way of saying "unconsidered and haphazard." Political recklessness could hardly go further, and we do not believe that the country would give a blank cheque of so fateful a nature to any political party. Perhaps Mr Chamberlain was encouraged to make this strange pronouncement by the appearance, on Friday of last week, of a manifesto signed by a group of prominent industrialists, headed by Sir W. R. Morris. The avowed object of the manifesto was to call for the formation of a National Council of Industry and Commerce, with the object of "restoring prosperity to the country and insuring employment to its people"—a laudable object which all men of goodwill are endeavouring in their own ways to promote. But since the manifesto states that the council's object will be "to secure the adoption of proper measures for protecting the home market," we take it that the promoters of this movement are principally concerned with throwing their weight into the protectionist campaign.

Native Policy in Africa.—On Wednesday, September 17th, at the annual congress of the Transvaal Nationalist Party, Mr Piet Grobler, the Minister of Lands, made an uncompromising attack on the native policy in Africa which has been pursued by His Majesty's Government at Westminster continuously under alternating party administrations, and has found its most recent expression in the present Ministry's "Memorandum on Native Policy in East Africa." It is not surprising that a South African Nationalist politician should declare the Westminster policy unsuitable for South Africa, and proclaim his preference for his own party's policy of "segregating" the natives and safeguarding "the natural superiority" of the Whites. The remarkable features in Mr Grobler's speech was his contention that this latter policy could not be pursued successfully within the borders of the Union if the Westminster policy was being pursued in African territories further north, and his demand that, in these non-Union territories, native policy should be brought into line with the policy which the South African Nationalist Party is pursuing at home. "We expect," he said, "a readier acceptance of our ideals in British territories north of the Zambesi. The Union cannot passively acquiesce in the enforcement of conceptions and principles on Europeans in the north, who have their own white man's future, which are not in accordance with our mutual European ideals. We deny that any European nation, England included, has the right to act anywhere in South Africa in conflict with our ideals." The first thing that we discern here is a gesture of response to certain overtures which have been made latterly from the side of the white communities in Southern Rhodesia and Kenya. "Let us drop," they are saying to one another, "the old feud between Dutch and English. It is out of date, and we can no longer afford to indulge in it. The real division of camps to-day is between all white people permanently domiciled in any part of Africa on the one side and the natives, backed by Downing Street, on the other side." On this basis, the Union of South Africa may aspire to expand over a continent from Table Mountain to Kenya, as the United States expanded from the Atlantic to the Pacific. But the aspiration is dictated by a nervous sense of insecurity as well as by a healthy ambition. It curiously recalls the anxiety of the Southern States of the American Union, in the generation before the Civil War, to fortify their "domestic institution" by extending it over an ever-increasing area. In America, the Southerners and Northerners both believed, and rightly, that two conflicting systems of relations between Whites and Blacks could not permanently subsist side by side on the same continent. *Mutatis mutandis*, the same truth probably holds good in Africa. So far, we can agree with Mr Grobler. Beyond that, we must agree with the verdict of history—pronounced last century in the New World—that, if one of the two systems has to disappear, it is the less liberal and not the more liberal system that is doomed.

The "Goeben" Again.—The name "Goeben" recalls unpleasant memories of suspense during the early months of the war. Would she reach the Dardanelles? And, when she did reach them, would she bring Turkey into the war? Both questions were answered in the affirmative, with the result that the war was greatly extended in area and prolonged in duration. Thus we cannot read without a twinge of disquiet the news that last month the "Goeben"—reconditioned at last—underwent speed trials and gunnery tests in the Sea of Marmara. And we take no comfort in her change of nationality and name. Whether as the German "Goeben" or as the Turkish "Yamuz Selim," this dreadnought is a bird of ill omen; and her reappearance has already evoked answering gestures in neighbouring countries. For instance, early in the year, when the reconditioning of the "Goeben" was already in progress, two dreadnoughts of the Soviet Baltic Fleet—the "Pariskeya-Kommuna" and the "Profintern"—came round to the Mediterranean and passed through the Straits into the Black Sea on a visit to their sisters of

the Soviet Black Sea Fleet; and this visit has not yet come to an end. In this there is nothing "incorrect"; for the U.S.S.R. is not bound by any international agreement for the limitation of armaments, and is entitled to keep as large a fleet in the Black Sea as it chooses. Nor again (it appears) were these two Soviet vessels bound to notify their intention to pass through the Straits to the Straits Commission which was established by the Peace Treaty of Lausanne. This obligation only applies to warships belonging to States that possess no sea-boards of their own on the Black Sea. The riparian States may send their warships in and out of the Straits at will and without notice. All the same, this recent increase in the local naval strength of two of the Black Sea Powers is unfortunate, because it looks like the first step towards naval competition and because this incipient naval rivalry is already threatening to spread. There is now talk of Roumania constructing, at great expense, a naval base at Costanza—a proceeding which would be as wanton as the construction of a Polish naval base on the coastline of the "Corridor." If all this were happening in some region remote from the centres of international tension, it would be of no more concern than the spasmodic naval rivalry between the "A.B.C." States of Latin America. Unfortunately, the Black Sea adjoins some of the principal danger-zones of Europe, and local naval competition in the Black Sea would readily link itself up with the general European system of tension. The Lausanne Treaty allows non-Black Sea Powers to send naval forces into the Black Sea up to a strength as great as that of the strongest Black Sea Power at any given moment. It will be seen that any increase of strength among the Black Sea Powers themselves is to be deplored.

Poland and Her Minorities—A Correction.—With reference to the note published under this heading in our issue of September 20th, we are informed by the Polish Press Bureau that the Polish Ambassador has written to the *Manchester Guardian* stating that, after making inquiries on the spot, he is authorised to make a complete and unqualified denial of the authenticity of the alleged official document relating to the Polish Agrarian Law. As the chief purpose of our note was to urge that the authenticity of the document must be either disproved or proved, we are glad to publish this *démenti*.

The French Rentes Problem.—The news emerged this week that a British official note had been received by the French Government on the question of the French rentes issued in London under the auspices of the Bank of England during the war, at the time when the franc was worth practically its old par value of Frs. 25.22 to the pound. The effect of the depreciation of the franc, followed by its stabilisation at the present parity of Frs. 124.21, has meant that these rentes have lost four-fifths of their original sterling value, and it is not surprising that British holders have for long been under a sense of grievance. On purely legal grounds it was difficult to see that the complainants had a case, but on moral grounds they always had strong arguments on their side. Recently the French Government obtained from the International Court at the Hague a judgment in its favour in respect of certain Brazilian and Serbian bonds which were issued in Paris and which subsequently depreciated in exactly the same way, and though from the legal standpoint the parallel was not exact, the British Government apparently thought that the circumstances justified the despatch of a friendly note. The terms of the note have not been officially announced, but it apparently suggests that the question should be referred to arbitration at the Hague. It also appears that the note was actually despatched several months ago, and that it is only now that even an unofficial announcement of its existence has been made. This delay is not without its practical significance, for it is believed that comparatively few of the rentes around which the controversy rages are still held in this country. If this belief has any foundation, the controversy has assumed a mainly academic character.

Bankers' Payments.—A general announcement was made this week concerning a new scheme designed to save business houses and others who have a large number of payments to make at any particular time the trouble of drawing a separate cheque for each payment. It is believed that the scheme has been drawn up by a Committee appointed by the British Bankers' Association, and, in any case, it must be regarded as being still in the experimental stage. Briefly, what is proposed is that a customer making use of the plan shall hand into his bank a list in duplicate giving the names of the intended recipients of the payments, the banks where they keep their accounts and the sum due to each. He must also hand in a separate credit slip, containing the same details as above, for each transaction, and finally a cheque payable to his bank for the total sum involved. The banks will then proceed to distribute this sum to the credit of the recipients' accounts, wherever they may bank, through their usual machinery. At first sight the clerical labour in which the customer is involved in preparing his lists and credit slips may seem to outweigh the possible advantages of the scheme. It is doubtful, however, if any more labour is involved than is required to-day to fill in a separate cheque with its counterfoil for each payment, especially as the banks will probably accept a carbon copy for the second of the two lists required. It is understood that the banks may make a charge for these new facilities, but against this must be set one of the most important features of the whole plan, namely the economy in cheque stamps which those using it will be able to make. Statements in the public Press suggest semi-officially that the whole plan is perfectly legal, and we see no reason to differ from that view. If so, the Inland Revenue stands to lose an appreciable proportion of the present yield from cheque stamps, and it will be interesting to see if any counter-action is taken in next year's Finance Bill. At present it looks as if the joint-stock banks are successfully devising a new system, which will be for them a new source of revenue, and for their customers a slight saving of trouble and money—all at the expense of the national revenue.

Russia and the Wheat Trade.—A trade prepared for "corners" and not unaccustomed to formidable "bear raids" has none the less been startled and even disconcerted by the Russian Government's appearance on the wheat market as a considerable seller for September and October delivery. The Russian wheat exports in the four years before the war were rather over fifteen million quarters per annum. For September they were 2,916,000 quarters in 1910, 917,000 in 1911, 1,078,000 in 1912 and 1,792,000 in 1913. For September they are this year about a million quarters, and as much is said to have been sold forward for October. A grain market correspondent writes: This sudden reversion to pre-war conditions excites surprise, since post-war Russia has been no more than self-supporting, and 1930 has seen the reaping of no more than an average crop. These exports probably represent a mortgaging of the future, since Russia may have to buy in the spring up to the level of autumn sales. But the position of the Russian Government is not easy, and geographical considerations may be assumed to have had weight. The great rivers flow south to the ports of the Azoff and Black Sea, whence grain is easily shipped at a low freight. Down these rivers come the wheat-laden barges at river freights, which are but one-third of railway charges. Even if Russia did not export, the wheat grown south of about the 55th parallel would require later in the cereal year to be sent north to that half of the country which is never self-supporting. Rolling stock and engines, trucks and rails were severely taxed in pre-war days. Neglect, not yet made good, may easily have rendered the replenishment of Northern Russia by Southern Russia and the black-soil wheat region no longer practicable except by sea, in which case imports of breadstuffs in May, June and July into Leningrad and the East Baltic would be the one available course to pursue. Moreover, the wheat trade regards, say, £2,400,000 in gold in the autumn as a powerful inducement to a government situated as is that of Russia to-day. The estimate of £2,400,000 is American.

Wheat there now averaged four shillings per bushel, but there is an import duty of one shilling per bushel, and thus Russia, selling two million quarters of wheat to America would only obtain 24s. per quarter, or 8s. per bushel, net. With respect to consignments to the British Isles, the fact that the British loaf is a blend has to be considered. The miller needs 15 per cent. of home-grown soft and mild wheat and 15 per cent. (or more) of Canadian hard and strong wheat. These sorts he will buy before he turns to the remaining 70 per cent., out of whose acquisition he undoubtedly looks for the most part to making his profit. It is on the consignments of American red winter, of Argentine tawny, and in a lesser degree on those of Australian white wheat that the Russian wheat would, and, indeed, is already found to be "invasive." The chartering of 170 vessels by the Russian Government has excited disproportionate attention. It is already very largely forgotten how many vessels were from 1910 to 1913 inclusive ordinarily chartered to bring Russian wheat in September and October. In September and October, 1910, over 300 were taken up for wheat alone.

The Price of Petrol.—The cut of 2d. per gallon in the price of petrol, and ½d. per gallon in the price of kerosene, which was announced by the national distributors on Tuesday, was as welcome as it was unexpected by the British motorist. The petrol cut was the reply of the big combines in this country to the situation which has developed in the United States. The export prices of petrol and other refined products at American ports have hitherto been fixed by the American Oil Exporters Association. In February this year the association reduced the export price of the U.S. "Motor" grade of petrol from 8½ cents to 8 cents per U.S. gallon, but thereafter continued to ignore the downward trend of petrol prices in the domestic market. From 7 cents per U.S. gallon, at the beginning of this year, the domestic price of U.S. "Motor" grade of petrol had fallen to 5½ cents by the end of July, and has only recently recovered—for no obvious reason—to 6½ cents per gallon. It has been apparent for some time that the American Oil Exporters Association was in danger of breaking up. It has been guilty of the same mistaken policy as the Copper Exporters Inc. It has held on too long to artificially high prices in the face of excessive stocks of the commodity. The statistical position of petrol is not so bad as that of copper; up to the end of July petrol consumption had shown an increase of 7.6 per cent. over that of the corresponding period of 1929; and stocks had declined from approximately 55 million barrels, at the end of March, to 37,832,000 by September 13th. These stocks, however, were still excessive for the time of year when petrol consumption is at its maximum. A year ago stocks were only 31,714,000 barrels. The result has been a good deal of price cutting in the retail petrol markets. In spite of the settlement of the price war in California, some months ago, the Sinclair Oil and Texas Oil have been pursuing a policy of cut-throat competition. Rather than confess its failure to agree upon reduced export prices, the American Oil Exporters Association decided last week to go into liquidation for 120 days, allowing each member complete freedom of action in the fixing of export prices during this period. This strange decision leaves importers in the European markets free to import cargoes of petrol at cut rates. The petrol trade in Great Britain has already been invaded by the Texas Company, which has threatened to take business from the national distributors by wholesale price-cutting. It was to protect their market against a flood of cheap American petrol that the national distributors agreed to reduce their prices by 2d. per gallon this week. Whether the last has been heard of the petrol war remains to be seen. Recent changes in the price of petrol in the London and Home Counties area were as follows:—September 23, 1930, a fall of 2d. to 1s. 5d.; March 6th, 1929, a rise of 2½d. to 1s. 7d.; April 28, 1928, a rise of 4½d. to 1s. 4½d. (to cover 4d. petrol tax); April 1, 1928, a fall of 1d. to 1s. 0½d. On an estimated yearly consumption of petrol in this country of 1,000 million gallons, 2d. per gallon will save the British consumer over £8 million.

A Retail Trade Index.—Attention has frequently been called to the gap in the statistical equipment of this country left by the lack of any index of the volume of retail trade. The Bank of England, in collaboration with the Incorporated Association of Retail Distributors, is now engaged in making good that deficiency. At present only a small number of stores have agreed to report, but it is hoped to increase the number by next month. Until the reports have been collected for a sufficient time to constitute a base period, the results cannot be converted into an index, but can only be expressed as a percentage of the corresponding month of the preceding year. Even with these limitations, however, the data are a very useful indication of the trend of retail trade, and the new index will form a most valuable addition to our sources of economic knowledge. The full return, which is published in this week's *Board of Trade Journal*, shows Scotland, the North, the South, West London and the London suburbs separately:—

RETAIL TRADE RETURN, DEPARTMENT STORES.

AUGUST, 1930.

(25 working days as compared with 26 in 1929.)

	Sales (at selling).		Stock at end of month (at cost).	
	No. of Stores re- porting.	Percentage change compared with August, 1929.	No. of Stores re- porting.	Percentage change compared with August, 1929.
Piece-goods	51	- 9.3	48	- 5.6
Women's wear	58	- 8.2	51	- 4.8
Men's and boys' wear	45	- 7.2	41	- 0.1
Boots and shoes	49	- 2.6	45	- 3.5
Furniture	49	- 7.5	44	- 3.7
Hardware	41	- 5.6	38	+ 2.0
Fancy departments	49	- 7.9	45	+ 5.5
Sports and travelling	38	-11.2	34	+ 5.9
Food and perishables	43	- 5.8	36	+ 0.4
Miscellaneous	30	-10.7	25	-17.5
Total	86	- 7.1	74	- 3.4

Only five Scottish stores reported in all, and not more than four in any one class. On these grounds, perhaps, the fact that rather substantial increases occurred there under certain heads, notably boots and shoes, children's wear, furniture and hardware, should be discounted, for only four increases occurred in any items in the other four districts, and of these only two were substantial—a rise of 10 per cent. in music sales and one of 7.9 per cent. in miscellaneous sales, in suburban London. By far the heaviest falls in the North were in boys' wear and miscellaneous items, and in suburban London men's and boys' wear and women's "fashion departments" recorded the heaviest declines in turnover. In the West End the decline was more nearly uniform, and is attributed partly to the extreme heat at the end of the month. In an explanatory note the compilers of the index state that, though the value of the turnover was less, the number of transactions was greater than in August, 1929. Some part of the decline in value is obviously due to the fall in retail prices during the past year, this is one more illustration of the urgent need for a representative index of retail prices. The existence of such an index would still further increase the value of these very welcome compilations of retail trade turnover.

Minimum Coal Prices.—A correspondent writes:—The Mines Department of the Board of Trade, in its administrative capacity, has addressed to the Mining Association of Great Britain, an important direction concerning the fixing of minimum prices under Part I of the Coal Mines Act, 1930, relating to the marketing of coal. The statutory obligation to fix minimum prices is placed by that Act on the District Executive Boards. Among the points which have been raised in the districts during the preparation of their schemes are: (a) Does the obligation to prepare a scheme involving, *inter alia*, the fixation of prices, render it necessary for the Executive Board to fix minimum prices for every class of coal produced in the district? (b) Is it competent for an Executive Board to fix minimum prices for a class of coal according to its



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destination? There is, naturally, a great deal of uncertainty as to how far a system of minimum prices will disturb the existing distribution of business in the inland and export trades, and both in their individual capacities in their respective districts, and in their collective capacity in relation to other districts, colliery owners desire as far as practicable to protect their present trade associations. The Mines Department of the Board of Trade has had its attention officially drawn to the above two points, and it has given, on the advice of the law officers of the Crown, a definite direction on both. In regard to the first point the Mines Department has expressed the view that a minimum price must be fixed for every class of coal produced in the district. On the second point the Mines Department state that they are satisfied that the Act does not make provision for fixing different minimum prices for one class of coal, having regard to its destination. Under Section 18 of the Act the following interpretation is given to the word "class":—

"Class" in relation to coal, means a class determined according to the nature of the coal or of the trade, industry, or other category of consumer supplied, or according to whether it is supplied for use in Great Britain or for export to any other country.

It is agreed that, under the Act, price differentiation in the home market is permissible, but the point is emphasised by the Mines Department that it is not possible in Great Britain to have a class of coal according to the destination to which it is going, and that the words "other category of consumer supplied" must be *ejusdem generis* with the words "industry and trade," and would not include a category governed by the destination of the coal. It is also emphasised that, under the Act, the only class which is determined by destination is that where coal is supplied for use in Great Britain or for export, and the Department is advised that it would not be legal to determine a "class" geographically in any other way.

Low Cotton Price Level.—This week, writes our Manchester correspondent, a fresh low price level has been established for American cotton in this industry, as on Wednesday last the quotation for Middling qualities on the spot in Liverpool was 5.98d. per lb., this being the lowest price for over fifteen years back. The recent downward movement has been due to hedge selling and less favourable advices generally from the United States with regard to finance and the stock markets. A strong bearish factor at the present time is the poor consumption. So far this season the forwardings to mills of the world are only 929,000 bales, against 1,349,000 bales last year, and 1,576,000 bales in 1928. On Tuesday last the United States Government announced that up to the middle of September 3,730,000 bales had been ginned, as compared with 3,352,000 bales in the corresponding time last year. The total announced was rather less than expected, as some private firms anticipated a return of over 4,000,000 bales. Despite the low prices ruling there is nervousness in trade circles as to a further decline. In view of values for other commodities, compared with pre-war rates, it looks as though there is room for a still lower level.

M. Moreau's Resignation.—On Wednesday it was announced in the Paris Press that M. Moreau was resigning his governorship of the Banque de France and was about to become a vice-president of one of the leading Paris banks. It is believed that the bank he is about to join is the Banque de Paris. M. Moreau has held his governorship since 1926, when he succeeded M. Robineau, and his term of office has thus covered a very important period in French financial history. It included the stabilisation of the franc, the rehabilitation of the national finances, the inauguration of the Young Plan, and the foundation of the Bank for International Settlements. In all these M. Moreau played a prominent part, for to mention but one of his important activities, he was the leading French representative upon the Young Committee. M. Moreau has lately had to concern himself with the problems attendant upon the heavy influx of gold into France. It is generally understood that he never welcomed these gold arrivals, and, indeed, he has lately interested himself in the development of the Paris discount market and in other proposals designed to impart greater elasticity to the French monetary system and so to minimise the importation of gold. This work must now be left to his successor, whose name has still to be announced. Meanwhile, it is right to place upon record the fact that M. Moreau has served France well in a critical period of her history.

Incorporated Accountants and Company Abuses.—In his Presidential Address to the Incorporated Accountants' Conference in Sheffield this week, Mr Henry Morgan quoted some very disquieting figures in illustration of his contention that much remains to be done to put shareholders legally in possession of the powers which the law evidently means them to possess. He stated that in the last six months of 1928 the prospectuses of 58 companies, formed for the purpose of establishing new businesses or developing new inventions or processes, were advertised in *The Times*. Their issued capital amounted to £15,117,000, and the estimated profits of 52 of them to £5,219,000. According to the latest available information, 27 of these companies are already in liquidation, 14 under compulsory orders; only five earned profits, which amounted to less than £48,000, compared with prospectus estimates of over £214,000, and only one has paid a dividend. The losses of 31 of these companies aggregated £690,000, as compared with prospectus profits estimated at £3,178,000. The value of the shares of those of the companies which are still quoted is under £750,000, so that some 95 per cent. of the capital has been lost, not allowing for the further loss to shareholders in the shape of heavy premiums. Mr Morgan expressed the opinion that if the Companies Committee could have had this experience before them, the new Companies Act would have been more stringent. His own proposal for remedying those abuses which result from the lack of control of shareholders over the affairs of their companies, is the institution of a right of voting by post on all resolutions to be brought before company meetings. While this might be effective in remedying certain classes of abuse, it is difficult to see that the existence of such a right would have done very much to protect the public against the disastrous losses which, as previous analyses in the *Economist* have shown, were incurred as a result of the unfortunate flotations of the 1928 "boomlet."

Conditions in the Catering Trade.—Following representations made to the Minister of Labour that the conditions prevailing in the catering trade were such as to warrant the application of the Trade Boards Act, inquiries were instituted in 1929 as regards licensed and non-licensed hotels, public houses, licensed restaurants and proprietary clubs, with a view to obtaining particulars as to remuneration, hours of employment, and the degree of industrial organisation among the workers. As an investigation had already been made in 1925 in the light refreshment and dining-room (non-licensed) branch of the

trade, only such further inquiry was necessary in that connection as would provide an indication of the extent to which conditions had changed since 1925. In view of the large number of catering establishments, it was decided that the inquiries should be by way of sample, covering a sufficient number of establishments distributed over towns of varying size and character and in different areas, to ensure that the information obtained should be representative of conditions in the trade as a whole. The data collected has now been published in a Blue Book*, from which it appears that the number of workers covered by the returns received totalled 31,566, of whom 16,604 were males. The task of assessing their remuneration was rendered more difficult by the fact that allowances had to be made in some cases for board and lodging, tips, uniforms, free laundering and free beer, the amounts included in the statistics being based mainly on the employers' statements. When all allowances were made, however, it was found that the number of male workers earning under forty shillings varied from 45.8 per cent. in public houses, inns, etc., to 3.3 per cent. in the larger licensed hotels, while the number of female workers earning under twenty-five shillings varied from 41.0 per cent. in public houses to 0.8 per cent. in licensed hotels. Of the 45.8 per cent. of men whose total remuneration was under 40s. in public houses, 42.4 per cent. were employed for less than 30 hours per week, while of the 41.0 per cent. of females earning less than twenty-five shillings per week, 37.9 per cent. were working less than 30 hours per week. The medium wage for adult males varied from 55s. to 76s. 6d., according to class, and for adult females from 39s. to 52s. 6d. In each section of the trade there was a wide variation in hours of duty. At the larger licensed hotels nearly 15 per cent. of the employees covered by the returns were working a week of 48 hours or less, whilst 36 per cent. were on duty for sixty hours or more. The report indicates that organisation among workers employed in the catering trade is weak, less than five per cent. of the whole being members of trade unions. As concerns the light refreshment branch of the trade, the results of the inquiry indicate that at establishments other than those of the large "multiple" firms the general level of remuneration in 1929 was slightly lower than in 1925 among adult men and among many of the waitresses, and that the weekly hours of duty were, on the whole, slightly longer at the later date. At the large "multiple" firms, however, total remuneration increased between 1925 and 1929, whilst hours of duty remained generally unchanged.

New Form of Life Assurance.—Much interest has been aroused by a scheme just announced by the National Mutual Life Assurance Society for attracting the public to a new form of life assurance. In effect the society is prepared to issue policies payable not in sterling, but in 5 per cent. Conversion Loan. Immediately upon issue the policy will give rights over a specified amount of the stock to the policy-holder at the end of fourteen years, or to his representatives in the event of his previous death. The cost is defrayed by periodical payments over the fourteen years, and these payments may be made annually, half-yearly, quarterly or monthly. In the event of death during the term, no further payments are required, and the stock is handed over to the policy-holder's representative, whatever its then market value may be. The scheme has therefore the advantage of providing at death, or maturity in fourteen years, an attractive gilt-edged investment without trouble or expense. Moreover the policy-holder is secured against the anxiety that on his death the proceeds of his policies may be either dissipated or invested in an unwise fashion. This is a very real advantage in thousands of cases where the executors have no knowledge or experience of investment and finance. The policies are entitled to the usual income-tax rebate, and in fact are ordinary endowment assurances for a term of fourteen years with the exception, already stated, that the proceeds are payable not in cash but in 5 per cent. Conversion Loan. As to the cost, at age 35, for instance,

* Report on an Inquiry into Remuneration, Hours of Employment, etc., in the Catering Trade in 1929.

a policy for £1,000 5 per cent. Conversion Loan could be secured for an annual payment for the fourteen years of £62 7s. 6d. without allowing for income tax rebate. Since these rates of premium are based on a sum assured of £1,000, and not on the present price of £1,000 stock, it is obvious that the policy-holder is offered an immediate and tangible free benefit. The present price of 5 per cent. Conversion Loan is over 105, so that at this price there is a free benefit of £50 per £1,000 stock. If the price rises to 110, the free benefit becomes £100 per £1,000 stock. On the other hand, since 5 per cent. Conversion Loan is redeemable at par after 1944 and before 1964, it is probable that the price at maturity in 1944 will more nearly approximate to par. And yet, 5 per cent. War Loan, of which it is true there is a much larger amount outstanding, is standing at 103½, although it may now be redeemed at par at any time and must be redeemed by 1947—three years after the first redemption date of 5 per cent. Conversion Loan. It may be thought that if an office is prepared to issue a policy payable in 5 per cent. Conversion Loan, it would do so in some other security—in 4 per cent. Consols, in L.C.C. 4½ per cent. Stock, or in ordinary shares such as 100 Courtaulds, 500 Dunlops or 500 United Molasses. On reflection, however, it will be seen that a general extension of the principle would, in existing circumstances at any rate, be impracticable. Life assurance is designed to guard against the financial consequences of premature death. The premiums are calculated, and are payable in sterling, and the policy moneys are in the same currency. It would obviously be impracticable for an office to receive payment of premiums in sterling, and to undertake to hand over at an unknown date in the future the equivalent in Stock Exchange securities. The mortality risks of a large number of lives brought into combination are susceptible to actuarial calculation, but fluctuations in the future prices of Stock Exchange securities are obviously not only unknown but unforeseeable. Moreover, the office would be unable to protect itself against these fluctuations by buying at the outset the whole amount of the security for which it would be ultimately liable, since it receives at the outset only one premium. The society has chosen the psychological moment for launching its scheme, for "safety first" as an investment slogan must have gained many thousands of new adherents as a result of recent experiences in equity stocks.

Car and General Insurance Corporation, Ltd.—The Car and General is particularly associated with motor insurance, in which it occupies a very prominent position and from which nearly 80 per cent. of its total premium income is drawn. Last year, out of total premiums of £1,086,942, the company earned a gross underwriting profit of £47,822, compared with a gross profit in 1928 of £21,378 on total premiums of £1,160,870. It is not possible to say precisely which department has been responsible for the improvement, because the accounts are presented in a different form, but since the motor department has itself produced a profit of £30,446 on premiums of £865,000, it is probable that the greater part of it is attributable to this department. Allowing for miscellaneous items charged to profit and loss account, the total net trading surplus for the year works out at £41,052, compared with £9,504 in 1928. The net interest earnings have contributed £38,876, compared with £42,881. The company enjoys the advantages of having a very small capitalisation, the total amount paid up being only £51,436, this amount consisting as to £25,000 of 5 per cent. preference shares of £1 and, as to the balance, of £1 ordinary shares with 5s. paid up. Thus the rate of dividend is naturally very high, and for 1929 it has been increased to 200 per cent., against 140 per cent. in 1928, the larger amount absorbing £42,298. Since the capital of the company is held by the Royal Exchange, the increased dividend payment will help to swell the 1930 interest earnings of the parent company. It is satisfactory to note that on this occasion separate revenue accounts are furnished for the operations of each department.

Universal Automobile Insurance Company.—The Universal Automobile was founded in 1908, is worked on non-tariff lines, and nearly the whole of its business is derived from motor insurance. Last year's premium income was £94,230, compared with £86,593 in 1928, and whereas there was a small profit of £190 in 1928, last year there was a heavy loss of £4,987, increased by income tax, etc., to a total net loss on the year of £6,659, compared with a loss of £1,633 a year ago. The dividend has been maintained at 12 per cent., and the cost, namely £2,400, is well within interest earnings of £3,885. We are glad to see that the company has taken the opportunity to strengthen the underwriting fund from 33½ per cent. to the more normal proportion of 40 per cent. of the premiums. The desirability of taking this step was pointed out in a previous review of this company's accounts. As a result of the year's operations the company's surplus assets have been decreased by a sum of £5,174, but the credit balance of profit and loss account has been reduced only from £8,778 to £5,831. This has been achieved by the use of £10,000 from the general reserve fund of £15,000, a part of which has been needed for the strengthening of the underwriting account, while the remainder has been transferred to profit and loss account.

The British Association.—On the occasion of the Centenary of its foundation, which will be celebrated in London in 1931 (September 23-30), the British Association aims at raising a fund which not only will cover all necessary and desirable expenditure in connection with the Centenary Meeting, but also will assure for the future an adequate financial basis upon which to develop its approved activities. The total sum which is the Association's objective is £40,000. Contributions may be addressed to, and will be gratefully acknowledged by, the General Treasurer, British Association, Burlington House, London, W.1.

Overseas Correspondence.

LEAGUE OF NATIONS.

Disarmament — Economic Situation — Warsaw
Resolutions — New Council — European Union.
(FROM OUR CORRESPONDENT.)

GENEVA, September 22.

THERE seems little evidence so far that the plain speaking in the general debate of the League Assembly will lead to vigorous action. The committees have not yet arrived at the point in their agenda which deals directly with disarmament, and on this subject not much more can be expected than an effort to put more drive into the deliberations of the Preparatory Commission, which is to meet in November. There are no new encouraging signs as yet, however, and the German election results will be a welcome argument in the hands of those who are reluctant to do anything appreciable. What is useful is that the Italians—whatever view may be taken of motives—lose no opportunity of backing every reference, direct or incidental, to the necessity for achievements in this field of international work; this may not be regarded by some States as encouraging, but it is at least a tactical attitude which happens to suit the policy of States which really desire progress.

As a matter of fact, the German election results have not ostensibly influenced Geneva discussions, though their effect goes disturbingly deep. The German Foreign Minister's speech in the Assembly was moderately phrased, but the aims of German policy were definitely maintained. To M. Briand's assertion that the League should never shirk responsibilities, however difficult and complicated, and should never be afraid of new ideas, he gave a deft assent, and he cordially welcomed Mr Henderson's views on disarmament. The German contribution to the minorities debate in the Sixth Committee, in

which M. Briand, M. Benes, M. Zaleski, M. Marinkovitch and other foreign ministers took part, was also pitched in a quiet tone, and no precise proposals were made. It was nevertheless a valuable discussion, and its generally accepted conclusion that the subject should be similarly explored every year really makes of the Sixth Committee something of the advisory and exploratory committee which Germany and others have previously advocated as a separate League body.

There has been a great deal of discussion but not much sign of appropriate action on the economic situation. Soviet dumping, the interpretation of the most-favoured-nation clause, the Warsaw resolutions on agriculture, and the tariff situation have been the main subjects of debate, but there has been a singular lack of noticeable determination to grapple with the extremely serious economic depression all the world over. Apart from the general programme for concerted economic action, which is conditionally to form the subject of negotiations in the autumn, the main proposal for practical, if long-dated, action has been India's suggestion, on the basis of Mr Graham's general idea, that there should be a methodical study of the present economic depression "with due regard to the special situation of overseas countries." India, Japan, Australia, South Africa and the Irish Free State have all shown definite dislike of the tendency of the Warsaw resolutions on agriculture, and they have reminded the Assembly that the greatest agricultural countries are extra-European. The Netherlands representative could not support the Warsaw idea of establishing import duties on cereals from overseas in order to favour European agriculture, as this would have the effect of raising the cost of living; and the German delegate observed that the agricultural countries, while requesting a preferential system for their products, did not offer industrial countries some concessions of this kind must be made. The French Minister of Commerce, M. Flandin, did not consider the Indian proposal desirable, as the negotiations already contemplated seemed to him a sufficiently vast undertaking. While Australia has reservations on the reduction of tariff barriers (with Canada an active practitioner in raising them), Japan has threatened that if the upward tariff movement continues she will have to take measures for her own protection.

Altogether, it is not a bright prospect. The Australian delegate criticised the anxiety of some States to use the League of Nations for the advantage of European as opposed to extra-European countries, and he and the Indian delegate objected to that method of approach to problems of universal concern. There is not likely to be any League action on the restricted Warsaw basis. Definite and bold leadership, however, seems lacking, partly because there are very few signs of any general agreement as to how the economic difficulties should be met, and because there is little indication of the slightest departure from narrow economic nationalism. If and when conditions become desperate, perhaps there will be a readiness, if it is not then too late, to face unpleasant realities. At present, while most countries seem content to hope for the best, others, like Canada, are taking action which tends towards the narrowing of international trade relations rather than towards the opposite development unanimously urged by the International Economic Conference. If Great Britain should follow the same path the particular and general effect would be deplorable.

Agreement has been more or less reached on the final text of the Financial Assistance Scheme. The new members of the Council are the Irish Free State, Norway and Guatemala. As China failed to obtain the necessary two-thirds majority for re-eligibility, this is a good sign of reluctance on the part of the Assembly to extend this system, though on a long view of relations with China it is perhaps unfortunate in this particular case. Mr Kellogg was elected to succeed Mr Hughes as a judge on the Permanent Court, but Cuba's obstinacy, on not very creditable grounds, is making it doubtful whether the election of the full bench of judges under the new statute of the Court will be possible this year. Spain and Luxembourg have acceded to the General Act, bringing the number

of accessions to eight. The Australian Premier arrived on Saturday and addressed the Third Committee on Disarmament.

There has been some dissatisfaction over the Assembly resolution that the Committee to study M. Briand's proposals for closer European union should consist of Europeans only, but the fact that it is to consult, if necessary, non-European States, is to be a League committee officered by the League Secretariat, and is to report to the next Assembly, is a fairly reasonable safeguard, and hardly justifies the view of the *Journal de Genève* (representing the general Swiss attitude of opposition to the plan) that it will be the death of the League. Nevertheless, the committee will have to be carefully watched if a sound general conception is not to be allowed to degenerate into a harmful particularist organisation.

UNITED STATES.

Money — Capital Issues — Foreign Trade Prices — Industry.

(FROM OUR CORRESPONDENT.)

NEW YORK, September 17.

MONEY markets are feeling the ease created by the Government's tax date operations. The obligations of the Treasury on September 15th, including a note maturity of \$350,000,000, a bill issue of \$50,000,000 and about \$35,000,000 in interest payments, were offset by allotments of \$334,000,000 on a new Treasury certificate, four times over-subscribed, and the third quarterly income tax collections. However, tax cheque payments are slow, and at the beginning of the week the Treasury borrowed \$225,000,000 on special certificates. About three-fourths of the amount was taken up by the banks, while the remainder was obtained from the Federal Reserve Bank. Official rate on call money quickly dropped to 2 per cent. on the Stock Exchange, and funds were difficult to place anywhere at 1½ per cent.

Ease in money and the prospect of its continuation for a long time are only mildly stimulating new capital issues. A good deal of foreign financing was under consideration by some of the banks, to be offered this month and later; but political disturbances in South America, the German elections and the present general dislike of the investment market here for "foreigners" will doubtless keep down these offerings. August proves to have been the lightest month for new capital flotations in the past two years. Tabulations prepared by the *Commercial and Financial Chronicle*, which include new financing of all sorts, amount to \$290,469,000, compared with \$583,238,000 in July. Last August, also a comparatively inactive month for new financing, the total was \$884,095,000. In September last year new offerings in this market reached a peak at \$1,616,465,000.

Bond issues continue to exceed stock flotations. The total of corporation stock issues last month was only \$57,673,000, of which \$43,844,000 was common shares, whereas a year ago stock issues made up six-sevenths of the new corporation financing. Foreign financing also fell to a low ebb. Foreign corporate issues amounted to only \$38,016,000, all for Canadian account, and the only foreign Government borrowing was \$2,680,000 for the City of Bergen. Most of the domestic financing was for railroads and public utility companies.

Foreign trade figures for August are mildly surprising. Exports were \$300,000,000 and imports were \$217,000,000. Inward shipments were about \$2,000,000 lower than in the previous month and the smallest in ten years, but exports increased \$34,000,000. The actual quantity was, of course, even larger.

Compared with August of last year, exports were down about 25 per cent., and imports were more than 40 per cent. lower. The Department of Commerce estimates that, in quantity, foreign trade is running between 80 and 85 per cent. of that of last year. According to this estimate, it finds exports have dropped about 30 per cent. in quan-

tity in the first seven months and imports 5 per cent. Cotton exports were more than twice as large in August as in July and over 60 per cent. above the same month of a year ago. Domestic consumption, on the other hand, was smaller in August than for any time since 1924, and with two or three exceptions was the lowest for any month since the war. Wheat exports also are running higher than a year ago. There was a net loss of \$19,618,000 in gold last month, but for the eight months the country is the gainer by \$183,000,000.

Other trade indices do not indicate anything more than a slight seasonal gain. The volume of bankers' acceptances declined more than \$10,000,000. Railroad freight traffic, while rising slowly, is still far below that of recent years. The steel industry is barely holding its own around 58 per cent. of capacity, although there is some inclination to place forward orders which indicates the growing belief that prices have reached bottom. Motor sales are not expected to be larger this month than in August, and only a moderate gain is likely for October.

Apart from the recent weakness in grain and cotton prices, and softness in the copper market, the commodity price structure seems to be strengthening. The Bureau of Labor Statistics index for August was unchanged at 84. Prices for most farm products rose on the month, and foods were slightly higher. Textiles were lower, as were metals and building materials. Price changes by groups were as follows:—

INDEX NUMBERS OF WHOLESALE PRICES. (1926 = 100.0.)

Groups and Sub-groups.	August, 1929.	July, 1930.	August, 1930.
ALL COMMODITIES	97.7	84.0	84.0
Farm products	107.1	83.1	84.9
Foods	103.1	86.3	87.1
Hides and leather products	109.7	100.7	98.9
Textile products	93.1	80.0	77.7
Fuel and lighting materials	80.9	75.4	75.4
Metals and metal products	104.3	94.3	92.7
Building materials	96.7	88.9	87.4
Chemicals and drugs	93.7	87.8	87.3
House furnishing goods	97.1	96.2	95.9
Miscellaneous	81.3	71.7	71.2
Raw materials	98.9	81.1	81.8
Semi-manufactured articles	96.2	79.7	78.1
Non-agricultural commodities	94.3	84.4	83.8
Finished products	97.3	86.7	86.4

Employment decreased last month, and is probably even lower this month. The Bureau of Labor Statistics reports a drop of 1.4 per cent. in employment in 13 major industries, and a decline of 2.6 per cent. in employees' earnings. Seasonal industries, exclusive of manufacturing, show a gain of two-tenths of 1 per cent. with a drop of 1 per cent. in pay-roll. Manufacturing alone declined 2.1 per cent. in employment, and 2.6 per cent. in pay-rolls. The comparisons are with July of this year. An average of 78 per cent. of a full normal force of employees, working an average of 91 per cent. of full-time, was reported by 10,370 establishments. Last month the principal decreases were in sugar refining, farm implement manufacturing, tobacco manufacturing, machine tools, automobiles, cotton goods, hardware, sawmills, structural ironwork trades, steel and rubber and tires.

Demand for credit is rising slowly. The weekly statement of reporting member banks of the Federal Reserve system shows another small gain in commercial borrowing and brokers' loans have gone up for two weeks in succession. However, the increases in this respect have been less than seasonal, even taking into consideration the influence of lower commodity prices. Although no one expects cheap money to bring on a business revival, Federal Reserve policy will nevertheless continue to be one of low money rates, and stimulation for the bond market. A good deal has been accomplished in the direction of promoting an easier long-term capital market, making the short-term market less attractive, and this course will be continued, in co-operation with central banks abroad.

Recent stagnation in new capital flotations has not been due to any indigestion in the market. Prices for the best

grades have been strong, and investment demand is overflowing into second grades and preferred shares. More than half the important bond issues since the first of the year are now selling at a premium over the issue prices, although the rise in price has been confined mostly to seasoned issues.

Federal Reserve system accounts for the past week reflect the deflation of month-end credit requirements. Total credit outstanding dropped \$27,000,000 to a total of \$985,000,000, the decline coming entirely through repayment by member banks of their borrowings. The Reserve Banks tempered the decline by adding \$23,000,000 to bill holdings, while Government securities were unchanged. Gold reserves rose \$25,000,000, and circulation dropped moderately. The reserve ratio is now 81.3 per cent., compared with 73.7 per cent. a year ago.

Opinion here is that South American troubles are pretty well over, and the bond and exchange quotations of the republics are steadier. Only temporary disturbance was caused by the German election results. In the best quarters confidence is expressed that the security of German bonds has not been disturbed, and that the reparation payments are not endangered. On the contrary, it is felt here that the election may give a wholesome warning to the elements pledged to the maintenance of the present economic order. International bankers with German leanings also are inclined to believe that a good effect will be had on the Allied Powers, tempering their policy, and so strengthening the position of the centre parties with the electorate.

FRANCE.

International Politics — British Holders of Rentes — Foreign Trade — Industry.

(FROM OUR CORRESPONDENT.)

PARIS, September 24.

THERE are numerous indications that, as forecast last week, the German outburst of Hitlerism is likely to prove one of the strongest unifying factors that French public opinion has known for some years past. Dr Curtius's unfortunate step—although doubtless due more to domestic reasons than anything else—in bringing forward at Geneva at the present juncture the thorny question of the protection of minorities, is another factor which has made more difficult the task of consolidating European relations and will not be likely to aid M. Briand in his effort to translate the project for a European Union into accomplished fact.

Simultaneously, the prospects of a solution of the disarmament problem have been largely diminished. "Security first, then arbitration, then disarmament," thus crystallised in slogan form, is now the programme that is daily finding more general support among the various political parties, and from French opinion in general. A significant instance of the present trend of thought occurred at Lyons a day or two ago, when the militants of the local Radical Socialist Party held their preliminary caucus, in preparation for their forthcoming party congress at Grenoble. A private member of the organisation ridiculed the idea that time should be wasted in dealing with the question of another possible war. "The Kellogg Pact," he said, "categorically proscribes war, which is no longer possible, therefore let us dismiss it from our minds." To the surprise of most of those present, M. Herriot, who presided, took quite a different view. "The Kellogg Pact," he quietly pointed out, "is only a moral pact. Unfortunately, it is not accompanied by sanctions." M. Herriot's expression of opinion—which has attracted wide attention and has been acclaimed by his opponents as being as courageous as it was unexpected—has since been confirmed in another quarter, from which it was as little expected to come. This was by M. Painlevé, in a speech on Sunday, in which he said he "could not conceive a peace without security," and that "a France disarmed would not be an example but a temptation." In its first leader commenting on the results of the German elections, the *Temps* summed up their effect in the phrase: "A new era has begun in

Germany." All France has been quick to realise the fact, and is busily completing its preparations to meet the changed situation, as will undoubtedly become apparent when the Chambers reassemble at the end of next month.

The announcement that the British Government, towards the middle of July, sent a formal Note to the Quai d'Orsay, suggesting that the question whether British holders of French Rente issues, made in London during the war, should be paid in pre-war gold values or in depreciated paper francs, shall be submitted to arbitration, has caused both surprise and a certain amount of irritation here. The Note has brought the reiteration in many quarters of the accusation that, but for the sudden cutting off of French credits by the Lloyd George Government in 1919, the collapse of the franc would have been avoided and there would have been no necessity to stabilise it at its present value. The French thesis is that there is no correspondence between the French Rente issues in London and the Brazilian and Serbian issues here. The latter, it is argued, were veritable international issues, offered on exactly the same conditions in the different financial centres of Europe, while French, British, Swiss and other holders were all originally paid in gold. When the franc collapsed, however, the borrowing Governments took advantage of the opportunity to pay French holders in an equivalent number of depreciated paper francs, while continuing to pay their other creditors in the original gold basis. The London Rente issues, on the other hand, it is claimed, were all integral portions of corresponding loans issued in Paris, and therefore the British holders could not claim to be more favourably treated than their French fellow sufferers, who have been called on to sacrifice four-fifths of their capital and interest rights. The absence of any legal ground for arbitration or compensation in any form was recognised as far back as July, 1928, it is argued, when Mr Churchill, then Chancellor of the Exchequer, expressed the opinion in the House of Commons that no legal basis existed for claiming differential treatment for British holders of these issues, as the scrip is denominated in francs, no guarantee is given in regard to exchange and no distinction is made between the various classes of holders.

The foreign trade returns for August show that exports for the month totalled 3,108,000,000 francs (against 3,580,000,000 francs in July last, and 4,257,000,000 francs in July, 1930), and imports 4,068,000,000 francs (against 4,120,000,000 francs in the previous month and 4,604,000,000 francs in July, 1929). The heavy drop in exports, which was primarily due to the general economic depression in the purchasing countries, still continues; while the small further decline in imports confirms the view that the French internal situation is now being comparatively little affected by the universal slump. The detailed figures for the first eight months of the year are as follows:—

	First Eight Months of 1929.	1930.	Differences in 1930.
Imports.			
Foodstuffs	9,144,039,000f.	6,787,252,000f.	-2,356,787,000f.
Raw materials...	23,982,264,000f.	20,615,762,000f.	-3,366,502,000f.
Manufactured goods	6,429,683,000f.	7,635,475,000f.	+1,205,792,000f.
Totals	39,555,986,000f.	35,038,498,000f.	-4,517,497,000f.
Exports.			
Foodstuffs	3,918,073,000f.	4,054,511,000f.	+ 136,438,000f.
Raw materials...	8,395,883,000f.	6,916,965,000f.	-1,478,918,000f.
Manufactured goods	20,485,883,000f.	18,329,691,000f.	-2,056,192,000f.
Totals	32,799,839,000f.	29,301,167,000f.	-3,498,672,000f.

The most unsatisfactory feature of the eight months' figures is the fall in exports of manufactured goods, while imports of the same category have increased. The continued soundness of the French internal economic situation is confirmed by the fact that, although imports of raw materials have decreased by 3,366 million francs in value as compared with the corresponding period of 1929, the tonnage of this category of entries has increased by 2,393,975 tons, or over 7 per cent..

The imports of raw materials since January have included an increase of 1,070,000 tons in the entries of

foreign coal, in spite of the continued larger output of the French collieries. Coal production returns for July, which are issued this week, show a total output of 4,591,539 tons during the twenty-six working days, against 4,212,044 tons in June (twenty-four days), and monthly averages of 4,577,000 tons in 1929 and 4,369,000 tons in 1928. The output of metallurgical coke by the colliery plants during July totalled 427,121 tons, against 416,992 tons in June last and 408,597 tons in July, 1930. Pourparlers are in progress between the coalowners and miners in the Northern coalfield in regard to a demand put forward by the workers for annual holidays on full pay. A 24-hours general strike has been ordered for October 10th, as a protest against the slowness of the negotiations, but there now appears to be a probability that this will be called off, in view of the likelihood of an agreement being reached shortly. The men state that they are prepared to "make up" the necessary time, represented by the holidays demanded, by working on Saints' Days and other orthodox public holidays in this country, during which the mines are normally idle. The employers are putting forward a demand for the application of certain modifications of the eight hours' days, which would enable them to work longer time during periods of increased demand for coal. These modifications, which would conciliate the men's claims with production requirements, now seem likely to be adopted.

GERMANY.

Political Situation — Stock Exchange — Reichsbank.

(FROM OUR CORRESPONDENT.)

BERLIN, September 24.

THE great subject of speculation in German politics is the solution contemplated by the Chancellor for the present complicated situation. At the moment of writing the projected meeting of the Cabinet has not yet taken place, but it is sadly to be feared that even when it is held it will not clear up the position very much, for it is only to discuss the actual programme of the Brüning Government and will not touch upon the question of the coalition, which is the kernel of the present difficulties. From the Government's announcement of their intentions it is difficult to say whether they propose to turn to the Right or to the Left, and it is high time that the public should be given some definite information and an end put to such speculations.

Unsophisticated newspaper-readers might take the attempt of the Government to shelve the question of the coalition and to discuss only definite measures for evidence of remarkable statesmanship, for naturally the goal of every rational government is actual achievement, not the mere establishment of particular party groupings. In Germany's present condition, however, these party groupings are of quite extraordinary importance. By whatever means government is carried on it will be impossible to avoid laying new burdens on the mass of the population, and especially on the wage-earners. The emergency decrees include reductions in the scale of social insurance, whose full effect will be felt in the coming winter. Nevertheless, the contributions, half of which are paid by the workers, will have to be considerably raised in order to maintain even the reduced benefits. In order to meet the rapidly growing Budget deficit new taxes, which must fall upon working-class consumption, will perhaps be inevitable. If the depression continues, the arbitrators affairs it is essential to make it clear to the workers that the Government wishes to take these measures, not in hostility to them, but in co-operation with them. This necessity has become the more urgent because of the outstanding election success of a party which is hostile to the Constitution—the National Socialists. Anxiety for the safety of the State must now force the parties which are loyal to the Constitution to range themselves side by side with the Social Democrats. If, in spite of this common danger, the bourgeois parties refuse to come to an understanding with the great working-class party, the Socialists,

the workers are bound to get the impression that war is to be waged on them at all costs. Such an impression, just at the time when the Communists also have been successful at the elections, would be highly undesirable and would betoken in the long run a far greater danger than the growth of the National Socialist Party.

People in Germany can hardly get over their astonishment that the immediate danger of an attempted rising of National Socialists should have been taken so seriously abroad. This danger is entirely non-existent. True, the National Socialists are a thoroughly revolutionary group, and their intentions against the present State the worst conceivable, but if they were to attempt force at present it would be the end of their organisation. Not only in Prussia, but in Bavaria, Baden, Württemberg and most of the small States the police are under the control of Governments who are absolutely determined to suppress by force any act of violence by the Hitler Party. The Reichswehr is under the military leadership of General von Hammerstein, who proved his loyalty to the Constitution in the Kapp Putsch. The trial of several officers which is at present being conducted before the Reichsgericht is evidence that the attempt to create National Socialist "pockets" in the Reichswehr has been nipped in the bud. The Hitlerites are well aware of all this, and knowing it, are endeavouring first of all to give themselves the appearance of a legal party. That they would behave quite differently if they were in power is another matter; at the moment the danger lies only in the lack of that unity among the parliamentary groups which is necessary to give the Government a constitutional foundation.

The Social Democratic Party is undoubtedly ready to go to all possible lengths in reaching an understanding with the bourgeois parties of the Centre, but it is frankly not prepared to join a Government which insists in carrying out the decrees of the Brüning Cabinet without modification. It must be able to show the workers, after the substantial success of the Communists, some gain to the working classes from its co-operation. Given goodwill, it would certainly be possible to find in the numerous details of the new social insurance regulations abundant possibilities of compromise, but the parties to the right of the Centre will at best only accept very grudgingly the admission of the Social Democrats into the Government, and are not at all inclined to offer them any price for their adhesion. The Chancellor's attitude seems similar, though it is not clear how far Dr. Brüning is taking this line on his own account and how far under pressure from the German People's Party.

If the agreement with the Social Democrats fails to materialise, there remain only two possibilities: either the inclusion of the National Socialists in the Government bloc or continuance of the Brüning Government in its present form, with the certainty that it will not obtain a majority in the Reichstag and will have to go on governing unconstitutionally under Article 48, since fresh elections would only make its position worse. It is still very unlikely that the Centre will enter into a coalition with the National Socialists, though not quite so impossible as it seemed last week. A Government of the Centre, ruling by dictatorial methods, would perhaps be more justifiable for the moment than a division of power with the enemies of the Constitution. In the long run, however, such a régime would involve the danger that the Government would lose touch with the democratic elements in the Reichstag and fall under the influence of extremists.

On September 15th, the day after the elections, the Berlin security market was exposed to very severe selling pressure, but the fall in values was largely recovered the following day. The hope that the election results would be calmly received both at home and abroad soon turned out, however, to be a delusion. Towards the end of last week, and at the beginning of this week, the Berlin Bourse experienced the heaviest declines in values since October of last year. The fall in German foreign loans (the Young Loan), and the reduction in the foreign exchange holdings of the Reichsbank were the direct cause of the decline, which was intensified by heavy selling

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orders from all sections of the German public, offset by only a very small demand. For the most part, only German fixed-interest-bearing securities were sold for foreign account. The heaviness of the decline in so short a period shows the complete inability of the market to cope with the situation. On other occasions of sudden downward movements the big German banks have applied the brake; their intervention has repeatedly supported the market in the past and thus made possible the fulfilment of numerous engagements. On this occasion, the intervention of the banks was on a very small scale and confined to a very small number of securities. It is true that the immense scale of the selling orders would have made more extensive intervention exceedingly difficult, but there was also another important reason for the reserve displayed by the banks: during the last year and a-half they have already taken up a very large volume of securities, and at present it would not be compatible with a due regard for their own liquidity and for their profits to increase substantially their holding of securities. The decline in the prices of the principal Berlin shares is shown in the following table:—

	Highest, 1929.	Highest, 1930.	Sept. 13.	Sept. 22.
Reichsbank	338	313½	249	224½
DD-Bank	176	154	123½	117½
Norddeutscher Lloyd	137	117	91½	79
I. G. Farbenindustrie	267	190	152½	134½
Siemens	428	309	198½	171½
A.E.G.	202	182	138½	125
Salzdetfurth	531	425	330	287
Schultheiss	329	324	248	198
Vereinigte Stahlwerke	121	107	78	70
Gelsenkirchen	146	144	107½	100
Karstadt	236	142	102	91
R.W.E.	266	198	170	154

In ten days, German shares have lost on the average over 10 per cent. of their value, and in the case of some of the most important industrials the loss is even greater. The bond market, the firmness of which has been conspicuous during the current year, also experienced a sharp decline with falls ranging from 2 to 5 per cent. The average yield on German loans has risen in the last few days from about 7.8 to almost 8 per cent. The effect of the movement is also seen in the money market, the excessive abundance of short-term money has come to an end, the rate for bank acceptances has risen from 3½ to 3¾ per cent., and contango rates are at present 5 per cent. against 4½ ten days ago.

In spite of heavy withdrawals, the position of the Reichsbank is still very strong. Immediately before the elections the bank held about Rm. 2,600 millions gold and about Rm. 1,000 millions foreign bills. During the first week after the election it parted with more than 150 million foreign bills, and on September 20th the Reichsbank was obliged to reinforce its foreign exchange holdings by a sale of gold to the value of several million dollars. This shipment of gold from Cologne to Paris was the first consignment sent from Germany since May, 1929. This situation arose from a combination of three circumstances: in the first place, from the withdrawal of the holdings of foreign, and especially French banks in Germany; secondly, foreigners have been selling German securities and having the proceeds sent abroad; and, finally, the most important phenomenon of the last few

days, the export of capital has been accelerated. German capitalists have felt it advisable not to keep their entire property in Germany and preferred to invest abroad. Too much importance must not be attached to this flight of capital, but it is reducing the already inadequate volume of capital at the disposal of German economy. In spite of the heavy losses in gold and bills, the German note circulation is still covered to the extent of more than 60 per cent. by gold and foreign bills, so that the Reichsbank can contemplate with perfect calm a continuance of the present withdrawal of gold and foreign exchange.

SWEDEN.

Production — Foreign Trade — Money Market — Stock Exchange.

(FROM OUR CORRESPONDENT.)

STOCKHOLM, September 12.

THE depression which first became clearly evident in June has become still more pronounced, for though July marked some recovery, August showed an extension of the setback. Its consequences may be seen in all directions, not least in the general tendency to expect a prolonged period of depression. The slight recovery in July had a purely psychological background. As in other countries, the hope was entertained that autumn would bring an improvement. When the production figures for July were published at the end of August, experience had already shown that this hopefulness was not borne out by the facts. After the sharp fall of the *Svensk Finanstidningens* index-number of production (1923-24 = 100), from 140 in May to 123 in June, the figure for July rose again to 130. Such rapid fluctuations are still more surprising when one remembers that July usually shows the low-water mark in the seasonal decline. In this case almost all the leading industries showed increased production. The explanation of this unexpected development is probably to be found in the fact that as June included the Midsummer and Whitsuntide holidays, the index number for June exaggerated the curtailment of output, and the July figure represented a corresponding exaggeration in the opposite direction.

The statistics of foreign trade in July reveal the very remarkable fact, for the time of the year, that the balance of trade was passive, even though by the small amount of Kr. 3 millions. July is one of the very best months for shipments, and the balance of trade is usually distinctly active. In 1913 there was a surplus of exports of Kr. 7 millions, of recent years the lowest surplus has been Kr. 10 millions, and in two years, 1927 and 1929, it amounted to Kr. 30 millions. It is necessary to go back to 1921 and 1920 to find an excess of imports in July. The passive balance in July, this year, was due to unusually heavy imports. At the same time exports were lower than those of last year, and this is an evident symptom of the depression. The reduction in exports affected practically all branches, and has clearly begun to spread to the engineering industry. In timber shipments were 11 per cent. below last year, in pulp 7 per cent., in paper 21 per cent., and in newsprint 34 per cent. In quality goods, motors fell by 4 per cent., but separators and telephones rose by 10 per cent., and ball-bearings by 16 per cent. Exceptional in this respect was electrical machinery, the export value of which increased by 23 per cent. Both butter and bacon—especially the latter—showed satisfactory figures.

There can be no doubt that these figures reflect actual developments better than the production figures, and the money and exchange markets show the same results. The demands for credit have fallen much more rapidly than is usual at this time of year. At the same time the cash reserves of the commercial banks have increased considerably despite an abnormal decrease of rediscounting at the Riksbank. Finally, the exchanges have shown a development quite contrary to the normal at this season. As a rule there is a surplus of foreign exchange, a fluctuating reserve at the Riksbank, and a firm tendency of the

krona. This year, on the contrary, there has been a demand for exchange in the first half of July and August, which has caused a considerable reduction of the Riksbank exchange reserves. It is true that equilibrium was reached in the latter part of these months, together with a firmer tendency for the krona, but even so the position was not normal for the time of the year.

The volume of credit was reduced by no less than Kr. 101 millions, whereas the corresponding figure a year ago was Kr. 89 millions, and in 1927 Kr. 62 millions (1928 is not comparable owing to the great labour disputes). Taken absolutely, the volume of credit has not only touched a low record for the year, but also for all the post-war years at this season. Still more striking from this point of view is the reduction in rediscounting at the Riksbank. At the end of July the total was Kr. 14 millions, a mere nothing compared with the Kr. 4.4 milliards total of loans by the commercial banks.

The abundance of ready money and the difficulty of employing it profitably is also seen in the necessity for the commercial banks to invest their funds abroad, in spite of the low rates of interest prevailing there. Thus their net holdings abroad increased by Kr. 55 millions in July, while the Riksbank was compelled to furnish the market with Kr. 31 millions. There can scarcely be any doubt that this circumstance is the explanation of the above-mentioned developments in the exchange market.

Even after the passive balance of trade in July the excess of imports for the year is quite moderate. At Kr. 89 millions for January-July the figure certainly exceeds the corresponding figure for 1929 by Kr. 24 millions, and also the 1927 figure. But it only slightly surpasses the figures for the first seven months of 1925 and 1926. The balance of payment has so far developed favourably. In July it improved by Kr. 23 millions, and Sweden's net claims abroad amounted to Kr. 565 millions, or almost Kr. 75 millions more than last year, despite the fact that exports of capital were considerably larger this year.

All these developments sketched above became more marked in August. Apart from numerous cases of curtailed output, the Stock Exchange furnishes perhaps the best evidence of this fact. Domestic stocks, which had previously revealed remarkable firmness and at the end of July were still quoted higher than at the beginning of the year, fell in August by no less than Kr. 110 millions. The fall of international stocks by Kr. 130 millions was due primarily to a decline on foreign bourses. The optimism which was still apparent in July appeared to have no foundation in fact. In view of the general opinion that the depression will be prolonged, the resistance of the Stock Exchange collapsed. At the end of August there appeared a slight recovery, but there is nothing to show that the corner has been turned.

ITALY.

Società per le Bonifiche Ferraresi — Effect on Stock Exchange — Proposed Reform of Company Law — Auditors.

(FROM OUR CORRESPONDENT.)

TURIN, September 9.

THE Italian Stock Exchange opened very badly after the usual mid-August recess, owing to lurid disclosures with regard to one of the oldest and best-known Italian joint-stock companies. The Società per le Bonifiche Ferraresi (Ferrara Land Reclamation Company) was founded in 1872 by a group of Italian and foreign, mainly Swiss, capitalists, with the aim of reclaiming malarious and partly-submerged territories in the province of Ferrara, near the mouth of the River Po. The company, which did for a time true pioneering work in a country where only a few fishermen lived, got into difficulties and the shareholders decided in 1882 to put it into liquidation. Another group, this time headed by capable Piedmontese capitalists, reconstructed it in 1898, and its fortunes were thenceforward assured. It owned 23,000 hectares (about 57,500 acres) of well-reclaimed land, with good roads,

buildings, machinery and cattle, in what had become the most fertile agricultural belt of Italy. The policy of the old directorate, which was popularly identified with the name of the chairman, Signor Marangoni, was one of conservative dividend distribution, building up of hidden reserves out of undistributed profits, and periodical writing off of capital. In this way the capital was reduced from 15 million lire in 1898 to 9.2 million in 1918.

After the death of Signor Marangoni, the Piedmontese group, in 1919, sold its interests, apparently at a good price, to another group headed by Comm. Gino Lisi, of a different and more adventurous financial school. The capital was rapidly raised from 9.2 to 100 million lire; and while in pre-war times 7½ per cent. dividends were paid on the small capital, in the last years from 12½ to 14 per cent. was paid on the vastly increased capital.

The most extraordinary feature of the collapse was that, as recently as last April, a balance sheet was laid on the table at the general shareholders' meeting in which, in addition to the capital of 100 million lire, there appeared reserves to the amount of upwards of 90 million lire, and debts, mostly long-term mortgages, for only 83 million lire. The debts seemed to be amply covered by the assets, among which the lands were said to be very conservatively valued at 136 million lire. Assuming the 23,000 hectares of good land to be worth only 10,000 lire per hectare, it appeared that there was a hidden reserve of almost 100 million lire. The meeting, at which, in a not very prosperous year, profits available for distribution amounted to 15,078,808 lire were announced, passed a unanimous vote of thanks to the chairman and directors.

Suddenly it was made known that during the August recess, the Tribunal of Ferrara, where the company had its administrative seat—its legal seat was always Turin—had granted to the company the benefit of the *concordato preventivo*, that is to say, had initiated a procedure in virtue of which, with the consent of a certain percentage of creditors, the company may settle its debts with the payment of at least 40 per cent. of the sums due to creditors. A balance sheet presented to the Tribunal purported to show total debts to the tune of 250 million lire and total assets valued at only 150 million lire. The moral shock in the Italian bourses was great. How could it happen that 23,000 hectares of the best land in Italy had been swallowed up, so that not a penny remains in favour of the shareholders, and creditors are left with a percentage of 40 per cent., or not much more than that? How can the shareholders of other companies feel sure that lands, houses, machinery and good visible assets will not fade away, leaving them with worthless scraps of paper? The Bonifiche Ferraresi shares, which some time ago were up to 800 lire, and closed before the recess at 160 (par value 200 lire), were offered at from 5 to 20 lire. The market in general was bad and many shares suffered heavily. The public prosecutor instituted a vigorous investigation and his conclusions were certainly of a serious kind, as the chairman, Signor Lisi, and various other directors were arrested.

Though the worst of the shock is over, markets remain sluggish. In the commercial daily *Il Sole* there is published to-day a list of current prices of the shares of 54 big and favourably-known companies, from which it appears that none of them yield less than 6.53 per cent., the great majority ranging from 7 and 10 per cent., four going over 10 per cent., and one going as high as 12.50 per cent. Chances of picking up good shares at low prices seem abundant. To restore confidence, an official communiqué announced that joint-stock company law is to be reformed. Such reform is at present under discussion in many European countries, in consequence of the world stock exchange crises, and of such incidents as the Hatry case in England, the *Gazette du Franc* case in France, and the present affair in Italy. Besides the usual questions, the right of shareholders to have their questions answered, plural voting, the right to a vote of shares pledged as collateral for speculative loans (*riporti*), and items to be compulsorily and separately specified in the balance sheet, one point in particular is raised here: the constitution of the body of auditors

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(*collegio dei sindaci*). At present the auditors are appointed annually by the shareholders assembled in general meeting, that is to say by the very body which also appoints the board of directors. The consequence is that the group of men who are able, because they possess the majority of shares, or represent such possessors, to appoint the board of directors, are also able to appoint the auditors. These last know that they will only be reappointed if they are subservient to the wishes of the dominant group. Therefore, auditors' reports are mostly colourless and always conclude that everything is in order. Shareholders in such cases as that of the Bonifiche Ferraresi, awake only when it is too late. A solution would be found in a return to the practice which existed before the enactment of the present Commerce Code (1882), of the appointment of auditors by tribunals, from a list of candidates having certain minimum qualifications. The system was then discarded because the auditors, as official employees, without a stake in industry, did not notice irregularities until they were too advanced to be cured. Another suggested solution is to give to a possible minority of shareholders the right to appoint a certain proportion of the auditors.

Perhaps when the markets take a turn for the better, all these discussions will be suddenly forgotten. To-day, in Italy, as elsewhere, much ink is consumed in order to persuade the public to come back to the stock exchanges. It is doubtful whether good regulations can have such an effect; but it is certain that periods of crisis are sometimes useful, as they force on public opinion the necessity of reform.

SOUTH AFRICA.

Mines Report — Gold Forecasts — Transvaal Finance — Central Government and Provinces — Proposed Labour Law.

(FROM OUR CORRESPONDENT.)

JOHANNESBURG, August 20.

THE annual report of the Government Mining Engineer (Ref. No. U.G.21—1930) has just made its appearance. The information to be found in it does not support the statement, made both here and elsewhere, that the gold mines of the Reef have passed their zenith in output. It is possible, but unproven, that they have passed their zenith of prosperity. They may be even now passing their zenith of output—more one cannot say. In 1929, the Transvaal produced 10,412,326 ounces of fine gold, of which the Witwatersrand was responsible for 9,979,107 ounces. The Witwatersrand companies employed 21,610 Europeans (who earned £8,078,988), and 191,861 natives and coloured persons (who earned £6,498,886 plus quarters, rations and medical attention). Stores expenditure amounted to £9,391,078 for South African supplies and £4,687,464 for imports. In addition

to gold worth £44.2 millions, South African mines produced other minerals worth £16.7 millions, of which diamonds accounted for £10.6 millions and coal £3.8 millions.

In the Official Year Book of the Union (No. 11), also just issued, there is a new official estimate of the life of the gold-mining industry, which has been taken out during the last few months by the Government Mining Engineer. The estimate states that the lives of the mines would appear likely to be from 15 to 20 per cent. in excess of the "official" lives as estimated for income tax purposes. The estimates are based on present costs, and it is considered that a fall of two shillings per ton in costs or a permanent sufficiency of labour would prevent any fall in production for the next ten years. The estimate also assumes the inclusion of the produce of three new West Rand and three new East Rand mines between 1935 and 1940. The qualifications seem numerous and of vital importance, but it is obvious that the real usefulness of the Government Mining Engineers' figures is not impaired by his abandonment of the pontifical certainty of previous estimates. The outputs forecast, subject to the above qualifications, are:—

	£		£
1930	43,500,000	1940	25,500,000
1931	42,600,000	1941	25,500,000
1932	43,800,000	1942	20,100,000
1933	42,500,000	1943	20,100,000
1934	40,700,000	1944	15,500,000
1935	39,000,000	1945	15,500,000
1936	34,250,000	1946	11,700,000
1937	34,400,000	1947	10,100,000
1938	34,400,000	1948	10,000,000
1939	27,400,000	1949	10,000,000

The rather strong light which has lately been beating on the Provincial Councils has been intensified by recent proceedings of the Transvaal Council. Faced with a somewhat serious deficit in the funds necessary to furnish the expenses of education, roads, and hospitals, the Council could agree on no proposals for fresh taxation. The members are divided for voting purposes into two equal parties, the Nationalists having a theoretical preponderance of one or two votes in a House of 54. Trusting in this majority, the Administrator and his Executive Committee proposed finally to meet their deficit by taxes on horse-racing and other amusements and by heavy increases in the Provincial income tax. These imposts would fall almost entirely on the towns—especially those of the Reef—while a substantial proportion of the money is spent on purely rural requirements. When the proposals were actually before the House, two of the Nationalists abstained, and the deficit remains unprovided for. This *impasse*, added to difficulties of a similar nature in other Provinces, presumably brings us a step nearer to some revision of the relations between the Central Government and the provinces.

The Government, through the Labour Department, but with the evident approval of the Cabinet, are proposing to compel employers to employ European labour in place of native unskilled labour and semi-skilled labour. The professed object of the scheme is to release native labour for mines and farms and to provide employment for Europeans. A definite scheme has been put to the baling trade, whereby the Government would pay the master bakers the difference in the cost of the labour. On the other hand there have been vague threats from political platforms that industrialists should investigate their position voluntarily or risk the loss of protective Customs duties. One noticeable point is the absence of any excuse for compelling a native who is competent at work carrying say £5 per month, to accept other work of which the value would be, say, £3 on the mines or much less on a farm. A curious and surprising characteristic of our Government and its officials is the want of sophistication which enables them to anticipate a successful outcome for such proposals.

Letters to the Editor.

INDUSTRY AND THE CITY.

TO THE EDITOR OF THE ECONOMIST.

SIR,—The difference of opinion between the City and Lancashire as to the part which finance should play in the reconstruction of the cotton trade, shows no sign of being composed. The policy of the Bankers Industrial Development Company—that finance should only be found for new machinery or additional working capital, and that no money should be paid to any existing interests in the industry—is approved by the City. In Lancashire it is looked upon as a policy which is in the main impracticable and which will impose great and unnecessary delays in the reconstruction of the cotton industry.

On the face of it, the attitude of the Bankers Industrial Development Company seems so wise and reasonable that many people, whose knowledge of the intricate financial structure of the cotton industry is not great, have doubtless come to the conclusion that this quarrel is only another example of Lancashire's "obstinate mindedness." If, however, we probe a little deeper we shall find that economic righteousness is by no means exclusively confined to the side of the Bankers Industrial Development Company. For a correct understanding of the problem it is important to appreciate the historic perspective. The Bankers Industrial Development Company is not an ordinary finance house. It has been set up under the auspices of the Bank of England for the purpose of assisting in the rationalisation of British basic industries. Its activities must, therefore, be examined from the point of view of whether or not the methods adopted are the best methods in the existing circumstances to carry out the purpose for which it was ostensibly formed.

The cotton industry as a whole is in favour of amalgamation, not because there is unanimity of opinion that amalgamation *per se* will effect considerable economies in costs of production, but because it is appreciated that the industry is in too many hands, that its outlook is parochial, and that if the industry were consolidated, material and very great advantages would arise through a co-ordinated policy. The industry is anxious to carry out the recommendations of the Government Committee. Actuated by this desire what do they find? Already a large scale amalgamation exists in the Lancashire Cotton Corporation, which has been formed according to the principles now being insisted upon by the Bankers Industrial Development Company. The Lancashire Cotton Corporation is an aggregation of the financial lame ducks of two years ago. Incidentally, it may be mentioned that there are many more financial lame ducks now. As the Lancashire Cotton Corporation has not paid one penny in the form of interest or dividend to the creditors or shareholders of the mills absorbed, it is true to say that the Lancashire Cotton Corporation has had the whole of its productive units up to now for nothing. What is the result? Has the volume of Lancashire's production been augmented? Has the trade been consolidated? Has the present sacrifice of the investor been mitigated by a knowledge of future permanent benefit? The answer to all these questions is in the negative.

Lancashire is experiencing the peculiar phenomenon of efficient mills being closed down while inefficient mills are being started up. Men who have spent the whole of their lives in the industry cannot believe that a financial policy, the practical effect of which is to reconstruct the industry through its weakest units, is industrially sound. They think that if the implications of this policy were thoroughly understood the policy would cease to command influential support.

By the very nature of things the mesh through which companies absorbed by the Lancashire Cotton Corporation have passed, and companies which the Bankers Industrial Development Company are prepared to help must pass, is the mesh of insolvency. The most efficient concerns are on the whole the least insolvent.

The fact is that the Bank of England, in its new guise of the Bankers Industrial Development Company, just as in its old guise of the Lancashire Cotton Corporation, is only prepared to rationalise that part of the industry which it can get for nothing. It follows, therefore, that the policy which Lancashire is asked to approve of is the policy of rationalising the industry through its least efficient units—a policy of selecting units for improvement not because they are industrially suitable to this end, but because they are financially incapable of resistance. Is it to be wondered at that Lancashire looks upon this policy as industrially suicidal, and looks upon the financial view which dictates this policy as being misguided?

Since in practice the working out of the Bankers Industrial Development Company's policy excludes the more prosperous companies, it tends automatically to deprive itself of the most skilful management. Rightly or wrongly Lancashire believes that, rationalisation or no rationalisation, good management is the key to profitable trading.

The dual aspect of the Bankers Industrial Development Company is the cause of much misunderstanding and complaint. In the Government's cotton report the Bankers Industrial Development Company figures as an almost benign financial body, determined not to allow any preconceived ideas to stand in the way of assistance being given to the country's most important export trade. When their policy is examined in practice, it is found to consist of securing the control—without payment of any kind—of all Lancashire's most financially embarrassed productive units and, under the name of rationalisation, endeavouring to "make a good thing of it."

Lancashire feels that the Bankers Industrial Development Company does not appear to the public in its true colours. If it is a semi-official financial body formed to rationalise British basic industries, then it cannot ignore the more prosperous companies and inscribe on its banner "Building up on Bankruptcy," "Your Misfortune is our Opportunity." If, on the other hand, it is a collection of shrewd financiers, anxious to gain control of a large proportion of Lancashire's production without the expenditure of any capital, then the more prosperous concerns have a legitimate cause of complaint in that the Government associates itself with the Bankers Industrial Development Company's policy, and because through this association all normal avenues of finance have been closed to the cotton trade.

In point of fact, it is likely that the Bankers Industrial Development Company occupies neither of these two extreme positions. Unconsciously it prevaricates. When it talks to the Government it stands hesitatingly on one leg; when it comes to consider practical schemes it rests firmly on the other. The City looks at the Bankers Industrial Development Company dubiously and suspiciously in its former attitude. In its latter position it is patronisingly patted on the back.

It is, of course, typical of our English way of never thinking out a policy to its logical conclusion that this welter of misapprehension and misunderstanding in respect to industries and the "City" should have arisen. This, however, is poor comfort for the industries that require a helpful and comprehensive system of rationalisation. It should not be forgotten that it is the Government, through its prolonged inquiry, that has interfered with the Lancashire cotton trade. It is the Government that has said that the Lancashire cotton trade must be rationalised through amalgamations, and it is the Government and the Bank of England in consort who have stated that finance to this end will be provided. For the Bankers Industrial Development Company now to take up the position that it is only the medium between industry and the new capital market, and that by reason of its unique situation it has to be more, not less, careful than the ordinary merchant banker, is to ignore the whole of the history of Government and Bank of England intervention in the cotton trade.

But the intervention of these two most important bodies is a fact which cannot be ignored. Lancashire is still without a plan or policy for comprehensive rationalisation. The 8-loom system ought to have been introduced long ago. Automatic looms are absolutely essential. "High drafting" must be more extensively used. As a body, the operatives are quite prepared to make the sacrifices which these alterations in the existing system entail. They demand, however, that rationalisation should be comprehensive, that progress should be made on a broad front, and that the economies in cost of production achieved by their efforts should be used to swell the economic efficiency of the whole industry and not swallowed up through enabling uneconomic mills now stopped to begin production again.

The operatives realise that automatic looms and a two-shift system must entail a concentration of production. They appreciate that this production ought to be concentrated in the most economic units, and they observe that the financial policy dictated from outside the industry is working in precisely the opposite direction—namely, a concentration of production in the least efficient units.

For these reasons the practical application of the Government's recommendations is held up. Lancashire—employed as well as employers—attributes the blame in no small measure to the impractical theory of the Bankers Industrial Development Company. Perhaps Lancashire would be well advised to ignore the Bankers Industrial Development Company and concentrate on internal reorganisation in spite of the many difficulties. In the interests of the economic health of the whole country, the present deadlock should be brought to an end. It should not be beyond the wit of man to devise a system which is financially acceptable and industrially sound. Perhaps a way out could be found through a round-table

conference called by the Government and including representatives of all the joint-stock banks as well as representatives of the industry.—Yours faithfully,

S. S. HAMMERSLEY.

Stroods, Uckfield, Sussex.

September 25, 1930.

[Our views on the issue raised by Mr. Hammersley will be found in our issue of August 30th.—Ed. Econ.]

GOLD AND THE PRICE LEVEL.

TO THE EDITOR OF THE ECONOMIST.

SIR,—The following is an extract from a letter received from an American correspondent, the head of a prominent American financial house:—

"I have read with great interest the memorandum by Sir Henry Strakosch on Gold and the Price Level. Under one name or another, this theory of the distribution of gold has been under discussion by economists for more than thirty years to my personal knowledge. In this country discussion of it was acute for about fifteen years before the enactment of our Federal Reserve Act. It was then usually known as the 'Quantitative Theory of Money.'

"I can see how the world supply of gold can be theoretically distributed among the gold basis nations on an equitable basis, but I do not see how this can be accomplished in a practical way. England, Germany, Japan and Italy undoubtedly are short of the amount of gold they should have, and the United States, France and Argentina have more than they require. To move the gold from the latter to the former would require the purchase of securities or goods by the latter from the former.

"Americans are not disposed at this time to take substantial additional amounts of foreign securities, for the reason that they can purchase equally as desirable and profitable securities in their home markets, which they believe, over a period of years, offer better chances of enhancement than do the foreign securities. If the first group of nations, mentioned as being short of gold, offered securities on a basis materially more attractive than the prices prevailing for similar American securities, I believe Americans would suspect that there was something wrong about them or they would not be offered so cheaply. Further, if the first group offered securities at a price which would make them attractive to American investors, it is probable that they would be paying more for the American dollar than they could make out of it when it was employed in the countries named in the first group.

"The movement of gold from America, say, to Germany through purchase of goods could only come about if Germany shipped us more than we ship them, and that is a condition which, naturally, every American would be loath to see happen. So long as our trade balance is in our favour, it is inevitable that the gold will move toward us instead of away from us. The only practical way which occurs to me of getting the gold out of our hands and into the hands of Great Britain, Germany, Italy, etc., is through purchase by us of European securities in large amounts and over an extended period of time. This is a matter of education on the one hand and of satisfying our people on the other that the European securities are more attractive as to yield, safety of principal and ultimate hope of principal gain than our own securities. We will have to wait a time for that, although I believe it will gradually come about.

"One index used by Sir Henry impresses me as being subject to attack: He divides the world's gold and the gold held by each gold standard nation on a per capita basis. It would seem reasonable that a country, highly industrialised, with a great export and import business like the United States, would require for the conduct of its business a larger supply of gold per capita than a country like Italy, which has few and relatively small manufactures, imports and exports, and where perhaps 60 to 75 per cent. of the population live on the land, as against 25 per cent. in the United States. I cannot at the moment think of a unit which would be more fair than 'gold per capita' used by Sir Henry, but if the gold were divided, say, on the basis of 'per million dollars of business done,' the distribution of gold among the gold standard nations might not be so much out of line as Sir Henry's table, 'Annex B,' indicates.

"These studies are always highly interesting and instructive, but business has always worked up to a peak and then taken a 'nose dive,' and, after a period on the ground, started up again. I think it will keep on doing this, but any plan which could bring the high and low points closer together would be to the advantage of the whole civilised world."—I am, etc.,

REGINALD WINN.

London, E.C.2.

September 23, 1930.

THE RUBBER CRISIS.

TO THE EDITOR OF THE ECONOMIST.

SIR,—In the valuable review of the rubber situation in your issue of September 13th, you suggest that in 1931 production may be less than consumption. World production in 1929 amounted to 840,000 tons. In 1930 we should normally have seen an increase, but it is now apparent that there will be a falling-off to, say, 810,000 tons. (This total may be composed of 475,000 tons estate produce; 315,000 tons grown by native small holders; and 20,000 tons wild rubber.) With a continuance of low prices a further decline—perhaps to about 780,000 tons—should be seen in 1931. Absorption by manufacturers in 1929 may be put at 805,000 tons (U.S.A., 470,000 tons; other countries, 335,000 tons). Absorption in 1930 looks like being no more than, possibly, 725,000 tons. On these estimates 120,000 tons will have been added to world stocks in 1929 and 1930.

In the past we have no experience of a downward curve in rubber consumption for so long a period as two years; and even under existing circumstances it is probable we shall see a reversal of the downward tendency long before the end of another year. A further increase in stocks is improbable in 1931.

For the current volume of turnover the weight of world stocks is not unduly heavy; but the current rate of output is below and, in another year, will be well below, the potential. From now on, therefore, supply should be elastic; and any marked tendency towards a rise in price is likely to be damped down by expansion of output. The indications are for a prolonged spell of more stable prices than we have enjoyed in the past, with only intermittent demand for the produce of the marginal producer, though with fair profits for the most economical. Among the latter will be found, no doubt, the more favourably situated small holders in the various Eastern countries; but scientifically organised estates will continue to supply the bulk of the demand. For the discriminating investor there are bargains to be picked up in the rubber share market at present levels.—I am, yours, etc.,

1-4 Great Tower Street,
London, E.C.3.

ERIC MACFADYEN.

September 22, 1930.

Books and Publications.

ECONOMICS RESTATED.

PROFESSOR RUFENER has produced a very comprehensive text-book on general economics,* but as one of its outstanding features is a wealth of practical illustration, and as this practical illustration relates to conditions in the U.S.A., its value to the English student is somewhat diminished. A second outstanding feature, to which Professor Rufener himself draws attention in his preface, is the development of the subject "with a natural sequence of chapters, each chapter growing out of and developing further the preceding discussion," rather than the conventional classification of chapters under the headings "Production, Exchange and Distribution." The resulting arrangement is not unlike that evolved many years ago by Professor Henry Clay in his *Economics for the General Reader*. It is, however, in many ways less satisfactory; for whereas Professor Clay moved from very simple analysis to the larger problems of modern economic life, Professor Rufener plunges straightway into the latter, and gives us, on page 14, a classification of "five fundamental reasons for scarcity of goods" which are an anticipation, but not a very helpful anticipation, of subsequent discussions. There is, for instance, cause No. 4, which suggests that the gradual increase of the earth's population is responsible for some part of our present difficulty of providing an adequate supply of food, clothing and shelter for all.

Perhaps the most satisfactory chapters of Professor Rufener's book are those in which he deals with demand and market price, and constructs a lucid little demand schedule in which adequate emphasis is laid upon the effect of varying degrees of elasticity in response to price changes, on the part of various classes of buyers. Nevertheless, one misses, and feels that Professor Rufener's

students may also miss, as part of the elementary treatment of the subject, that somewhat academic grounding in the conception of value which the more orthodox textbooks attempt to provide, and which, however much they may stir Professor Rufener's ire by their "tone of unreality," do impart a unity and continuity to the treatment of economics by providing it with something in the nature of a philosophical background as well as a habit of careful definition.

ESSAYS ON POPULATION.*

THIS volume contains eight essays of very unequal merit on some of the major population problems of the world. In the first three, Professor Corrado Gini expounds again his theory that the birth and growth and death of nations follow a cycle comparable to the life history of an individual. Accordingly he ascribes the declining fertility of the Western peoples, not to voluntary limitation of births, but to the senile decay of the actual physiological power of reproduction. The differential birth-rate, which has agitated so many eugenicists who identify economic status with biological value, does not disturb Professor Gini; for, on his view, the upper classes in any society are necessarily drawn from those families which, having climbed to high estate during the heyday of their powers, are now comfortably declining into extinction. "To hope to improve the race by artificially stimulating the fertility of the upper classes is a delusion comparable to that of those who hope to increase the efficiency of the population by prolonging artificially the life of the aged."

Professor Gini states his thesis plausibly and quotes a certain amount of evidence in its support, relying particularly on the history of the decline and fall of great nations and on the fact that the interval between marriage and the birth of the first child appears to be growing considerably among the "low-birth-rate" peoples. From the experience of the birth-control clinics he argues that the birth of the first child is less likely to be voluntarily postponed than that of its successors. Such evidence, however, seems hardly adequate to sustain the large hypothesis erected upon it. The racial impurity of nations alone, for example, makes short work of the argument from history. Nevertheless, Professor Gini is, as usual, worth reading even while he is not always convincing.

Dr Oliver E. Baker contributes an informative paper on the Trend of Agricultural Production in North America. Some remarkable facts are disclosed, notably the large decline, amounting to 87 per cent. since the beginning of the century, in the American consumption of cereals. Conversely, there has been a no less significant increase in the quantity of milk and milk products consumed. Altogether it appears that the diet of the average American has undergone a profound revolution in the last thirty years.

Dr Kuczynski writes of the World's Future Population, on the whole, in a cheerful strain. He sees no real danger of over-population, while on the probable changes to be expected in the racial composition of the world's population he is discreetly non-committal. Everything depends, he says (thereby implicitly denying Professor Gini's thesis) on whether the birth control movement becomes as universal in the East as it is in Europe and North America.

The remaining papers by Professor Shiroshi Nasu are of much less interest. Professor Nasu does not take us very much beyond the obvious facts that the lower stage of capitalistic development in the East makes Eastern population problems fundamentally different from Western, and that the inferiority of the Mongolian races must not be assumed without proof.

BOOKS RECEIVED.

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

(It would be a convenience to our readers if publishers would make a point of notifying us of the prices of books sent for inclusion in this column.)

The Slum Problem. By B. S. Townroe. (London) Longmans, Green and Co., Ltd., 39, Paternoster Row. 6s. net.

A sound and valuable book on housing to which has been added a new chapter on the 1930 Housing Act.

The Experiment of Bolshevism. By Arthur Feiler. (London) Allen and Unwin, Ltd., Museum Street. 10s. 6d. net.

Of the innumerable books on this subject by observers who claim to be impartial, this is one of the more worth reading. It contains the results of a keen, detached observation, discussed with an absence of emotion which is as welcome as it is unusual in books on Soviet Russia.

Some Economic Consequences of the Great War. By Arthur L. Bowley. (London) Thornton Butterworth, 15, Bedford Street, W.C.2. 2s. 6d. net.

Dr. Bowley has performed a prodigious task of selection in compressing the essence of his subject within the scope of a Home University Library volume.

Business or Bankruptcy. By Norman Tiptaft. (London) Elkin Mathews and Marrot, Ltd., 54, Bloomsbury Street. 2s. 6d. net.

A stimulating little book, full of commonsense proposals for increasing our foreign trade.

Keynes e Gli Alti Salari. By Carlo Pagni. (Torino) Arti Grafiche-Ditta Fratelli Pozzo.

Brief comments on a recent article in the *Political Quarterly*.

Railway Accounts. By C. H. Newton. (London) Sir Isaac Pitman and Sons, Ltd., Parker Street, Kingsway.

A survey of the form, construction and general principles of railway accounts.

Unemployed or Reserve? By Mrs M. A. Cloudesley Brereton. (London) Knapp, Drewett & Sons, 30, Victoria Street, Westminster. 1s. net.

A pamphlet on the unemployment problem.

Porto Rico and Its Problems. (London) Williams and Norgate, Ltd., 38, Great Ormond Street. 21s. net.

This scientific and thorough survey by the Brookings Institution will undoubtedly become the standard work of reference on the economic situation in Porto Rico.

The Handbook of Cyprus. Edited by Sir Ronald Storrs and Bryan Justin O'Brien. (London) Christophers, 22, Berners Street. 7s. 6d. net.

An attractively arranged and printed little book which gives just that amount of information on the geography, history, religion, political and economic activities, fauna and flora of Cyprus which the general reader having an intelligent interest in the country might be expected to require.

Annual Statistical Report of the American Iron and Steel Institute. (New York) American Iron and Steel Institute, 75, West Street.

Tea Producing Companies, 1930. (London) Mincing Lane Tea and Rubber Share Brokers' Association, Ltd. 14, Mincing Lane. 3s. 6d.

Contains a very full summary of the financial position and results of each company.

The China Stock and Share Handbook. (Shanghai) North China Daily News and Herald, Ltd.

Contains useful general information, together with full financial details, of the individual companies.

The Singapore and Malayan Directory, 1930. (London) F. Algar, 58, Gracechurch Street.

Tolley's Tax Manuals: Super-tax and Surtax. (London) Waterlow and Sons, Ltd., Birch Lane. 2s. 6d. net.

A very useful handbook.

Secretarial Bookkeeping and Accounts. By H. E. Collesworthy. (London) Sir Isaac Pitman & Sons, Ltd., Parker Street, Kingsway. 7s. 6d. net.

Investigations. By J. H. Benton. (London) Sir Isaac Pitman and Sons, Ltd., Parker Street. 5s. net.

A textbook on the most difficult branch of accountancy.

Small-scale Production in India. By V. G. Ramakrishna Ayyar. With a Preface by Henry Clay. (London) Williams and Norgate, Ltd., 38, Great Ormond Street. 2s. 6d. net.

An effective plea for an investigation of small-scale production in Indian industry and agriculture, based on the belief that a change to large-scale production is at present undesirable.

Report of the Indian Tariff Board on the Salt Industry. (London) India Office, Whitehall. 1s. 9d. net.

India and the Simon Report. By C. F. Andrews. (London) Allen and Unwin, Ltd., Museum Street. 3s. net.

It is difficult to account for the presence in the title of the last four words.

Employers' Additional Unemployment Benefit Schemes in Great Britain. By Mary B. Gilson and E. J. Riches. (Geneva) International Labour Office. 1s.

An American study of schemes operated by certain British employers as a supplement to national unemployment insurance.

Danzig's Shipping and Foreign Trade. By Dr. Kurt Peiser. (Danzig) A. W. Kafemann.

A useful statistical summary of the commercial development of Danzig.

Instituto de Economia Bancaria sus Fines, su Organización y su Funcionamiento. (Buenos Aires) Universidad de Buenos Aires.

OFFICIAL PUBLICATIONS RECEIVED.

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

Colonial Reports: Report on Togoland, 1929. 3s. net; Report on Cameroons, 1929. 5s. net; Report on Iraq, 1929. 6s. 6d. net; No. 1482. St. Vincent, 1929. 9d. net; No. 1483. New Hebrides, 1929. 1s. net; No. 1478. State of Kelantan, 1929. 1s. 6d. net.

Eleventh Annual Report of the Ministry of Health, 1929-30. Cmd. 3667. 4s. 6d. net.

FREE TRADE OR PROTECTION?

By ARNOLD GOLODETZ

A clear and concise exposition of the respective merits of the two policies, written by a business man with a thorough knowledge of economics. Free from either political bias or the dry monotony of text-books.

"It is one of the clearest and most convincing statements of the tariff question I have ever read and I wish that all electors in the country would read it. It would clarify their minds on this issue and expose to them the fallacy and falsity of current statements which pass for economic truths."

—Philip Snowden.

4s. 6d. net.

The Growth and Decadence of Constitutional Government

By ALLEN SMITH, LL.B. PH.D.

A PROFOUND study of the struggle to limit irresponsible power and of the development of constitutional government in America since the Revolution until the period of its repression by economic power.

12s. 6d.

WILLIAMS AND NORGATE, LTD.

* "Principles of Economics." By L. A. Rufener, Ph.D. Sir Isaac Pitman and Sons, Ltd. 16s. pp. vi. + 842.

* "Population." (The Harris Foundation Lectures. 1929) University of Chicago Press. 1930. 13s. 6d.

TRUSTEE SECURITIES.

The Act, it will be seen, authorises investment in mortgages, but not in building societies, which handle the lion's share of present-day mortgage business; in the prior charges of railways, but not in those of gas companies, electricity undertakings, port and harbour authorities, banks, insurance companies, or the soundest industrial concerns. In the case of British railway and water concerns, it makes ordinary dividends and not earnings the test of trustee status. Even so, the margin prescribed is narrow, and in recent years the prior stocks of the second largest British railway have failed to fulfil the terms of the Act, their trustee status being retained only by order of the Court.

This year's Australian crisis, indeed, has drawn attention to an aspect of the trustee laws which has long been a matter of serious concern to economists. The desire to protect both trustees and *cestius que trust* has resulted in the diversion of a by no means inconsiderable part of the stream of new capital into certain restricted channels. If the scope for investment of trust money is not enlarged in proportion to the growth of trustee funds, beneficiaries under trusts will tend to receive an uneconomically low income, while enterprises outside the charmed circle of investment will be compelled to pay a higher price for capital. The newer public utilities, such as electricity supply—not to mention the great industrial corporations—are likely, as time goes on, to become increasingly impatient with the maintenance of a vested interest in new capital, exercised by older interests.

Such is the case for a complete overhaul of the Trustee Acts, to bring them into harmony with modern investment knowledge and modern requirements. While it might be unwise to make any new enactments retrospective, it is certain that the list of securities for future investment should include much less and much more than the present Trustee List. The task of revision should, however, be undertaken by a body representative not only of the legal but of the investment profession.

SETTLING DAYS.

TICKET.	ACCOUNT.
October 7.	October 9.

Home rails continued to droop, the market regarding a further batch of poor "traffics" with its usual despondency, and showing some anxiety as to the outcome of the wage negotiations in November. Westerns were slightly better at the close, and Undergrounds hardened on the

The mining share market was hardly more fortunate than other sections, and quotations generally gave way. Among the finance descriptions, Central Mining declined on apprehensions regarding the dividend declaration due in November. Van Ryn advanced and Crown Mines were a good feature. In the Northern Rhodesian section an all-round subsidence occurred, led by Congo Borders, which fell to £12. Tin shares lost ground following a fall in the metal to £138, and London Tin were marked down on the passing of its preference dividend. Tintos relapsed, and Tigon were a dull spot.

	Sept. 18.	Sept. 19.	Sept. 22.	Sept. 23.	Sept. 24.	Sept. 25.
Government and Municipal						
Leads	1,158	1,167	1,469	1,121	1,251	1,156
Transport, Communications, and Public Utilities	779	812	872	745	698	721
Commercial and Industrial*	1,615	1,746	1,839	1,594	1,544	1,431
Banks, Insurance and Finan- cial	410	377	481	423	438	465
Mines (including Nitrate) ...	328	388	404	299	310	327
Oil	125	154	246	174	104	99
Rubber, Tea and Coffee	123	118	160	104	127	103
Total	4,538	4,742	5,471	4,460	4,472	4,302

- Including iron and steel and breweries

Highest of 1930. (Apr. 17).	Lowest of 1930. (Aug. 26)	Sept. 18.	Sept. 19.	Sept. 22.	Sept. 23.	Sept. 24.	Sept. 25.
90.6	72.6	78.7	78.5	77.4	76.7	77.1	77.1

NEW YORK.

(Continued on page 582.)

LONDON ACTIVE SECURITY PRICES AND YIELDS.

NOTE.—Shares with a New York quotation, or with definite American interest, are distinguished by italics.

In calculating the yields on the stocks and shares quoted below allowance is made for interest accrued since the last payment. Where stocks are definitely redeemable at a certain date the yield includes any profit or loss on redemption; where stocks are redeemable at or before a certain date the final date of redemption is taken when the stock stands at a discount and the earliest date when the quotation is above par. The return on ordinary stocks and shares is calculated on the dividends paid by the company during the last year.

Year 1929.		1930 (to date).		Name of Security.	Sept. 17, 1930.	Sept. 24, 1930.	Rise or Fall.	Present Yield.	£ s. d.
High.	Low.	High.	Low.						
56 1/2	52	57 1/2	52 1/2	British Funds.	55 1/2	55 1/2	...	4 10 11	
88 1/2	81 1/2	90 1/2	82 1/2	Consols 2 1/2 %	88 1/2	88 1/2	...	4 11 8	
80 1/2	72 1/2	80 1/2	74 1/2	Consols 4 %	88 1/2	88 1/2	...	4 9 9	
100	93	100 1/2	93 1/2	Consols (Prov.) 5 1/2 %	100	100 1/2	...	4 13 0	
91 1/2	82 1/2	93 1/2	85 1/2	Do. 5 % 1944-64	105 1/2	105 1/2	...	4 12 0	
100 1/2	97 1/2	101 1/2	98 1/2	Punding 4 % 1960-90	92	92	...	4 8 6	
101 1/2	97 1/2	103 1/2	100 1/2	Treasury 4 1/2 % 1932-34	101 1/2	101 1/2	...	4 2 0	
95 1/2	90 1/2	96 1/2	91 1/2	Treasury 5 % (B)	103 1/2	103 1/2	...	4 2 0	
103 1/2	99 1/2	104 1/2	101 1/2	Victory Bonds 4 1/2 %	95	95 1/2	+ 1/2	4 4 0	
101 1/2	99 1/2	103 1/2	100 1/2	War Loan 5 % 1929-47	104	104	...	4 16 6	
65 1/2	60 1/2	66 1/2	61 1/2	War Loan 4 1/2 % 1929-42	100 1/2	100 1/2	...	4 13 0	
61 1/2	44 1/2	61 1/2	40 1/2	Local Loans 3 %	64 1/2	64 1/2	...	5 11 1	
71 1/2	60 1/2	71 1/2	55 1/2	India 2 1/2 %	54	54	...	5 11 1	
92 1/2	80 1/2	90 1/2	78 1/2	Do. 3 1/2 %	63	63	...	5 11 1	
105 1/2	90 1/2	105 1/2	100 1/2	Do. 4 1/2 % 1958-68	86	85	-1	5 11 9	
109 1/2	103 1/2	108 1/2	104 1/2	Palestine 5 % 42-67	104	104	...	4 12 0	
94 1/2	88 1/2	93 1/2	84 1/2	Sudan 5 1/2 % Bonds	108	108	...	5 2 10	
				Dist. 4 1/2 % 45-75	93	93	...	4 19 0	
Dominion and Colonial Governments									
92 1/2	80 1/2	95 1/2	83	Australia 5 % 1945-75	87	84	-3	6 2 6	
91 1/2	86 1/2	93 1/2	86	Canada 4 % 1940-60	92	92	...	4 9 10	
107 1/2	102 1/2	106 1/2	102 1/2	Ceylon 6 % 1936-51	105	105	...	5 4 0	
97 1/2	92 1/2	95 1/2	92 1/2	Gold Coast 4 1/2 % 1956	94	94	...	4 18 8	
104 1/2	99 1/2	104 1/2	99 1/2	Kenya 5 % 1948-58	103	103	...	4 17 3	
104 1/2	99 1/2	104 1/2	99 1/2	Nigeria 5 % 1950-60	103	103	...	4 15 2	
98 1/2	88 1/2	92 1/2	82	N.S. Wales 5 % 35-55	86	83	-3	6 7 6	
100 1/2	98 1/2	103 1/2	99 1/2	N.Z. Zealand 5 % 1946	102	102	...	4 18 1	
100 1/2	99 1/2	102 1/2	99 1/2	Queensland 5 % 40-60	86 1/2	81	-5 1/2	4 18 0	
97 1/2	93 1/2	99 1/2	95 1/2	S. Africa 5 % 1945-75	102	102	...	4 18 0	
				Strite. Set. 4 1/2 % 35-45	98	98	...	4 15 9	
Foreign Governments									
88 1/2	83	89 1/2	82 1/2	Argentina 4 % Recias	86	86	...	5 6 9	
103 1/2	100 1/2	105 1/2	100 1/2	Austrian 5 % 1923-43	104	104	...	5 11 3	
62 1/2	54 1/2	61 1/2	52 1/2	B. Aires (Prov.) 5 1/2 %	57	57	...	6 9 9	
109 1/2	105 1/2	112 1/2	108 1/2	Belgian 7 %	112	112	...	6 2 9	
91 1/2	84 1/2	92 1/2	83 1/2	Bulgaria 7 % Loan	84 1/2	84 1/2	...	8 18 0	
90 1/2	79 1/2	87 1/2	78 1/2	Brazil 5 % Fund. 1914	74	74	...	6 18 0	
102 1/2	99 1/2	102 1/2	99 1/2	Do. 6 1/2 % (1927)	81	81	...	8 8 0	
55 1/2	41 1/2	52 1/2	42 1/2	China 5 % (1912)	37 1/2	40 1/2	+3	12 6 9	
114 1/2	105 1/2	110 1/2	102 1/2	Czechoslovakia 8 %	114 1/2	114 1/2	...	6 18 0	
77 1/2	75 1/2	81 1/2	76 1/2	Danish 3 %	80	80	...	3 15 0	
85 1/2	76 1/2	80 1/2	73 1/2	Danish 6 %	87 1/2	87 1/2	...	5 7 6	
95 1/2	85 1/2	92 1/2	82 1/2	Egypt Unified 4 %	74	74	...	8 7 0	
100 1/2	90 1/2	100 1/2	93 1/2	Estonia 7 % 1927	83 1/2	83 1/2	...	8 7 0	
19 1/2	16 1/2	21 1/2	19 1/2	Finland 6 % 1923	95 1/2	95 1/2	...	6 6 0	
217 1/2	18 1/2	212 1/2	19 1/2	French 4 % (British)	21 1/2	20 1/2	-1/2	5 0 6	
107 1/2	100 1/2	107 1/2	100 1/2	Do. 5 %	21	20 1/2	-1/2	5 0 7	
101 1/2	100 1/2	105 1/2	100 1/2	German 7 %	106	104	-2	6 19 0	
103 1/2	95 1/2	104 1/2	100 1/2	Greek 6 % Stab. Ln.	90	91	+1	6 18 1	
103 1/2	95 1/2	104 1/2	100 1/2	Hungary 7 %	103 1/2	104 1/2	...	6 13 0	
100 1/2	95 1/2	102 1/2	98 1/2	Japanese 5 1/2 % 1935-65	101	101	...	7 11 8	
36 1/2	22 1/2	26 1/2	16 1/2	Do. 6 % (1924)	101 1/2	102 1/2	...	5 16 7	
105 1/2	101 1/2	104 1/2	100 1/2	Mexican 5 % (1899)	24	23	-1	5 16 6	
107 1/2	100 1/2	106 1/2	105 1/2	Norwegian 6 % 1921	103	103	...	5 16 6	
83 1/2	75 1/2	82 1/2	77 1/2	Peru 7 % 1922	98 1/2	98 1/2	...	7 15 0	
106 1/2	99 1/2	107 1/2	101 1/2	Poland 7 %	90 1/2	89	-1 1/2	8 13 0	
104 1/2	97 1/2	101 1/2	94 1/2	Siamese 6 % 1934-64	106	106	...	5 3 0	
104 1/2	97 1/2	101 1/2	94 1/2	Swedish 3 1/2 % 1908	83 1/2	83 1/2	...	4 4 10	
23 1/2	17 1/2	19 1/2	14 1/2	S. Paulo Coffee 7 1/2 %	83	84	+1	9 4 0	
93 1/2	81 1/2	89 1/2	81 1/2	Turkish 4 % United	11	11	...	5 13 11	
				Uruguay 5 % 1919	88	88	...	5 13 11	
Corporation Stocks.									
96 1/2	86 1/2	96 1/2	77 1/2	Berlin 6 % 1932-57	88	82 1/2	-5 1/2	7 12 6	
104 1/2	104 1/2	104 1/2	99 1/2	B'ham 5 % 1946-56	103	103	...	4 14 5	
103 1/2	98 1/2	103 1/2	98 1/2	Bristol 5 % 1948-58	102	102	...	4 16 7	
101 1/2	95 1/2	100 1/2	97 1/2	Danish 7 % 1935-45	93	90	-3	8 3 8	
99 1/2	92 1/2	99 1/2	96 1/2	E. London 5 % 1950-70	99	99	...	5 1 2	
104 1/2	100 1/2	103 1/2	98 1/2	Do. 5 % 1950-70	99	99	...	5 1 2	
66 1/2	60 1/2	66 1/2	60 1/2	Johannesburg 5 % 1937-52	64	64	...	4 13 9	
67 1/2	61 1/2	67 1/2	62 1/2	L.O.C. 3 %	67	67	...	4 11 4	
104 1/2	99 1/2	103 1/2	99 1/2	Met. Wat. Bd. B. 3 %	67	67	...	4 11 4	
108 1/2	103 1/2	111 1/2	104 1/2	Pt. of London 5 % 1950-70	103	103	...	4 14 6	
98 1/2	93 1/2	98 1/2	84 1/2	Selme 7 % 1935-52	110	110	...	4 18 6	
				Sydney 5 1/2 % 1944	88 1/2	85 1/2	-3 1/2	6 12 6	
British Railways.									
15 1/2	10 1/2	13 1/2	5 1/2	G. Western Ord. Stk.	72 1/2	71 1/2	-1	10 9 7	
39 1/2	22 1/2	39 1/2	16 1/2	L.N.E. Ord. Stk.	71 1/2	71 1/2	...	10 9 7	
86 1/2	82 1/2	84 1/2	82 1/2	Do. 5 % Pref. Ord. Stk.	191	184	-7	16 4 4	
62 1/2	49 1/2	63 1/2	37 1/2	Do. 5 % Pref. 1955	83 1/2	83 1/2	...	10 0 6	
59 1/2	47 1/2	57 1/2	31 1/2	Do. 4 1/2 % Pref. Stk.	42	40	-2	10 0 6	
74 1/2	62 1/2	75 1/2	55 1/2	L.M.S. Ord. Stk.	35	34 1/2	-1/2	13 0 3	
68 1/2	55 1/2	67 1/2	42 1/2	4 % Pref. Stk. 1923	57	56 1/2	-1/2	7 2 10	
81 1/2	71 1/2	82 1/2	67 1/2	Metropolitan Cons.	71	68 1/2	-2 1/2	5 16 9	
34 1/2	26 1/2	32 1/2	22 1/2	Met. Dist. Ord. Stk.	75	75	...	6 13 3	
77 1/2	69 1/2	76 1/2	64 1/2	Southern Def. Stk.	24	23 1/2	-1/2	10 12 8	
86 1/2	81 1/2	86 1/2	82 1/2	Do. 5 % Pref. Ord. Stk.	66	65 1/2	-1/2	5 18 4	
28 1/2	20 1/2	25 1/2	20 1/2	Do. 5 % Pref. Stk.	85	84 1/2	-1/2	5 18 4	
132 1/2	101 1/2	112 1/2	100 1/2	Underground Ord. Stk.	24 1/2	23 1/2	-1/2	6 13 3	
				Do. Income Bonds	104	104	...	5 13 3	
Dom & Foreign Ex.									
11 1/2	8 1/2	8 1/2	6 1/2	Antiochia Ord. Stk.	67	66	-1	10 12 2	
107 1/2	84 1/2	90 1/2	73 1/2	B.A.G. Stk. Ord. Stk.	86	83	-3	8 17 3	
110 1/2	96 1/2	100 1/2	81 1/2	B.A.G. Stk. Ord. Stk.	87	83	-4	7 10 0	
100 1/2	83 1/2	89 1/2	62 1/2	B.A. Western Ord. Stk.	67	63	-4	8 6 3	
96 1/2	77 1/2	85 1/2	70 1/2	O. Argentine Ord. Stk.	74	70 1/2	-3 1/2	8 2 2	
69 1/2	64 1/2	71 1/2	61 1/2	O. Uruguay Monte V.	78	77	-1	5 9 3	
49 1/2	40 1/2	45 1/2	35 1/2	Can. Pacific Com. Stk.	191 1/2	188 1/2	-3	6 12 8	
99 1/2	75 1/2	76 1/2	62 1/2	Can. Nat. 1927 Guar. 4 %	71 1/2	71 1/2	...	5 9 3	
65 1/2	43 1/2	46 1/2	32 1/2	Do. 7 % Ord. Stk.	191	184	-7	16 4 4	
33 1/2	28 1/2	32 1/2	28 1/2	Do. 7 % 1st Pref. Stk.	39	38 1/2	-1/2	10 0 6	
100 1/2	83 1/2	85 1/2	76 1/2	Costa Rica Ord. Stk.	29	27 1/2	-1 1/2	10 12 8	
102 1/2	92 1/2	96 1/2	80 1/2	Entre Rios Ord. Stk.	31	30 1/2	-1/2	7 19 0	
66 1/2	58 1/2	61 1/2	57 1/2	6 % Cum. Pref. Stk.	92 1/2	92 1/2	...	6 14 10	
				Do. 4 % 2nd Pref. Stk.	58	58	...	7 2 10	
Domestic and Foreign Ex.									
11 1/2	8 1/2	8 1/2	6 1/2	Antiochia Ord. Stk.	67	66	-1	10 12 2	
107 1/2	84 1/2	90 1/2	73 1/2	B.A.G. Stk. Ord. Stk.	86	83	-3	8 17 3	
110 1/2	96 1/2	100 1/2	81 1/2	B.A.G. Stk. Ord. Stk.	87	83	-4	7 10 0	
100 1/2	83 1/2	89 1/2	62 1/2	B.A. Western Ord. Stk.	67	63	-4	8 6 3	
96 1/2	77 1/2	85 1/2	70 1/2	O. Argentine Ord. Stk.	74	70 1/2	-3 1/2	8 2 2	
69 1/2	64 1/2	71 1/2	61 1/2	O. Uruguay Monte V.	78	77	-1	5 9 3	

NEW ISSUE PRICES.

Stock or Share.	Issue price.	Amt. paid.	Price, Sept. 18, 1930.	Price, Sept. 25, 1930.
Austrian Govt. International Loan, 1930 7%	95	75	103½-104	104-105
Courage and Co., 5½% debts.	98	ty. pd.	103½-104	104-105
Edmundson's Electricity 5% debts.	93½	68½	21-21½ pm	21-21½ pm
Ferranti 7% cum. pref.	207½	12½	12½-12½	12½-12½
Kelly's Directories 6½% debts.	98½	35½	11-11½ pm	11-11½ pm
London Electric Railway 5% debts.	97½	50	41-41½ pm	41-41½ pm
Marks and Spencer, 7% cum. pref.	21½	ty. pd.	21½-22½	21½-22½
Do., 6% debts.	102	ty. pd.	104½-105½	104½-105½
Newcastle-upon-Tyne Electric 5% debts.	96	ty. pd.	41-5 pm	41-5 pm
Parkinson & Cowan, ord.	25½	10½	9-9½	9-9½
Do., 7% cum. pref.	21½	6½	16½-17½	16½-17½
South Africa 5%	98	41	31-31½ pm	31-31½ pm
South Metropolitan Gas 5% debts.	97½	52½	21-21½ pm	21-21½ pm
Tampin & Sons, Brewery	95	ty. pd.	31-41 pm	31-41 pm

(Continued from page 579.)

were drastically cut, the new efficient "tickers" being unable to cope with the business. The stronger appearance of German bonds on European markets allayed exaggerated fears in one direction at least, and with a mild revival of confidence and some support from the banks, a mid-week recovery took prices well above the worst. The improvement was not held, however; commodity prices further receded, and a fresh wave of selling occurred on Wednesday. Several counters touched levels lower than for weeks past, the withdrawal of pools assisting the collapse, and offering further evidence that informed circles have lost faith in an autumn revival. Renewed fluctuations occurred in wheat prices, while reports from the steel industry indicate that the demand is being well maintained. Copper shares were easy in anticipation of further dividend reductions, and renewed declines in the metal. Call money closed steady at 2 per cent. bid.

	Sept. 18, 1930.	Sept. 19, 1930.	Sept. 20, 1930.	Sept. 21, 1930.	Sept. 22, 1930.	Sept. 23, 1930.	Sept. 24, 1930.	Sept. 25, 1930.
U.S. 3½% T. Bds.	105½	106½	106½	106½	106½	106½	106½	106½
Do. 4½% T. Bds.	112½	112½	112½	112½	112½	112½	112½	112½
Lib. In. 3½% '32-47 ..	101½	101	101	101	101	101	101	101
Do. 4½% '32-47 ..	102½	102½	102½	102½	102½	102½	102½	102½
Do. 4½% '33-38 ..	103½	103½	103½	103½	103½	103½	103½	103½
Atchafalpa	221	218	213½	213½	213½	213½	213½	213½
Ches. & Ohio	50½	48	47	47	47	47	47	47
Erie	40½	41	38	38	38	38	38	38
Illinois Central	114	114	112	112	112	112	112	112
N.Y. Central	163½	161½	157½	157½	157½	157½	157½	157½
Pennsylvania	74½	73	71½	71½	71½	71½	71½	71½
Southern Pacific	118½	116	112½	112½	112½	112½	112½	112½
Southern Ry.	87	84½	81½	81½	81½	81½	81½	81½
Union Pacific	220	216	212	212	212	212	212	212
Am. Can.	133½	126	123	123	123	123	123	123
Allegheny Corp.	22½	21½	182	182	182	182	182	182
Amer. Smelting	69½	64½	54½	54½	54½	54½	54½	54½
Anacosta	48	44½	40½	40½	40½	40½	40½	40½
Bethlehem Steel	88½	87½	82½	82½	82½	82½	82½	82½
Chrysler Motor	28½	27½	24½	24½	24½	24½	24½	24½
Corn Producers	93	89½	85½	85½	85½	85½	85½	85½
Eastman Kodak	216½	212	199	199	199	199	199	199
Gen. Electric (New) ..	73	70½	64½	64½	64½	64½	64½	64½
Gen. Motors	65½	63½	41½	41½	41½	41½	41½	41½
Int. Harvester	79½	75½	69½	69½	69½	69½	69½	69½
Montg. Ward	38½	35½	32	32	32	32	32	32
Natl. Biscuit	85½	84½	81	81	81	81	81	81

x Ex dividend.

By courtesy of the Standard Statistics Company, Inc., of New York and 13, Copthall Avenue, London, we print the following index figures of American values calculated on closing prices (1926 = 100) :-

	1928.		1929.		1930.		
	Lowest.	Highest.	Lowest.	Highest.	Beginning of Year.	Sept. 17.	Sept. 24.
335 Industrials ..	132.5	186.4	134.5	218.9	146.0	140.2	132.5
33 Rails	120.5	139.7	127.8	173.5	134.3	123.0	119.7
34 Utilities	128.3	180.6	177.6	330.4	202.2	219.5	206.4
Total, 402 Stocks ..	130.3	178.9	140.3	228.1	153.0	150.1	142.1
Average yield of 50 Industrial Common Stocks ..	3.32%	4.42%	3.10%	5.23%	4.83%	4.53%	4.84%

DAILY AVERAGE OF 50 INDUSTRIAL COMMON STOCKS (1926 = 100).

Highest of 1930. (Apr. 10.)	Lowest of 1930. (June 24.)	Sept. 17.	Sept. 18.	Sept. 19.	Sept. 20.	Sept. 22.	Sept. 23.	Sept. 24.
202.4	149.6	165.7	163.6	160.1	160.7	156.3	158.3	155.5

TOTAL DEALINGS IN NEW YORK.

	Sept. 18.	Sept. 19.	Sept. 20.	Sept. 22.	Sept. 23.	Sept. 24.	Sept. 25.
Stock Exchange—Shares (Thous.)	1,373	2,994	831	2,327	1,918	3,438	3,061
Bonds (Value—Thous. \$)	8,198	10,012	7,034	11,585	10,973	11,520	12,268
Over-the-Counter—Shares (Thous.)	316	536	226	548	411	645	661

* 2-hour session.

INVESTMENT NOTES.

"Buying In" and the Stock Exchange.—The general public, writes a Stock Exchange correspondent, is frequently puzzled by the practice, as distinct from the theory, of "buying in" stocks and shares. The man who buys 100 Imperial Chemicals to-day, for payment on October 9th, and who does not receive delivery of the shares within ten days from the latter date, has the right to instruct his broker to "buy in" the shares against the seller. This operation should, theoretically, produce the shares and satisfy the buyer. If the man who sold the shares cannot obtain them, the Stock Exchange official concerned is nominally supposed to be able to obtain them by standing in open market and bidding practically what he likes for them. What actually happens is that the buying-in broker steps upon a form in the market, announces that he wants to buy 100 Imperial Chemicals, and is mildly chaffed by a dozen or more men standing round. After a perfunctory effort to obtain the shares, he steps down again and reports to the purchaser's broker that he has endeavoured to buy-in the shares, but without success. The purchasing broker sends the notice to the client, who, seeing that the shares are marked in the Stock Exchange Official List dozens of times every week, usually manifests surprise at the inability of his broker to obtain them. If, however, he asks the latter to try again, the broker probably demurs. He knows that while his endeavour will, as likely as not, be fruitless, it may cause the person against whom the loss falls, to lose a certain amount of commission. Members of the "House" are naturally reluctant to buy-in against one another, and, although the official broker goes round day after day trying to get odd lots of undelivered shares, the success which he achieves is trifling. It frequently happens that the shares to be bought in are very scarce. On the other hand, the unwritten etiquette of the Stock Exchange, which discourages one member from involving another in a loss unless he is absolutely obliged to do so, has the effect of nullifying what ought to be a useful method for enforcement of delivery. Buying-in and selling-out have sufficient intrinsic importance to justify the existence of a separate Stock Exchange department. The practice itself, however, is carried out in so perfunctory a manner as to make it of little practical effect.

German Bonds.—Early this week the foreign bond market was depressed by a sharp reaction in German Government bonds. Anxiety as to the political situation, the weakening of the German exchange, the discount on forward reichsmarks, and a shipment of gold from Berlin to Paris, all served to accentuate the marking down of German loans. It would, however, be an exaggeration to say that large holdings of the different bonds were liquidated. The market was too narrow to permit of wholesale liquidation even if it had been attempted. The selling, in fact, was of a scattered nature, and the movement in prices was out of all proportion to the size of the business transacted. The reassuring reports which came from Berlin Stock Exchange firms to brokers in London on Wednesday helped to bring about a general recovery, and the impression gained ground that the marking down of prices had been overdone. The following table gives the prices of the leading German loans before the elections, the lowest prices touched in the downward

movement, the extent of the recovery by Wednesday, and the yields at prices of that day:—

	Sept. 12.	Sept. 22.	Sept. 24.	Yield %
German 5½% (new)	85½	77	80½	6.87
" 7%	106½	101½	103½	6.76
Berlin City 6%	90½	79	81½	7.36
Saxony 6%	91½	82½	85	7.06
Hamburg 6%	99½	96	92	7.00
Munich 6%	87½	84½	82	7.80
Westphalia Prov. 7%	99	92	95	7.45
German Potash 6½%	101½	99	99½	6.56

On Thursday, after Herr Hitler's inflammatory speech, the market failed to hold its recovery, and the prices of all bonds weakened. During the recent depression the new German 5½ per cent. (Young) loan suffered worse than the 7 per cent. (Dawes) loan, partly because there is a weak technical position in the former, partly because there is a general feeling in the market that the price of issue of the Young loan, which was 90, was too high. That the Young loan should return a lower yield than the 7 per cent. Dawes loan is considered anomalous in view of the prior security held by the latter. The 7 per cent. Dawes loan, besides being the unconditional obligation of the German Government chargeable on all assets and revenues, had a specific first charge on all payments under the Dawes plan, this charge being prior to reparation and other treaty payments, which in turn have priority over existing German debt. It had also a first charge by way of collateral security on the "controlled revenues," i.e., Customs, taxes on tobacco, beer and sugar, and the spirits monopoly. The Young Plan provided for the distribution of the annuities in accordance with the new provisions "subject to the service of the 7 per cent. external loan of 1924, which averages approximately 76½ millions reichsmarks annually till 1949." It dealt with the controlled revenues "without prejudice to the securities of the 7 per cent. external loan of 1924." The fixed annual tax of 660 million reichsmarks on the German Railway Company for 37 years by way of guarantee for the service of the annuities under the Young Plan, merely serves to emphasise the prior security of the Dawes loan; but that Germany should default in the service of either of these loans is not regarded as practical politics in responsible City quarters.

United Molasses.—A feature of the industrial share markets this week was the sharp fluctuations in United Molasses ordinary shares on the passing of the interim dividend. In reply to a letter dated July 21st from a shareholder, the secretary of United Molasses stated that a half-yearly report would be issued at the time of the announcement of the interim dividend in the autumn, and that there had been no development of sufficient importance to warrant the directors anticipating that report. In the light of the interim report now issued, the secretary's letter of last July appears difficult to explain. This report is couched in almost alarmist terms. It states that up to the beginning of June the demand for, and the price of, molasses had been well maintained and that freights had been satisfactory, the company's fleet being fully employed at remunerative rates, but that in June and July the demand for molasses began to drop off and the freight market to weaken and that in the last six weeks the position had become much worse. To quote the most serious passage from the directors' report: "During the last few days the company has been notified by some of its customers abroad that, owing to accumulation of stocks and declining prices, they may not be able to carry out their commitments. In consequence, quantities of molasses which would under normal conditions have gone into consumption, are accumulating in our tanks. Unfortunately, this coincides with a serious depression in the tanker freight market, and for the first time in our history we are experiencing difficulty in finding employment for all of our vessels." The directors presumably refer to the industrial alcohol situation in the United States. American distillers of alcohol had bought molasses forward last year at high prices in anticipation of the industrial boom continuing, and apparently are now en-

deavouring to get released from the contracts into which they had entered. "The difficulty of prevailing conditions and the uncertainty as to how long they may continue" have caused the directors to conserve the company's financial resources by passing the interim dividend. The financial position of the company is, however, declared to be "one of great strength." Moreover, an arrangement has been concluded with the Distillers Company for an exchange of shares on the basis of two United Molasses for one Distillers ordinary share. This arrangement will necessitate the issue of an additional 375,000 ordinary shares of United Molasses, making a total issued ordinary share capital of £4,851,251. The chairman of each company is to be elected to the board of the other. As far as the Distillers Company is concerned there will be no fresh issue of shares, the ordinary share capital being £10,690,962. We do not suggest that the directors have overstated the seriousness of the United Molasses position. Indeed, they have not made any mention of the fact that following on the sharp fall in the price of molasses the company will have to take a heavy inventory loss at the end of this year. For the seven months to July 31st the net profit of the company was stated to be £635,000, which is at the annual rate of £1,088,571, as compared with £1,146,458 in the previous year. Since the end of last year the company has issued £850,000 of preference shares and increased its ordinary share capital by a 50 per cent. bonus issue. A year ago an interim dividend of 10 per cent. was paid on the ordinary capital, which was followed by a final dividend of 12½ per cent. and a bonus of 2½ per cent., making a total of 25 per cent. Prior to the distribution of the capital bonus of 50 per cent. this year the ordinary shares of United Molasses were as high as 6½. On the announcement of the passing of the interim dividend they fell from 30s. to 24s., and at the moment of writing are 25s. 6d. The high level reached in 1929 was 8½. No more striking record of boom and slump conditions can be found among the leading shares of the industrial market.

Rationalisation in Tin Smelting.—The announcement that the Penpoll Tin Smelting Company is shortly closing down its works at Bootle, Lancashire, was received with considerable surprise in the tin share market. This smelter, owned by the London Tin Corporation of the Anglo-Oriental group, was re-equipped with the most up-to-date machinery in 1928, and has been operating profitably on Bolivian ore. It was taken over early this year by the Consolidated Tin Smelters, which was formed in December, 1929, with a capital of £5 millions to acquire four out of the five principal smelting plants of the Empire; namely—Eastern Smelting, Cornish Tin Smelting, Penpoll Tin Smelting and Williams Harvey and Company. Apparently Consolidated Tin Smelters is now concentrating the smelting of Bolivian ore at the smelter of Williams Harvey, which is also at Bootle. The closing-down of Penpoll was curiously explained as due to the

164 Branches
in FinlandCAPITAL AND RESERVES:
Fmk. 426,000,000.
TOTAL ASSETS (30/6/30):
Fmk. 3,065,966,000.

KANSALLIS-OSAKE-PANKKI

(National Joint Stock Bank)

HEAD OFFICE: HELSINKI
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Established 1889.

shortage of tin ore. With a world over-supply of tin this statement may hardly be believed, but it refers to the fact that following on restriction of output, shipments of Bolivian and Nigerian ore have been drastically reduced. It should here be explained that Bolivian ore requires to be smelted with Nigerian to retain the requisite purity in the metallic tin. In August Bolivian shipments were 50 per cent. below and Nigerian 38 per cent. below those of January, as the following table will show:—

SHIPMENTS OF TIN TO GREAT BRITAIN.					
	Nigerian Arrivals.	Bolivian Arrivals.		Nigerian Arrivals.	Bolivian Arrivals.
* 1930.	Tons.	Tons.	1930.	Tons.	Tons.
January	958	4,467	May	764	3,562
February	851	3,206	June	548	2,820
March	1,230	2,152	July	687	2,601
April	969	3,580	August	595	2,193

* NOTE.—All figures represent concentrates converted into metal at the following percentages: 70 per cent. for Nigerian and 55 per cent. for Bolivian.

The plight of the Penpoll Tin Smelting Company calls attention to the depreciation which has overtaken the shares of the Anglo-Oriental Mining group. The London Tin Corporation 7½ per cent. preference shares of 10s. are now quoted at 5s. 6d., and the ordinary shares of 10s. at 9s. 6d. The 7½ per cent. £1 preference shares of the Anglo-Oriental Mining Corporation, which were issued in March, 1928, at 21s., are now quoted at 10s. 7½d., and its 5s. ordinary shares which were issued at 10s. are now standing at 7s. 9d. It will be recalled that the London Tin Corporation absorbed the Tin Selection Trust and London Malayan Tin Trust this year, and had previously acquired the Ropp and Northern Nigeria (Bauchi) Tin Mines, which gave it virtual control of the Nigerian tin industry. The largest individual shareholder in London Tin Corporation is the Anglo-Oriental Mining Corporation. On Thursday the directors of the London Tin Corporation announced that the publication of the accounts has been postponed till January, and that consideration of the payment on the preference shares for the second half of the current year would be deferred until the final accounts are made available. Profits are declared to be double those of the previous year, but in the meantime the capital has been trebled.

Harrisons and Crosfield.—In their report for the year to June 30 last the directors of this well-known company of general merchants and rubber and tea agents state that in view of the world-wide depression they consider the results for the year to be satisfactory. Net profit is down by £38,519 to £352,004. Preference dividend again takes £37,800, and preferred ordinary dividend £100,000. Management shares absorb £39,030, against £84,062, while the deferred ordinary dividend is lowered from 35 per cent. to 20 per cent., taking £73,059, against £114,187, out of £124,117 earned. It will be remembered that deferred shareholders have the right of applying for the allotment at par of deferred shares to the extent of one-half of their additional dividends in excess of 10 per cent. :—

Year to June 30.	1928.	1929.	1930.
Net profit.....	343,032	388,523	352,004
Brought forward.....	89,081	96,998	104,472
Preference dividend	37,800	37,800	37,800
Preferred ordinary dividend	100,000	100,000	100,000
Management share dividend	75,339	84,062	39,030
Deferred ordinary capital:			
Earned, £.....	115,934	140,424	124,117
Paid, £.....	101,976	114,187	73,059
Earned per cent.	39.7	43.0	33.9
Paid per cent.....	35	35	20
To reserve	20,000	20,000	...
Other allocations	...	25,000	100,000
Carried forward.....	96,998	104,472	106,587

It is symptomatic of the conservative financial policy which the directors have followed in the past that in

spite of the heavy fall in stock prices, the market value of the company's holdings still shows an appreciation over book values. Since June 30th, however, prices have declined further, and are now in many cases merely nominal. Although the directors are of the opinion that the present depression in the plantation industries is likely to be of only temporary duration, they have decided to set aside out of profits the sum of £100,000 to be written off the book cost of the company's plantation investments, which appear in the balance sheet at £954,538. The mortgage of £26,000 on the company's freehold property in Ceylon has been paid off during the year. The sum of £106,587 is being carried forward to the next account, against £104,472 brought in.

Imperial Airways.—The accounts of Imperial Airways, Ltd., for the year to March 31st last show a trading profit of £169,376, compared with the corresponding figure of £141,000 for the previous twelve months, the amount in both cases being struck after crediting Government subsidies for the year, shown in the last air estimates as £341,500. After provision for obsolescence, depreciation and taxation, net profit amounts to £35,139 or 9.5 per cent. on the ordinary capital, against £78,861 or 16.6 per cent., income tax requiring an allocation of £25,000, against £2,853 last year. The ordinary dividend drops again to the 1928 level of 5 per cent., compared with 7½ per cent. last year, and absorbs £18,371.

Year to March 31.	1928.	1929.	1930.
Trading profit	132,550	141,000	169,376
Net profit	72,567	78,861	35,139
Brought forward	Dr. 24,171	4,049	6,688
Ordinary capital—			
Earned £	72,567	78,861	35,139
Paid £	23,683	35,558	18,371
Earned %	15.3	16.6	9.5
Paid %	5	7½	5
To writing off preliminary ex-			
penses, etc.	20,664	20,664	2,500
Other allocations	24,171	20,000	...
Carried forward	4,049	6,688	20,956

The directors report that traffic has continued to improve on the regular European services, and has progressed satisfactorily on the England to India service, but that, in general, business has not increased as fast as was anticipated. The benefit of extended accommodation has, therefore, not yet fully matured, while at the same time the provision for obsolescence, which is determined by contract with the Government, has risen from £38,176 in 1928-29 to £85,887 in the current year. The sum of £2,500 has been set aside for writing-off part of the balance-sheet item "consideration for waiver of any claims by the Air Ministry for repayment of subsidy," while £20,956 is being carried forward, against £6,688 brought in. The ordinary £1 shares were marked down on the preliminary dividend announcement last week, and at their present price of £1½, give a yield of about £4 18s. 6d. per cent. allowing for the dividend of 5 per cent.

Scottish Electricity Merger.—The announcement that the directors of the Scottish Power Company have been in successful negotiation with the Scottish Southern Electric Supply Company with a view to the acquisition of that company's interests, marks a further stage in the process of developing and rationalising the supply of electricity in Southern Scotland. The Power Company will take over the whole of the issued capital of the Southern Electric, which consists of 120,000 6 per cent. cumulative preference shares of £1 each and 80,000 ordinary shares of £1 each, on the basis of an exchange for an equal number of its own preference and ordinary shares, the offer having been accepted by all the shareholders of the Southern Electric with the exception of the holders of thirty ordinary shares. In order to secure the benefit of the relief of capital stamp duty afforded by the Finance Acts in cases of amalgamation such as

the above, it is necessary for the Power Company to increase its share capital to the extent required to effect the exchange of shares. Notice is therefore given of an extraordinary general meeting to pass the necessary formal resolution to increase the capital of the Power Company to £4,200,000 by the creation of 200,000 new shares of £1 each. The areas to be acquired embrace the counties of Selkirk, Peebles, Roxburgh, Midlothian and Berwick, and the directors are of the opinion that these districts can be operated advantageously with, and should prove a valuable addition to, the company's existing properties. These have been considerably extended recently, for in 1929 the Scottish Power Company absorbed several power and lighting undertakings in Fife, besides purchasing the Fife Electric Power Company from the Fife Tramway, Light and Power Company for the sum of £1,025,000 in cash, raised by increasing its capital to £4,000,000, and issuing 1,000,000 £1 shares at 28s. per share. In April last 650,000 £1 shares were issued from the unissued capital at 27s. per share, the purpose of the issue being to finance the hydro-electric works and transmission lines of the Grampian Electricity Company. The issued capital is at present £3,350,000 in 350,000 £1 6 per cent. preference shares, and 3,000,000 £1 ordinary shares on which a dividend of 8 per cent. has been paid for a number of years.

Sheepbridge Coal and Iron.—This old-established Midland company appears to have suffered less than most from the prevalent depression in iron and coal. The accounts for the financial year to June 30, 1930, show a gross profit of £150,452, against £96,099, and a net profit after debenture interest, depreciation and directors' fees, of £93,723, compared with £52,089 for the previous twelve months. Preference dividend again requires £8,368, while the distribution on the ordinary capital is increased from 2½ to 5 per cent., absorbing £58,558, against £29,279.

Year to June 30.	1928.	1929.	1930.
	£	£	£
Net profit	39,017	52,089	93,723
Brought forward	87,233	88,603	103,045
Preference dividend.....	8,368	8,368	8,368
Rate %	5	5	5
Ordinary capital—			
Earned £	30,649	43,721	85,355
Paid £	29,279	29,279	58,558
Earned %	2.5	3.7	7.2
Paid %	2.5	2.5	5
To Reserve	...	...	30,000
Carried forward	88,603	103,045	99,842

In the following table, the percentage earnings and payments on the ordinary shares are set out for the past ten years.

ORDINARY CAPITAL.					
Year to	Earned	Paid	Year to	Earned	Paid
June 30.	%	%	June 30.	%	%
1921	8.1 f.t.	7.5	1926	5.1	5.0
1922	5.9	6.0	1927	8.6	7.5
1923	9.2	7.5	1928	2.5	2.5
1924	9.6	7.5	1929	3.7	2.5
1925	8.3	5.0	1930	7.2	5.0

The sum of £30,000 is placed to reserve account, which now appears in the balance sheet at £250,000, while £99,842 is carried forward, against £103,045 brought in. The balance sheet position is strong, liquid assets, comprising sundry debtors, loans by the company, and cash, totalling £383,244, against current liabilities of £128,809. The directors report that it has been considered desirable to utilise certain sums which had been reserved for taxation and other contingent liabilities to write down the values of the fixed assets and investments, but these items still exceed by £67,961, the total for last year. It is stated that the profits realised by the Yorkshire Amalgamated Collieries, in which this company has a large interest, show a distinct improvement for the year to March 31st last, and a dividend of 9d. per share on the

"A" shares and 3d. per share on the "B" shares has been received. At their present price of 11s. 6d., the ordinary £1 shares of the company give a yield of about £9 per cent., allowing for a final dividend of 3½ per cent.

The Carlsberg Brewery.—British investors may be interested in the position of a type of enterprise which has no parallel in this country. The Gamble Carlsberg Brewery, of Copenhagen, was established in 1847 by J. C. Jacobsen. In 1870 the founder built the Ny Carlsberg Brewery, which he leased to his son, Carl Jacobsen. In 1875 the Carlsberg Laboratory was inaugurated. A year later the Carlsberg Fund was established, of which the Gamle Brewery formed an endowment. In 1902 the two breweries were amalgamated when Carl Jacobsen handed over the Ny Carlsberg Brewery to the same fund, whose governors are elected by the Royal Danish Academy of Science. The brewery property, which covers 64 acres, has no shareholders, its profits being devoted entirely to artistic, scientific and horticultural purposes. The fund is responsible for the Carlsberg Laboratory, the National Historical Museum in Frederiksborg Castle, and various scientific objects. The brewery's chief aim is "to develop the art of making beer to the greatest possible degree of perfection." It has an annual output of 200,000,000 bottles of beer and 400,000 bottles of mineral waters. In the last five years it has paid 61,000,000 kroner, or over £3,000,000, in beer tax. It has a power station with an annual output of 3,000,000 kw. The brewery's products are known all over the world. As a thoroughly efficient and profitable enterprise, which is based neither on state control nor private ownership, it has few, if any parallels the world over.

THE STANDARD BANK OF SOUTH AFRICA LIMITED

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

CAPITAL Authorised and Subscribed	£10,000,000
CAPITAL PAID UP	£2,500,000
RESERVE FUND	£3,164,170
CAPITAL UNCALLED	£7,500,000
	£13,164,170

Board of Directors.

William Reiersen Arbutnot, Esq.
Rt. Hon. Lord Balfour of Burleigh.
Stanley Christopher, Esq.
Edward Clifton-Brown, Esq.
Robert E. Dickinson, Esq.
Solomon B. Joel, Esq.
Horace Peel, Esq.
Rt. Hon. the Earl of Selborne, K.G.
William Smart, Esq.
Rt. Hon. Lord Sydenham.
G.C.S.I., F.R.S.
Sir Roderick Roy Wilson.

Joint General Managers in South Africa—James S. Shiel, G. F. Le Sueur, W. K. Robertson.
Deputy General Managers in South Africa—Francis E. King, Herbert G. Hoey.
Assistant General Manager in South Africa—E. C. Frost.
London Manager—Bertram Lowndes.
Secretary—T. D. Williams.

Head Office: 10 CLEMENTS LANE, LOMBARD STREET,
and 77, KING WILLIAM STREET, LONDON, E.C.4.
London Wall Branch: 63, LONDON WALL, E.C.2.
West End Branch: 9, NORTHUMBERLAND AVENUE, W.C.2.
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HAMBURG BRANCH: 49-53, SOHLENBURGER-STRASSE.

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EXECUTOR AND TRUSTEE BUSINESS CONDUCTED.

COMMERCIAL SERVICE.

The Bank has over 370 Branches in Africa, and Agents and Correspondents throughout the World. The closest touch with Trade and Industrial conditions is maintained, with special attention to Commercial and Credit Intelligence. This service is available to Exporters, Importers and others wishing to develop trade with South, East and Central Africa.

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

Thomas W. Ward.—The accounts of this Northern engineering firm for the financial year ended June 30th last reveal a net profit, after charging directors' fees, income tax, and interest, of £80,078, compared with the corresponding figure of £111,915 for 1929. Dividend on the first preference shares absorbs £5,953, and on the second preference shares, £25,000, while the 53,122 £1 employees' shares, which rank with the second preference shares for 5 per cent. cumulative dividends, and equally with the ordinary shares after the latter have received 5 per cent., require £2,643. The ordinary capital has earned 5.2 per cent., and the dividend of 6.45 per cent., less tax, which compares with a previous distribution of 6.25 per cent., tax free, is consequently not covered. Payment is effected by a reduction in the carry-forward from £36,677 to £28,159.

Year to June 30.	1928.	1929.	1930.
Net profit	£ 55,541	£ 111,915	£ 80,078
Brought forward	23,000	27,675	36,677
First pref. div.	6,000	6,000	5,953
Second pref. div.	19,873	25,000	25,000
Employees' div.	2,957	3,163	2,643
Ordinary capital—			
Earned £	27,711	77,752	46,483
Paid £	47,036	68,750	55,000
Earned %	3.6*	6.7*	5.2†
Paid %	6.25*	6.25*	6.45†

To reserve Dr. 25,000 ...
Carried forward 27,675 36,677 28,159

* Tax free. † Less tax.

The balance sheet fails to reveal a liquid position, current liabilities at £733,427 exceeding available assets by £312,898. Investments in subsidiary companies, which appear in the balance sheet at cost, total £248,027, and investments in other companies at £60,150. The auditors' report states that no provision has been made for depreciation in respect of plant and machinery this year, as the directors consider that ample provision has been made in previous years. At their present price of 13s. 9d., the ordinary £1 shares give a yield of £9 18s. 3d. per cent., less tax, allowing for a final dividend of 3½ per cent.

Argentine Land and Investment.—The profit of this company for the year ended June 30th last shows a further decrease of £3,793 to £159,326, representing 15.5 per cent. on the company's capital of £1,026,884. The dividend, maintained at 10 per cent., absorbs £102,688, and after £37,067 has been transferred to reserve for contingencies, and £25,474 to investment reserve, the amount carried forward is £5,903 less at £21,043.

Year ended June 30.	1928.	1929.	1930.
Net profit	£ 226,774	£ 163,119	£ 159,326
Ordinary dividend—			
earned %	24.2	15.8	15.5
paid %	10%†	10%*	10%
amount	84,055	98,036	102,688
To reserve funds	140,000	64,742	62,541
Inc. or dec. in carry-forward	+2,719	+341	-5,903

† 5 per cent. per annum on 186,579 new shares.
* 5 per cent. per annum on 93,043 new shares.

OFFER TO NEW READERS.

Any reader who makes his first acquaintance with this journal with this week's issue is invited to fill up the attached:

To Publisher, "Economist Newspaper, Ltd.,"
8, Bouverie Street, E.C.4.

In order to test the value of your publication I should like you to forward this to me by post for the next four weeks. If I then decide to become a subscriber, it is understood that there will be no charge for the copies thus received, but otherwise I shall be willing to pay 4s. to cover their cost.

Name

Address

The directors state that the above allocations to reserves are considered advisable owing to the heavy falls in security quotations. The investment reserve now stands at £50,000, and the contingencies reserve at £80,000. The revenue for the year includes land sales of £97,758 and interest of £92,900, which compare with £120,554 and £96,788 respectively in 1928-29. There is also a profit of £22,061 on the sale of house properties. The total of the assets is £33,022 less at £2,005,290. The main reductions are land instalments unmatured, which, at £573,357, are down by £55,025, and bills receivable, which are £88,275 lower at £2,657. During the year £20,000 was transferred from the reserve fund, now £110,000, to mortgage loans to provide for a probable loss in connection with one loan. The amount owing by the company on certain properties has been reduced by £67,538 to £566,801, and creditors are £10,733 lower at £14,061. The ordinary shares are secured by net tangible assets of 24s. 8d. per £1 share fully paid.

Sherwood Starr.—The recent discoveries of high-grade ore in depth by this Rhodesian gold undertaking, writes our mining correspondent, are reflected in last year's results. Although the tonnage treated—57,800—was only a little above the 1928-29 total, the yield averaged 46s., in place of 34s. 9d. Hence, despite a small expansion in cost, the working profit came out at £60,400, as against £33,200, and the dividend rate was raised from 15 per cent. to 25 per cent. On the present occasion £10,000 is transferred to reserve, but the carry-forward is £7,100. lower at £15,000. Capital expenditure during the past year amounted to £25,200, certain additions to the treatment plant being chiefly responsible. The ore reserves are now computed at 110,000 tons, value 66.7s., in place of 113,000 tons and 58.1s. twelve months ago. The small decrease in quantity is attributed partly to the expansion in the tonnage milled and partly to a contraction in the width of the ore body between the ninth and tenth levels. In regard to the prospects, the consulting engineers state that "there is every indication of the persistence of the ore body to still greater depths." In the light of these facts and opinions, surprise has been expressed in some quarters at the tendency of the shares to fall rather than rise. The explanation is not far to seek. In the first place, the narrowing of the ore body, already referred to, may, as suggested by the directors, prove only temporary; on the other hand, it may become accentuated. Further, the financial position is far from liquid, the cash assets totalling £14,000, against creditors for £34,500. Finally, twelve years' dividends at the 1929-30 rate would be required to repay the capital at the current market price of 15s. 7½d. for the 5s. share.

North Charterland.—Allowance being made for depreciation and taxes, last year's operations resulted in a loss of £16,400, increasing the debit balance to £45,500. These results represent an improvement upon those of 1928. Tobacco-growing is now the chief activity. As stated in the progress report of the Mining Trust, exploration for minerals has been attended with disappointing results. At the moment chief interest in North Charterland affairs relates to the directors' report and recommendations re the company's "petition of right," which concludes by urging that there should be a public inquiry into the circumstances under which, many years ago, the company became dispossessed of a portion of its property. The matter is too long and complicated for discussion here, but the suggestion may be put forward that at the time neither of the parties concerned attached any great importance to the area set aside for native reserves.

CAPITAL ISSUES.

The autumn new issue season was opened this week by the offer of £3,500,000 debenture stock of the General Electric Company for conversion purposes. The market appeared content with the flat yield of a little over £5 per cent., and the issue was oversubscribed.

ISSUES OF THE WEEK.

By Prospectus or Offer for Sale.

Net total recorded, January 1 to September 20, 1930, £191,827,481.
Total, including conversion recorded, January 1 to September 20, 1930, £281,948,712.

National Savings Certificates.
Net sales, week ended September 20, 1930, £150,000.
Total receipts, April 1, 1930, to September 20, 1930, £3,400,000.

To the Public.	Nominal Capital.	Conversions or Repayments.	New Money Cash Subscriptions.	First Payment.	Further Liability.
General Electric Co.	3,500,000	3,430,000	...	171,500	3,258,500
Total to the public week ended September 27th	3,500,000	3,430,000	...	171,500	3,258,500
To Shareholders only.					
Samuel Alisoop and Sons, 466,408 ord. £1 at £1 2s. 6d.	466,408	...	524,709	116,602	408,107
Scottish and Canadian General Investment, 75,000 5% cum. pref. £1 at par	75,000	...	75,000	75,000	...
Tal Tak Plantations, 120,000 10% cum. pref. 2s. at par	12,000	...	12,000	750	11,250
Total to shareholders only, week ended Sept. 27, 1930	553,408	...	611,709	192,352	419,357
Total Offered for Subscription—					
Including Conversions.	3,500,000	3,430,000	...	171,500	3,258,500
Excluding Conversions.	...	...	...	...	...

Jan. 1 to date—	£	Whole year—	£
1930	286,140,421	192,589,190	488,764,940
1929	230,483,270	193,157,670	693,100,056
1928	462,585,817	290,485,194	...
1927	...	248,854,425	...
1926	...	154,970,501	...
1925	...	160,941,475	...
1924	...	134,616,265	...
1923	...	216,807,637	...

By Stock Exchange Introduction.

Amount previously recorded	£	Prices at which Capital Introduced.	Deals Began.	Total Cash Involved.
16,467,378	...	...	...	18,152,707
Total, week ended September 27, 1930	Nil	...	...	Nil
Total to date, 1930	16,467,378	...	...	18,152,707
Total to date, 1929	29,834,581	...	...	41,168,723

General Electric Company.—Issue of £3,500,000 5 per cent. mortgage debenture stock at 98 per cent. The whole amount of the outstanding £2,919,340 7 per cent. debenture stock will be paid off by September 30, 1931, out of the proceeds of this issue. Holders of the 7 per cent. debenture stock, however, have the right, exercisable up to September 29, 1930, to convert their holdings into an equivalent amount of 5 per cent. debenture stock, together with a cash payment of £4 per cent. on the stock so converted. The new stock will be redeemable at 100 per cent. by September 30, 1967, by means of a cumulative sinking fund of 1 per cent. per annum commencing in 1931 and operating by annual drawings at 100 per cent. or by purchase at 100 per cent. or under. Any stock not previously redeemed will be repayable on September 30, 1967, at 100 per cent. The company reserves the right to redeem the stock in whole or part on three months' notice at 105 per cent. up to and including September 30, 1937; at 102 per cent. up to and including September 30, 1947, and thereafter at 100 per cent. The stock gives a flat yield of about £5 2s. per cent.

[Other Stock Exchange information, including the latest dividend announcements, summary of balance sheets, profit and loss figures and shorter notices will be found on page 593 under the heading "Company News."]

WEEKLY TRAFFIC RETURNS.

RAILWAYS OF GREAT BRITAIN AND IRELAND.

(b) Week ended Sept. 18, 1930. (c) Week ended Sept. 19, 1930.	Miles Open.	Week ended Sept. 20, 1930. (000's omitted.)						Aggregate 38 weeks, 1930. (000's omitted.)					
		Passen- gers &c.	Merchan- dise, &c.	Coal and Coke.	Total Goods.	Total for Week.	Passen- gers &c.	Merchan- dise, &c.	Coal and Coke.	Total Goods.	Total Receipts.		
Great Western	3,751	257	214	114	328	585	9,367	7,997	4,473	12,470	21,837		
Do. for 1929.....	3,751	274	230	121	351	625	9,697	8,466	4,723	13,189	22,886		
Lon.&N.Eastn.(c) ..	6,362	379	373	240	613	929	13,373	14,570	9,594	24,164	38,001		
Do. for 1929.....	6,361	410	438	258	696	1,106	14,370	15,704	10,156	25,860	40,231		
Lon.,Mid.&Scot.....	6,956	547	522	244	766	1,313	20,469	19,890	9,459	29,445	49,911		
Do. for 1929.....	6,957	595	602	258	860	1,455	21,668	21,448	10,202	31,650	51,311		
Do. for 1929.....	6,957	604	82	30	112	452	22,884	2,911	1,115	4,026	16,616		
Southern	2,179	360	88	35	123	483	24,246	2,956	1,237	4,193	17,032		
Do. for 1929.....	2,175	360	88	35	123	483	24,246	2,956	1,237	4,193	17,032		
Total of above	19,248	1,523	1,191	628	1,819	3,342	56,257	45,458	24,651	70,109	126,366		
Do. for 1929.....	19,244	1,639	1,358	672	2,030	3,669	58,851	48,574	26,318	74,892	133,447		
Metropolitan (c) ..	59	32.1	4.1	...	...	36.2	123.9	150.6	...	...	139.0		
Do. for 1929.....	59	32.9	4.0	...	...	36.9	122.5	145.4	...	...	137.0		
† Underground, E. R. (c) ..	...	301.0	...	...	...	301.0	11,422	...	...	...	11,422		
Do. for 1929.....	...	299.3	...	...	...	299.3	10,806	...	...	...	10,806		
Lon.&Sub. Gr.P.	...	45.3	...	...	...	45.3	1,681.5	...	...	...	1,681.5		
Do. for 1929.....	...	45.5	...	...	...	45.5	1,582.8	...	...	...	1,582.8		
B'†st&Co.D'wnc ..	80	2.7	...	...	...	3.4	109.8	27.7	...	...	137.7		
Do. for 1929.....	80	2.8	...	...	...	3.6	109.1	33.4	...	...	142.2		
*GreatNorthern b ..	562	12.9	14.8	...	...	27.7	...	...	...	...	173.4		
Do. for 1929.....	562	14.3	17.3	...	...	31.6	...	...	...	...	109.8		
GreatSouthern b ..	2,187	29.4	44.6	...	...	74.0	...	...	...	...	274.0		
Do. for 1929.....	2,187	34.5	46.9	...	...	81.4	...	...	...	...	283.4		

* Aggregate 37 weeks.
† Includes receipts from independent omnibuses during current year.

OVERSEAS RAILWAY RECEIPTS.

Name.	Weeks.	Ending.	Present Mileage.	Gross Receipts for Week.	Total Gross Receipts.
				1930.	+ or - 1930.
INDIAN.					
Assam Bengal	34	Aug. 23	1,306	Rs. 3,82,000	Rs. 24,478
Bombay, Bar. & O. I.	22	30	202	19,100	8,300
Bombay, Bar. & O. I.	22	30	2,079	4,64,064	40,757
Bombay, Bar. & O. I.	21	23	3,139	11,62,000	2,25,501
Bombay, Bar. & O. I.	21	Sept. 13	3,094	17,00,000	2,63,000
Bombay, Bar. & O. I.	34	Aug. 23	3,229	13,01,000	3,98,856
Bombay, Bar. & O. I.	22	30	561	84,035	2,170
Bombay, Bar. & O. I.	21	23	2,371	11,78,899	71,631
South Indian	21	23	2,371	11,78,899	71,631

† Including Lucknow-Bareilly State Railway.

CANADIAN.

Canadian National	37	Sept. 14	202,990	5,022,666	- 676,446	156,922,533	- 32,556,390
Canadian Pacific	37	Sept. 14	152,424	4,715,000	+ 67,000	121,709,000	- 25,268,000

SOUTH AMERICAN.

Antofagasta (Chili and Bolivia)	38	Sept. 21	804	£ 19,740	- 8,060	1,035,360	- 403,615
Argentine N. E.	12	20	753	16,400	- 3,300	177,100	- 12,260
Argentine Trans. dn. ..	12	21	111	4,335	- 218	32,528	- 10,800
B. A. and Pacific	12	21	2,806	115,000	- 1,300	1,398,000	- 424,000
B. A. Central	12	21	...	13,968	+ 1,728	1,62,987	- 4,194
B. A. Gt. Southern	12	21	5,009	175,000	- 33,000	2,155,000	- 533,000
B. A. Western	12	21	1,926	65,000	- 10,000	806,000	- 225,000
Central Argentine	12	20	3,359	196,000	- 61,000	2,320,000	- 640,000
Central Uruguay	12	20	273	28,481	+ 5,199	320,200	+ 31,745
C. Urug. (East. Ext.) ..	12	20	311	5,495	+ 479	63,826	+ 3,843
C. Urug. (N. Ext.)	12	20	185	3,100	+ 358	37,074	+ 2,284
C. Urug. (W. Ext.)	12	20	211	2,785	+ 212	33,273	+ 4,087
Cordoba Central	12	20	1,218	70,000	- 212	779,000	- 62,000
Entre Rios	12	20	804	25,900	+ 1,900	285,600	+ 15,600
G. Westn. of Brazil	38	Sept. 20	1,035	11,200	- 10,300	498,500	- 127,000
Leopoldina	38	Sept. 20	1,856	40,837	- 29,893	1,321,681	- 440,118
Leopoldina Term.	38	Sept. 20	Mrs. Ra. 257,000	- 11,000	- 11,000	10,890,000	+ 311,000
Nitrate (S. monthly) ..	† 8	15	410	13,730	- 23,130	311,084	- 285,201
San Paulo	39	21	153	44,086	- 15,143	1,554,854	- 315,289
United of Havana	12	20	1,369	35,268	- 16,924	440,755	- 179,211

* Traffic interrupted by storms.

OTHER OVERSEAS.

Gt. Southn. of Spain ..	37	Sept. 13	104	£ 1,84,562	- 61,733	3,682,232	- 853,692
Mexican Railway	12	14	483	£ 227,600	- 32,300	2,422,400	- 159,500
Paraguay Central	10	20	274	3,830	+ 30	48,380	+ 3,270
Salvador	12	20	100	1,916	- 34	26,343	- 16,718

TRAMWAYS WEEKLY GROSS RECEIPTS.

Anglo-Argentine	37	Sept. 16	329	£ 78,299	- 7,814	3,037,619	- 152,805
B. Aires Lacroce	11	11	8	11,175	- 424	128,007	- 10,772
B. Aires Lacroce	34	20	124	£ 31,749	+ 1,510	793,164	+ 1,379
Liverpool Corp.	10	15	...	£ 51,229	+ 3,845	793,164	+ 1,379
Madrid Electric	25	18	166	81,858	- 1,306	2,004,031	- 16,331
L.O.O. Tramways	25	18	166	81,858	- 1,306	2,004,031	- 16,331

* Including motor buses. † Months. ‡ Fortnightly figures.

MONTHLY TRAFFICS.

		Ms.	Ending	Description.	For Month.		Total to date.		
					1930.	+ or -	1930.	+ or -	
					£	-	£	-	
Manchester Ship Canal	8	Aug. 31	Gross	100,524	-	14,835	973,701	-	81,299
Santa Fé	8	Aug. 31	Gross	152,428	-	14,541			
Brazilian Traction	8	Aug. 31	Gr.	\$3,792,808	-	540,652	32,160,185	-	540,119
			Net	\$2,314,839	-	132,185	18,787,153	+ 139,633	
Para Elec. Rlys.	8	Aug. 31	Gr.	12,681	-	2,543	131,304	-	2
			Net	1,019	-	1,079	20,291	+ 7	
Int. Rly. of Cent. Am.	8	Aug. 31	Gr.	92,864	-	41,482	1,078,162	-	206,141
			Net	84,187	-	18,533	468,737	-	95,465

COMPANY MEETINGS, &c.

THE SECOND ALLIANCE TRUST COMPANY, LIMITED.

SUCCESSFUL RESULTS OF THE YEAR.

SATISFACTORY REVENUE ACCOUNT.

INCREASED DIVIDEND ON LARGER CAPITAL.

The annual ordinary general meeting of the Second Alliance Trust Company, Ltd., was held, on the 19th instant, in the company's office, Meadow House, 64 Reform Street, Dundee.

Mr James Prain presided.

After formal evidence of the proper calling of the meeting had been submitted, the Secretary (Mr J. K. Greenhill) read the auditors' report to the shareholders.

The Chairman, in moving the adoption of the annual report, said: I have now to submit for your adoption the directors' report and accounts for the year to July 31 last, which have been in your hands for the usual period, and which you will, no doubt, agree to hold as read.

The balance-sheet figures reflect the increase in our capital, both share and debenture. The latter, you will observe, is held both in the more or less permanent form of debenture stock, and in that of terminable debentures and interim loans. The balance sheet shows that we have now been successful in putting into effect our policy of having the greater amount of our borrowed money in the more permanent form, but to retain a substantial amount on debentures maturing at short dates or on deposit. The permanent money stabilises our position, while the possession of short money enables us to take advantage of periods of cheap money such as we are now going through. Our abundant reserves and strong financial position enable us to obtain the most favourable terms available.

THE DISTRIBUTION.

Turning to the revenue account, you will find a satisfactory showing which fully justifies the distribution which we propose—namely, a dividend of 22 per cent. on the increased ordinary stock, against 21 per cent. last year, in addition to which you received with the interim dividend a free bonus of 20 per cent. in preference stock. As regards the figures before you, the increase of capital during the year makes an exact comparison impossible, but the fact that we are able to recommend an increased dividend on the increased capital, and after carrying the same amount to contingent reserve fund substantially to increase the carry-forward, sufficiently indicates the healthy advance which we have made. I think it right to state that in view of the general outlook we have dealt in an exceptionally conservative manner with our revenue showing this year, and that our recommendation of an increase in your dividend is made without hesitation.

STOCK MARKETS POSITION.

But there can be no doubt that holders of securities generally are called on at present to view the outlook in a conservative spirit. It is true that the stock markets recently showed a general rise, particularly in industrial shares, but this was not due to any change in basic conditions. It was merely due to the fact that the stock markets themselves are healthier. After many months of more or less continuous liquidation, the weak bulls have been mainly eliminated, those holders who were compelled to sell have sold, and probably a considerable bear account is in existence. There is also a plentiful supply of idle money. The technical situation is, therefore, improved, and ready to respond very vigorously indeed to a real change for the better. But there is at the moment no sign of that, and indeed we cannot expect trade to recover from a slump of the present magnitude except very slowly.

The *Economist's* index shows that wholesale prices fell nearly 33 per cent. all over between 1924 and this year, but it is the steepness of the falls which have taken place during the past 12 months that attracts attention. Textiles have come down over 30 per cent., Australian wool 36 per cent., foreign wheat 41 per cent. This kind of thing cannot go on, and we must expect the fall in prices to slow down, but before a real change for the better takes place the great world factors must move, and no quick recovery or easy roads to prosperity are open to us. Economically, the world is in a constant state of adjustment and readjustment, and the only proved method by which adjustments can be effected, particularly when the whole world is involved, is the slow one of allowing prices to find their own level. Stability is what is needed, and until we have got that any advance in stock market prices will reflect nothing but the somewhat barren fact of technical improvement.

RESULTS OF CONSERVATIVE POLICY.

But, as we have said to you before, we do not regard market prices as the main interest of a trust company. What should be

chiefly regarded is the strength and permanence of its earning power, which, in the main, depends on the power of those concerns in which its funds are invested. It is in this connection that we must consider the present position. The fall in commodity prices, the world-wide depression in trade, and other troubles are affecting almost every undertaking, and reductions in dividends and default in interest cannot be avoided. Moreover, these reductions and defaults are matters not only of the present, but must continue to some extent into the future as the results of present trading materialise in future reports. They cannot fail to be to some extent reflected in the revenue accounts of trust companies, and the time, therefore, is as I have said one in which we must look forward in a spirit of the utmost conservatism.

It is no time for making optimistic prophecies or promises for the future, but one in which to be thankful that we have acted on conservative lines in the past, and to resolve to continue to do so in the future. We here, however, do not need to look to the future in a spirit of pessimism. We have every confidence in the ability of our company to stand the strain, and, as I have said, we recommend you to approve of an increased dividend for the year without any hesitation whatever.

AGRICULTURAL CONDITIONS.

It is characteristic of the universal nature of the world's troubles that agricultural conditions in our mortgage fields are worse than they have been for a quarter of a century. Drought has scorched and sterilised large parts of the agricultural area of the United States, and poor crops are in unique conjunction with poor world prices. Fortunately our interest in this matter is now small—only 4 per cent. of our whole funds—and our troubles there are not large enough to change the note of confidence with which I am able to close these somewhat sober reflections.

I should wish, in concluding, to express the warm appreciation which we always feel for the loyal and effective services of the staff during the year. I shall not detain you further, but conclude by moving that the directors' report and accounts for the year ended July 31, 1930, be approved and adopted, and that the final dividends be declared at the rates therein recommended on £700,000 preference stock at the preferential rate of 4½ per cent. per annum, and on £350,000 ordinary stock at the rate of 22 per cent. per annum, all subject to income tax.

The resolutions declaring dividends, re-electing the retiring director, and appointing auditors were unanimously passed.

INDUSTRIAL FINANCE AND INVESTMENT CORPORATION, LIMITED.

SOUND LIQUID POSITION.

The fifth annual general meeting of the Industrial Finance and Investment Corporation, Ltd., was held, on the 19th instant, at Winchester House, Old Broad Street, London, Mr Paul Lindenberg, the chairman of the corporation, presiding.

The Chairman said: The actual value of our investments is in excess of the figure of £705,000 shown in the balance sheet, and in view of the heavy depreciation which has occurred in Stock Exchange values during the past year, it is satisfactory to know that we have still a certain reserve in hand, which, of course, will increase with any improvement in market conditions. I would like to point out that your company is in a very sound liquid position, and that we are in consequence able to deal with any new business which may be offered.

Turning to the profit and loss account, you will see that the gross profit at £196,420 9s. 6d. is slightly in excess of last year's figure. After deduction of all expenses, directors' fees and debenture interest, there remains a net profit of £155,117 15s. 7d.

No doubt you appreciate the fact that the past year has been a difficult one for all companies transacting financial business, and in view of the conditions prevailing throughout the period in question, and in particular since the break in the American stock markets, I think you will not be dissatisfied with the result we place before you; the more so as the activities of your company have, of course, been influenced by the lack of confidence prevailing among the investing public and in the city as far as new issues are concerned.

This situation is partly due to the heavy losses incurred through the many unsound flotations and issues made during the preceding year. I had occasion to comment on this matter at our last year's meeting, and at the time I pointed out that it would be advisable to safeguard the public against the issue of securities of speculative companies. Since then a good deal has been done in this direction, and the Press has also taken the matter up. For the time being, at any rate, only issues of securities of the highest class are find-

CAPITAL and INTEREST

are both lost if your investments fail.

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It is a source of great satisfaction to my colleagues and myself that all the companies which your corporation has sponsored have continued to progress in a very successful manner. Every one of the undertakings of which we have issued securities has been able to show better results than those of the previous accounting period.

The report and accounts were unanimously adopted; a dividend of 7 per cent., less tax, for the year on the ordinary shares was declared, and the formal business having been transacted, a vote of thanks to the chairman terminated the proceedings.

Government Returns, &c.

NATIONAL ACCOUNTS.

As is shown from the Treasury Return printed below, the total ordinary revenue for the week ended Sept. 20, 1930, amounted to £12,000,400, against ordinary expenditure of £7,228,600. After allocating £495,000 to the Sinking Fund, and having allowed for an increase in Exchequer Balances of £1,084,800, the week's operations, as shown below, reduced the National Debt by £3,192,000 to £7,670,000,000:—

		(000's omitted.)	
National Savings Certificates	+ 150	Bank of England Advances	£ 750
Treasury Bills	+ 8	Public Department Advances	2,600
	+ 158		— 3,350

A complete analysis of the National Debt at the end of last quarter was printed in the *Economist* of July 5, 1930.

REVENUE.	Estimate for the year 1930-31.	Total Receipts into the Exchequer.			
		April 1, 1930, to Sept. 20, 1930.	April 1, 1929, to Sept. 21, 1929.	Week ended Sept. 20, 1930.	Week ended Sept. 21, 1929.
ORDINARY REVENUE.					
Inland Revenue—					
Income Tax	260,000,000	57,463,000	55,159,000	977,000	861,000
Surtax, including Arrears of Super-Tax	65,500,000	13,260,000	11,250,000	270,000	180,000
Estate, &c., Duties	83,000,000	40,040,000	40,780,000	930,000	1,420,000
Stamps	27,000,000	7,500,000	11,010,000	190,000	170,000
Excise Profits Duty and Corporation Profits Tax	1,700,000	...	10,000	...	...
Land Tax and Mineral Rights Duty	800,000	140,000	160,000	...	...
Total Inland Revenue	437,000,000	118,403,000	118,369,000	2,367,000	2,631,000
Customs and Excise—					
Customs	122,710,000	56,619,000	58,185,000	1,683,000	2,350,000
Excise	129,860,000	58,740,000	60,554,000	6,825,000	7,071,000
Total Customs and Excise	252,570,000	115,359,000	118,739,000	8,508,000	9,421,000
Motor Vehicle Duties (Exchequer Share)	4,950,000	1,251,298	1,624,000	Dr 355,790	1,300,000
Post Office (Net Receipts)	10,125,000	5,000,000	4,950,000	Dr 120,000	...
Crown Lands	1,300,000	600,000	560,000	...	...
Receipts from Sundry Loans	33,000,000	17,081,195	17,614,066	1,375,000	7,003,883
Miscellaneous Receipts	34,500,000	12,194,706	14,327,562	1,306,159	120,405
Appropriation from Rating Relief Suspense Account	16,000,000	16,000,000	...	...	...
Total Ordinary Revenue	789,445,000	285,889,199	276,183,628	12,000,369	17,876,288
SELF-BALANCING REVENUE.					
Post Office	60,275,000	27,500,000	26,650,000	2,000,000	1,800,000
Motor Vehicle Duties apportioned to Road Fund	23,560,000	6,776,702	6,117,000	355,790	...
Total Self-Balancing Revenue	83,835,000	34,276,702	32,767,000	2,355,790	1,800,000
		320,165,901	308,950,628	14,356,159	19,676,288

EXPENDITURE.	Estimate for the year 1930-31 (including Supplementary Grants).	Total Issues out of the Exchequer to meet payments.			
		April 1, 1930, to Sept. 20, 1930.	April 1, 1929, to Sept. 21, 1929.	Week ended Sept. 20, 1930.	Week ended Sept. 21, 1929.
ORDINARY EXPENDITURE.					
Interest and Management of National Debt	304,600,000	142,931,657	154,815,077	560,628	1,258,788
Payments to Northern Ireland Exchequer	6,000,000	2,341,951	2,018,072	...	...
Payments to Local Taxation Accounts	3,300,000	1,227,537	2,990,480	63,729	191,860
Other Consolidated Fund Services			1,679,778	54,250	53,750
Supply Services (excluding Post Office)	418,933,000	194,105,267	159,777,428	6,550,000	7,050,000
Total Ordinary Expenditure	732,833,000	340,606,412	321,280,835	7,228,607	8,554,398
Sinking Fund	55,400,000	21,272,357	20,556,691	495,000	615,001
SELF-BALANCING EXPENDITURE.					
Post Office	60,275,000	27,500,000	26,650,000	2,000,000	1,800,000
Road Fund	23,560,000	6,776,702	6,117,000	355,790	...
Total Self-Balancing Expenditure	83,835,000	34,276,702	32,767,000	2,355,790	1,800,000
Total		396,155,471	374,604,526	10,079,397	10,969,399

The aggregate revenue and expenditure to Sept. 20, 1930, is shown below:—

FINANCIAL YEAR, 1930-31, APRIL 1 TO SEPTEMBER 20. (000's omitted.)

Expenditure	340,605	Revenue	285,889
Sinking Fund	21,272	Decreases in Balances	2,606
		Net Amount borrowed	73,383
	361,878		361,878

POSITION OF THE FLOATING DEBT.

Ways and Means Advances Out- standing.	Sept. 21, '29.	Mar. 31, '30.	Sept. 20, '30.	Sept. 20, '29.
Advances by Bank of England ..	...	...	...	750,000
Advances by Public Departments ..	40,896,000	48,530,000	38,470,000	2,600,000
Treasury Bills outstanding	768,180,000	588,885,000	648,790,000*	5,000
Total Floating Debt	809,076,000	637,415,000	687,260,000	3,345,000

* Includes £7,000, the proceeds of which were not carried to the Exchequer within the period of the account.

TREASURY BILLS BY PUBLIC TENDER.

Tenders for £40,000,000 in Treasury Bills were opened on Sept. 19, 1930, and the total amount applied for was £55,740,000. Tenders were accepted for bills at three months, dated Monday to Wednesday at £99 9s. 9d., about 78 per cent.; Thursday at £99 9s. 11d.; Friday at £99 9s. 8d.; and Saturday at £99 9s. 9d., about 78 per cent. and above in full. The amount allotted was £40,000,000.

Date.	Amount Offered.	Amount Applied For.	Treasury Bills at 3 Months. Average Rate.
1930.			
Aug. 29	35,000,000	40,510,000	2 0 6-14
Sept. 5	40,000,000	45,575,000	2 1 8-27
Sept. 12	35,000,000	48,140,000	2 1 8-21
Sept. 19	40,000,000	55,740,000	2 0 10-05

The Bankers' Gazette.

BANK OF ENGLAND.

Return for Week ended Wednesday, September 24, 1930.

ISSUE DEPARTMENT.

Notes Issued—		Government Debt	£ 11,015,100
In Circulation	355,768,997	Other Government Securities ..	232,890,504
In Banking Department	60,535,904	Other Securities	11,628,897
		Silver Coin	4,465,499
		Amount of Fiduciary Issue ..	260,000,000
		Gold Coin and Bullion	156,304,901
	£416,304,901		£416,304,901

BANKING DEPARTMENT.

Proprietors' Capital	£ 14,553,000	Government Securities	£ 41,056,247
Reserve	3,738,298	Other Securities	3,738,298
Public Deposits	13,310,231	Discounts and Advances	£5,672,138
Other Deposits		Securities	21,586,045
Bankers'	£64,173,863		
Other Accounts	£4,194,900		
	98,368,763	Notes	27,258,183
7-Day and other Bills	2,281	Gold and Silver Coin	60,535,904
			1,122,239
	£129,972,573		£129,972,573

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

Both Departments.	Sept. 24, 1930.	Inc. or Dec. on Last Week.	Inc. or Dec. on Last Year.
Notes circulation.....	355,768,997	+ 1,998,923	+ 5,302,489
Public deposits.....	13,510,231	+ 4,376,714	+ 1,394,337
Bankers' deposits.....	64,173,863	+ 1,133,866	+ 7,219,534
Other deposits.....	34,194,300	+ 409,098	+ 2,253,127
Seven-day bills.....	2,281	—	401
Total, outside liabilities.....	467,450,272	+ 1,652,223	+ 1,730,820
Capital and rest.....	18,291,298	+ 26,552	+ 22,654
Government debt and securities.....	284,961,851	+ 2,291,732	+ 30,666,913
Discounts and advances.....	5,672,138	+ 2,295,602	+ 2,631,355
Other securities.....	33,214,337	+ 1,601	+ 381,749
Silver coin in issue department.....	4,465,499	—	83,621
Gold and bullion (bank's reserve).....	157,427,140	—	+ 24,214,575
Reserve of notes and coin in banking department.....	61,658,143	+ 1,915,302	+ 29,517,064
Proportion of reserve to outside liabilities.....	55%	—	+ 25%
(a) Banking department only ("proportion").....	55%	—	+ 25%
(b) Gold stocks to deposits and notes ("reserve ratio").....	33%	—	+ 5%

Date.	Notes Issued.	Circulation.	Public Deposits.	Bankers' Deposits.	Other Deposits.	Gold in or out of Bank.	Bank Rate.
1930.							
Aug. 6	412,984	377,978	8,866	61,552	36,87	302 in	3%
13	412,092	377,379	12,256	62,253	34,020	505 in	3
20	414,334	361,791	21,045	61,665	33,594	1,213 in	3
27	414,840	360,868	18,173	62,600	33,799	504 in	3
Sept. 3	414,460	362,983	7,917	67,428	34,616	381 out	3
10	415,516	361,326	9,013	67,166	34,137	267 in	3
17	416,420	357,768	8,934	65,308	33,786	853 in	3
24	416,305	355,769	13,310	64,174	34,195	155 out	3

Date.	Govt. Debt and Securities.	Other Securities.	Gold Coin and Bullion and Reserve Ratio.	Govt. Securities.	Discounts and Advances.	Other Securities.	Reserve & the "Proportion."
1930.							
Aug. 6	243,906	11,629	153,595	31%	53,146	7,960	23,614
13	243,786	11,764	154,105	32%	54,346	6,865	22,744
20	243,906	11,629	155,366	32%	49,371	6,115	25,434
27	243,908	11,629	155,888	32%	49,141	6,460	22,187
Sept. 3	243,910	11,629	155,522	32%	47,821	6,229	21,559
10	243,910	11,629	155,574	33%	45,911	6,229	21,559
17	243,904	11,629	157,511	33%	38,766	5,377	22,409
24	243,906	11,629	157,427	33%	41,055	5,672	21,586

1930.	Town.	Metropolitan.	Country.	Total.
January 1 to September 10.....	25,607,737	1,283,690	2,093,799	30,985,226
Week ended September 17.....	692,340	28,077	50,784	771,201
Week ended September 24.....	611,917	28,578	49,165	689,660
Total to date, 1930.....	28,911,994	1,340,345	2,193,748	32,446,087
Total to date, 1929.....	29,160,078	1,384,458	2,255,527	32,800,063
Increase or decrease in 1930.....	- 248,084	- 44,113	- 61,779	- 353,976
Do. 1929.....	- 248,084	- 44,113	- 61,779	- 353,976
Total for year, 1929.....	39,335,924	1,881,789	3,078,764	44,296,477
Do. 1930.....	39,311,117	1,854,190	3,039,422	44,204,729
Increase or decrease in 1930.....	- 24,807	- 27,599	- 39,342	- 91,751
Do. 1929.....	- 24,807	- 27,599	- 39,342	- 91,751

PROVINCIAL CLEARING RETURNS.							
(000's omitted).							
Week ended Sept. 20.		Month of August.			Aggregate Weekly Totals Jan. 1 to Sept. 20.		
1929.	1930.	1929.	1930.	Inc. or Dec.	1929.	1930	
Number of working days							
£	£	26	25	£	£	£	
BIRMINGHAM	1,976 1,598	10,201	8,457	- 17.0	97,887	90,152	
BRADFORD	658 542	4,299	3,154	- 26.6	43,286	32,317	
BRISTOL	1,122 1,048	4,698	4,463	- 5.0	43,010	40,812	
DUBLIN	4,633 4,231	...	...	...	181,536	181,841	
HULL	787 777	3,515	3,454	- 1.7	22,212	30,050	
LEEDS	861 795	3,839	3,551	- 7.5	37,024	34,779	
LEICESTER	625 562	2,834	2,274	- 19.7	30,036	26,401	
LIVERPOOL	6,914 5,530	31,333	23,376	- 25.3	294,846	242,555	
MANCHESTER	10,795 8,310	47,346	39,001	- 17.6	470,619	396,645	
NEWCASTLE	1,482 1,171	7,276	5,892	- 19.0	55,908	52,879	
NOTTINGHAM	562 477	2,551	1,835	- 28.0	23,523	21,995	
SHEFFIELD	944 740	4,039	3,503	- 13.2	37,875	33,791	
Total	31,359 25,801	121,931	98,960	- 18.8	1,347,762	1,184,317	

RESOURCES.	Sept. 26, 1929.	Sept. 4, 1930.	Sept. 11, 1930.	Sept. 18, 1930.	Sept. 25, 1930.
Total gold reserve.....	2,997,570	2,934,590	2,559,600	2,975,640	2,988,330
Total bills discounted.....	944,400	231,260	183,190	163,150	167,160
Bills bought in open market.....	265,330	170,390	193,120	208,850	197,740
Total U.S. Govt. securities.....	152,060	600,030	602,130	610,380	602,820
Total bills and securities.....	1,375,470	1,012,770	985,120	984,410	973,480
Total resources.....	5,431,420	4,822,280	4,806,380	5,001,380	4,827,300
LIABILITIES.					
Federal Reserve notes in actual circulation.....	1,837,900	1,367,620	1,351,250	1,349,330	1,347,720
Deposits—Memberbank—reserve account.....	2,364,430	2,393,360	2,428,390	2,456,280	2,416,150
Total deposits.....	2,444,460	2,340,000	2,476,630	2,485,590	2,463,900
Capital paid in 1929.....	42,430	44,770	44,810	44,700	44,700
Total liabilities.....	5,431,420	4,822,280	4,806,380	5,001,380	4,827,300
Ratio of total reserves to deposit and Federal Reserve note liabilities combined.....	73.8%	80.8%	81.3%	81.6%	82.0%

NEW YORK FEDERAL RESERVE BANK.—In \$'s (000's omitted).	Sept. 26, 1929.	Sept. 4, 1930.	Sept. 11, 1930.	Sept. 18, 1930.	Sept. 25, 1930.
Total gold reserves.....	232,940	926,360	982,200	936,410	1,048,720
Total bills discounted.....	113,530	63,870	26,120	21,600	21,440
Bills bought in open market.....	37,320	49,380	51,300	44,250	44,250
Total U.S. Govt. securities.....	394,790	187,750	187,950	195,390	187,540
Total bills and securities.....	545,660	301,020	264,470	261,590	269,230
Deposits—Memberbank—reserve account.....	957,990	975,940	1,905,360	1,022,200	1,026,320
Ratio of total res. to dep. and Federal Res. note liabilities combined.....	75.9%	81.5%	85.2%	84.5%	86.9%

STATEMENT OF CANADIAN BANKS.—In \$'s (000's omitted).	June 30, 1929.	Mar. 31, 1930.	Apr. 30, 1930.	May 31, 1930.	June 30, 1930.
Cash and bank balances.....	453,489	403,399	419,709	381,292	440,493
Bank balances abroad.....	71,377	82,029	82,260	89,723	105,352
Call and short loans.....	594,279	414,786	415,182	417,282	435,183
Securities.....	525,229	417,664	427,790	431,416	444,138
Loans in Canada.....	1,441,082	1,474,382	1,477,927	1,468,037	1,432,639
Loans abroad.....	284,191	278,843	255,858	242,557	232,577
Other assets.....	196,426	193,771	197,203	199,783	194,392
LIABILITIES.					
Note circulation.....	186,871	162,861	154,747	164,710	165,954
Deposits.....	219,837	123,393	119,061	130,911	149,844
Public in Canada.....	2,136,943	2,061,080	2,085,209	2,007,093	2,034,554
Foreign.....	422,142	397,424	386,539	393,794	415,157
Canadian.....	11,963	14,412	17,357	15,943	17,557
Foreign.....	126,060	73,305	79,742	74,310	76,497
Bills payable, &c.....	105,107	95,520	98,512	111,132	104,726
Capital and rest.....	291,107	304,312	305,042	305,291	305,506
Other liabilities.....	4,896	5,197	5,751	7,937	5,026

SOUTH AFRICAN RESERVE BANK.—In £'s (000's omitted).	Aug. 30, 1929.	Aug. 1, 1930.	Aug. 8, 1930.	Aug. 15, 1930.	Aug. 22, 1930.	Aug. 29, 1930.
Gold coin and bullion.....	7,901	6,744	6,799	6,872	7,007	6,843
Subsidiary coin.....	63	173	173	181	184	173
Bills discounted.....	9,255	8,099	6,730	7,271	8,160	8,077
Investments.....	596	1,341	1,341	1,105	1,405	1,405
LIABILITIES.						
Capital.....	1,000	1,000	1,000	1,000	1,000	1,000
Reserve.....	600	674	679	682	707	684
Notes in circulation.....	9,533	8,922	8,160	7,509	7,214	7,670
Government deposits.....	1,687	728	1,139	1,919	2,379	2,881
Bankers' deposits.....	4,816	4,636	5,135	5,194	4,948	4,764
Ratio of cash reserves to liabilities to public.....	48.2%	44.3%	46.7%	46.5%	46.9%	43.9%

IMPERIAL BANK OF INDIA.—In rupees (000's omitted).	Aug. 30, 1929.	Aug. 1, 1930.	Aug. 8, 1930.	Aug. 15, 1930.	Aug. 22, 1930.	Aug. 29, 1930.
Total securities.....	26,05,82	31,46,49	38,21,81	28,71,39	28,45,66	27,93,57
Loans.....	9,08,39	16,24,41	17,58,88	17,21,50	18,48,48	18,15,72
Cash credits.....	22,77,46	31,27,49	32,07,82	30,98,73	30,11,46	29,19,97
Inland bills.....	17,35	2,19,01	2,09,98	2,33,34	2,31,45	2,37,34
Foreign bills.....	2,82,80	2,77,93	4,07,14	39,39	38,66	43,95
Dead stock.....	10,42	4,43	2,78,12	2,78,45	2,78,47	2,78,45
Bal. with other banks.....	31,61,78	23,50,24	22,26,85	24,11,07	27,21,35	29,75,26
LIABILITIES.						
Capital paid up.....	5,62,50	5,62,50	5,62,50	5,62,50	5,62,50	5,62,50
Reserve.....	5,27,50	5,37,50	5,37,50	5,37,50	5,37,50	5,37,50
Total deposits.....	84,66,86	95,11,97	94,75,72	93,75,00	96,89,87	99,44,92
The above includes:						
Deposits in London.....	915	4,863	6,000	5,873	6,797	6,790
Advances in London.....	919	6,215	7,220	7,158	8,130	8,042
Cash, &c., at other Banks in London.....	77	28	97	29	26	51

BANK OF FRANCE.—In francs (000's omitted).	Sept. 20, 1929.	Aug. 29, 1930.	Sept. 5, 1930.	Sept. 12, 1930.	Sept. 19, 1930.
Gold.....	39,060,375	47,241,623	47,477,717	47,542,834	47,671,630
Foreign coins.....	18,748,582	18,800,646	18,794,705	18,785,176	18,891,042
Eight deposits.....	7,211,494	6,837,704	6,832,314	6,839,305	6,825,892
Bills discounted.....	7,674,627	6,406,076	4,896,658	4,859,501	4,928,485
Commercial bills discounted at home.....	8,811,552	8,504,399	8,504,399	8,504,399	8,504,399
Advances against sec. to the State.....	2,406,700	2,731,483	2,835,979	2,803,691	2,789,714
Other advances.....	2,625,042	3,204,772	3,338,382	3,074,592	3,100,607
Notes in circulation.....	65,317,996	73,676,564	73,433,001	72,875,318	72,479,063
Public deposits.....	13,913,231	10,108,638	9,993,421	10,611,131	10,859,923
Private deposits.....	4,950,880	7,328,769	6,603,572	6,450,539	6,723,817
Other liabilities.....	2,256,665	2,612,732	2,530,163	2,496,951	2,548,966

NATIONAL BANK OF BELGIUM.—In Belgas (000's omitted).	Position, May 28, 1914.	Sept. 19, 1929.	Aug. 28, 1930.	Sept. 4, 1930.	Sept. 11, 1930.	Sept. 18, 1930.
ASSETS.						
Gold.....	232,650	549,730	872,404	869,086	894,581	892,814
Foreign bills and balances abroad.....	697,600	749,792	4,565	4,575	4,588	4,707
Securities.....	697,600	749,792	4,565	4,575	4,588	4,707
LIABILITIES.						
Notes in circulation.....	934,150	2,619,656	3,065,241	3,081,561	3,078,624	3,048,145
Current accounts.....	112,125	63,489	154,893	105,391	131,317	141,108

NETHERLANDS BANK.—In florins (000's omitted).						
ASSETS.	Position, May 30, 1914.	Sept. 16, 1928.	Aug. 25, 1930.	Sept. 2, 1930.	Sept. 8, 1930.	Sept. 15, 1930.
Gold	163,092	443,047	390,629	390,615	390,609	390,601
Silver	8,436	19,489	24,689	24,350	24,166	24,389
Home Bills		58,396	47,421	48,697	48,797	46,433
Foreign Bills		174,482	234,291	234,352	234,401	239,785
Loans and advances in current acct....	153,504	100,134	84,291	115,586	91,517	89,043
LIABILITIES.						
Notes in circulation	316,632	812,772	800,182	843,998	824,508	812,499
Deposits	5,016	12,419	24,718	17,578	12,356	13,078

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

ASSETS.	Position, June 30, 1914	Aug. 31, 1929.	Aug. 9, 1930.	Aug. 16, 1930.	Aug. 23, 1930.	Aug. 30, 1930.
Gold coin & bullion	221,320	1,121,212	875,686	869,676	869,205	867,916
Other coin & bullion			57,295	57,691	56,909	56,357
Discounts	41,740	693,347	657,721	658,036	657,505	687,251
Advances	70,540	74,475	59,005	59,003	59,003	59,007
LIABILITIES.						
Notes	362,270	1,334,279	1,036,975	1,022,700	1,041,657	1,165,425
Govt. deposits	87,340	546,032	581,183	558,284	552,891	555,855
Other deposits	11,440	262,064	149,904	151,033	167,631	79,367

LONDON RATES.

	Sept. 18, 1930.	Sept. 19, 1930.	Sept. 20, 1930.	Sept. 22, 1930.	Sept. 23, 1930.	Sept. 24, 1930.	Sept. 25, 1930.
Bank rate (changed from 3½% May 3, 1930)	3%	3%	3%	3%	3%	3%	3%
Market rates of discount—							
60 days' bankers' drafts	2½	2½	2½	2½	2½	2½	2½
3 months' do.	2½	2½	2½	2½	2½	2½	2½
4 months' do.	2½	2½	2½	2½	2½	2½	2½
6 months' do.	2½	2½	2½	2½	2½	2½	2½
Discount (Treasury Bills)—							
2 months'	2½	2½	2½	2½	2½	2½	2½
3 months'	2½	2½	2½	2½	2½	2½	2½
Loans—Day to day	1½	1½	1½	1½	1½	1½	1½
Short	1½	1½	1½	1½	1½	1½	1½
Deposit allowances: Bank	1	1	1	1	1	1	1
Discount houses at call	1	1	1	1	1	1	1
At notice	1	1	1	1	1	1	1

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

Comparison with previous week—

Short Loans.	Bank Bills.			Trade Bills.		
	3 Months.	4 Months.	6 Months.	3 Months.	4 Months.	6 Months.
1930.	%	%	%	%	%	%
Sept. 4	2½	2½	2½	2½	2½	2½
" 11	2½	2½	2½	2½	2½	2½
" 18	2½	2½	2½	2½	2½	2½
" 25	2½	2½	2½	2½	2½	2½

RATES OF EXCHANGE.

London on	Usance.	Par.	Sept. 26, 1929.	Sept. 18, 1930.	Sept. 25, 1930.
New York.....	dollars to £1	Cable	4.86½	4.85½-85½	4.85½-85½
Montreal.....	dollars to £1	Cable	4.86½	4.85½-85½	4.85½-85½
Paris.....	francs to £1	T.T.	124.21	123.86-89	123.71-73
Berlin.....	marks to £1	T.T.	20.43	20.36½-36½	20.39½-40½
Amsterdam.....	florins to £1	T.T.	12.107	12.092-09½	12.06½-7
Brussels.....	belgas to £1	T.T.	35.00	34.87½-88	34.85½-6
Zurich.....	francs to £1	T.T.	92.46	92.68-70	92.79-81
Oslo.....	kroner to £1	T.T.	25.22	25.16-16½	25.05½-7
Stockholm.....	kroner to £1	T.T.	18.159	18.204-20½	18.164-17
Copenhagen.....	kroner to £1	T.T.	18.159	18.204-20½	18.164-17
Madrid.....	pesetas to £1	T.T.	25.22½	32.78-80	45.43-47
Lisbon.....	escudos to £1	T.T.	205.48	108½-108½	108½-8
Vienna.....	schillings to £1	T.T.	34.58½	34.51-54	34.42-46
Prague.....	krone to £1	T.T.	164½	163½-163½	163½-45
Belgrade.....	dinars to £1	T.T.	25.22½	27.81-84	27.75-80
Budapest.....	pengo to £1	T.T.	27.82	27.81-84	27.75-80
Bukarest.....	lei to £1	T.T.	81.5-6	81.6-81.8	81.5-81.7
Sofia.....	leva to £1	T.T.	25.22½	667-675	668-673
Athens.....	drachmas to £1	T.T.	37½	37½-37½	37½-37½
Constantinople.....	piastres to £1	T.T.	110	104-108	102½
Moscow.....	roubles to £1	T.T.	9.46	9.41-43	9.450-9.469
Warsaw.....	zloty to £1	T.T.	43.38	43.4-43½	43.4-43½
Heidelberg.....	marks to £1	T.T.	193.23	192½-193½	192½-193½
Reval.....	crowns to £1	T.T.	48.66	48.4-49	48.4-49
Riga.....	lats to £1	T.T.	18.159	18.15-22	18.20-27
Alexandria.....	piastres to £1	Sight	25.22½	25.15-25	25.20-30
Buenos Aires.....	pence to peso	T.T.	47.62d.	97½-97½	97½-97½
Rio de Janeiro.....	pence to mils.	90 days	16	47½-47½	40½-41
Montevideo.....	pence to peso	T.T.	51	48½-49½	40½-41
Valparaiso.....	pence to £1	90 days	40	39-42	39-42
Lima.....	Eng. to Per. £1	90 days	par	19½ prem.	13-95
Calcutta.....	pence to rupee	T.T.	18	1/5½-1/5½	1/5½-1/5½
Bombay.....	pence to rupee	T.T.	18	1/5½-1/5½	1/5½-1/5½
Madras.....	pence to rupee	T.T.	18	1/5½-1/5½	1/5½-1/5½
Hong Kong.....	ster. to dollar	T.T.	2s. 4d.	2/3½-2/4	2/3½-2/4
Shanghai.....	ster. to tael	T.T.	24.58d.	1/11½-1/11½	2/0½-2/1
Singapore.....	ster. to dollar	T.T.	24.066d.	7/20½-7/20½	2/0½-2/1
Kobe.....	ster. to yen	T.T.	9.76	9.95-10.05	10.15-35
Manila.....	pesos to £1	T.T.	21.818d.	1/9½	1/9½
Mexico.....	pesos to £1	T.T.	21.818d.	1/9½	1/9½
San Francisco.....	ster. to baht.	T.T.	21.818d.	1/9½	1/9½

† Rate for previous day.

OVERSEAS BANK RATES.

Changed.	From To	Changed.	From To
Amsterdam.....	Mar. 24, 1930	Oso.....	Mar. 20, 1930
Athens.....	Dec. 2, 1928	Paris.....	May 1, 1930
Batavia.....	Mar. 10, 1930	Prague.....	June 24, 1930
Belgrade.....	May 28, 1930	Pretoria.....	Aug. 17, 1929
Berlin.....	June 31, 1930	Reval.....	Oct. 3, 1929
Brussels.....	Nov. 23, 1929	Riga.....	April 1, 1928
Bucharest.....	May 28, 1930	Rome.....	May 20, 1930
Budapest.....	July 10, 1930	Sofia.....	July 2, 1929
Calcutta.....	May 1, 1930	Stockholm.....	Apr. 2, 1930
Copenhagen.....	Aug. 18, 1930	Swiss Bank	
Danish.....	Aug. 26, 1930	places.....	July 10, 1930
Heidelberg.....	Apr. 1, 1930	Tokio.....	Oct. 18, 1927
Kovno.....	June 2, 1930	Vienna.....	Sept. 9, 1930
Lisbon.....	June 2, 1930	Warsaw.....	June 13, 1930
New York Federal Reserve.....	June 19, 1930	Irish.....	May 1, 1930
Madrid.....	July 17, 1930		

Central Bank of Chile.—Discount rate for member banks, 6%; discount rate for the public, 7%.
 † 6% applied to banks, &c., charging not more than 11% p.a. for their loans.
 ‡ 7% applied to banks, &c., charging more than 11% p.a. for their loans.

CURRENT PRICES IN NEW YORK.

The Irving Trust Company cable the following money and exchange rates in New York:—

	Sept. 25, 1929.	Aug. 27, 1930.	Sept. 3, 1930.	Sept. 10, 1930.	Sept. 17, 1930.	Sept. 24, 1930.
Call money	8	2½	2½	2½	2½	2½
Time money (90 days' mixed coll.)	9	2½	2½	2½	2½	2½
Bank acceptances—						
Members—eligible, 90 days	5½	2	2	2	2	2
Non-mem.—eligible, 90 days	5½	2½	2½	2½	2½	2½
Ineligible, 90 days	5½	2½	2½	2½	2½	2½
Commercial accept., 90 days	6	3	3	3	3	3

Rates of Exchange, New York on—	Par Level.	Sept. 25, 1929.	Sept. 10, 1930.	Sept. 17, 1930.	Sept. 24, 1930.
London—					
60 days.....	Dollars for £1	4.8666	4.79½	4.843	4.83½
Cable			4.85½	4.86½	4.86½
Cheques			4.84½	4.86½	4.86½
Paris.....	Cents for 1 franc	3.918	3.91½	3.92½	3.92½
Brussels.....	Cents for 1 franc	13.90	13.90	13.95	13.94
Switzerland.....	Cents for 1 franc	19.30	19.275	19.40	19.39
Italy.....	Cents for 1 lire	5.263	5.23½	5.23½	5.23½
Berlin.....	Cents for 1 mark	23.31	23.31	23.81	23.80
Vienna.....	Cts. for Aust. schilling	14.07	14.07	14.13	14.11
Madrid.....	Cents for 1 peseta	19.30	14.785	10.35	10.75
Amsterdam.....	Cents for 1 guilder	40.195	40.09	40.23	40.28
Copenhagen.....	Cents for 1 kroner	26.80	26.625	26.76	26.74
Oslo.....			26.77	26.86	26.86
Stockholm.....			26.77	26.86	26.86
Athens.....	Cents for 1 drachma	1.297	1.29½	1.29½	1.29½
Yokohama.....	Can. Cents for \$1	100	100	100	100
Hong Kong.....	Cents for 1 yen	49.85	49.80	49.38	49.35
Shanghai.....	Cts. for 1 shing. tael	58.00	58.00	58.00	58.00
Calcutta.....	Cents for 1 rupee	36.50	36.06	35.95	35.98
Buenos Aires.....	Gold Pesos for \$100	103.65	105.05	120.20	121.30
Rio de Janeiro.....	Cents for 1 milreis	32.42	11.85	10.10	10.15
Valparaiso.....	Cents for 1 peso	12.125	12.03	12.10	12.10

CENTRAL AND SOUTH AMERICAN EXCHANGE RATES.

The Anglo-South American Bank, Ltd., quotes the following rates of exchange:—

Country.	Method of Quoting.	Par Value.	Usance.	Rate.
Ecuador.....	Sucres to \$	24.3325	Sight	24.60
Venezuela.....	Bolivianos to \$	25.25	"	26.59
Colombia (Bogota).....	Pesos to \$	5	"	5.04½
Nicaragua.....	Cordobas to \$	4.8665	"	4.92
Salvador.....	Colonos to \$	9.73	"	10.15
Bolivia.....	Pence to Boliviano	18d.	"	15.50

SOUTH AFRICAN EXCHANGE RATES.

The South African Banks quote the following rates:—

	Union of South Africa.		Union of South Africa.	
	From August 27, 1929.		From November 25, 1929.	
	London on South Africa.		South Africa on London.	
	Buying.	Selling.	Buying.	Selling.
T.T.	...	1% dis.	par to 1% pm.	1% pm.
Demand	1 1/2% dis.	1% "	1% dis.	1 1/2% "
30 days	1 1/2% "	1% "	1% "	1 1/2% "
60 days	2% "	1 1/2% "	1 1/2% "	2% "
90 days	3% "	2% "	1 1/2% "	3% "
20 days	3 1/2% "	2 1/2% "	2 1/2% "	3 1/2% "

OVERSEAS DOMINION RATES.

COMMONWEALTH OF AUSTRALIA AND DOMINION OF NEW ZEALAND.

London on Australia and New Zealand.		Australia and New Zealand on London.	
Buying.	Selling.	Buying.	Selling.
Aus. tralia.	New Zealand.	Aus. tralia.	New Zealand.
T.T. 30 days	92½	93½	95½
60 days	92½	93½	95½
90 days	92½	93½	95½

BULLION.

The following statistics of imports and exports of gold for week ended Sept. 25, 1930, are issued by the Statistical Department of H.M. Customs and Excise:—

Imported into Great Britain and Northern Ireland.		Exported from Great Britain and Northern Ireland.	
From—	£	To—	£
Brazil.....	697,519	Germany.....	56,660
Straits Settlements.....	7,100	Netherlands.....	26,268
		France.....	348,967
		Switzerland.....	20,500
		Austria.....	13,000
		Hungary.....	1,280
		Other Countries.....	443
Total declared value of imports	704,619	Total declared value of exports	467,718

GOLD MOVEMENTS.

The arrivals and withdrawals of gold during the past week, as announced by the Bank of England, have been as follows:—

ARRIVALS.		WITHDRAWALS.	
Sept. 19, 1930.	£	Sept. 19, 1930.	£
Sovs. released	350,000	Sovs. sold	27,768
Sovs. from abroad	23,000	Sovs. for export	7,000
For coin bought	11	" 20 Bars sold	6,990
" 20	"	" 23 Bars sold	106,625
" 22	"	" 24 Bars sold	90,858
" 23	"	" 25 Bars sold	10,000
" 24	"	" 24 Bars sold	272,770
" 25	"	" 25 Bars sold	6,000
		Sovs. for export	283,224
		Bars for export	4,000
Total	373,011	Total	815,235

Net arrivals, £442,224.

Messrs Samuel Montagu and Co. write on September 24, 1930, as follows:—

GOLD.

The Bank of England gold reserve against notes amounted to £156,419,699 on the 17th instant (as compared with £155,545,822 on the previous Wednesday), and represents an increase of £10,459,615 since January 1st last. The consignment of bar gold from South Africa which arrived this week amounted to £511,000, of which £250,000 had been sold forward to France. Of the £261,000 available in the open market to-day, the bulk—£187,000—was also taken for France, the Home and Continental trades absorbed £59,000 and India £15,000. There has been a resumption of withdrawals of gold on French account from the Bank of England, the recent firmness of the franc having permitted refining charges to be incurred on such gold in order to make it of the requisite fineness for the Bank of France. Movements of gold at the Bank of England during the week show a net efflux of £155,000. Receipts totalled £373,011 and consisted of £350,000 sovereigns released from "set aside" and £23,000 sovereigns received from abroad. Withdrawals amounted to £528,011, of which £23,000 were in sovereigns, the remainder being bar gold, which included about £380,000 for France.

SILVER.

The steadiness of the market has been well maintained, as supplies have continued to be restricted. An improvement in the Shanghai exchange was followed by a demand on China account, but as the same quarter sold at the advance in prices, the tendency of the market is difficult to gauge. The Indian bazaars have bought to cover bear sales and America has also shown a disposition to buy during the week. Quotations on the 18th instant rose to 17d., and although a reaction followed, this figure was again quoted on subsequent days of the week; it was the highest price recorded since June 2nd last. Demand for prompt silver has of late been poor, and on the 19th and 20th instant cash silver was quoted at a discount of ½d. as compared with two months' delivery; even prices were, however, re-established on the 22nd idem.

The following were the United Kingdom imports and exports of silver registered from mid-day on the 15th instant to mid-day on the 22nd instant:—

IMPORTS.	£	EXPORTS.	£
Canada	24,008	France	12,092
United States	7,042	British India	16,549
Java	8,800	Germany	7,300
Other countries	1,416	Other countries	6,092
	£41,266		£42,033

INDIAN CURRENCY RETURNS (in lacs of rupees).

SUMMARY OF BALANCE SHEETS.

ARGENTINE LAND AND INVESTMENT COMPANY, LIMITED.

June 30, 1930.		June 30, 1929.	
LIABILITIES.	Amount.	ASSETS.	Amount.
Ord. shares (£1)...	1,026,884	Properties	247,150
Reserve	110,000	Live stock	2,344
Reserve for income tax	62,888	Mortgage loans	81,541
Exchange reserve	80,000	Land instalments	573,357
Investment reserve	50,000	Colonists' balances	37,936
Land sales	566,801	Debtors	27,383
Staff pensions account	12,000	Investments (a)	845,448
Creditors	14,061	Bills receivable	2,657
Revenue account	82,656	Cash	189,818
Total	2,005,290	Total	2,005,290

(a) With regard to investments as shown in above balance sheet at £845,448, the market value is £759,630. On June 30, 1929, they stood at £838,914 with market valuation of £896,583.

HARRISONS AND CROSFIELD, LIMITED.

June 30, 1930.		June 30, 1929.	
LIABILITIES.	Amount.	ASSETS.	Amount.
Prof. shares	630,000	Shares in assocd. companies	459,814
Ord. shares	1,000,000	Properties	624,010
Def. ord. shares	365,296	Plant	7,001
Management shrs.	25,000	Furniture	4,577
Reserves	560,000	Sundry stocks	391,760
Staff special reserve	75,000	Loans to cos.	79,524
Mortgages	20,000	Bills receivable	152,905
Unclaimed divs.	793	Sundry debtors	193,529
Sundry depositors	48,225	Acceptances	51,629
Bills payable	178,476	Investment special reserve	75,000
Acceptances	51,629	Investments	1,136,836
Sundry creditors	431,569	Investments	248,743
Bank overdrafts	12,835	British Government securities	317,180
Due to subsidiaries	44,690	Dividends	46,817
Profit and loss	279,646	Profit and loss	32,951
Total	3,742,608	Total	3,742,608

IMPERIAL AIRWAYS, LIMITED.

March 31, 1930.		March 31, 1929.	
LIABILITIES.	Amount.	ASSETS.	Amount.
Ord. shares	499,091	Aircraft and engines	391,432
Creditors	129,384	Progress payments	92,084
Subsidy	5,700	Premises and plant	53,386
Dividends	18,371	Stocks	74,554
Unclaimed dividends	115	Debtors	61,913
Forfeited shares	40	Deposits	6,086
Reserve for obsolescence	174,620	Investments in Brit. Govt. Stks. and India Loan	95,164
Subsidiary reserve	2,500	Investment in subsidiaries	696
Profit and loss	20,956	Cash	44,572
Total	845,077	Total	845,077

a Market value £95,006, March 31, 1930.

SHEEPBRIDGE COAL AND IRON COMPANY, LIMITED.

June 30, 1930.		June 30, 1929.	
LIABILITIES.	Amount.	ASSETS.	Amount.
Prof. shares, £1 fully-paid	112,275	Properties, &c.	1,045,349
Do, 8s. paid	55,090	Investments	905,502
Ord. shares, £1	1,171,157	Industrial Houses	30,000
Debentures	543,050	Stocks	146,029
Int. accrued	8,144	Debtors	133,155
Creditors	79,378	Loans	130,665
Royalties	49,431	Cash	119,425
Reserve for pensions, &c.	68,535	Total	2,510,125
Reserve fund	250,000	Total	2,510,125
Profit and loss	173,065	Total	2,510,125

THOS. W. WARD, LIMITED.

June 30, 1930.		June 30, 1929.	
LIABILITIES.	Amount.	ASSETS.	Amount.
5% 1st cum. pref. £1	150,000	Properties	484,385
5% 2nd cum. pref. £1	500,000	Plant, &c.	535,123
Ord. shares £1	1,100,000	Debtors	391,975
Employees' shares	53,122	Owing by subsidiaries	26,111
Creditors	726,757	Cash	2,442
Reserve fund	110,000	Patents	250
Owing to subsidiaries	6,670	Stocks	953,744
Profit and loss	55,659	Investments	308,178
Total	2,702,208	Total	2,702,208

DIVIDEND ANNOUNCEMENTS.

Name of Company.	Rate % per Annum, except where marked % or Stated in Cash.			Dividend for Whole Years.	
	Interim or Final.	Date of Payment.	Method of Payment.	Latest Year.	Previous Year.
RAILWAYS.					
Buenos Aires and Pacific Railway	4%*	...	Less tax	7	7
San Paulo (Brazilian) Railway	5%*	...	Tax free	...	...
BANKS.					
Industrial Bank of Japan	12†	...	Less tax	6	6
Royal Bank of Ireland	...	...	...	10	10
INSURANCE.					
Eagle Star & British Dominions	5%*	...	Quarterly	...	...
Yorkshire Insurance (10s. paid)	1/9 p.s.*	...	Tax free	...	...
Yorkshire Insurance (£1 paid)	3/6 p.s.*	...	Tax free	...	...
TEA AND RUBBER.					
Dimbula Valley (Ceylon) Tea	12½%*	Sept. 30	Less tax	...	...
Parit-Bras (Malay) Rubber	7½%*	Oct. 15	Less tax	...	...
Ragalla Tea	2½%*	Oct. 1	Less tax	...	...
South Wana Rajah Tea	7½%*	Oct. 1	Less tax	...	...
MINING.					
El Oro Mining and Railway	10d. p.s.†	...	Less tax	10d. p.s.	1/0½p.s.
Gopeng Consolidated	6d. p.s.	Sept. 30	Less tax	2½	5
Inverwacht Platinum	...	...	...	25	15
Sherwood Starr Gold Mining	5%*	Oct. 10	Less tax	10	3½
Temoh Tin Dredging	1/- p.s.*	Nov. 1	Tax free	...	...
Wahli Gold Mining	...	...	...	...	...
OTHER COMPANIES.					
A.B.C. Coupler and Engineering	7½%*	...	...	12½	15
Aird and Coghill	7½%*	...	...	12½	5
Ardath Tobacco	...	...	...	10	10
Argentine Land and Investment	6%*	...	...	3	3
Ashton Vale Iron	...	...	...	5	...
Balkia	6%*	Sept. 30	Quarterly	...	...
Boots Pure Drug	6%*	Sept. 30	Less tax	6d. p.s.	6d. p.s.
Brynmor Steamship	3d. p.s.†	...	...	...	...
Burnley Paper Works	1½%*	Oct. 1	Less tax	...	...
Calgary Power	4%*	Oct. 2	Less tax	6½	7
Carriek's (Caterers)	5%*	Oct. 17	Less tax	...	...
City and International Trust	7½%*	...	Less tax	1½	1½
City Bakers Cadova Restaurant	7½%*	...	Less tax	...	...
Crosswell's Cardiff Brewery	7½%*	...	Less tax	...	...
Dalmellington Iron	7½%*	...	Less tax	...	...
Daniell and Sons' Breweries	9d. p.s.†	Oct. 1	Less tax	...	...
Direct Spanish Telegraph	6%*	...	Less tax	...	...
Direct Supply Aerated Water	...	...	...	...	...
Dobson and Barlow	...	...	...	...	...
East Kent District Water	...	...	...	...	...
Galaber	3%*	Oct. 15	Less tax	...	...
Henry Buckland and Sons	2½%*	Oct. 31	Less tax	...	...
Hopkinson	35%*	Sept. 30	Less tax	...	...
Hornsey Tea Estates	15%*	...	Tax free	...	...
Hyde's Bird Seeds	...	...	...	...	...
Ibbotson Brothers and Co.	...	...	Less tax	...	...
Imperial Airways	...	...	Less tax	...	...
Imperial Smelting	...	...	Less tax	...	...
Indestructible Paint & Standard Varnish	5%*	Oct. 1	Less tax	...	...
International Paint and Compositions	3%*	Sept. 30	Less tax	...	...
John Dickinson and Co.	4%*	Oct. 1	Less tax	...	...
Lauka Plantations	10%*	...	Less tax	...	...
London and Holyrood Trust	2½%*	Oct. 1	Less tax	...	...
London and Provincial Trust	3%*	Oct. 1	Less tax	...	...
London and Strathclyde Trust	7%*	...	Less tax	...	...
London United Laundries	7%*	...	plus bonus of 2%	...	...
Maldstone and District Motor Services	5%*	Oct. 1	Less tax	...	...
Ogilvie Flour Mills	2½ p.s.†	Oct. 1	plus bonus of 5%	...	...
Paquin	2½%*	Oct. 1	Less tax	...	...
Parker Winder and Achurch	2½%*	...	...	...	...
Qualcast	3½%*	...	Less tax	...	...
Radiation	3½%*	Oct. 15	Tax free	...	...
Rio de Janeiro City Improvements	3%*	...	...	...	...
Robertson Ledlie Ferguson	5%*	...	...	...	...
Singleton and Cole	4%*	...	Less tax	...	...
Slough Estates	5%*	...	...	...	...
Southall Bros. and Barclay	5%*	Oct. 1	Less tax	...	...
Tebbett Bros.	...	...	Less tax	...	...
Theatre Royal, Drury Lane	...	...	Tax free	...	...
Thompson Steamshipping	...	...	...	...	...
Thos. W. Ward	...	...	...	...	...
Tilling & British Automobile	4%*	Oct. 1	Less tax	...	...
Traction	7½%*	...	...	...	...
Vulcan Foundry	5%*	...	...	...	...
Waldorf Hotel	3%*	...	Quarterly	...	...
Walker and Pomfrays	4%*	...	...	...	...
Workington Brewery	4%*	...	...	...	...

a Plus bonus of 2½ per cent.

AUSTIN MOTOR COMPANY, LIMITED.—At a meeting of the board, held at Longbridge Works, the directors decided to recommend the payment of the following dividends:—7 per cent. per annum on the 7 per cent. preference shares for one month to July 31st, less tax, £1,458 gross amount; 6 per cent. per annum on the "B" preference shares for one month to July 31st, free of tax, £6,452 gross amount; 2½ per cent. per annum on the preferred ordinary shares for seven months to July 31st, less tax, £87,500 gross amount; 60 per cent. actual on the ordinary £185,410 gross amount. The payment of these dividends is subject to the passing of the resolutions, which will be submitted to the various classes of shareholders at the meeting of the Association to deal with the termination of the company's financial year at July 31st, which in the year 1930 necessitates a seven months' accounting period. The balance sheet and copies of resolutions will be sent to the shareholders in the course of a few days.

The Midland Bank announces the opening of a new branch at 23 Ripple Road, Barking, Essex.

The National Provincial Bank Limited announce that a branch of the bank is now open at 424 Holdenhurst Road, Queen's Park, Bournemouth; also that an office of the bank, to be known as St. Giles' Circus Branch, is now open at 40-42 Oxford Street, W.1.

The Westminster Bank have opened the following new branches: 185 Sloane Street, S.W.1; 196-198 High Street, Stoke Newington, N.16; 383 Shirley Road, Shirley, Southampton.; also at 161 Mason's Hill, Bromley Common, Bromley, Kent.

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS.

Company.	Period Ending.	Balance from Last Account.	Net Profit After Payment of Dividend Interest.	Appropriation.			Corresponding Period Last Year.	
				Dividend.	Carried to Reserve, Depreciation, &c.	Balance Forward.	Net Profit.	Dividend.
				Prefere.	Ordinary.			
				Amount.	Amount.	Rate.		
Financial Land, &c.								
Argentine Land and Invest.	June 30	£ 27,947	£ 159,326	£ 187,273	£ 102,688	10	£ 63,542	£ 21,043
British Central Africa Co.	Sept. 30	Dr. 483,553	Dr. 101,880	Dr. 150,233	...	...	Dr. 150,233	Dr. 17,509
Leach's Argentine Estates	Mar. 31	...	32,402	32,402	...	...	...	8,462
Read's Drift Land Co.	Mar. 31	...	170	170	...	...	...	725
Iron, Coal and Steel.								
Sheepbridge Coal and Iron	June 30	103,045	93,723	196,768	8,368	58,558	5	30,000
Ward (Thos. W.)	June 30	36,677	80,079	116,756	30,953	57,643	6½	...
Rubber, &c.								
Bernam-Perak	June 30	4,020	1,129	5,149	...	...	5,149	10,193
Hoscote Malaya Rubber	June 30	6,416	Dr. 3,796	2,620	...	...	2,620	10,698
Kalidjereok Rubber	Mar. 31	5,182	12,777	17,959	600	4,700	5	7,500
Karmen Rubber	May 31	8,754	4,673	13,427	...	...	3,000	10,427
Layang Rubber Plantations	June 30	15,055	2,250	17,305	...	...	2,202	15,103
North Labis (Johore) Rub.	June 30	18,370	1,018	19,388	...	...	4,000	15,388
Parit-Bras (Malay) Rubber	June 30	1,395	1,040	2,435	1,155	2½	...	1,280
Tanjong Rubber	June 30	47,502	1,172	48,674	...	...	48,674	25,453
Jebolang Rubber Estate	June 30	9,562	Dr. 1,144	8,418	...	...	8,418	2,626
Jenasserim Heola Plantation	May 31	4,775	Dr. 3,964	811	...	...	811	7,409
Shipping.								
Thompson Steamshipping	July 31	2,404	17,497	19,901	1,300	5,000	5†	10,000
Trust.								
City & International Trust	Aug. 31	1,928	66,209	68,137	30,000	26,000	6½	...
Waterworks.								
South Kent Water	June 30*	4,059	2,068	6,127	765	1,037	6	250
Other Companies.								
A.B.C. Coupler and Engineering	Sept. 30	3,775	15,268	19,043	3,000	6,812	12½	5,000
Anglo-Siam Corporation	Mar. 31	55,643	62,137	117,780	4,550	55,000	27½	5,000
Ardath Tobacco Co.	June 30	29,396	715,174	744,570	84,000	360,000	12†	175,000
Bucknall (Henry) and Sons	May 31	5,646	28,126	33,772	18,000	12,000	3	...
Harrisons and Crosfield	June 30	104,472	352,004	456,476	146,120	20	100,000	106,586
Imperial Airways	Mar. 31	6,689	60,139	66,828	18,371	5	27,500	78,861
Imperial Smelting Corp.	June 30	...	231,373	231,373	102,045	93,967	5	35,361
Maratti High Speed Circular	June 30	Dr. 2,461	Dr. 2,861	Dr. 5,322	...	...	Dr. 5,322	Dr. 2,461
Knitting Machines	June 30	13,309	20,457	33,766	...	12,110	12½	...
Qualcast Limited	June 30	60,774	Dr. 53,393	7,381	...	...	21,656	25,809
San Paulo Coffee Estates	Dec. 31	5,636	6,476	12,112	...	5,418	5	7,381
Tebbett Brothers	June 30	9,226	43,204	52,430	25,000	12½	8,651	6,694
Whitehall Court	June 30	...	...	...	...	...	18,779	29,735

* Half-year.

† Free of income tax.

TRANSVAAL GOLD OUTPUT STATISTICS.

Name of Mine.	July, 1930.			August, 193
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SERVICE PETROLEUM COMPANY.—Production from the company's oil wells at Gura-Onitzei, Ceptura and Moreni for the week ended August 24th was 4,234 tons (29,638 barrels).

STEUA ROMANA (BRITISH), LTD.—Production of the Steua Romana Company Bucharest for the month of August was 64,060 tons.

TAMPICO OIL, LTD.—The total production on the company's properties in Mexico during August was 21,372 barrels, in respect of which the royalty due to Tampico Oil, Ltd., amounted to 1,603 barrels.

TUCUYO OILFIELDS OF VENEZUELA, LTD.—Oil produced during August, 1930, 3,334 tons.

TRINIDAD LEASEHOLDS, LTD.—Oil produced in August, 28,400 tons; oil purchased in August from other companies, 61,550 tons.

THE VENEZUELAN OIL CONCESSIONS, LTD.—Production for the week ended August 23rd was: Bolivar district, 102,920 m. tons; Maracaibo district, 9,802 m. tons; total, 112,722 m. tons. Production for the week ended August 30th was: Bolivar district, 103,857 m. tons; Maracaibo district, 9,439 m. tons; total, 113,296 m. tons. Production for the week ended September 6th was: Bolivar district, 101,790 m. tons; Maracaibo district, 10,934 m. tons; total, 112,724 m. tons. Production for the week ended September 20th was: Bolivar district, 98,929 m. tons; Maracaibo district, 11,973 m. tons; total, 110,902 m. tons.

Commercial Reports.

THE CORN TRADE.

Mark Lane, Thursday evening.

Climatic conditions, although somewhat unsettled, were generally favourable during the past week for agricultural operations, and farmers have been busily engaged in preparing the land for autumn sowings. The depressed state of the grain markets, abundant supplies, and the extremely low prices, do not afford much encouragement to an increase in the area under cultivation. Offerings of native wheat at the principal staple markets have been considerable, but demand proved slow and prices tended easier in sympathy with the general situation. On the import market, values suffered a further relapse as offerings were greatly in excess of demand, and weekly shipments on a large scale. The outstanding feature in the international situation was the continued wave of selling by Russia, which has forced down the world's price level, while unprecedented large bookings of tonnage indicate a continuance of the movement for some while ahead. Already considerable quantities have been purchased by the United Kingdom and Continental and Mediterranean countries, which means lessened imports from other exporters. Inherent weakness was apparent owing to the heavy statistical position, but the Russian campaign has brought about a climax sooner than expected. Meanwhile, Canadian and United States sellers are reducing their limits in order to compete for European custom, as obviously export sales must be pressed up to the end of the year, when new crops in Australia and Argentina become available. Oriental countries have been purchasing more freely of late, both from Australia and the North Pacific, and increased takings by Eastern consumers may be expected while prices are at a low level. Flour values were also marked down in sympathy with wheat, both for home milled and imported, but as is to be expected, buyers are confining their operations to immediate needs. Shipment offers from North America are freely made at declining rates, but meet with little response from importers. All descriptions of feeding stuffs shared in the depression, and consumption of maize is still adversely affected by cheap offers of European barley.

WHEAT.—Again easier in sympathy with reduced c.i.f. offers. No. 1 hard Manitoba, ex ship, 33s.; No. 1 Northern Manitoba, ex ship, 32s. 6d.; No. 2 ditto, 31s. 9d.; No. 3, 31s. 3d.; No. 6 Manitoba, 24s. 9d.; No. 1 hard winter, 32s. 3d.; No. 2 mixed Durum, 30s.; Barusso, 6½ lbs., ex ship to arrive, 30s.; Australian, 32s.; choice white Karachi, 31s. per 49½ lbs.; English new, 6s. 6d.-6s. 11d. per 112 lbs.

FLOUR.—Dull and tendency easier. London straight run, 30s. per sack for country deliveries and 29s. London area. Of imported, Manitoba patents, 27s.-29s. 6d.; Buffalo ditto, 27s.-29s. 6d.; Australian, 24s. 6d.-26s., ex store, per 280 lbs.

MAIZE.—Easier. Plate, landed, 24s. 9d.; ex ship, 22s. 9d.; August-September, also September-October, 22s. 6d.; Bessarabian, landed, 24s. 3d.; No. 2 white flat African, ex ship, 21s. per 480 lbs.; yellow maize meal, 27 5s., f.o.r. London; yellow African, ex ship, 25 7s. 6d.; white, 25 2s. 6d. per ton.

BARLEY.—Weak. Californian, old, landed, 30s.-35s.; new, x ship, 30s.-41s., as to sample; Chilian brewing, landed, 30s.-35s.; Chevalier, 38s.-44s.; Australian, 32s.-34s.; Smyrna, 30s.-32s. per 44½ lbs.; Black Sea, ex ship, 14s. 6d.; Danubian, 14s. 6d.; Persian, new, ex ship, 14s. per 400 lbs.; English new, malting, 6s. 3d.-13s.; feed, 5s. 3d.-5s. 9d. per 112 lbs.

OATS.—Easier. Plate, landed, 13s. 3d.; ex ship, 12s. 3d.; Chilian tawny, ex ship to arrive, 13s. 3d.; mixed Chilian white, 17s. 6d.; ex ship; best whites, ex ship, 20s.; landed, 21s. 6d.; German, landed, 21s. 9d.; mixed Canadian feed, ex ship, 11s. 9d.; landed, 12s. 3d. per 320 lbs.; English, new, 5s. 4d.-5s. 8d. per 112 lbs.

COMPARATIVE AVERAGES OF GRAIN.

The following table gives the estimated sales of home-grown wheat during the harvest years 1930-31, 1929-30, 1928-29, 1927-28:—

	1930-1931.	1929-1930.	1928-1929.	1927-1928.
Estimated sales of home-grown wheat—				
1 week to Sept. 20	Cwts. 176,086	Cwts. 421,436	Cwts. 314,112	Cwts. 247,437
3 weeks to Sept. 20	489,117	960,379	759,162	759,397
Average price of English wheat per cwt.	s. d. 7 2	s. d. 9 9	s. d. 9 2	s. d. 10 6

The following is a statement showing the Quantities Sold and the Average Price of British Corn in the past two weeks, and for the corresponding week in each of the years from 1928 to 1929:—

Weeks ended.	QUANTITIES SOLD.			AVERAGE PRICE PER CWT.		
	Wheat.	Barley.	Oats.	Wheat.	Barley.	Oats.
1930.						
Sept. 13	Cwts. 183,823	Cwts. 96,724	Cwts. 36,250	s. d. 7 3	s. d. 8 3	s. d. 5 11
Sept. 20	176,086	267,255	45,992	7 2	9 2	5 11
Sept. 18, 1929	291,205	164,581	78,960	11 1	12 8	8 3
Sept. 17, 1928	233,852	261,870	82,874	10 8	13 4	8 11
Sept. 22, 1928	314,112	277,402	91,159	9 2	11 4	9 1
Sept. 21, 1929	421,436	346,753	67,143	9 9	10 10	7 11

AMERICAN WHEAT MARKETS.

The following table shows wheat quotations in recent weeks, with comparative figures for 1929:—

NEAREST FUTURE.	Jan. 2, 1929.	Sept. 25, 1929.	Jan. 2, 1930.	Sept. 10, 1930.	Sept. 17, 1930.	Sept. 24, 1930.
Winnipeg (No. 1 Manitoba) Cents per 60 lb.	122	143½	148½	83½	80½	74
Chicago (No. 2 Winter) Cents per 60 lb.	116½	128	130½	83½	83½	79½

The visible supply of wheat in Canada, at 63,945,000 bushels, shows an increase on the week of 10,166,000 bushels. Supplies a year ago stood at 70,628,000 bushels.

THE COAL TRADE.

Our Sheffield correspondent writes:—Conditions in the South Yorkshire coal trade remain much as before, with some slight improvement in best qualities. Rather more best steams are being exported, but the industrial demand is inclined to shrink and the surplus supplies of small coals are increasing. There are large stocks of these at many of the pits. Sales of house coal are below normal. The coke market is very depressed. Best steams fetch 15s. f.o.b., and furnace coke 12s. 6d. to 13s. at ovens.

Our Glasgow correspondent writes:—Business remains slow in the Scottish coal trade, and until the effects of the new marketing scheme can be more accurately gauged, no increase in activity can be looked for. At time of writing it is not known whether the proposals submitted by the Scheme Committee have met with a majority acceptance. These, it is understood, provide for the use for the benefit of export business of any surplus of home coal prices over 20 per cent. in excess of those for shipment. Round coal is still plentiful, but washed nuts maintain recent firmness. Shipment prices (f.o.b. district ports):—LANARKSHIRE.—Ell best, 13s. 6d.; splint best, 16s.; splint second, 14s. 6d.; navigation, 15s. 6d.-16s.; navigation second, 14s. 6d.; Hartley, 15s.; steam, 12s. 6d.; trebles, 13s.; doubles, 12s. 6d.-13s.; singles, 12s.; pearls, 11s. 9d.; dross, 9s. 6d. FIFE.—Screened navigation, 16s. 6d.-17s. 6d.; first-class steam, 11s. 9d.; third-class steam, 10s. 9d.; trebles, 13s. 6d.-15s.; doubles, 12s. 6d.-13s. 6d.; singles, 11s. 3d.; pearls, 11s. 3d. LOTHIANS.—Prime steam, 11s.; secondary steam, 10s. 9d.; trebles, 13s.; doubles, 12s. 9d.; singles, 11s. 6d.; pearls, 10s. 6d.-10s. 9d. Ayrshire.—Unscreened navigation, 16s.; jewel, 16s.; steam, 13s.; trebles, 13s. 6d.; doubles, 13s.; singles, 12s. 3d.; pearls, 11s. 9d.; dross, 10s. 6d.

Our Cardiff correspondent writes:—The general position on the Cardiff coal market this week has been unchanged. Shipments from the South Wales docks last week showed a slight increase, but the

improvement was due entirely to the movement of shipping, and both current and contract inquiries have been extremely scarce. It is now officially confirmed that the Brazilian Central Railways have placed a contract in Germany for the supply of about 210,000 tons of large and small steam coals at a price approximately about 1d. per ton less than that tendered by South Wales firms. It is understood, however, that the credit terms are extremely onerous. The Great Western Railway Company has modified its intention of losing all the tips in the East Dock to the extent of agreeing to operate three tips capable of dealing with 20-ton wagons. Current quotations are on the basis of the minimum schedule and for the principal classes of coal they are as follows:—Best Admiralties, 20s.; seconds, 18s. 9d. to 19s. 9d.; best dries, 18s. 6d. to 19s. 3d.; Black Veins, 18s. 3d. to 18s. 6d.; Western Valleys, 18s. to 18s. 3d.; Eastern Valleys, 17s. 6d. to 17s. 9d.; best small steams, 13s. to 13s. 3d.; cargo smalls, 12s. to 12s. 6d.; coking smalls, 13s. 3d. to 13s. 6d.; anthracite best large, 36s. to 37s. 6d.; Red Vein large, 22s. to 27s.; stove nuts, 39s. 6d. to 43s. 6d.; French nuts, 43s. to 46s.; ruggly culm, 10s. 6d. to 11s. 6d.; foundry coke, 30s. to 35s.; patent fuel, 20s. to 21s. 6d.; pitwood, ex ship, 25s. 9d. to 26s.

IRON AND STEEL.

We extract the following from the weekly report of the London Iron and Steel Exchange:—Although quiet conditions rule in the iron and steel trades, there is a steady if small volume of business which consists principally of small orders. The unsettled conditions in the Continental steel market to some extent react upon all departments, and as a natural consequence buyers pursue a cautious policy. British steel manufacturers find that business is spread irregularly over the market, with the result that in some districts it is difficult to keep plant working even at a moderate rate of operation. The demand for pig iron which has shown more activity of late, seems to have subsided somewhat; but production has been reduced to a level which prevents the stocks in makers' hands reaching unwieldy proportions. There has been a steady demand for semi-finished steel material; but in this department in particular the effect of unsettled conditions on the Continent has been especially noticeable. The price position is weak, and as a result buyers are carefully following the market, placing only small orders. The finished steel department of the market is in a subdued condition, and, although one or two good contracts have been placed of late, general buying has been quiet. Consumers generally show a disposition to limit their purchases to immediate requirements. The recent reduction in the price of galvanised sheets seems to have stimulated business with India; but in other directions the export demand for steel is disappointing for the time of year.

Our Middlesbrough correspondent writes:—Buying of Cleveland iron is on a somewhat reduced scale, as many home consumers have covered the bulk of their requirements for prompt and also a month or two ahead, and they are now inclined to wait and see how new orders for their products develop before committing themselves further. At the weekly market on Tuesday moderate purchases were reported on home account for early delivery and also a little ahead, but there was again an almost entire absence of business on export account. Prices were unchanged, viz.: No. 1, 66s.; No. 3, 63s. 6d.; No. 4 foundry, 62s. 6d.; and No. 4 forge, 62s. f.o.b. or f.o.t. The hematite market is steady, and the volume of new business is gradually increasing, in addition to which arrears under old contracts continue to be taken at a better rate, so that under old contracts reduced. A furnace is being changed stocks are being gradually reduced. Dorman's Eston works, but the bulk of the production will be taken up for the firm's own requirements. Makers still quote 71s. for mixed numbers for delivery over a few months, but odd prompt lots are obtainable at a trifle less. Shipments of pig iron show no improvement, the total cleared to 23rd inst. being only 10,903 tons, against 14,970 tons to the same date last month. In the manufactured departments new business matures very slowly, but prospects of an early improvement are still considered favourable. In the meantime there is a fair out-turn at the different works against old contracts. Home prices for steel materials under the rebate scheme are unchanged, viz.: Plates, ½-in. upwards, £8 15s.; joists, £8 10s.; sections, £8 7s. 6d. Other quotations, also for home use, include heavy steel rails, £8 10s.; iron crown bars, £10 15s.; 24-gauge black sheets, £9 10s.; and 24-gauge galvanised corrugated sheets, £11 17s. 6d. In the ore market sellers predominate, but there is very little buying. An odd prompt cargo of best rubio is reported to have been sold at a very low figure under special conditions. Sellers generally are now willing to accept 18s. c.i.f. for this mineral and the current position is inclined to be a little firmer. Some producers are now quoting 17s. both for prompt delivery and up to the end of the year. The total number of furnaces in blast in the district is unchanged at 25.

Our Sheffield correspondent writes:—Trade revival in this area is confined to a small number of special lines. The depression in tonnage steel and tool steels is as acute as ever, and as regards the open-hearth steel in semi form the position has receded since the holidays. Many furnaces have been standing for months, and the business coming through scarcely suffices to provide work for the present restricted plant. Traders are counting upon an early improvement in the Continental situation. Railway companies, for purposes of economy, are curtailing their programmes of rolling-stock construction which were announced at the beginning of the year. Overseas railway orders have increased a little, but the

trade from this source is comparatively inconsiderable. Demand for shipwork steel tends to contract, as the yards are not booking much new business. The pig-iron position remains as before. Prices of steel material are unchanged but weak, and concessions are frequently offered. Inquiries are a little more numerous. A slight seasonal revival is noted in tools, cutlery and plate, but here the output is below the average for the period.

Our Glasgow correspondent writes:—There is little of interest to report this week regarding the West of Scotland iron and steel industries. In almost every branch there is a steady business being done, but there is no extensive buying. The reduction of 5s. per ton on minimum prices, and the freeing of weights, etc., for India for galvanised sheets, has caused a little more activity in the sheet trade, but export business both in black and galvanised is still poor. In Glasgow and district, works will be closed on Saturday and Monday for the annual trades and autumn holidays.

Our Cardiff correspondent writes:—On the Swansea Metal Exchange on Tuesday it was decided to reduce the minimum price of tinsplate per basis box f.o.b. works port from 18s. to 17s. and that of tinsplate bars from £6 to £5 15s. per ton. The Galvanised Sheet Makers' Association had previously decided to reduce the prices of galvanised sheets from £11 17s. 6d. to £11 12s. 6d. per ton. Current business continues restricted, but it is hoped that these price concessions will help to stem the importation of foreign steel bars and to stimulate the exports of tinsplates and galvanised sheets. The English Crown spelter works at Swansea have been closed down owing to the current extremely low price of spelter. Quotations this week have been down to £15 10s. per ton, compared with £24 at the corresponding period last year.

OTHER METALS.

TIN.—In the standard market values gave way under selling pressure and lower Eastern cables, with some irregularity in attendance. Moderate sales included standard cash at £132 5s.-£131, £132 15s. and £131 7s. 6d.; three months, £134 10s.-£132 10s., £134 10s. and £132 17s. 6d. In the East, sales were reported at £138 2s. 6d., £137 12s. 6d., £138 15s. and £136 15s. ton c.i.f.

COPPER also declined, owing to liberal offerings, which were moderately absorbed. Standard cash sold at £45 12s. 6d. to £45 1s. 3d.; and three months, £45 12s. 6d. to £44 18s. 9d. and £45 2s. 6d. per ton.

LEAD opened firmer and a good demand was reservedly met, but later buyers were less in evidence and movements disclosed slight irregularity. Good soft foreign pig, September, sold £17 16s. 3d. to £17 15s. and £17 17s. 6d.; October, £17 13s. 9d.; November, £17 11s. 3d. to £17 10s. and £17 12s. 6d.; December, £17 12s. 6d. to £17 10s. ton.

SPELTER dull and easier under liberal offerings. September sold £15 16s. 3d. to £15 10s.; October, £15 13s. 9d. to £15 2s. 6d.; November, £15 7s. 6d.; December, £15 17s. 6d. to £15 10s.; January, £15 12s. 6d. per ton.

ALUMINIUM steady. Home trade £95, export £100 ton.

QUICKSILVER quiet. Spot £22 2s. 6d. per bottle.

TIN PLATES easier. I.C. coke, prompt and forward, 17s. per box, f.o.b. Swansea.

ANTIMONY easier. English regulus, £38 to £45; Chinese ditto, spot, £26 10s.; September-October, £25 15s.; Chinese crude, September-October, £15 per ton c.i.f.

ANTIMONY OXIDE, September-October, £28 10s. 6d. per ton c.i.f.

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ANTIMONY ORE, 60 per cent., September-October, 3s. 6d.; ditto 50 per cent., 3s. per unit c.i.f.

WOLFRAM firmer and sellers more reserved in face of improved inquiries. Chinese spot, 20s., October-November, 19s.; Burmese, spot, 18s. 6d.; September-October, buyers, 17s. 6d. per unit c.i.f.

THE COTTON TRADE.

LIVERPOOL: September 24th.

Values on the week are about 20 points lower. There has been a better trade inquiry and an improved demand on the spot, but this has been offset by hedging and speculative selling and the general political news. The weather in the south continues favourable, and scattered rains have fallen in the drought areas of Texas and Oklahoma. The favourable weather has enabled picking to go on without interruption. Ginnings up to September 16th are 3,730,000 bales, against 3,353,000 bales for the same time last year. At each decline in prices there is more resistance on the scale down, buying orders being in evidence. So far very few contracts have been entered into for far ahead. The Brazilian crop was reported as being much less than last year and of a lower grade. There is a more cheerful tone in Manchester. Spot sales for the week 18th to 24th (inclusive) are 33,000 bales, of which 14,790 American, 6,500 Brazil, 300 Argentine, 7,250 Peru, 2,050 Egyptian, 900 African, 800 East Indian and 410 sundries. Imports for the same period are 48,646 bales, of which 25,644 are American, 13,786 Peru, 1,895 Egyptian, 362 African, 4,408 East Indian, and 2,551 sundries. Quotations to-day are: American Middling, 6-02; Egyptian Sakel, 10-20; Uppers, 8-37; Brazil Fair, 5-78; Peru G.F. Smooth, 6-48; West African Middling, 6-03; and East African G.F., 6-98.

MANCHESTER: September 24th.

Although the general inquiry in the market continues rather larger, trade is still slow in expanding and numerous spinners and manufacturers have reported that the prices offered by customers cannot be accepted. The attitude of buyers has been somewhat affected by the further easier movement in raw-material rates, and there is not sufficient confidence in the general outlook for free operations to take place. Inquiry in cloth for India continues more encouraging, and moderate lines have been booked in light fabrics, chiefly for Madras and Karachi. Only isolated sales have occurred for Calcutta, and operations for Bombay remain at a standstill. Although the picking of bazaars has been weakened, the boycott of foreign goods is still in force. News from China has been rather mixed, but fancies continue to be sold for Shanghai and Hong Kong. Bleaching and finishing cloths have attracted moderate attention for Egypt, South America and the Continent. There has not been much activity in home-trade cloths. Quotations in American and Egyptian yarns have been irregular when tested. Some spinners continue to sell a little more freely, but trade is not sufficient to strengthen prices, which are very poor.

Statement of the Cotton Trade.

	1930.				Corresponding Date.	
	Sept. 3.	Sept. 10.	Sept. 17.	Sept. 24.	1928.	1929.
Raw Cotton—Mid. American per lb.	6-50	6-40	6-30	6-20	10-35	10-24
" Sakellaridis Fully Good Fair	10-35	10-20	10-10	10-20	17-55	16-65
" Egyptian per lb.	10-35	10-20	10-10	10-20	17-55	16-65
Yarns—32's twist per lb.	11-1	11	10-1	10-1	15-1	15-1
" 40's twist per lb.	11-1	11	10-1	10-1	15-1	15-1
" 60's twist (Egyptian) per lb.	11-1	11	10-1	10-1	15-1	15-1
32-in. Printers, 116 yds., 16 by 16, 32's and 50's	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
36-in. Shirtings, 75 yds., 19 by 19, 32's and 40's	20 0	20 0	19 9	19 7	24 9	25 0
38-in. ditto, 38 yds., 18 by 16, 10 lb.	22 6	22 6	22 3	22 0	28 3	28 0
39-in. ditto, 37 yds., 16 by 15, 8 lb.	12 4	12 4	12 4	12 3	14 10	15 3
	11 1	11 1	11 1	11 0	13 9	13 6

THE WOOL TRADE.

Our Bradford correspondent writes:—The market throughout the week has remained in a nervous state and business has been exceedingly difficult to negotiate. Weakness in the raw wool markets has been the main factor in curtailing turnover in tops and yarns, and the decline in values has again destroyed confidence. Judging from the cable reports from the primary markets, really good wool is still selling well under active competition from foreign buyers, but faulty and heavy-conditioned lots are irregular. A private cable from Sydney this week states that warp 64's wool is selling on a basis of about 23d. clean, delivered Bradford, or about 2d. per clean lb. below the opening rates. It is not without interest to note that a year ago the price was 32d. clean. In South Africa there appears to be a good general demand for the best types,

and superior 12 months' wool has been sold at Port Elizabeth this week on the basis of 25d. clean, Bradford, with 10-12 months' at about 23d. In London since the opening of the current series of auctions there has been a marked decline in most classes, though greasy wools have suffered less than scoured and slipes. In Queensland scoureds, for example, the top price in July was 30d., but the best figure so far this series is 27d. On the other hand, some types in special demand, such as really super West Victorian greasy merinos and New Zealand scoured merinos, have made last sales' rates. In Bradford users have been influenced by the ease in values and general financial stringency at home and abroad, and the hand-to-mouth policy of buying for current requirements is more in evidence than ever. Forced sales in tops and yarns, particularly in the latter, are having an unsettling effect, and quotations all round compare most unfavourably with costs based on wool prices. To a large extent quotations are nominal, because there is not sufficient business to test the market, and in many cases offers from users are frankly of the sort generally described as "sporting bids." There is also a good deal of irregularity in quotations for by-products. The market is simply marking time and awaiting developments, the general impression being that no expansion in demand can be looked for until a firmer tendency develops in the raw wool markets.

HIDE, LEATHER AND ALLIED TRADES.

Hides from home-slaughtered cattle were again dearer at the auctions held in Manchester on Tuesday, most weights in both clear and varbled ox and heifers recording an advance of ½d. per lb. Cows and bulls were also ½d. per lb. dearer, while calfskins sold at the previous week's figures. Sheepskins generally are steady. The market for foreign hides is still strong, although a slightly easier tendency is to be noticed in some quarters. In the South American market sales of frigorific hides have been made to Europe and the United States on the basis of 6½d. for Argentine ox and cows. Sales of dry River Plates include B.A. Americanos at 8d., and M.V. Americanos at 8½d. Trade in African hides has been of smaller dimensions: dry Capes have changed hands at 8½d. and 7½d. for firsts and seconds, and dry salted 20/30 lbs. at 7½d. and 6½d. Prices for Australians are inclined to be weaker with slightly less business passing. The market in sole leather is in a better position than for many weeks past. English and wet-salted bends have been inquired for and some very satisfactory deals have been negotiated for weights suitable for the repairing section. Shoe manufacturers have also been interested in dry hide bends, and although most of the business has been confined to meet immediate requirements, a fair amount of inquiry has come to hand in regard to forward delivery. The offal market does not show much improvement. Trade in the upper leather section proceeds on steady lines, the bulk of the inquiry being in connection with box and willow calf and glacé kid. In regard to the former, prices are very firm and any alteration that may take place in the near future is likely to be in an upward direction. Glacé kid in both black and brown is a regular feature of the trade passing. Suode leathers have not been quite so active, but there is a trifle more inquiry for both real and imitation reptile leathers for shoe uppers. Patent leather is a moderate sale in the cheaper grades.

THE TIMBER TRADE.

(FROM OUR OWN CORRESPONDENT.)

The market for imported European timber has undergone a change, which should have some effect in giving it more steadiness than it has experienced this summer. Instead of an increase of imports of sawn deals, battens and boards, so persistent between May and July, there was a shortage last month compared with August last year, of 181,831 loads (of 50 cubic feet) on an import of 626,829 loads, bringing the increase this year down to 186,063 loads, compared with January-August, 1929. The sharp decline in Russian shipments last month was unexpected, considering the great attempt the Soviet timber authorities are making to increase their trade with the United Kingdom. There is no certainty as to whether the demand is better or worse than in September, 1929, for the weekly statistics of London dock deliveries are not published now. But there seems to be less complaining of bad trade, by which one is left to presume that—although auction prices show very poor results to sellers—things might be worse. Building trade returns for work outside the L.C.C. area last month showed a sharp drop compared with July, but were about the same as the poor one of August, 1929. The unemployed building trade operatives numbered 14.3 per cent. in August, 5.1 per cent. more than for August last year, whilst the state of trade generally is not promising for a greater demand for wood. The free on board market is weak generally, and there are two factors which are assisting that weakness (1) that all the Russian supplies for last year have not yet gone into consumption, and (2) that the Soviet timber authorities have cargoes in the U.K. on consignment. The first especially depresses spot merchanting whilst the second makes importers shy of buying forward when they know of unsold cargoes already landed. The hardwood market has improved since the turn of the month. Pitwood has increased considerably in import this year, an augury that there is hope of better trade in the colliery districts. Imports of plywood decreased last month compared with August, 1929, by 26.5 million square feet on receipts of 21.7 millions, and this year's supplies are now 14.5 million square feet down, compared with a year ago. Importers held off buying owing to too large stocks compared with the demand, but with the above-mentioned decrease the plywood market position is now in better condition for domestic sales and forward buying.

THE DIRECTION OF TRADE.

TRADE WITH EUROPEAN COUNTRIES.

JANUARY TO JUNE.

(000's omitted.)

	Imports from				British Exports to			
	1913.	1928.	1929.	1930.	1913.	1928.	1929.	1930.
Russia	14,992	6,080	8,738	9,940	7,162	1,585	1,713	2,578
Finland	4,103	4,931	5,094	...	1,663	1,656	1,090	...
Estonia	...	935	1,108	1,022	...	222	191	147
Latvia	...	3,445	2,510	3,012	...	369	561	416
Sweden	5,913	8,885	10,740	10,860	3,901	4,688	5,019	5,294
Norway	3,865	6,183	6,924	6,883	3,268	4,108	4,325	5,017
Denmark	11,326	25,435	25,809	26,540	2,846	4,695	4,906	5,245
Poland	...	2,924	2,976	3,966	...	2,448	1,137	...
Germany	39,410	30,588	31,950	31,854	19,285	20,720	18,528	13,644
Netherlands	33,510	29,073	29,273	26,780	12,188	16,261	15,918	13,731
Belgium	11,654	22,603	21,426	20,585	9,289	10,310	8,807	8,707
France	25,838	35,546	32,198	29,696	16,875	15,825	18,631	18,402
Switzerland	5,741	7,248	6,626	6,162	2,093	4,455	3,327	2,925
Portugal	1,684	2,277	2,286	2,259	3,260	4,499	4,151	3,974
Spain	8,200	12,422	11,937	11,862	5,515	5,825	6,719	6,011
Italy	4,210	7,969	8,087	7,844	7,747	7,299	8,207	7,445
Austria	4,094	1,127	1,147	1,587	2,262	1,567	1,273	1,199
Hungary	...	166	164	189	...	475	516	377
Czechoslovakia	...	591	905	812	...	1,133	2,572	2,373
Greece	...	611	658	777	...	886	1,791	1,194
Romania	...	558	779	361	...	895	1,075	1,181
Turkey in Europe	...	86	904	1,058	...	301	1,740	1,180
Other European countries	...	...	...	...	...	...	...	...
Total	152,283	214,706	214,896	213,350	96,611	114,131	115,821	103,835

TRADE WITH BRITISH COUNTRIES.

JANUARY TO JUNE.

(000's omitted.)

	Imports from				Exports to			
	1913.	1928.	1929.	1930.	1913.	1928.	1929.	1930.
Irish Free State	£	£	£	£	£	£	£	£
West Africa	2,478	6,683	6,963	5,741	2,906	6,905	5,932	5,612
South Africa	6,836	14,296	12,959	10,859	10,754	15,344	16,244	13,498
India and Ceylon	24,604	36,074	36,155	30,629	36,167	45,780	43,250	34,880
Straits Settlements	8,539	5,194	6,171	5,651	2,914	5,852	6,499	4,291
Australia	19,913	31,197	32,853	25,976	17,137	25,342	25,241	19,121
New Zealand	14,475	32,208	32,709	28,989	5,451	8,892	9,551	9,010
Canada	10,938	24,490	21,656	17,352	12,007	14,850	17,905	14,880
West Indies	1,293	2,910	2,862	2,589	957	2,379	2,251	2,285
Other possessions	3,717	16,182	16,690	13,855	...	12,503	13,307	14,652
Total	94,860	190,029	190,062	161,134	95,248	157,588	158,898	135,974

OVERSEAS PRODUCE.

SUGAR.—The market remains in the same subdued state as that existing for some time past. There is a moderate movement in British refined goods at 6d. per cwt. decline. Raw refining descriptions are difficult of sale. Terminal sections displayed a certain easiness with moderate sales effected in raw. December delivery sold 4s. 6d.; January, 5s. 3½d.; March, 5s. 6½d.; May, 5s. 9d.; August, 5s. 11½d. Foreign, 96 per cent. centrifugal, October, 5s. 3d. c.i.f. Cuban receipts last week cabled 36,000 tons against 28,000 same time last year; exports 87,980 against 103,560; stocks 1,179,290 as compared with 550,606. Stocks of raw sugar in the three chief ports of the United Kingdom for past week amounted to 126,786 tons.

COFFEE.—There is a sustained movement from the spot and previous prices not only fully maintained, but in some cases improved upon. Kenya qualities, and the finer qualities of Costa Rica, which are in limited supply, monopolise attention. Brazilian kinds are steady but quiet for shipment.

COCOA.—A very quiet market on spot and trend of prices weaker. Forward position dull and easier. Accra F/F, October-December, London contract, sold 24s. f.o.b., and G/F to Continent 26s. c.i.f. Terminal, October, sold £27s. 6d.; December, 27s. 6d. to 26s. 6d.; January, 26s. 9d. to 26s. 6d.; March, 28s.; May, 27s.

TEA.—Indian sales of 60,847 packages came to quite a good market. Perhaps competition was more active on Wednesday than previous Monday. Usual common teas quite steady and sold readily, while several other growths marked some irregularity. Finest broken orange sold 5s. 10d. Ceylon auctions produced 21,271 packages. An active and buoyant market prevailed. Amongst the finer teas which showed quality improvement, very firm rates were paid, common at times being in sellers' favour. Good to fine pekoes in demand by exporters. Java and Sumatra sales met a fair demand at mostly steady rates.

RICE.—Market quite featureless at the moment and trend of prices weak for most descriptions. In the case of Spanish this is largely attributable to rate of exchange. Burma Two Stars, October, to London, 11s.; Spanish oil, 13s. c.i.f. Others call for no comment.

BEANS AND PEAS.—The small trade doing in butters and haricots is at previous rates. Peas easier and buyers are very cautious just now. Japanese, September-October, quoted 15s. 3d. c.i.f.

POTATOES.—The market in potatoes has been more active, and prices were generally higher.

TRADE WITH FOREIGN COUNTRIES OUTSIDE EUROPE.

JANUARY TO JUNE.

(000's omitted.)

	Imports from				British Exports to			
	1913.	1928.	1929.	1930.	1913.	1928.	1929.	1930.
Turkey in Asia	£	£	£	£	£	£	£	£
Egypt	1,507	484	551	508	2,479	404	327	148
Iraq	11,547	14,070	13,302	8,936	4,721	5,833	6,464	5,282
Persia	...	853	697	413	...	1,374	1,284	970
China	238	4,594	4,301	4,993	350	884	1,093	1,508
Japan	2,149	5,970	5,458	4,669	7,102	6,269	7,474	4,780
United States	2,139	4,798	4,307	4,068	6,183	7,362	6,423	4,782
Cuba	70,579	95,412	100,897	82,176	14,529	23,313	22,639	16,538
Mexico	1,828	4,938	5,240	2,747	1,123	857	1,170	790
Colombia	1,230	1,379	1,409	1,454	1,263	1,479	1,214	1,207
Peru	493	1,138	1,283	680	872	1,591	1,915	736
Chile	1,246	1,868	2,043	1,364	730	976	1,012	791
Brazil	3,164	5,489	5,581	4,716	3,255	2,590	3,853	3,522
Uruguay	6,288	2,593	3,009	5,751	6,711	7,974	7,299	4,635
Argentina	1,667	5,075	3,328	4,657	1,549	1,459	1,704	1,805
Other foreign countries (non-European)	23,554	40,995	40,983	31,233	11,267	16,336	14,014	12,510
Total	3,988	10,848	9,427	8,840	3,271	4,811	6,138	4,937
	131,617	200,504	199,816	167,265	65,201	83,512	84,023	65,041

RE-EXPORTS.—JANUARY TO JUNE.

(000's omitted.)

	1913.	1924.	1925.	1926.	1927.	1928.	1929.	1930.
	£	£	£	£	£	£	£	£
Russia.....	5,142	2,766	6,512	4,280	5,511	1,061	1,064	1,488
Sweden	602	985	838	788	511	628	540	502
Denmark	279	902	565	410	376	374	418	382
Germany	11,396	17,972	16,237	9,782	5,656	16,610	14,258	10,083
Netherlands	2,786	4,055	3,253	2,363	2,416	2,412	2,424	2,407
Belgium	3,667	5,686	5,130	4,304	4,788	6,072	5,462	3,931
France	6,417	10,307	10,303	12,640	9,831	11,216	11,206	8,923
Italy.....	497	1,406	1,331	1,423	1,081	1,233	849	540
United States	16,535	11,791	14,409	14,719	10,623	12,206	9,111	6,787
Other foreign countries	4,693	5,229	5,045	4,345	4,548	4,346	4,043	3,722
Irish Free State	940	5,724	5,651	5,362	4,762	4,776	4,941	5,046
South Africa	940	727	816	758	697	808	775	611
India and Ceylon ...	841	467	629	745	751	757	660	743
Australia ...	1,747	2,715	2,364	1,037	1,278	1,180	1,001	818
New Zealand	479	466	546	359	403	379	391	404
Canada	1,851	1,237	1,817	1,266	1,045	1,288	1,193	992
Other British countries	1,861	1,704	1,983	1,967	1,943	2,140	2,126	1,901
Total	59,051	74,128	77,449	66,599	66,220	67,486	60,562	49,280

COMMERCIAL TIMES—WEEKLY PRICES CURRENT.

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

LONDON, TUESDAY.		FRUIT (continued)		WOOL—		HIDES—	
CEREALS AND MEAT.		Spanish Onions, Valencia:—		English Southdown, washed		Wet salted—Australian	
GRAIN, &c.—	s. d.	case 4s.	6 0 6 6	per lb.	15	West Indian	0 44 0 44
Wheat, No. 3, N. Man. 496 lb. ...	31 3	case 5s.	7 6 8 0	Queensland, scd. super combg.	23	Cape	0 33 0 41
Eng. Gaz. av., per cwt.	7 2	Onions, Oporto	case 0 0 0 0	N.S.W. greasy, super	11	Dry and Drysalted Cape.	0 44 0 51
Barley, Eng. Gaz. av.	9 2	Christiana, Huelva	bags 0 0 0 0	N.Z., gray, half-bred 50-56	13	Market Hides, London—	0 62 0 84
Oats,	5 11	Grapes, Lisbon	bags 5 0 13 6	Crossbred 40-44	8	Best heavy ox & heifer	0 51 0 8
Maize, La Plata, landed, 480 lb. ...	24 9	Almeria	barrels 8 3 25 0	Top—		Best cow	0 33 0 51
Flour, Lou. stan. ex mill, s. d.		LARD—		Merinos 70's	30	Best calf	0 81 0 101
280 lb.	28 6 0 0	Irish bladders	62 0 72 0	64's	26		
Rice, No. 2 Burma, per cwt. 11 14	0 0	American boxes 56 lbs.	64 9 65 6	Crossbred 48's	131		
Rago, Pearl, per cwt.	19 0	SPIGOS—		46's	13		
Tapoca, per cwt.		Pepper, per lb.—					
B.I. stake, fair spot	17 6 0 0	Muntok, fair White	0 0 0 93				
Medium pearl	20 0 0 0	Black Lampung	0 0 0 64				
Potatoes, good English, per cwt.	5 6 6 0	Chinnatun—1st sort, per lb.	0 10 0 0				
Beef, per 8 lbs.—		Cloves—Zanzibar	per lb. 0 0 1 24				
English long sides	5 0 5 8	Ginger—per cwt.—					
Argentine chilled hinds	4 11 5 2	African	40 6 41 0				
Mutton, per 8 lbs.—		Jamaica, ord. to good	70 0 90 0				
English wethers	6 0 3 0	Mace	per lb. 2 0 2 6				
N.Z. frozen	3 6 4 6	Nutmegs 65's	1 2 0 0				
Pork, English, per 8 lbs.	4 8 8 8	SUGAR—					
		(Duty, 11s. 8d. per cwt.)	19 6 22 0				
		Java, white, c. & f. India, Nov.	8 0 0 0				
		REFINED—London—					
		Yellow Crystals	18 44 0 0				
		Cuba—Irish	22 9 23 3				
		Crushed	21 3 21 9				
		Granulated	18 6 19 104				
		Home Grown (Oct.)	19 0 19 44				
		TEA—					
		Indian & Ceylon—per lb.					
		Pekoe	0 84 3 2				
		Broken Pekoe	0 84 2 1				
		Orange Pekoe	0 10 4 7				
		Broken Orange	0 9 5 10				
		TOBACCO—					
		(Duty 8/10-11/24 per lb.)					
		Empire growths, 6/94					
		per lb.)					
		Virginia leaf—					
		Common to fine	0 10 2 6				
		Rhodesian leaf	0 9 1 6				
		Nyasaland leaf	0 9 1 8				
		strips	0 10 1 10				
		East Indian leaf	0 4 0 8				
		strips	0 5 1 2				
		COTTON—					
		Mid-American	per lb. 5-98				
		Sakalavilla, 1st d.	10-20				
		Yarns, 32's twist	104				
		60's twist	181				
		FLAX—					
		Livonian ZK	per ton 40 0 0 0				
		Pernau HD	40 0 0 0				
		Sisal Medium 1st sort.	40 0 0 0				
		HEMP—					
		Italian P.C.	per ton 42 0 0 0				
		Manila, Oct-Dec. "J2"	22 0 0 0				
		N.Z.	nom.				
		Sisal African, Oct-Dec.	21 10 20 10				
		Mexican	0 0 23 16				
		JUTE—					
		Native 1st mks.	per ton 17 0 0 0				
		Sept-Oct.	17 0 0 0				
		Nov-Dec.	17 2 6				
		SILK—					
		Canton	per lb. 8 0 9 6				
		Tussah	5 0 8 0				
		Japan	11 0 13 6				
		Italian—Raw, fr.	Mibu 12 0 14 0				

mainly New Zealand, formed 76.4 per cent. of the total supply, as against 74.9 per cent. last year. The price of home-grown meat was generally lower than last week, but foreign meat showed a slight rise.

RUBBER.—Only fractional alteration occurred. General tone steady, and there appears to be quite steady buying, partly on investment account, while some manufacturers continue to purchase far ahead at the very low rates now current. A further substantial increase anticipated in London-Liverpool stocks on Monday next. Standard sheet, spot, October, also November sold, 3½d.; December, 3½d. For October-December, 3½d. was accepted; January-March done 4d.; March alone at 4½d.; April-June, 4½d.; July-September 4½d. to 4½d.; January-December, 1931, sold, 4½d.; October-

December, 1931, at 4½d., and January-March, 1932, at 4½d. To New York, estate sheet, September-October, sold 3½d. c.i.f. London stocks increased 415 tons on the week. Landings 2,651, deliveries 2,236, stocks 82,648 against 40,151 last year. Liverpool stocks 2,289 tons higher, landings 2,546, deliveries 257, and stocks 34,085 tons against 9,780.

HEMP.—There was no essential change in the position of Manila descriptions. Buying power at the moment is rather meagre, but sellers adhered to steady asking prices. Quotations on the basis of £20 15s. for K grade, October-December shipment. African Sisal c.i.f. Manila hemp: Receipts last week cabled 22,000 bales against 22,000 last year and 26,000 in 1928. Estimate for next week, 22,000; week after, 23,000. Manila shipments last week, 9,000 United Kingdom, 4,000 Continent, 9,000 U.S.A., 6,000 Japan, 2,000 other countries and 1,000 local consumption, making stocks 131,000 bales.

VEGETABLE OILS AND OILSEEDS.—Markets generally continue to display considerable weakness and prices have followed the downward trend. Considerable pressure to sell, together with a poor demand for oil, has sent linseed down many shillings per ton old crop Plate loading for London having been done at £13 5s. Cotton seed is also lower, black Egyptian (old) on spot offering at under £8, while new crop first arrived is quoted around £6 2s. 6d. and for shipment £5 18s. 9d. In the oil section business is very quiet, and buyers absent. Linseed oil on spot dropped sharply to £27 15s., and for September delivery to £27 6s., later positions being at a substantial discount. Cotton oil is neglected, and lower crude Egyptian, ex Hull, offering at £23 10s., and common edible at £27. Most other seed oils are easier. Oilcakes have been reduced in price, but demand is still poor. The market for copra was quiet but sellers refrained from pressing for business and previous prices were maintained for virtually all descriptions. Business in mixed Dutch E.I. Padang excluded September-October to Marseilles at £15 12s. 6d. c.i.f. Palm kernels, October-November, Hamburg, £11 12s. 6d.

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THE MONEY MARKET.

DURING the early part of the week the market was disturbed by the fact that Tuesday was the last day of the quarter, and consequently exactly three months before the turn of the year. This meant that Treasury bills due to be paid for on that day were the popular end-of-the-

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year maturity, and so an unusually large number of Tuesday's bills had been applied for by the market and the banks. Furthermore, there was the usual end-of-the-month turnover of funds, including a large foreign exchange settlement, and all these factors combined to take money off the market.

* * * *

As a result of this, on Monday and Tuesday the market found itself extremely short of funds, just at the time when brokers had an unusually large number of bills to pay for. Consequently there was a keen demand for money; 3 per cent. and even 4 per cent. was freely paid for loans over the night; and though the Bank came to the market's aid and bought some early December bills at 2½ per cent., the market finally had to resort to the Bank and borrow for a week at 3½ per cent. The Bank return affords some indications as to what actually occurred. The increase of £3,484,000 in Government Securities represents the Bank's own purchases of bills, while that of £6,244,000 in Discounts and Advances is a measure of market borrowings. On the other side of the return, the expansion of £8,335,000 in Public Deposits is explained by Tuesday's payments for Treasury bills, while the decrease of £2,856,000 in Bankers' Deposits may be accounted for by the Bank's share of the Treasury bill payments less the money they called from the market.

* * * *

On Wednesday the market reverted to its customary ease. The market was still in possession of the money borrowed from the banks, while dividend payments in respect of the 3½ per cent. Conversion Loan released further funds. Thus, by Thursday, the rate for day-to-day loans had fallen to 1½ per cent. for old and new money alike, while December bills were a level 2 per cent. The three months' rate, on the other hand, now relates to January bills, which are not a useful maturity, and so it is not surprising that they were quoted up to 2½ per cent. Friday's Treasury bills were also expected to be allotted at that rate.

	Sep. 11, 1930.	Sep. 18, 1930.	Sep. 25, 1930.	Oct. 2, 1930.	Previous Rate and Date Changed.
Bank Rate	3%	3%	3%	3%	3% (May 1, '30)
Banks' Deposit Rate	1	1	1	1	1½ (May 1, '30)
Discount / Call	1	1	1	1	1½ (May 1, '30)
Houses / Notice	1½	1½	1½	1½	1½ (May 1, '30)
Market rate (3 months' bills)	2½	2½	2	2½-1	...

The market has thus had a difficult and unprofitable week. Some brokers had to sell to the Bank at 2½ per cent. bills which they had previously bought at 2½ per cent., and others had to borrow from the Bank at 3½ per cent. for a week in order to carry bills bought at rates running down to the same low level of 2½ per cent. It is possible that the market bought Tuesday's Treasury bills in excess of its power to pay for them, but the banks have also been criticised for buying too many of these bills and calling too much off the market. Meanwhile it looks as if money will once more become and remain easy and plentiful. France is continuing to take gold, but the strain has been eased to some extent by the month's shipments from Berlin, amounting in all to nearly £9,000,000. Trade is no better, and all the indications are that money in all centres is only too anxious to find employment.

NEW YORK.

On Monday, call money fell to an official renewal rate of 1½ per cent., this being the first time since 1915 for so low a rate to be recorded. Little interest, however, was aroused, and on the following day the rate returned to 2 per cent. This week's statement of the position of member banks shows an increase over last week of \$57,000,000 in security loans. Reports that the Reserve Banks were bringing pressure upon individual banks to

reduce these loans are denied. Apparently, it is still felt that any move of the kind would have a bad influence upon business.

THE STOCK MARKETS.

THOUGH the political situation showed some improvement, markets continued to be oppressed by poor transatlantic advices and renewed weakness in commodity prices. Gilt-edged held their ground and Australians improved on Imperial Conference hopes. In the foreign market, Chinese bonds were a strong feature on the latest peace moves. Home rails were weak on a further disastrous batch of "traffics," though Metropolitan and Undergrounds were active. Nitro-fagast and Nitrates receded on the unsatisfactory interim dividend statement. Industrials were inactive, but Austins strengthened on the report. Rubber shares were again heavy, but tea shares continued to enjoy unwonted liveliness. Oils were again easier. Among mining shares, Kafirs were sold from Paris and Central Mining declined sharply, but Rio Tintos advanced at the close on an improvement in copper.

THE COMMODITY MARKETS.

Except for a seasonal increase in the demand for household purposes, the coal trade shows no signs of an early expansion. The volume of business in the iron and steel industries seems to be increasing slowly, and stocks are being reduced. The downward tendency of cotton and wool prices continues to check trade development in these industries. Hides show a weakening tendency, but leather is still firm, although the demand for it is only on a moderate scale. The position of the jute industry is critical; despite a reduction in output, stocks of finished goods are still large, and there is about two years' supply of the fibre in view. Wheat prices are scarcely changed on the week.

THE FOREIGN EXCHANGES.

During the past week movements in the foreign exchanges continued, with few exceptions, to be unfavourable to sterling. The New York rate fell away to 4.85½, as against 4.86 a week ago. Montreal was steady at 4.85½. Paris fluctuated between narrow limits, closing at 123.79. Belgium at 34.83½ showed a loss on the week to sterling of 2½ cents. Milan was in demand, and closed at 92.78. Further German demands for guilders and Dutch offerings of sterling caused the Amsterdam rate to fall to 12.04 on Wednesday, but the close was slightly better at 12.05½. Heavy demands for Swiss francs caused a fall in the rate to 25.03½. Disturbing political news from Spain caused a collapse in the peseta to 47.00, this being the worst rate yet reached. German marks depreciated to 20.42½ on the announcement of the new Government's financial proposals, but a rally to 20.40½ occurred later. Buenos Aires lost 1½d. to 30.8½d., but a further improvement occurred in Rio to 5½d. Among the Eastern exchanges yen were better at 2s. 0.7½d. In the forward market dollars approached nearer to parity with spot prices, 1½ cent premium being quoted for one month and 1½ cent for three. The demand for forward Belgas fell off, and par was quoted for both the one and three months' positions. Forward Paris was unchanged. Milan forwards were 15 and 40 cents discount respectively. Forward pesetas were a difficult market, business being done around spot prices. Forward guilders were ½ cents and 1½ cents discount for the two periods. Forward Reichsmarks were quoted at discounts of 3 and 9 pfennigs, but business was on the small side. Silver was weak and fell away to close at the week's lowest price of 16½d. for both spot and forward positions. The easiness was attributed to Indian and Chinese selling. Hong Kong was 1s. 3½d., and Shanghai 1s. 7½d. at the close.

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THE PRIMROSE PATH.

EVEN the great prominence and importance of the world discussions at Geneva and the Imperial discussions which have just opened in Whitehall cannot divert the attention of the country from the outstanding and ever-growing problem of unemployment. Week after week passes without any appreciable break in the upward movement of the figure of the workless. Through the Parliamentary recess two inter-party committees have been hard at work in the search for remedial measures, members of the Cabinet, in the one case, consulting with Mr Lloyd George and his colleagues on the expediting of public works, and, in the other, conferring with representatives of both Opposition parties on the at least equally important question of the complete overhaul of the system of unemployment insurance. It has been true of every Parliamentary session for some years that it has been dominated by the unemployment issue, and it cannot fail to be truer than ever of the session of 1930-31. Most timely, therefore, is the weighty contribution to the study of the problem made this week by Sir William Beveridge who, in revising his well-known work* published in 1909, has added to it an up-to-date examination of the course of events since the war, both in relation to the growth of unemployment and its causes, and with regard to the working, and, finally, the breakdown, of the unemployment insurance scheme.

As the depression deepens, louder and more varied becomes the medley of voices, each with its fresh diagnosis and remedy. Mr J. M. Keynes makes the high interest rate on long term borrowings bear the blame; last week some prominent industrialists, under the lead of Sir William Morris, told us that the cause of unemployment is Free Trade and high taxation; others find it in the gold standard and the inelasticity of currency policy. Of late, perhaps, the tendency has been for popular attention to be strenuously concentrated upon the fiscal aspect, whereas expert opinion has been more and more pre-occupied with problems of gold and its regulation and supply. Sir William Beveridge performs the service of reminding all who are brought into contact with the problem that causes, and, consequently, the means of alleviation, are more intricate and more various than are sometimes supposed by those who attach primary importance to one particular theory or aspect.

Although the book bears traces, especially in its order and arrangement, of the pressure under which it was produced, Sir William has provided a great deal of material and expressed views to which both Parliamentary Com- mittees should give their fullest attention. On the insurance aspect he is clearly in entire agreement with the views put forward recently in the *Economist*, that the time is over-due when a distinction between insurable and uninsurable risks, and between real insurance and State relief must be clearly drawn. It is impossible, he remarks, "without grave danger to continue any longer to mix up relief with insurance": the choice has to be made between the two. There is no satisfactory alternative to going right back to the principles embodied in the Act of 1911, which were that every workman, in virtue of the contributions made by him and his employer, had the right to a definite income in a limited period of unemployment; and this, as Sir William points out, involves an attempt to adjust contributions to the risks of unemployment in different industries, and also the organisation, quite separately, of some kind of relief for those who pass out of the scope of insurance proper.

As to the workings of the Insurance Acts as they are now, Sir William is not greatly impressed by the current belief that the abuse of the dole facilities is widespread,

and his criticism of the effects of the system now in force is not that it demoralises the recipient of relief, but that its danger lies "in the risk of demoralising governments, employers and trade unions, so that they take less thought for the prevention of unemployment." And here, again, is a stern warning:—"A State which undertakes to relieve adequately and indefinitely from a bottomless purse all the unemployed, will soon find itself subsidising the manufacture of unemployment, unless it adopts counter-measures." Finally, Sir William develops the striking and true thesis that Governments have, in their concentration upon insurance and relief, neglected the evolution of Labour Exchanges and the organisation which should have grown from their institution.

This brings us to the second of the three main themes in the book. Here the main insistence is upon the ever-increasing need for a far more effective organisation of the labour market, and for devising methods for increasing labour's mobility. But it is in the third main theme that the principal interest lies in view of the urgency of existing troubles. The result of Sir William's searching analysis of the causes that have produced the vast army of the workless can be summarised in a sentence. He finds the fundamental cause in the disequilibrium between wages and national productivity. The former, he declares, are higher than the latter can justify, and from this proceeds the obvious argument that either wages must come down or productivity must be increased, or both. To put it another way, we cannot maintain the present standard of living unless national production is adequately increased. The extensive rise in real wages that has taken place "must naturally cause extensive and enduring unemployment, above all in export trades, either by raising the prices of British products in competition with those of other countries, or by reducing the margin from which capital is saved, or by causing a transference of capital to more remunerative use in other countries, or by a combination of two or more of these methods." Somehow or other the proper relation between real wages and productivity must be restored. That is the crux of Sir William's teaching, and such words from so eminent a teacher must carry great weight.

The theory of course is not a new one. It is the authoritative emphasis with which it is re-stated which should compel the attention of the country and its rulers. Doubtless Sir William's intense concentration upon it will lay him open to the criticism that he has allowed too little weight to such factors as the restriction of trade by tariffs, the high level of taxation, gold problems, and perhaps, above all, "ring" price agreements. He will be attacked by the "high wage" party on the ground that under-consumption is at the root of our present troubles, and that the depression of real wages would still further reduce purchasing power. He will be attacked as a "low wage man," because of his statement that at least there should be no wage increases for the time necessary to allow productivity to "catch up." He will be accused of too great a concentration on the wage factor to the neglect of all the other factors that affect the discrepancy between the prices of primary products and those of finished goods. He will be asked how lower real wages in this country would have prevented the slump in wheat and wool, and rubber and tin and copper, and all the effects that followed upon it. But however much room there may be for such questionings and criticisms, Sir William's conclusion and his method of presenting it remain such that they cannot be dismissed. They must be faced.

What then shall we do to remove this disequilibrium? A stiff dose of protection might depress real wages—but at a price which some new converts to that policy would do well to ponder. Reduction of labour supply by vast emigration is impossible, as Sir William points out, and

* "Unemployment. A Problem of Industry." By Sir William Beveridge. London: Longmans, 21s. net.

although inflation might produce a temporary solution, its inevitable after-effects, in the opinion of Sir William, rule it out of the sphere of statesmanship. What then? Either lower wages, or increase productivity. The former course has grave objections to which Sir William is wide-awake. There remains his main conclusion—productivity must be made to grow more quickly than it is growing now. At that point Sir William disappoints us by leaving to others to discuss the ways and means by which this can be brought about. But he has said enough to show the lines on which his mind is running. His conclusion, after surveying the "Treasury theory" and the "Lloyd George theory" of relief works, is that the difficulties involved "limit severely the application of the method." His keynote is "organisation"—organisation of the labour market, and organisation for industrial efficiency—and with the same courage with which he warns governments and employers, he has this cogent message for the Trade Unions:—

The higher standard of life of those who are in regular work is to some extent won at the cost of the unemployment of those who are not. The former and their leaders are in honour bound, not merely to remove restrictions on output, not simply to avoid opposing improvements of industrial technique and organisation, but to further such improvements in every way in their power. . . . Output has somehow to be allowed to overtake consumption, and this means, at the very least, that for some time to come there should be no further general rise of wages.

Again, we must "organise completely the labour market, abolishing the hawking of labour and casual under-employment, and the anarchic recruiting of trades and the blind choice of careers." These things cannot be done in a day, but, says Sir William, "with time they can be done."

The importance of Sir William's book is this: one of the deepest of our economic thinkers has told the Government of the country that it is treading the primrose path that leads to the economic bonfire. To such a warning from such a quarter, supported by such a wealth of argument and material, the Cabinet and the inter-party committees, statesmen, industrialists and trade union leaders cannot afford to turn a deaf ear. Many readers, we think, will close the book with a very curious mixture of comfort and alarm. Comforting is Sir William's belief that even though the economic world is in transition, and permanent changes are going on around us which must permanently affect our industrial life, the problem of British unemployment is one whose solution lies mainly in the hands of the British people. Practicability, he admits, is a relative term, but giving the word a reasonable interpretation, he believes that a solution by our own efforts is practicable. "Unemployment remains in 1930 as in 1909, a problem of industry, not an act of God." But hard upon this note of comfort comes the note of alarm. There are passages in the book which will, we are afraid, be singled out from their context and used by our modern defeatists in support of their case. From a review of the recent history of coal, and of the plight of our export trades, Sir William passes to the comment that "all these indications leave no room for easy optimism, but throw a new colour over all thoughts of Britain's future." Again, "the dominance of no nation is immortal. Shall Britain be content to be an island again, self-sufficing, or nearly, for a smaller people?"

There lies the choice for Britain. She can decide that the tightening of the belt, the strong pull on the rope, and the hard constructive organising of work demanded in any solution of unemployment is too unattractive. In that case she can dally for a while on the primrose path till she sees before her a new and littler future far different from the old days of industrial prestige. Or she can awaken to the warnings such as those that Sir William has given, and take such unpleasant steps as are necessary to reach a new economic adjustment, through which alone Britain can find her chance of maintaining her standards and holding much at least of her old foothold in a world of intensified competition.

DISARMAMENT.

DISARMAMENT has now been on the agenda of international politics for more than ten years. The War itself made it plain, to everyone who had eyes to see, that states must disarm if civilisation is to survive. The Covenant of the League of Nations imposes an obligation to disarm eventually upon all states members. The principal allied and associated Powers, when they imposed immediate disarmament upon Germany in the Treaty of Versailles, justified their action on the ground that it was intended as a first step towards eventual disarmament all round. Since then, one notable step in disarmament has been achieved. The three principal Naval Powers—the British Empire, the United States and Japan—have agreed upon a limitation and reduction of their naval armaments in all categories. And if these three navies were the only armed forces in the world, the Tripartite Treaty of this year might be rapidly followed by a proportionate reduction of all three to the bare minima that are necessary for policing the seas. Unhappily, while the Tripartite Treaty of 1930 is a unique agreement up to date, there are other armed forces which have to be taken into consideration by one, at least, of the signatories. There are the navies of France and Italy; and there are the land armies of all the continental European Powers, except those which have been disarmed by the peace treaties. In the reduction of these other armaments, there is little or no progress to record; and we have not unlimited time at our disposal. After having marked time, in these fields, for ten years, the movement towards disarmament must now advance substantially at last or else palpably begin to recede.

If we wish to see the signs of the times, we may turn our eyes to Germany. Last week, at Geneva, the German delegate, Count Bernstorff, was protesting, as he had protested a dozen times before, that the labours of the League of Nations Preparatory Commission for the Disarmament Conference have been totally inadequate. Almost at the same moment a witness at the treason trial at Leipzig, Herr Hitler, was announcing that his party, the National Socialists, who have just gained a sensational success in the German general election, would not recognise existing treaties and would evade or violate them by every means in their power. Many millions of people in Germany to-day are giving ear to Herr Hitler's threats because they know that, for years, Count Bernstorff's foreign colleagues at Geneva have been deaf to Count Bernstorff's warnings and entreaties. The National Socialists are not in power in Germany yet, but they may come into power very soon if the other signatories of the Versailles Treaty fail much longer to redeem the promise of disarmament all round which they gave more than ten years ago. And if, in Germany, the National Socialists do come into power before the present naval deadlock between France and Italy is resolved, Germany and Italy will assuredly join hands. If and when that happens, Europe will again be divided into two rival armed camps, as she was during the twenty years that ended in 1914. We know the sequel.

With this prospect before us, we keenly regret that the Eleventh Assembly of the League has dissolved without fixing a date for the Disarmament Conference, towards which the work of the Preparatory Commission has ostensibly been leading for years past. We regret, no less, that the Franco-Italian naval conversations have been suspended. At the moment, the Franco-Italian deadlock dominates the disarmament situation. For unless France and Italy can agree upon some ratio for the limitation, if not reduction, of their respective navies, the tripartite naval agreement between the British Empire, the United States and Japan cannot be carried further, and may even have to be revised in an upward direction. Again, so long as France and Italy are at loggerheads over this or any other serious political issue, the danger of the Continent becoming once again divided into two camps will be ever present.

The issue which the French and Italians have so far failed to settle is a question of parity. At the Washington Conference of 1921-2, the French accepted parity with the Italians in capital ships. In 1928, the Italians claimed parity in all categories of warships with "the strongest

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Continental European Naval Power"; and it was this claim, and the French refusal to concede it, which made it impossible to conclude a five-Power treaty at the London Naval Conference this year. When the British, Americans and Japanese signed their three-Power treaty without French or Italian participation, the British Government, as the party most closely concerned, urged the French and Italian Governments to continue discussions with a view to reaching an understanding *à deux*, and offered them its good offices if they thought that "an honest broker" would be useful to them. Since then, Franco-Italian exchanges of views have been carried on half-heartedly and intermittently until the most recent conversations—held at Geneva during this session of the Assembly of the League—were suspended last week.

In these desultory discussions, the Italians seem throughout to have taken the more conciliatory line. They first proposed a Franco-Italian naval holiday—a proposal which the French rejected, or, perhaps it is more accurate to say, refrained from accepting until a moment when acceptance involved no immediate slackening in the pace of French naval construction. After that, the Italians suggested a "yard-stick," in which the two factors of tonnage and number of ships were to be taken into account, which would have had the effect of leaving France with a superiority in global tonnage of 100,000 tons until 1936. The French made two counter-proposals: First, that the "yard-stick" should take account of aggregate numbers of ships only—leaving either party free to distribute the numbers as it chose between the categories and to give each vessel as heavy a tonnage as it pleased. Alternatively, the French proposed that the discussions should be restricted to annual building programmes and should not attempt to deal with aggregate or ultimate figures. Since neither of these counter-proposals commended itself to the Italians, the conversations came to a standstill, and it was merely a choice between saying that they were "suspended" or saying that they were "broken off."

The naval policy of France is to insist upon satisfying her own "absolute" naval needs and to assess these at a high figure, but a figure which it is within her financial power to attain if she decides to make the effort. When Italy demands parity, the French decline to conclude a Franco-Italian parity agreement, but tell the Italians that they are welcome, as far as France is concerned, to assess Italy's "absolute" needs at whatever figure they like, and to build up to it. In maintaining this attitude, the French are counting upon their greatly superior financial strength. They believe that they can build on a scale and at a pace which will make Italian competition impossible; and presumably they expect Italy to abandon the aspiration to parity and resign herself to an inferiority which would leave France mistress of the Mediterranean as far as the French and Italian Navies are concerned.

It is not difficult to appreciate the French point of view. In the first place, the French feel that their navy has many more defensive tasks than the Italian Navy to perform, so that arithmetical naval parity between the two Powers would spell strategic inferiority for France.

France draws a considerable portion of her land forces from North Africa; she has coastlines on the Atlantic and the Channel as well as on the Mediterranean; she has colonies all over the world. The French Navy has to protect all these French lines of communication, while the Italian Navy has nothing to do but to threaten them. This line of argument is familiar to us, because we have used it, and felt the force of it, as between ourselves and the Americans. But there the analogy ends. For between the British Empire and the United States war is really unthinkable; and that is why it has proved possible, after all, to agree upon an Anglo-American "yard-stick" symbolising naval parity between the two Powers. Between France and Italy, however, war is not unthinkable at all; and we must bear in mind this vital difference in the situation when we are inclined to feel censorious towards the French. Signor Mussolini, with his love of plain speaking, would probably agree that the French are not unreasonable in taking precautions. He might even be offended if it were suggested that these French precautions are unnecessary. But a detached observer will rather question whether the French are going the right way to achieve the "security" which they naturally desire. They have insisted in taking Germany's place as the strongest military Power on the Continent, and this has been accepted, as Germany's military preponderance was accepted after the war of 1870-1. May they not jeopardise their security on land by entertaining naval ambitions as well?

Before the War, Germany's fatal error, as we can see now in retrospect, lay in persuading herself that her destiny was on the water. By indulging ambitions on land and sea at once, she drew down upon herself a concentration of forces which ultimately overwhelmed her. In the play of armaments, history is terribly apt to repeat itself with an interchange of rôles between the players. If some such fatal repetition is to be avoided now, statesmen must see to it that the movement for disarmament shall at last make a substantial advance along the whole front. There is no more time for procrastination. The sands are running fast.

THE GIANT STEAMER.

So great an interest has been taken in the new steamers to be added to the Cunard fleet that the chairman of the company, instead of waiting for the general meeting of shareholders, has sent out a circular letter explaining his scheme and policy in the matter of the giant ships. And the occasion is no small one, for the decision of the Cunard Company to build two steamers, each of a value of £6,000,000, marks (at any rate, for English shipowners) a new era and sets up a fresh standard, just as twenty-three years ago the "Mauretania" and the "Lusitania" worked a complete change in the meaning of size and luxury at sea. Years must pass before these new steamers can take their place in the Cunard service, and, apart from the actual cost of building, many thousands of pounds will

be spent on making the world a world fit for these giants to live in. For the giant that will be built in Scotland, the channel in the Clyde must be specially deepened before the launching can take place, and to that end out of an estimated cost of £70,000, £34,000 has already been voted by the Clyde Trust. New dry docks must be made ready at Southampton, and their details are still under discussion between the Cunard Company and the Southern Railway. The capacity of the marine insurance market must be explored, and already the help of the Government has been invoked and promised. Altogether, the birth of a super-giant liner is more expensive and not less exciting than the birth of a baby in the direct line to the throne.

The figures of size and cost that are being bandied about so easily in connection with these steamers are to the plain man really staggering. Seventy thousand pounds to dredge a channel for one of them to be launched into; three hundred thousand pounds a year gone in interest alone on the building cost of each of them; how in the name of common-sense, says the ordinary man, can such things pay? The chairman of the Cunard, in his circular letter, assures his shareholders that they can and should pay, and tells them that unless he and his fellow-directors were satisfied that the scheme is a money-making scheme they would never have laid the plans for building the steamers or asked the Government for help in getting them insured. Merely to win back the blue riband of the Atlantic would not, he says, have been a sufficient reason, for the blue riband, though it may have some advertising value, is not a dividend-payer, and would not justify so vast an undertaking. The reason that he gives is the strictly business reason that the traffic calls for it:—

For the first time in the history of naval architecture it is a practical proposition to run a Weekly Service from Southampton via Cherbourg to New York with two steamers which can pay. Hitherto such a service has required three steamers.

To maintain this service the steamers must be very fast, and speed is very costly. So they must be large enough to provide sufficient saleable space to bring in on each voyage a revenue that will pay for the speed; and the two new boats, gigantic as they are, are the "smallest and the slowest which can properly fulfil all the essential economic conditions." They are, if the chairman's letter may be paraphrased, the Cunard's contribution to the science and practice of rationalisation—the concentration of capacity into larger units for the achievement of an ultimate economy.

But while economy is the motive emphasised in this official statement, there is undoubtedly another motive which lies at the back of all this big building, and that is the psychology of the Atlantic passenger. Most men who have travelled much at sea will tell you that true comfort is to be had when you travel in a boat of about 20,000 tons at a speed of about 17 or 18 knots, but having told you that quite definitely they will, if they are contemplating a trip across the Atlantic, probably go off and book their passage in a 40,000- or 50,000-ton boat that will carry them across to New York at 24 or 25 knots. For the Atlantic passenger demands size and demands speed and demands luxury. Those who play no games but golf or bridge love to think, when they are crossing the Atlantic, that in the bowels of the ship there is a court where squash can be, and by others possibly is, played. Elderly gentlemen suffering from blood pressure and a tendency to apoplexy are thrilled when they cross the Atlantic to know that somewhere on board is a real bath where the adventurous may swim and dive, and a real gymnasium with rings and jumping horses and punch balls and a professional pugilist. The big steamer in fact is, on the Atlantic, an attraction for its own sake, and even though the smaller boats are more comfortable it will always entice traffic away from them. The "Bremen," for example, at the end of her first year is reported to have had an extraordinarily good record and a much smaller proportion of unoccupied cabins than is customary in the Atlantic trade. Here are the figures as reported in Lloyd's List:—

One year's round voyages	17
Passengers carried	54,153
Accommodation occupied, per cent.....	72.37

This figure of 72.3 per cent. compares with an average in the Atlantic service of less than 50 per cent., so that the giant liner has an advantage of at least 22.3 per cent. over the average in the employment of her passenger accommodation. So popular, indeed, has the "Bremen" been that her owners, the Norddeutscher Lloyd, have gone to the trouble and expense of altering their older steamer, the "Columbus," to make her look like the "Bremen," the argument apparently being "If you can't get your reservation on the 'Bremen,' get it on something that at a distance of five miles might be mistaken for the 'Bremen.'"

Of the insurance of these new boats much has been written, and the subject has inspired some of our livelier gossipers to outstrip even their own lofty standards of inaccuracy. So far no insurance of any kind has been offered to the market on either of the boats, and no one can say how much the world's marine market will be able to absorb either while the vessels are building or after they have come into service. But the directors of the Cunard Company, who are not altogether inexperienced in the matter of insurance and are doubtless advised by brokers with some knowledge of the market, have concluded that a value of £6,000,000 on one hull is greater than can be carried by private enterprise; and when we consider the values of steamers that have hitherto been thought enormous, and which actually do fill the world's insurance market, their conclusion is not surprising. Here are half a dozen steamers with their gross tonnage and their insured values:—

	Tonnage.	Value.
"Bremen"	51,656	1,860,000
"Europa"	49,746	2,000,000
"Majestic"	56,621	1,300,000
"Mauretania"	30,696	1,500,000
"Berengaria"	52,226	1,500,000
"Columbus"	32,565	1,100,000

It is clear that a market which at its fullest, or almost at its fullest, capacity can absorb a value of £2,000,000 cannot suddenly swell itself out to accept a value of £6,000,000, and as the whole tendency of the marine market is to contract rather than to expand, and as the only hope of any underwriting profit for anybody lies in this process of contraction, it seems tolerably clear that some outside help will be wanted if cover is to be obtained for such unheard-of values. In present circumstances, there is only one quarter from which such help can come—the British Government. The suggestion seems to have been made that a Socialist Government may seize this opportunity to start a general scheme of State marine insurance and so collar the profits of marine underwriting. One is tempted to suggest that, if the Labour Party went to the country on a policy of socialising marine insurance, their opponents need only plaster the hoardings with reprints of recent marine balance sheets, and victory would be theirs.

PRICES: OUR INDEX NUMBER.

Up to the end of September, there were no visible signs that the catastrophic fall in wholesale commodity prices, which has been a feature of the world-wide trade depression, had been arrested. Following a decline of 1.9 per cent. in August, and of 1.5 per cent. in July, our index number recorded during September a further violent recession amounting to no less than 3.8 per cent. At the end of the month the complete index figure (1927 = 100) stood as 73.2, as compared with 78.8 at the end of the previous quarter, and 91.8 a year ago. Thus, during the past twelve months, prices on the average have fallen by 20.3 per cent., or approximately 4s. in the pound. Fluctuations during the quarter in the group figures comprised

in the index are shown in the first of the following tables:—

AVERAGE, 1927 = 100.

End of	Sept., 1929.	June, 1930.	July, 1930.	Aug., 1930.	Sept., 1930.
Cereals and meat	95.8	82.2	84.2	82.5	79.5
Other foods	86.6	77.8	76.3	75.2	74.5
Textiles	87.7	66.5	63.6	61.7	56.9
Minerals	96.2	82.8	82.1	81.5	79.5
Miscellaneous	91.5	84.1	81.5	79.7	76.7
Complete Index	91.8	78.8	77.6	76.1	73.2

During the past month, as was also the case in August and July, the most pronounced decline was registered by the textiles group, which fell by nearly 8 per cent. A large part in this fall was played by flax, but raw and semi-finished cotton and wool, hemp and jute also cheapened appreciably. In the cereals and meat group, potatoes and both English and imported beef and mutton were all somewhat dearer, but the price of Danish bacon fell heavily, and grain stuffs, with the exception of English barley, underwent a severe general decline, particularly pronounced in the case of maize and wheat. The market in the latter commodity was especially depressed by the considerable shipments from the Black Sea, to which reference was made in last week's issue of the *Economist*. Movements in the "other foods" section were irregular, cheaper prices for sugar being counterbalanced by dearer tea. Among minerals, apart from a seasonal increase in the price of household coal, the tendency was again generally downwards, non-ferrous metals all falling to fresh low levels. The "miscellaneous" group, after being comparatively stable for some months, recorded a sharp fall of nearly 4 per cent. as a result of the renewed slump in rubber, a cheapening in the price of linseed oil, and the recently announced reductions in the price of petrol and petroleum oil.

Changes in the price of the individual commodities on which our index number is based are set forth in the next table in the form of percentage movements as compared with a month ago, and with the end of September, 1929:—

	Inc. (+) or Dec. (−) per cent. compared with			Inc. (+) or Dec. (−) per cent. compared with	
	Month Ago.	Year Ago.		Month Ago.	Year Ago.
Wheat, Foreign	-17.4	-43.8	Flax	-25.9	-39.4
Wheat, English	-12.1	-25.8	Hemp	-2.2	-38.9
Barley	-9.5	-25.0	Jute	-3.5	-42.8
Flour	+18.1	-14.4	Textiles	-7.8	-35.1
Maize	-2.7	-24.2	Pig iron	...	-12.4
Oats	-11.9	-31.9	Steel rails	...	...
Rice	-6.4	-24.1	Iron bars	...	...
Potatoes	+9.1	+33.3	Timber, English	-5.6	-9.3
Beet, English	+8.7	+3.3	Timber, Swedish	...	-5.3
Beet, Argentine	+1.8	+1.5	Cement	...	-1.5
Mutton, English	+7.1	+9.8	Leather	+4.6	+2.3
Mutton, New Zealand	+9.0	+12.7	Petrol No. 1	-11.4	-11.4
Bacon, Danish	-29.2	-35.4	Petroleum oil	-4.2	-4.2
Cereals and meat	-3.6	-17.0	Fuel oil	-12.5	-36.4
Tea	+10.4	+11.4	Linseed oil	-3.6	-11.2
Coffee	+1.9	-8.7	Tallow	-23.1	-62.0
Cocoa	-9.5	-17.4	Rubber	...	...
Sugar, cane	-8.8	-20.4	Soda, crystals	...	-24.1
Sugar, refined	-0.6	-18.8	Sulphate of ammonia	...	-17.6
Cheese, Canadian	+1.4	-27.0	Creosote	-3.8	-16.2
Butter, Danish	-1.8	-25.4			
Coco oil	...	...			
Tobacco	-0.9	-14.0			
Other foods	-12.0	-43.8			
Cotton A.	-7.1	-40.2			
Cotton E.	-9.5	-36.7			
Cotton yarn	-9.1	-34.7			
Cotton cloth	-8.0	-28.1			
Wool, English	-3.7	-18.7			
Wool, Australian	...	-38.1			
Wool tops	...	...			
Silk	...	...			

It will be observed that, in comparison with a year ago, the textiles group, as a result of individual price falls ranging from 18.5 to nearly 44 per cent., has declined on the average by over 35 per cent., whereas the extent of the downward movement recorded by the four other groups has been fairly uniform between the limits of 17.4 per cent. in the case of minerals, and 14 per cent. in the case of other foods. As between individual commodities,

however, the divergence of movement forms a striking feature of the foregoing table. For example, an increase of 11.4 per cent. in the price of tea contrasts with the fall of 62 per cent. in that of rubber, while an appreciation of nearly 10 per cent. in the price of English mutton contrasts strikingly with the fall of about 44 per cent. in the price of Canadian wheat. Thus, apart from the depressing influence exercised on commerce by the general fall in the value of stocks of commodities which has taken place during the past twelve months, a further complication impeding the recovery of trade has been the serious disequilibrium created within the price structure itself.

The next table illustrates the net result of movements during the current year in the case of a number of important commodities, whose cash quotations at the end of each quarter are contrasted with those ruling at the end of 1929 and on December 31, 1928:—

	End 1928.	End 1929.	1930		
			End March.	End June.	End Sept.
Wheat, Canadian, per qr.	49/3	55/6	43/9	39/-	30/9
Potatoes, per ton	26	£3/15/0	£3/5/0	£3	19/3
Beef, English sides, per 8 lbs.	5/4	5/8	6/-	5/8	5/3
Mutton, New Zealand, per 8 lbs.	5/-	4/10	4/6	3/10	4/-
Tea, Indian auction, average, per lb.	17.50d.	13.12d.	16.50d.	13.50d.	17.12d.
Sugar, granulated, per cwt.	24/7½	22/9	22/-	21/9	19/3
Cotton, American middling, per lb.	10.59d.	9.42d.	8.57d.	7.58d.	5.70d.
Cotton yarn, 32's twist, per lb.	15.50d.	13.87d.	12.37d.	11.50d.	9.50d.
Wool, Australian, per lb.	44d.	33d.	24d.	27d.	23d.
Jute, per ton	£32/5/0	£27/15/0	£24/15/0	£22/5/0	£17/5/0
Pig iron, Cleveland, No. 3, per ton	66/-	72/6	67/6	66/6	63/6
Coal, best Welsh, per ton	19/4½	20/1½	20/-	20/-	20/-
Tin, Standard, per ton	£225/15/0	£178/2/6	£170/10/0	£136/12/6	£125/5/0
Copper, per ton	274	268	271	£49/5/0	£43/10/0
Linseed oil, per ton	£29	£45	£40/10/0	£41	£28
Rubber, plant, sheet, per lb.	8.69d.	8.06d.	7.62d.	6.25d.	5.70d.
Cement, Portland, per ton	47/-	47/-	47/-	47/-	47/-

The only commodities listed in the above table whose price has risen during 1930 are potatoes and Indian tea. Articles which bulk large in the world's markets, such as wheat, cotton, wool, tin, copper, and rubber have all been subject to a steady downward movement whose dimensions threaten to become cataclysmic. By way of contrast, the price of Portland cement, in which a free market does not exist, shows no alteration—a fact which prompts the reflection that if our index number included more commodities whose selling prices are the subject of price fixing, a still greater disharmony between the "exchange value" of different commodities one with another might be disclosed.

In the final table, we show the course of wholesale prices as measured by our index number during the past six months in relation to the average level of the last year before the war. The average figures for the years 1924-29 are added for purposes of comparison:—

1913 = 100.						
Date.	Cereals and Meat.	Other Foods.	Textiles.	Minerals.	Miscellaneous.	Complete Index.
Average, 1924-29	168.5	215.8	214.7	149.3	122.6	166.2
" 1925	168.4	204.2	194.6	139.8	126.2	160.9
" 1926	151.7	195.3	152.6	149.8	120.7	149.4
" 1927	147.6	202.2	157.0	125.1	116.1	143.7
" 1928	152.9	189.7	165.0	115.2	111.2	140.9
" 1929	143.0	144.7	119.6	113.6	105.0	132.8
March, 1930	125.0	167.2	114.6	112.3	99.2	119.4
April, "	125.3	163.4	114.4	107.1	96.6	117.2
May, "	121.0	159.7	111.6	105.4	98.0	115.8
June, "	121.3	157.3	104.4	103.5	97.6	113.2
July, "	124.2	154.3	99.8	102.7	84.6	111.5
Aug., "	121.7	152.1	96.8	101.9	92.5	109.3
Sept., "	117.3	150.7	89.3	99.4	89.0	105.2

From the above table, the remarkable fact emerges that even when allowance is made for the relatively high price of "other foods," the average level of commodity prices (it should be appreciated that the *Economist* index reflects, in the main, the price of "primary" products), is now only some 5 per cent. higher than in 1913; and, excluding all foodstuffs, the index figure for raw materials is now substantially below the pre-war figure. The increasing discrepancy between the actual level of our index number and that of the official index of retail prices,

is a feature whose significance requires little emphasis, and the problem of re-establishing equilibrium between the selling value of primary products, finished goods, retail articles and the price of labour itself—a problem to which reference has already been made in a previous column—goes deeply to the roots of our present industrial difficulties.

CONTINENTAL DISCOUNT MARKETS. I.—AMSTERDAM.

While much has been written lately of the development of the Paris and New York discount markets, less notice has been taken of the progress in other centres. The following is the first of a series of articles dealing with the development of a discount market in Holland, Switzerland, Berlin, and other Continental centres.

NOTWITHSTANDING the spectacular development of the Paris discount market since the stabilisation of the franc, Amsterdam still holds the lead among the discount markets of the Continent. It is difficult to quote even approximately accurate figures to compare the volume of bills in Amsterdam and Paris, but those who have had experience with both markets consider that Amsterdam easily holds the lead. Although essentially a post-war creation, the Amsterdam market has attained a high degree of technical perfection, thanks to the versatility of Dutch bankers and the adaptability of their staffs. Its technical organisation admittedly does not compare with that of the London bill market; nor does it possess sufficiently the large and steady supply of bills that is the preliminary condition of a first-rate market of international importance. Within its comparatively modest dimensions, however, it fulfils its task satisfactorily.

While the development of the Paris discount market has received a great deal of publicity, that of the Amsterdam discount market has passed almost unnoticed. This is probably because the progress of the Amsterdam market was gradual, whereas that of Paris was sudden; because the growth of Amsterdam was largely natural while that of Paris was to a great extent artificial; and because the ambitions of Amsterdam are far more modest than those of Paris. The original object of the French authorities in encouraging the development of acceptance business in Paris was to stimulate the creation of a leading international financial centre in Paris. (It is not until recently that the necessity for a good discount market from the point of view of French domestic finance has also been realised.) In the case of Amsterdam, however, the stimulus given by the Netherlands Bank to the development of a discount market was a consequence of, and not a means to, the development of an international financial market. During, and especially after, the war, considerable amounts of German and other foreign capital took flight to Holland. A large portion of these funds were kept in a liquid form, so as to be ready to be transferred at a moment's notice. Although the facilities for short-term investment were adequate for the normal requirements of Holland, they proved to be inadequate for these abnormal temporary requirements. Amsterdam suffered, consequently, from an acute *embarras de richesse*. For this reason, the Netherlands Bank induced commercial banks and private banks to take up and expand acceptance business. The establishment of German bank "affiliates" has also helped considerably the development of the Amsterdam bill market. A great part of the acceptance business which was done by the London branches of German banks before the war is now done by these "affiliates."

After the cessation of the plethora of liquid foreign funds, there was no longer any need for forcing the expansion of the discount market. Far from encouraging a further rapid increase, the Netherlands Bank is, in fact, desirous of checking any undue expansion that may become detrimental to stability. It has restricted the volume of bills by exercising extremely strict discrimi-

nation against finance bills and other bills of an undesirable kind. Thanks to the disciplined and loyal co-operation of the banks, it has succeeded in establishing an absolute control over the bill market. Every bank of standing, before granting an acceptance credit of any importance, submits the full particulars of the transaction to the Netherlands Bank for preliminary approval. The latter informs the banks, in an entirely non-binding form, whether or not the bills to be drawn on the credits in question would be eligible for rediscount. As in London, so in Amsterdam the great majority of bills are never actually presented for rediscount. In spite of this, the preliminary blessing of the Netherlands Bank is essential to make the bills marketable. While in London ineligible bills—such as acceptances of foreign bank branches, for instance—are actively dealt in at rates above the prime rates, in Amsterdam ineligible bills are practically not marketable, and no bank of standing would either accept or discount such bills.

Thus, although the amount of rediscounts of the Netherlands Bank is comparatively small, its moral control over the market leaves nothing to be desired. It is probably owing to this circumstance that the authorities can afford to pursue a policy that is in several ways more liberal than that of other central banks. The acceptances of foreign banks established in Holland are admitted for rediscount on the same terms as those of Dutch banks. It was found desirable to treat these banks on an equal footing with Dutch banks, not merely because they assisted in the development of the Amsterdam market, but also because, granting them equal treatment, the authorities are in a better position to control their activities. Owing to their strength, the German banks established in Holland would have probably been able to develop a market for their acceptances, even if they had not been given rediscount facilities; this market would have probably escaped the control of the Netherlands Bank. It is worth noting that, although these acceptances are eligible for rediscount, the rate they command in the discount market is slightly above prime rate.

Thanks to its control over the market, the Netherlands Bank is in a position to keep bill rates low, to the benefit of domestic trade, without thereby provoking an abnormal increase of foreign acceptance credits which would eventually lead to a rise in discount rates. There is no discrimination against bills financing trade between two foreign countries; so long as they appear to be genuine commercial bills they are admitted. As, however, it is in most cases impossible to ascertain beyond doubt whether or not a bill is genuine, the strict or lenient attitude of the authorities towards the large number of doubtful cases determines to a great extent the volume of bills.

But for the conservative policy of the Netherlands Bank, it would have been possible to bring about a considerable expansion of the Amsterdam bill market, for there has always been a keen demand for bills on the part of Dutch banks. In spite of the withdrawal of the major part of foreign funds, there is also some demand on foreign account; the Netherlands Bank often buys bills on account of foreign central banks, and part of the French balances in Amsterdam have also assumed the shape of bill holdings. Generally speaking, however, there is no systematic foreign demand for bills as in London, and it may be said that the Amsterdam bill market is local rather than international in character.

It is probably for this reason that the development of the Amsterdam bill market did not arouse any jealousy in London, or in New York. On the other hand, the subsequent development of the Paris discount market aroused no jealousy in Holland. Dutch banking circles are well aware that, if the development of Paris continues at its present pace it will soon overshadow Amsterdam as the leading Continental discount market, but the Amsterdam banker does not begrudge the progress of Paris, even if it is more rapid than that of Amsterdam, so long as the former's expansion does not actually divert business from the latter. Generally speaking, this is not the case. Amsterdam can attract as much business as it is able to

carry without overstraining its resources. So long as this is the case, the question whether Amsterdam is first or second on the Continent is considered of little importance in Dutch banking circles.

For similar reasons, the decline of the demand for Dutch acceptance credits for Central European countries, brought about by the recovery of these countries, did not worry banking interests in Amsterdam. In 1924, though monetary stability in Central Europe had been restored, London and New York were reluctant to grant direct credits. Amsterdam acted as intermediary, until confidence in progress towards stability had been sufficiently restored to make the establishment of direct links with the two leading centres possible. The Amsterdam bill market did not, however, suffer a setback as a result of the change. If there was a decline in the volume of certain types of acceptance business, it was more than offset by the expansion of other types. Nor did the withdrawal of part of the German, French, and Belgian balances after the stabilisation of their currencies deprive the Amsterdam market of the liquid resources necessary for maintaining a steady demand for bills. Although originally it was the existence of these balances which necessitated the creating of a discount market, meanwhile Dutch banks and business houses recognised the advantages of keeping their liquid reserves in the shape of commercial bills, and their gradually increasing demand has more than counteracted the decline of demand on foreign account. In fact, the authorities are in a way relieved at the reduction of elusive foreign resources to comparatively normal proportions, as it has contributed towards the stability of both bill market and foreign exchange market.

Amsterdam, as every other discount market, has been affected by the world-wide increase of demand for short-term investments, which, together with the simultaneous decline of demand for acceptance credits by first-class borrowers, has created a rather anomalous position. There is every reason to believe that, once equilibrium is restored, the Amsterdam discount market will continue its moderate expansion. Dutch banking quarters are well aware of the limitations of their resources, and the sober and practical spirit of the authorities will safeguard the market in future, as in the past, against the disturbing effect of sudden growth followed by sharp reactions. There is a natural desire for expansion, but only because it means additional business, and not for the sake of the somewhat illusory benefit of the enhanced international prestige attached to it.

THE TIN POSITION.

(BY A CORRESPONDENT.)

AFTER a period of stability, lasting through July, August and most of September, the tin market has again collapsed, and the price has declined to new low levels. Before this week, £130 per ton was the lowest quotation in recent history; a new low point, fractionally under £125, was reached on Tuesday last. At the moment of writing, prices are somewhat above this level; but, in the absence of more settled conditions, it seems unlikely that a permanent improvement will be realised.

Since early in 1928, and particularly during the present year, production has been substantially in excess of consumption. The total visible supply of metallic tin has been as follows:—

	Tons.
December 31, 1927	15,610
December 31, 1928	23,703
December 31, 1929	27,724
August 31, 1930 ("peak")	43,518
September 30, 1930	40,137

The average price in 1927 was £289; in 1929, it was £204. The further decline this year, to an average figure of £135 in August, is sufficiently explained by the marked increase in stocks during the first eight months of 1930;

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but it is less easy to explain the renewed slump in September, when a definite reduction in stocks was known to be in progress. The cause can only lie in market anticipations regarding the future course of production and consumption.

Stock accumulations during 1930 were due, in part, to the reduced activity of industrial consumers; and in part to the already excessive capacity of the mining industry. During 1929, consumption was at a level in excess, not only of all previous records, but also of the world's real present needs. The world depression is partly due to the fact that many industries were, in 1929, producing goods at a greater pace than the world could absorb them; of these industries many are users of tin. It follows that the figures of tin consumption in 1929 err on the side of overstating the world's real need of the commodity. Nevertheless, visible supplies rose by 4,021 tons during the year; in addition, invisible stocks are estimated to have increased by some 2,000 tons. Additions were made during the year to the producing capacity of the industry; judging by figures relating to the last quarter of 1929, a year's full production would amount to at least 8,000 tons above the total figure for the year. From these figures, it would seem that the world can produce tin at a yearly rate 14,000 tons, or 7½ per cent., in excess of the inflated consumption figures of 1929; and the further surplus, in terms of "normal" consumption, is a matter for conjecture.

With a view to mitigating the effects of this surplus, at a time when consumption was inevitably reduced, various schemes of restriction have been sponsored by the Tin Producers' Association. The first scheme, which operated from the beginning of January, was eventually consolidated, in the form of a 20 per cent. cut in output on the part of assenting members of the association. With a view, further, to reducing the amount of tin in warehouse, various companies agreed to a two months' stoppage of production. This stoppage began in July, and, when the usual allowance is made for "time-lag," it is clear that its statistical effects could not appear before the end of August; the reduction of stocks during September may, therefore, be attributed in part to this cause. Total supplies of tin coming into sight were 7,455 tons, the smallest monthly figure since 1925, and 3,740 tons below the previous lowest of the present year. The Straits Settlements shipped 5,308 tons, against an average of 8,578 tons in the preceding eight months; and supplies from other quarters were similarly reduced from an average of 4,035 tons to a September figure of 2,147 tons. These figures, reflecting a certain measure of success for the new policy, may afford some encouragement to the supporters of restriction. They are, however, essentially a *tour de force*, and within the next two months the statistics may be once more affected by the output of companies restarting after the stoppage. For the remainder of the year, the 20 per cent. curtailment recommended by the Tin Producers' Association will be the limit, under present arrangements, of the industry's voluntary effort.

According to a recent circular issued by the Association, output during the first eight months of the year amounted to 113,377 tons, or 8,658 tons less than in the corresponding period of 1929. An analysis of these figures compiled

from returns comparable with those used by the Association, gives the following results:—

TIN PRODUCTION BY COUNTRIES.
(Long tons, in terms of metallic tin.)

	First Eight Months of 1929.	1930.
Federated Malay States, exports (at 72 per cent.)	43,758	43,377
Unfederated Malay States, exports (at 72 per cent.)	1,571	1,422
Imports to the Straits (at 72 per cent.):—		
From Dutch East Indies and Sumatra ...	14,259	12,042
From Burma and Siam	7,350	8,148
From other quarters	1,298	1,327
Nigerian arrivals (at 70 per cent.)	6,816	6,602
Bolivian shipments (at 55 per cent.)	29,520	24,581
Banks shipments (metal)	8,682	8,067
Australian shipments (metal)	614	245
Other countries	8,167	7,566
Total	122,035	113,377

It will be seen that the countries in which voluntary restriction has been in force have contributed less to the total reduction than countries altogether outside the Association. Malaya, Nigeria, Burma, Siam and Australia must be classed as definite participants in the scheme; Bolivia and the Dutch colonies are definitely non-participants. On this basis, the data contained in the above table may be re-classified as follows:—

TIN OUTPUT IN RESTRICTING AND NON-RESTRICTING COUNTRIES.

	Total Output. January–August, 1929.	1930.	Reduction. Per cent.
	Long Tons.		
Participants	60,109	59,794	0.5
Non-Participants	52,461	44,690	14.8
Miscellaneous	9,465	8,893	6.1
Total	122,035	113,377	7.1

Of the total reduction in output, no less than 89.8 per cent. is attributable to non-participants, against 3.6 per cent. to participants in the restriction scheme. In fact, it would seem, from these statistics, that the main reduction has occurred in fields courted, but not embraced, by the Association. In Bolivia, tin-mining is expensive, and it has been known for some time that producers in this field were in financial difficulties. For the reduction in the Dutch East Indies, where tin is won as cheaply as anywhere in the world, it is less easy to find an explanation. The Dutch producers have been sparing in their promises of restriction, and non-expansion has been understood to be the most definite commitment into which they would enter. On the other hand, the sales from this source are notoriously sporadic, and are adjusted, in some measure, to meet the niceties of budget requirements. The most that can be said about the output of these producers is that their promises have been kept, and would not be infringed by a considerable expansion in the next few months. It is to be hoped that the low output has not been due to any exaggerated expectations regarding the results of the official restriction policy. In any event, and in the absence of an explanation, it would appear unwise to rely upon indefinite continuance of the present Dutch output policy.

It may be argued that, but for restriction, the production of Malaya and Nigeria would have surpassed even the record figures of 1929. This raises the broader issue as to whether the present policy is the most effective way of dealing with the situation. Restriction of output can be justified only as a temporary measure; its purpose is to maintain the industry's capacity at a level which will suffice to meet the world's probable needs. For this purpose, normal slackness of consumption, occurring in times of world depression, may possibly be met by means of temporary curtailment; but when, as in this instance, capacity is essentially excessive, the task of the restrictionists is impossible. Moreover, as a "long-term" policy, restriction serves only to maintain unwanted pro-

ducers at the expense of those whose output is more economically won.

In the absence of a revival in consumption, the statistics hold out no pronounced hope of an early reduction in warehouse stocks. During September, deliveries amounted to 10,836 tons, an increase of 1,000 tons over the August figure; this was due entirely to the figures for the United States, which, at 7,250 tons, were 1,555 tons higher than in the previous month. Tin is reported to have been transferred to non-reporting warehouses, and deliveries scheduled for October are said to have been accelerated. In these circumstances, and in view of continued pessimism in the reports of American industry, it would be rash to assume from the statistics that a revival is already in progress.

Stocks of tin, having been reduced by the temporary stoppage of production, may be expected to accumulate again under the influence of renewed output activity. The course of the market will depend, in the meantime, on the degree of support accorded to it by speculative buying. It is thought that, of the present stocks, a large quantity is held by a group which purchased it over a long period beginning in November, 1928. The buyers, if they succeeded in unloading during the "holiday" period, will have had to face heavy losses, and it is to be supposed that they will be chary of supporting the market again, at a time when renewed difficulties seem assured. Had the market lacked this support in the past, it is fair to assume that prices would have fallen faster and further; if the same support is wanting when stocks again begin to accumulate, the outlook is far from bright. It is at least comforting to know that a marginal price appears now to have been reached, and that the more expensive production is beginning to be reduced. The sooner this process is carried to a conclusion, the sooner will the industry be in a position to face the future.

THE EARL OF BIRKENHEAD.

LORD BIRKENHEAD's death deprives public life of the wittiest and the most versatile of British statesmen. It is true that he did not box the political compass like so many other major and minor political stars, to whom a change of party nowadays seems as easy as a change of coat. When he came up from Birkenhead School to join the famous athlete, C. B. Fry, at the scholars' table of Wadham College, he was a Tory; as a Tory he won his fame in the debates of the Oxford Union Society; as a Tory he captured the ear of the House of Commons by a brilliantly audacious maiden speech in 1906; as a Tory he joined the Coalition Government of Mr Asquith in 1915; as a Tory again in the Coalition Government of Mr Lloyd George he was appointed Lord Chancellor, and finally, after breaking with Mr Baldwin, accepted from him the office of Secretary of State for India, which he resigned in order to earn higher emoluments in the City. Those who knew him at Oxford recognised the good fighting party man who relished controversy and excelled in the cut and thrust of a hot debate. Had he lived in the days before the Reform Bill, Canning would have been his ideal leader, and Canning's famous phrase: "Disfranchising Grampound I will save Old Sarum" is just the sort of coinage that might have issued at any time under similar circumstances from F. E.'s busy mint.

It is natural to compare his meteoric career with that of his friend and contemporary at Oxford, Sir John Simon. They were both Presidents of the Oxford Union; both gained Fellowships; both rose with unexampled rapidity at the Bar. With the exception of Judge Jeffreys, Sir John Simon might have been the youngest of Lord Chancellors in 1915. Lord Birkenhead actually earned this distinction, when he accepted that great office four years later. They have both contributed their quota, nearly always as antagonists and often as protagonists, to all the great controversies of British politics since they entered Parliament together in 1906.

There was in Lord Birkenhead a dash of almost romantic chivalry which sometimes had the air of

Notes of the Week.

The Conference Opens.—The proceedings of the Imperial Conference were opened at the Foreign Office on Wednesday in a manner which augurs well for its success. At first sight the account of the opening session appears to reveal it as of lesser importance than opening days of past Conferences. The reason is that Mr MacDonald refrained from following his predecessors in the custom of presenting a long and detailed review of the course of Imperial affairs during the preceding four years. In order to save time and facilitate the protracted work of the Conference, Mr MacDonald and Mr Henderson are circulating their reviews of Imperial and Foreign Affairs as Conference papers. This decision is welcome as indicating a determination to relieve the Conference of unnecessary strain and to give the delegates fullest opportunity to get down speedily to hard business. Of equally good promise is the general insistence on economic problems as the chief theme of the Conference, and the equally general declaration of eagerness to join in co-operative economic effort, which marked the speeches of the Dominion Premiers. Nor did this talk of co-operative effort convey the impression of mere lip service; there was a practical earnestness about it, coupled with a recognition of limits imposed by the various needs, policies and interests of various members of the Commonwealth. Better still, the desire for co-operative effort in the economic sphere took immediate concrete shape in the appointment of a Committee of Economic Experts, under the chairmanship of Sir Sydney Chapman. The Conference has settled down to work with surprising speed, and we are encouraged to look for workmanlike procedure and definite results.

The Conservative Party Split.—As each successive bye-election calls for a presentation of Conservative policy, the quarrel within the ranks of the Party becomes more bitter and more confusing. The South Paddington contest has brought fresh trouble and fresh bewilderment. Sir Herbert Liddiard was adopted as official Conservative candidate. He was supposed to be too orthodox to suit Lord Rothermere, and so the United Empire Party put forward a candidate of its own and hoped for the collaboration of Lord Beaverbrook and his Empire Crusaders. Then came a big surprise. Sir Herbert, pressed by the Crusaders, promised to support Empire Free Trade, whether the official Conservative Whip forbade it or not. This step had two results. It robbed the United Empire candidate of the co-operation of the Crusaders, and it also caused the Central Conservative organisation to disown Sir Herbert and all his policies. So there are two Conservative candidates in the field, both disowned by the Party officials, and rivalling each other in their advocacy of Empire trade. The *Times*, on Wednesday, suggests that there should be a third Conservative candidate, backed by Mr Baldwin and the Central Office. Why not, we are moved to ask, a fourth representing Sir William Morris and his new organisation? The position would be amusing enough if it were presented to us in comic opera. But in real life, and in very critical days for this country, it is more than a little regrettable that the only Opposition Party, which can at the moment hope to offer an alternative Government, should be so hopelessly at sixes and sevens. Those who guide the destinies of the Party owe it to the country to take action. As impartial spectators, we suggest that Mr Baldwin should either assert and secure mastery or else make way for someone who can. The country wants to know, and has a right to know, what the policy of His Majesty's official Opposition is on the vital economic questions of the day.

The Plan for Financial Assistance.—From an Assembly singularly barren of achievement one positive agreement of considerable importance has at any rate emerged: on Monday of this week the League adopted in final form the Convention providing for financial assistance to be

theatrical extravagance, as when he joined Sir Edward Carson in the projected Ulster revolt and gained the title or nickname of "Galloper Smith." This was only a kink; he was too fond of success, too bent on a career, to devote his life to lost causes. The blood of the martyr did not flow through his veins, and it would be difficult to find any principle or set of principles to which he gave unswerving support. His loyalties were personal rather than moral or political. He possessed in a conspicuous degree the genius of friendship. For him, a friend in need was a friend indeed; and political ties, even party allegiances, were comparatively unimportant in his eyes when he saw, or thought he saw, a friend or a colleague or a subordinate in difficulties. This, rather than any agreement or disagreement on policy, explains why he fell out with Mr Baldwin when Mr Baldwin, followed by the great majority of the Conservative Party, broke with Mr Lloyd George.

To the question whether Lord Birkenhead was a great man, an affirmative answer is difficult. Really great men are rare in this or any other age. Lord Birkenhead has made little permanent contribution to our political history. He used to say that he was the only member of the Cabinet who opposed the so-called Montagu Reforms; but he did not persist in his opposition, and at the India Office he was inactive at a time when strength and energy and industry were sadly needed. His opposition to woman suffrage was ardent but futile. His support of Tariff Reform was ineffective. He never made any scientific study of economics, and preferred flashy railery to solid argument on a subject which he neither understood nor cared to understand. Perhaps his most remarkable and effective contribution to history was the part he played in the negotiations with De Valera, when, to the surprise of those who remembered "Galloper Smith," he very patiently and successfully exerted himself to bring about the treaty that established the Irish Free State. For this and for his support of Mr Lloyd George he was never quite forgiven by genuine Conservatives; and from that time onwards his influence in the Party declined. A sense of political disappointment and the approach of ill-health may have been partly responsible for a resignation, which was mainly based on an urgent desire to rid himself of pecuniary embarrassments by making a fortune in the City. Whether he would have succeeded, had health permitted, is doubtful. Even his versatility was, perhaps, unequal to success in business after a career devoted to politics and the law. Nor can it be said that his large earnings as an author have established for him an enduring place in English literature.

Yet withal, as lawyer, judge and statesman he has made a name and a fame for himself which will not soon be forgotten or fade away. Nothing could be further from the truth than to regard him as a mere trifler. Few men worked harder at the law at Oxford or afterwards in preparation for the Bar. Few Lord Chancellors in modern times have delivered more striking judgments. In the reform of the laws of real property he employed with conspicuous success the powers of a strong and penetrating intellect, impatient of obsolete rules which concealed actualities and clogged the working and comprehension of the law. But it was perhaps in conversation, in repartee and in the invention of marvellous stories, equally effective and equally fictitious, about his friends and his opponents, that his talents shone most vividly. One instance of his ready wit it may be permissible to recall. There was once a deputation of Kentish and Sussex hop-growers to Mr Bonar Law, then leader of the Opposition. Bonar Law invited F. E. Smith to sit beside him. It appeared there had been a fine crop, but the hop-growers were dissatisfied about the price of "ops." In the midst of plenty they were suffering from cheapness. When the situation had developed, F. E. whispered to his chief, *Tantus inter opes inops*; but Bonar Law's classical knowledge was meagre, and afterwards, when "F. E." tried to explain the joke, he failed to see it.

rendered in the shape of guarantees for loans to States who are signatories to the Convention and who are the victims of aggression, always provided that the State to which financial assistance is granted must undertake to submit to pacific arbitrament the dispute from which the aggression takes its rise. All signatory States become guarantors, the annual liabilities of each being limited to a fixed sum, while "special" guarantors, *i.e.* permanent members of the Council and other States upon invitation, undertake to "underwrite"—apart from their own guarantees—the liabilities of the ordinary guarantors. By thus fortifying the credit of victims of aggression (and, by implication, making it doubly difficult for aggressors to obtain resources from the world's markets), the Convention is, in our view, a valuable weapon in the hands of the League for use in the prevention of future armed conflicts. It is difficult to set at too high a figure the cost of the insurance which it is worth while to pay against the risk of war, and it is satisfactory that within a few hours of the Convention being laid open for signature, no less than twenty-eight States subscribed. Our only regret is that the British Government, in what seems to us to be an excess of caution, should have persuaded the Assembly to insert in the Convention a clause providing that it shall not come into effect until "a plan for the reduction of armaments adopted in execution of Article 8 of the Covenant" has entered into force. It is obvious that this proviso is likely to delay considerably the effective operation of the Convention. This makes it the more urgent that statesmen of good will in every country should press forward along the road to disarmament, progress along which has been so painfully hesitant and slow.

The League and Slavery.—Last Saturday the Sixth Committee of the League adopted a resolution, reported to it by its sub-committee on slavery, in favour of leaving as it is the present admittedly inadequate procedure for dealing with this international evil. This action—or, rather, inaction—was naturally agreeable to States like Abyssinia and Liberia, whose record in this matter might not bear examination. But these States, while they were rightly represented on the sub-committee, would scarcely have been able to resist the strong desire of international public opinion for more effective measures, if they had not been supported by more influential Powers, with France at their head. In fact, it seems to have been the French delegates who really carried this most unsatisfactory resolution through the sub-committee and the committee alike. The protagonist on the side of reform was the British delegate, Mr Buxton. He first proposed that a Permanent Slavery Commission of the League of Nations should be set up; and this was a proposal which all sincere friends of reform must favour, since the experience of ten years has shown that, in business of this kind, permanence is an essential factor of success for any commission of the League. This proposal being thrown out in the sub-committee, Mr Buxton next proposed the revival of the temporary commission on slavery which the League appointed several years ago. When this proposal was rejected in turn, he proposed that a committee of experts should be appointed to ascertain how the Slavery Convention of September, 1926, was working. Even this third suggestion was unacceptable; and, instead of it, the present purely obstructive and dilatory resolution was moved and carried. This failure is deplorable from every point of view. For one thing, slavery itself is very far from being an obsolete abuse. In its old, undisguised form, it has raised its head in the two African countries aforementioned since the command of modern weapons gave their ruling elements a new and terrible power over the more unsophisticated natives in their hinterlands. Moreover, there is the risk of slavery reasserting itself, under more specious titles, in more than one of the vast tropical territories into which the industrial system—and, with it, an enhanced demand for labour—is being introduced under Western administrations. The war with this dragon is not over yet; and if the League will not wage it, who will? For this is a matter in which concerted international

action is indispensable, and if the League will not assert itself on this humanitarian ground, where prospects of immediate achievement are greater than in the political field, it will stand self-accused of a dereliction of its obvious duty to the world.

The Situation in Germany.—In a trying situation the German Cabinet have kept their heads. They have drawn up a programme the essentials of which any Government of any complexion that took office now would find itself compelled to carry out, willy-nilly. A fund is to be established, to run through the next three budgets, for the purpose of covering the anticipated deficit of 750-900 million Reichsmarks on the present budget. Expenditure in 1931 is to be cut by about a milliard marks as compared with 1930 in order to balance the anticipated decline in revenues; the principal steps to this end are an increase in the cut in official salaries from 2½ to 6 per cent., and the removal of unemployment insurance from the Budget. In order to restore the unemployment insurance fund to solvency there is to be a further rise in contributions, from 4½ to 6½ per cent. of wages. The Chancellor is now engaged in the laborious, intricate and rather sordid task of negotiating for parliamentary support. It is, perhaps, too much to hope that the older parties will have been sobered by the successes of the National-Socialists and the Communists so far as to be shaken out of their habit of petty bargaining, but we may still hope that the Social Democrats and the Bourgeois parties of the Right Centre will see the necessity of co-operating to give the present Chancellor a substantial majority. If these parties in Germany co-operate, and if Germany's neighbours take serious steps towards honouring their pledges to disarm, Herr Hitler's prospects of coming into power may be written down to a very low figure. No doubt Herr Hitler counts upon one or other of these conditions not being realised; and last week he was given an opportunity for publicity, of which he took full advantage, when he was put in the witness-box in the trial of three officers of the Reichswehr for treason before the Supreme Court at Leipzig. The officers were charged with conspiring to spread National-Socialist ideas among their brother-officers, to form National-Socialist "cells" among their men, and to secure the neutrality of the Reichswehr in the event of another "Putsch" by the revolutionaries of the Right. Herr Hitler was summoned to give evidence as to whether his party intended to seize power by violence and whether they were conducting propaganda among the Reichswehr with this in view. He seized the opportunity for a flamboyant fanfaronade, and, while disclaiming any intention to take power by force, his intimation of what he intended to do when he came into power by peaceful means was as blood-curdling as it was vague. Herr Hitler achieved one immediate success: he produced a slump on the Berlin Bourse. But perhaps this is not the best way to win the German people's hearts.

Lunch chez M. Poincaré.—In view of the supreme importance of French political reactions to the result of the German elections, considerable interest attaches to the visit which M. Tardieu paid on Wednesday to M. Poincaré. But though the luncheon party at Bar-le-Duc seems, on the face of it, to be significant of a possible future re-orientation of French policy, it is by no means clear in what direction M. Tardieu thinks of moving. In his letter on a later page, our Paris correspondent recalls the fact that M. Poincaré has frequently expressed himself as desirous of seeing the establishment of a Government including the Radical Socialists, and he suggests that recent speeches of M. Herriot and M. Renoult, laying emphasis on "security," are perhaps indicative of a desire on the part of the Radical Socialist leaders to respond cordially to a contemplated move by M. Tardieu Leftwards. It is to be feared, however, that the luncheon party of M. Poincaré is capable of quite another interpretation. Rumours of divergence of opinion between M. Poincaré and M. Briand, the distinctly more

chauvinistic attitude on the part of the majority of the French Press, and indications of fresh strength having been given to Nationalism in France by Hitlerism in Germany, all suggest that M. Tardieu's visit to Bar-le-Duc may be the preliminary to a move to the Right rather than to the Left.

The Republican Movement in Spain.—Though many months have passed since the Spanish Directory faded away, the *status quo ante* has not returned. Indeed, with every month it comes to seem more probable that Spain has a serious political crisis ahead of her. The late dictatorship was ephemeral; the dictator himself is dead; and both are more or less forgiven and forgotten by the Spanish people to-day. The Spanish Republicans, however, have neither forgiven nor forgotten the complacency shown by King Alfonso to the Marquess de Estella at the time of his *coup d'état* and thereafter. They declare that, without countenance from the King, the Directory could never have been established; and they insist that the Dynasty must atone, for having suffered the Directory to exist, by forfeiting its own existence and making way for a Republican régime. Last week there were local strikes in several industrial areas in the extreme north-west of Spain, and these disturbances—which resulted in a clash between some rioters and the police, with the loss of one life—appear to have been political rather than economic in character. Their political significance, however, cannot be compared with that of the great Republican meeting in the Old Bull Ring at Madrid, which took place last Sunday. This meeting was attended by thousands of delegates from all over Spain, representing every shade of Republican opinion from left to right, but all united in their wish to see the Dynasty deposed. The assemblage of the delegates was not prevented by the Government's veto upon the putting on of special trains for their benefit; and they were not deflected from their intention of meeting in an orderly way by the concentration of Governmental armed forces in the immediate neighbourhood of the meeting-place. The proceedings appear to have been admirably disciplined. At the same time, the speeches were remarkably plain-spoken. Several speakers offered the Dynasty the choice between abdication and revolution; and the present Prime Minister, General Berenguer, came in for strong criticism. His administration has been a kind of political limbo—neither dictatorship on the one hand nor constitutional government on the other. His prestige has never recovered from the military disaster at Arwal in Morocco in 1923, for which he was at least technically responsible. It seems unlikely that such a colourless régime can permanently hold its own against so determined an opposition. It is to be hoped that if and when the Republican movement in Spain asserts itself, it will maintain the high standard of orderliness which it set itself, and successfully maintained, last Sunday.

The Viceroy's Speech.—As matters stand in the Indian situation it is more than usually true that no news is good news; and apart from the regrettable clash at the end of last week between police and a mob of villagers near Panvel, in the Kolaba district, there appear to be welcome indications that the Congress agitation is waning in effectiveness. In its latest appreciation of the position, the Government of India observes that though reports from Local Governments indicate the continued need of vigilance against the possibility of sporadic disorder, "there are definite signs that the public recognise that Government is determined to retain control and that the civil disobedience movement is failing. There is growing resentment against Congress interference in ordinary life, and, as a result, increasing acquiescence in a return to normal conditions." The prestige of the Congress leaders will not be enhanced by the weighty and statesmanlike speech of Lord Irwin at the farewell banquet given to him by the Punjab Government on Tuesday. The Viceroy recalled, as he was fully entitled to do, the consistent efforts which the Government of India has made since the beginning of the year to hold

open the door for reconciliation and to secure as fully representative a delegation as possible from India for the Round Table Conference. If those efforts had failed, it was, he declared with justice, because of the Congress leaders' "bankruptcy of statesmanship." The civil disobedience campaign had inflicted cruel damage to India on the economic side, and on the civic side had done irreparable harm to future citizens of India by encouraging them at an impressionable age to defy discipline and plunge into wanton disorder and contempt for law. "Those who direct the policy of the Congress have assumed a heavy responsibility for which history will assuredly not hold them guiltless." We are confident that Lord Irwin's strong, though measured, words—coming from a Viceroy whose sympathy with Indian aspirations is beyond dispute—will carry weight in India. Nor do we see any reason to dissent from the optimistic note on which he closed, expressing, as he did, the hope that those representatives of India who, actuated by a spirit of truer patriotism than that displayed by the Congress leaders, had agreed to attend the Round Table Conference, might yet succeed in achieving for India "something as great as anything that has been done in her whole history."

Reform in the Argentine.—Our Buenos Aires correspondent writes:—General satisfaction is felt in commercial and financial circles at the course which political events have taken. The resignation of President Irigoyen and delegation of the presidential duties to Dr. Enrique Martínez, the Vice-President, came too late to save the Radical Party. Nor was it desirable that their errors should be allowed to continue. For far too long has the Argentine nation waited in hopes of some definite constructive action, only to see the country plunged deeper and deeper into the mire of party politics *a la criolla*, with obstructionism rife in Congress notwithstanding that the Radicals had a big working majority, and every branch of the administration suffering through the wholesale dismissal of competent civil servants and their replacement by persons whose only claim to the posts they filled was based on their party vote. The most absurd abuses sprang from this out-of-date method of rewarding services rendered at the polls, and Argentina is too large and her affairs too complex to make the methods of fifty years ago other than impossible in 1930. And although the Army and the Navy are jointly responsible for taking the final step, the first act of General Uriburu was to call together a provisional Cabinet of leading citizens whose names are a guarantee that the work of regeneration will be taken in hand in a satisfactory manner. Congress has been dissolved and martial law declared. Moreover, save for some desultory shooting at the military columns by private individuals posted in the Congress Hall and its vicinity, the affair was carried out without violence, and in the midst of vociferous popular manifestations. It is too soon as yet to give fuller details, but one may point out that exchange has improved, and that the financial situation of the provisional government is likely to be much easier than was that of its predecessors. There is, in a word, a general sense of relief, and a feeling that the grave error made when President Irigoyen was called to fill for a second term the Presidential Chair has now been corrected. It has been rumoured that a foreign loan may be sought, and that it will be coincident with the re-opening of the Conversion Office. If this is confirmed there is every reason to hope for a steady improvement of the Argentine dollar, and an all-round revival of trade in general. Much hard work lies before the provisional ministry, but they may be relied upon to tackle it in the right spirit, and in all likelihood before these lines appear in print the machinery of government and the normal course of trade will be fully re-established.

The Half-Year's Revenue.—Although the past six months were the "lean" half of the financial year, it is possible to form some idea as to how Mr Snowden's expectations are being realised. Income tax to date has yielded £59.8 millions, against £57.5 millions in the first

six months of 1929-30, while surtax has yielded £13.6 millions, as against £11.5 millions last year. Little can be deduced from these figures, for they represent only a fraction of what falls due at the New Year, while many of the payments made during recent months were based on last year's assessments and at the old standard rate of 4s. in the pound. Other revenue items, however, tell a different and more definite story, for the revenue they bring in is spread evenly over the whole year. Estate duties have, so far, come up to the mark, for Mr Snowden has received £42.9 millions out of his estimate of £83.0 millions. Customs, too, with a yield to date of £59.8 millions, are not seriously behind the year's estimate of £122.7 millions. On the other hand, Excise so far has only produced £59.8 millions, against a year's estimate of £129.9 millions, so that here Mr Snowden is so far five millions short. The yield from stamps is the deplorable figure of £7.9 millions, against a year's estimate of £27.0 millions. This is not the first time in recent years that stamp duties have fallen seriously behind their estimate, and it looks as if Mr Snowden has, in this respect, been infected by his predecessor's optimism. Post Office net receipts, at £4.6 millions to date, are on the low side compared with a year's estimate of £10.1 millions, and among non-tax items, the bulk of Miscellaneous Receipts have apparently still to come in. Taking a general survey of the revenue returns to date, it looks as if Mr Snowden will be fortunate if, next April, he has realised his expectations, and this makes it all the more important to see how the expenditure side of the accounts is shaping. As regards National Debt interest, cheap money and low Treasury bill rates have, so far, saved Mr Snowden nearly £12 millions as against last year, and this extra sum will be automatically allocated to the Sinking Fund. Supply services have so far required £204.6 millions out of an estimate for the year of £418.9 millions. On the face of it, this suggests a possible saving on the year of nearly 10 millions; but, unfortunately, the experience of recent years shows that supply services usually cost the country more in the second than in the first half of each financial year, and when due allowance is made for this fact, it appears likely that by the end of the year supply services will have cost more and not less than the sum of £418.9 millions estimated six months ago. This means that, taking revenue and expenditure together, Mr Snowden will be faced with a serious deficit.

Coal Mining Results.—The renewal of depressed conditions in the coal-mining industry of the United Kingdom seriously affected trading results in the June quarter. In the March quarter every district was worked at a profit, and the credit balance for the whole industry in that period was £3,341,536, equivalent to 1s. 1.37d. per ton on a disposable output of just under 60 million tons. In the June quarter, according to preliminary returns issued by the Mining Association of Great Britain, Northumberland, Durham and South Wales were the only coalfields where the joint ascertainment showed credit balances, and in these cases the profits were considerably less than those in the previous three months. The following table gives the balances in the March and June quarters of the present year and for the June quarter of 1929:—

District.	June, 1929.		Mar., 1930.		June, 1930.	
	Credit +, Debit - per ton.		s. d.		s. d.	
Scotland	- 0	4.42	+ 0	7.19	- 0	6.50
Northumberland	+ 0	4.32	+ 1	3.68	+ 0	4.33
Durham	+ 0	1.07	+ 0	10.98	+ 0	3.25
South Wales	- 0	4.43	+ 0	7.37	+ 0	0.73
Yorkshire	- 0	1.99	+ 1	7.31	- 0	0.33
Notts. and Derby	- 0	6.56	+ 1	6.19	- 0	5.09
S. Derby group	- 0	3.82	+ 1	11.40	- 0	2.98
Lancs., Ches., and N. Staffs.	- 0	10.89	+ 1	1.44	- 0	10.72
Other districts	- 0	7.53	+ 0	8.67	- 0	6.08
Great Britain	- 0	3.43	+ 1	1.37	+ 0	1.88

As compared with the June quarter, the production of coal for the industry as a whole showed a decrease of nearly 10 million tons, from 67,909,900 to 57,999,300 tons. This heavy fall in the output was due mainly to smaller home consumption. The volume of the export trade was also

lower than that in the March quarter, but only by about 1½ million tons, the shipments as cargo and bunkers totalling 17,384,094 tons, compared with 18,862,812 tons. The effect of the smaller production was an increase in the costs for the industry as a whole, calculated on the commercially disposable coal, from 13s. 4.06d. to 14s. 0.44d., which is the highest recorded since the September quarter of 1928. Proceeds at 13s. 10.56d. per ton in the June quarter show a decrease of 6.87d. per ton as compared with the previous quarter, but they are 3.49d. better than in the June quarter of 1929. It will be seen from the above table that the depression has fallen with far greater severity on those coalfields dependent mainly or entirely on the inland demand than on the exporting districts, three of which were able to show small credit balances.

Cotton Mill Combine.—Our Manchester correspondent writes:—Apart from the Lancashire Cotton Corporation, Ltd., there is much discussion in Lancashire trade circles with regard to further mill amalgamations. During the last two or three months negotiations have been taking place between representatives of certain groups of mills, and this week substantial progress has been made. On Monday last there was an important conference in Manchester between leading spinning mill directors and representatives of London financial interests, and a considerable measure of agreement was reached with regard to a scheme which is expected to combine about 50 mills, containing about 4,000,000 spindles. The mills are chiefly situated in Oldham, Shaw and Rochdale. The bulk of them are in the American section, although some of the factories may use Egyptian cotton. The scheme is being organised by a company which was registered rather more than a year ago under the title of Allied Spinners, Ltd., with a nominal capital of £100. The directors of the company are Mr Frank Platt and Mr Albert E. Wild, who are also directors of about half a dozen mill companies, and have an intimate knowledge not only of the technical side of the trade, but also of selling organisation. The promoters of the combine have received a definite promise of financial assistance from a high quarter in London. Certain formalities have still to be gone through, but it is understood that the amalgamation will probably be an accomplished fact before the end of the year.

Cotton Trade Organisation.—An important meeting of the Joint Committee of Cotton Trade Organisations was held in Manchester on Tuesday last, when the Government Report on the cotton trade was discussed. Since its formation, writes our Manchester correspondent, the Joint Committee has had to face the difficulty of one section of the trade criticising another branch and the Committee has not been able to take sides when such developments take place. The chairman, Mr Herbert W. Lee, who is also president of the Manchester Chamber of Commerce, moved a resolution in which the opinion was expressed that the Joint Committee is anxious that no reproach should attach to the cotton industry regarding its efforts to apply the recommendations of the Cotton Inquiry Committee. The Joint Committee wishes to observe that definite action is already being taken in various sections, particularly towards the introduction of more modern technique and mill organisation. It is recognised that, though in many directions progress can only be achieved by the sections acting independently or in direct negotiation with one another, the final result of sectional progress affects the well-being of the industry as a whole, and the potential benefits of improvements in one section may be destroyed or impaired by failure on the part of another section to make corresponding progress. In the opinion of the Joint Committee, therefore, apart from those aspects of the report which affect it directly as a Joint Committee, it has also the duty of informing itself fully on sectional action and even, should it be necessary, of representing to any particular section the considerations which seem to other sections to be of special importance to the industry as a whole. The Joint Committee cordially

invites sections not only to make reports to this and subsequent meetings of the endeavours they are making, but also to agree, as a matter of principle, that frank discussion by the Joint Committee of these efforts should be encouraged. The Joint Committee has also made the important pronouncement that in its opinion, whatever action is taken by the cotton industry, many of the causes of the present depression are beyond its control and that the responsibility for dealing with these lies in the hands of the Government and of other interests outside the cotton industry. It is pointed out that such problems as are raised by the difference in working conditions and hours between this country and its competitors, the burden of national and local taxation, and the anomalous effects of monetary policy call for immediate action.

Copper and Lead Prices.—Although stocks have been accumulating ever since the beginning of the trade depression, American Copper Exporters Inc. kept up the price of electrolytic copper at 18 cents per lb. until April last. Since then, writes a correspondent, the price has been declining rapidly, and this week the metal changed hands at 10 cents per lb. in America, and at just over £43 per long ton in London. This is the lowest level reached since 1896. Production, which in 1929 was over 100,000 metric tons in excess of requirements, has been severely curtailed since the beginning of this year. The United States, which produced nearly 55 per cent. of the world's total output in 1929, curtailed its production by about 20 per cent. This decline, however, was partly offset by Canada, which has doubled its output since last year. In addition to this, the high price maintained in the United States stimulated the production of secondary copper, which amounted to 520,000 metric tons in 1929, as compared with 480,000 tons in 1928. Output continued in excess of demand until April this year, when stocks stood at the high level of over 530,000 metric tons, which is equal to nearly four months' consumption. There has only been a slight increase in the total quantity of stocks since then, but the figure for refined copper has been increasing in proportion as that for rough copper has decreased. It is this huge quantity of refined copper overhanging the market which has exercised such a depressing influence on the price, and until stocks show signs of a downward tendency, there will probably not be any considerable upward movement in prices. Although lead has been steadier than copper, its present price of about £16 10s. per long ton (foreign refined) is, roughly, £6 below that of September last year. Stocks of lead have not materially increased during the past twelve months and are equal only to about a month's consumption. Although both production and consumption are on a lower level than those of a year ago, the position of lead is much more favourable than that of copper and cannot be regarded as essentially unsound.

New Banque de France Governor.—M. Clément Moret, the First Deputy-Governor of the Banque de France, has been appointed Governor in succession to M. Emile Moreau, whose resignation was noted in the *Economist* of last week. M. Moret, who previously had held the office of Directeur du Mouvement Général des Fonds at the French Treasury, came to the Banque de France together with M. Moreau four years ago. He had a leading share in the work of carrying through the *de jure* stabilisation and revaluation of the franc in 1928, and a year later, when M. Rist left the Banque de France to become economic adviser to the Roumanian Government, M. Moret became First Deputy-Governor in his stead. His close association with M. Moreau, the late Governor, during recent years suggests that under his guidance the Banque de France will follow the same lines of policy as under his predecessor. M. Moret is succeeded as First Deputy-Governor by M. Fournier, who hitherto has held the office of Second Deputy-Governor. M. Fournier is to be succeeded in his turn by M. Farnier, who is the present occupant of M. Moret's old post at the Treasury.

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New Road Regulations.—Progress is being made with the new regulations under the Road Traffic Act, and there is a prospect that Part I, which deals with the regulation of motor vehicles, may be brought into operation by December. The order dealing with the construction and use of motor vehicles requires discussion with so many interests that its operation is likely to be longer delayed, but the discussions with insurance companies have made good progress and the insurance section will probably be applied by the beginning of next year. One of its provisions will require a certificate of insurance against third party risks to be carried in every car. Part IV deals with the licensing of public service vehicles and is not expected to come into operation before April. Twelve commissioners are to be appointed in place of the present 1,300 licensing authorities, and as one of their first tasks is to secure co-ordination of road services and eliminate overlapping, motorist and pedestrian will for once agree in welcoming a measure that will help both to keep down the volume of traffic and to improve the facilities offered by public vehicles. The new rules for the granting of licences will probably include an eyesight test, and extremely defective eyesight is to be an absolute bar to the obtaining of a licence. The other disqualifying condition is liability to disabling fits, but on this point the applicant's statement is to be accepted, subject to heavy penalties for non-disclosure of essential facts. How far these penalties will be effective in preventing epileptics and persons liable to heart attacks from driving before their disability has betrayed itself through a serious accident remains to be seen. Part III, which includes the new highway code, comes into operation in the New Year, and will be generally welcome as standardising practices already widely in use among more responsible motorists. For the most part there seems reason to hope that the enforcement of the new regulations will promote the comfort and safety of all classes of road users.

Collapse of German Rye Support Scheme.—Our Berlin correspondent writes:—The attempt of the Food Ministry to force up rye prices has broken down, as was to be foreseen weeks ago by anyone familiar with the cost of valorisation even when carried out in favourable circumstances. When the Getreidehandelsgesellschaft, acting under Government instructions, abandoned "support" purchasing proper on September 16th and confined itself to buying and selling at the market prices as one trader among many, the Berlin quotation for palatine rye fell from Rm. 187 to Rm. 173 for immediate delivery and from Rm. 215 to Rm. 203-206 for March delivery. In order so to inflate the price the Getreidehandelsgesellschaft had been obliged to buy 700,000 tons of rye between the middle of July and the middle of September, at an expenditure of Rm. 140 millions. During the same period it had resold 300,000 tons as fodder to pig-keepers, after colouring it with eosin to render it unfit for human consumption. This, of course, could only be done at a substantial loss, and the extent of the financial relief afforded by the sale of these 300,000 tons cannot be accurately estimated, as the Getreidehandelsgesellschaft must have held substantial stocks at the middle of July, so that the subsequent sales cannot simply be set off against the subsequent purchases. In any case, at the time of the discontinuance of the support

THE REVENUE.

I.—An ACCOUNT of the TOTAL REVENUE of the UNITED KINGDOM, in the undermentioned periods of the Year ending March 31, 1931, as compared with the corresponding period of the preceding year.

	Quarter from July 1 to September 30, 1930, compared with the corresponding Quarter of the preceding Year.				Period from April 1 to September 30, 1930, compared with the corresponding period of the preceding Year.			
	Quarter ending Sept. 30, 1930.	Quarter ending Sept. 30, 1929.	Increase.	Decrease.	Period ending Sept. 30, 1930.	Period ending Sept. 30, 1929.	Increase.	Decrease.
Ordinary Revenue.								
Inland Revenue—								
Income Tax	£ 37,672,000	£ 36,221,000	1,451,000	...	£ 59,761,000	£ 57,459,000	2,302,000	...
Sur-tax, including Arrears of Super-Tax	3,550,000	3,180,000	370,000	...	13,580,000	11,490,000	2,090,000	...
Estate, &c., Duties	19,860,000	19,830,000	30,000	...	42,780,000	41,790,000	990,000	...
Stamps	3,990,000	6,340,000	...	2,350,000	7,890,000	11,570,000	...	3,680,000
Excess Profits Duty and Corporation Profits Tax	...	...	...	...	...	10,000	...	10,000
Land Tax and Mineral Rights Duty	20,000	40,000	...	20,000	150,000	160,000	...	10,000
Total Inland Revenue ..	65,092,000	65,611,000	1,851,000	2,370,000	124,161,000	122,479,000	5,382,000	3,700,000
Customs and Excise—								
Customs	30,462,000	31,571,000	...	1,109,000	59,772,000	61,071,000	...	1,299,000
Excise	30,700,000	31,078,000	...	378,000	59,800,000	61,278,000	...	1,478,000
Total Customs and Excise	61,162,000	62,649,000	...	1,487,000	119,572,000	122,349,000	...	2,777,000
Motor Vehicle Duties (Exchequer share)	450,210	662,000	...	211,790	1,251,298	1,624,000	...	372,702
Post Office (Net receipt)	1,800,000	2,100,000	...	300,000	4,600,000	4,950,000	...	350,000
Crown Lands	350,000	340,000	10,000	...	610,000	610,000	...	...
Receipts from Sundry Loans	7,697,742	10,210,442	...	2,512,700	17,081,195	17,614,066	...	532,871
Miscellaneous Receipts	6,871,136	7,956,425	...	1,085,289	12,205,418	14,430,862	...	2,225,444
Appropriation from Rating Relief Suspense Account ..	16,000,000	...	16,000,000	...	16,000,000	...	16,000,000	...
Total Ordinary Revenue	159,423,088	149,528,867	17,861,000	7,966,779	295,480,911	284,056,928	21,382,000	9,958,017
Self-Balancing Revenue.								
Post Office	14,800,000	14,300,000	500,000	...	28,500,000	27,550,000	950,000	...
Motor Vehicle Duties apportioned to Road Fund	3,217,790	2,758,000	459,790	...	6,776,702	6,117,000	659,702	...
Total Self-Balancing Revenue	18,017,790	17,058,000	959,790	...	35,276,702	33,667,000	1,609,702	...
Total	177,440,878	166,586,867	18,820,790	7,966,779	330,757,613	317,723,928	22,991,702	9,958,017
	£10,854,011 Net Increase.				£13,033,685 Net Increase.			

II.—An ACCOUNT showing the RECEIPTS into and ISSUES out of the EXCHEQUER in the Period ending September 30, 1930, as compared with the corresponding period of the preceding year.

RECEIPTS.	Period ending Sept. 30, 1930.	Period ending Sept. 30, 1929.	ISSUES.	Period ending Sept. 30, 1930.	Period ending Sept. 30, 1929.
Ordinary Revenue, as shown in Account I.	£ 295,480,911	£ 284,056,928	Ordinary Expenditure.	£ 145,211,830	£ 157,143,016
Self-Balancing Revenue as shown in Account I.	35,276,702	33,667,000	Interest and Management of National Debt	2,563,416	2,223,644
Total Revenue	330,757,613	317,723,928	Payments to Northern Ireland Exchequer	1,307,064	3,240,480
Temporary Advances Repaid—			Payments to Local Taxation Accounts		1,763,736
Under the Unemployment Insurance Acts, 1920 to 1930	...	1,730,000	Other Consolidated Fund Services		
Money Raised by Creation of Debt—			Total	149,082,310	164,370,876
(a) For Capital Expenditure Issues—			Supply Services—		
Under the Post Office and Telegraph (Money) Act, 1928	5,700,000	4,900,000	Army, Navy and Air Votes	55,870,000	55,470,000
(b) Under the Unemployment Insurance Acts, 1920 to 1930	11,990,000	2,330,000	Civil and Revenue Votes (excluding Post Office)	148,747,467	115,077,428
(c) For other Issues—			Total, Supply Services (excluding Post Office) ..	204,617,467	170,547,428
By Treasury Bills	1,326,007,000	1,587,322,000	Total Ordinary Expenditure	353,699,777	334,918,304
By 4½ per cent. Conversion Loan, 1940-44	46,774,808	...	New Sinking Fund (1928)	22,824,838	21,222,030
By 5 per cent. Conversion Loan, 1944-64	198,395	...	Self-Balancing Expenditure.		
By National Savings Certificates	21,050,000	19,400,000	Post Office	28,500,000	27,550,000
By 4½ per cent. Treasury Bonds, 1932-34	302,780,000	26,300,972	Road Fund	6,776,702	6,117,000
(d) Ways and Means Advances			Total Self-Balancing Expenditure	35,276,702	33,667,000
Repayments—			Total	411,801,517	389,807,334
In respect of Issues under Land Settlement (Facilities) Acts, 1919 and 1921	90,164	85,202	Temporary Advances—		
Balances in Exchequer on April 1—			Interest on Exchequer Bonds under the Capital Expenditure (Money) Act, 1904	18,458	18,458
Bank of England	£ 5,504,595	£ 5,515,917	Under the Unemployment Insurance Acts, 1920 to 1930	11,990,000	2,330,000
Bank of Ireland	620,619	736,607	Issues to meet Capital Expenditure—		
	£ 6,125,214	£ 6,252,524	Under the Post Office and Telegraph (Money) Act, 1928	5,700,000	4,900,000
			Unemployment Insurance Acts, 1920 to 1930 ..	...	1,730,000
			Repayment of Amounts Borrowed	1,234,995,000	1,495,635,000
			Redemption of Debt—	17,550,000	21,050,000
			Treasury Bills paid off	24,568,113	29,409,505
			Principal of National Savings Certificates paid off ..	...	414,012
			Other Debt under the War Loan Acts, 1914 to 1919 ..	...	24,783
			Securities surrendered for Duties under Section 34 of the Finance Act, 1917	341,310,000	331,284,000
			Ways and Means Advances Repaid	...	2,460,637
			Depreciation Fund—		
			Under the Finance Act, 1917	...	2,460,637
			Balances in Exchequer—		
			Sept. 30, 1930.	£ 2,047,932,888	£ 2,279,063,729
			Sept. 30, 1929.	£ 2,913,858	£ 2,108,304
			Bank of England	626,448	552,593
			Bank of Ireland	...	...
				3,540,306	2,660,897
				£2,051,473,194	£2,281,724,626

Mem.—

Floating Debt, outstanding March 31, 1930.....

£ 637,415,000

Ways and Means Advances outstanding:—

Advances by Bank of England

Sept. 30, 1930. £ 10,000,000

" " Public Departments

Sept. 30, 1929. £ 21,446,000

Treasury Bills outstanding

*680,065,000 792,400,000

Total Floating Debt outstanding

690,065,000 813,846,000

Net increase

£52,650,000

* Includes £186,000, the proceeds of which were not carried to the Exchequer within the period of the account. Treasury, September 30, 1930.

scheme, the Getreidehandelsgesellschaft had all its available funds locked up, and had applied in vain for an extension of the Rm. 60 millions bank credit which had previously been procured for it with the aid of the Prussian Zentralgenossenschaftskasse. The Finance Minister was both unable and unwilling to help, though it is not yet certain that small contributions will not be available from public funds to assist in the discharge of outstanding obligations. There was therefore nothing for it but to give in to the bear movement, a capitulation which the official communiqué has unfortunately tried to explain away when a courageous confession of failure would have made a much better impression. The whole business is a warning which should be taken to heart wherever it is proposed on economic-political grounds to force a rise in the prices of particular commodities by letting State institutions enter the market as buyers with the taxpayers' money.

Co-operative Insurance Society.—Founded in 1867, this society is the joint insurance department of the Co-operative Wholesale Society, Ltd., and the Scottish Wholesale Society, Ltd., and its rapid expansion, particularly in recent years, has naturally followed from a like increase in the co-operative movement. The society now has 181 district offices, employing a full-time staff of 4,190 people. Notwithstanding that business in 1929 must have been adversely affected by a dispute with certain of the society's agents, new life business is remarkably well maintained. In the ordinary life branch new business was secured amounting to £1,233,900, compared with £1,236,288 in 1928, while in the industrial branch the respective totals were £10,511,764 and £11,244,044. The expenses in the ordinary branch are moderate, and those of the industrial branch, although heavy at 38.5 per cent. of the premium income, are decreasing and compare not unfavourably with those of other comparable companies. In 1929 the society realised a satisfactory yield of £4 18s. 1d. per cent. net of tax on its funds, compared with £4 17s. 7d. per cent. net in 1928. The annual report is accompanied, in accordance with the society's usual practice, by a report on the annual valuation, and the results of this, together with those relating to the valuations of 1927 and 1928, are set out below:—

	1927.	1928.	1929.
Ordinary Branch—			
Surplus earned during the year	£ 217,941	£ 269,765	£ 340,488
Brought forward from previous year ..	38,876	45,150	50,065
	256,817	314,915	390,553
Allocations—			
To Bonuses to policyholders	211,667	264,850	339,268
" Carried forward to next year	45,150	50,065	51,285
	256,817	314,915	390,553
Industrial Branch—			
Surplus earned during the year	38,583	62,517	167,047
Brought forward from previous year ..	15,936	24,508	31,204
	54,519	87,025	198,251
Allocations—			
To Bonuses to policyholders	20,011	48,321	66,873
" Investment reserve fund	...	...	90,000
" General reserve fund	10,000	7,500	6,883
" Carried forward to next year	24,508	31,204	34,495
	54,519	87,025	198,251

There has again been a considerable increase in the surplus earned in each branch. The reversionary bonus allotted to ordinary branch policyholders has been maintained at the same rate as before, namely, 42s. per cent. The industrial branch policyholders under certain classes of policies will again receive a simple reversionary bonus of £1 per cent., while post-1922 policies will receive varying amounts of bonus in order to bring the total amount assured into line with that now offered under the society's current prospectus for the same premiums. Most remarkable results have been achieved in the fire, accident and general departments, where the total premium income has declined from £1,109,317 to

£1,068,247. The whole of the decrease has occurred in the general department, which is responsible for more than two-thirds of the premiums, and in this department a profit of 7.5 per cent. of the premiums has been earned, compared with a loss of 6.4 per cent. in 1928. The fire department also has yielded the very high rate of profit of 18.4 per cent., compared with 19.8 per cent. The combined trading results of all departments show a net surplus of £94,913 on the year, compared with a corresponding loss of £11,943 in 1928. Combining interest earnings with these figures, the society's surplus assets other than in the life department have increased during the year by no less than £132,858, of which £125,000 has been added to investment reserve fund.

Overseas Correspondence.

LEAGUE OF NATIONS.

The Assembly and Economic Problems — Minorities — Memel.

(FROM OUR CORRESPONDENT.)

GENEVA, September 29.

Of the Assembly Committee discussions to which reference was made last week two—namely, those on minorities and economic questions—took a sharper turn during subsequent days. At no previous Assembly have economic problems been so thoroughly or so frankly debated, just as at no other Assembly has the economic situation of the world been so serious. There has been a deep note of anxiety and with it a growing recognition that a remedy for the confusion now existing in world commerce must be found in concerted action. In what direction, is another matter. Is it by closer co-operation between groups of countries, by lowering customs barriers, by rationalising the most-favoured-nation clause, by regulating credit, or laying down rules for the circulation of gold that a firmer basis can be created for international trade? Very few have questioned the value of one or other of these measures, but differences of opinion arise whenever an effort is made to reach an agreement on action.

The debate, however, has provided a diagnosis of the prevailing economic troubles and has led to some general direction of policy. National action alone cannot solve the problem, and the tendency is now towards isolated group action. The general endeavour of the Second Committee of the Assembly has been to keep developments within the framework of general League policy and practice. The difficulties over the application of the most-favoured-nation clause, the movement of agricultural countries of Eastern Europe for preferential treatment in Europe, the decision of the Foreign Ministers of the Scandinavian countries and Holland to take common measures to assure the application (at least between themselves) of the principles and consequences of the commercial convention of last March, the movements for closer action between States of Central Europe, and the larger idea of European union, are all symptoms of prevailing uneasiness. The Assembly has not given precise blessing to any particular one of these tendencies, but has held on to its programme of economic negotiations for the autumn. In preparation for it, an earnest appeal is made to all States to put the commercial convention of March into force. It is then, and there, that the Warsaw resolutions will have to be considered in relation to the negotiations as a whole. So far as the dumping developments and most-favoured-nation clause difficulties are concerned, they are brought to the pressing attention of the Economic Committee, which has already done considerable work in these connections.

The discussion on the Warsaw resolutions led to some lively interchanges to-day between the Dominions delegates and some of the representatives of European States. The Dominions delegates have all along protested against any approval by the League of the

European preference proposals from Warsaw, and a written protest, to which India also subscribed, takes the rather curious line that these proposals conflict with the principle of economic equality between States members of the League and with the recommendations of the Economic Committee on the application of the most-favoured-nation clause. It is not unreasonable that extra-European States should oppose League blessing being bestowed on regional preferences (it has not, in fact, been bestowed), but it is intelligible that European States should fail to understand Dominion objections to such preferences. It will be interesting to observe whether Canada and Australia maintain the same principle of economic equality between members of the League when the Imperial Conference approaches the subject. As some delegations have not failed to point out, if the question of regional preferential treatment is raised, it should be applicable to all preferential treatment. What is sauce for the goose is sauce for the gander. The Dominions have not improved their reputation by further objecting even to the appeal for ratifications of the March convention in preparation for the autumn negotiations, in which they will have full opportunity of intervening to protect their own interests. They withdrew from this untenable position, not without reservations, and not before M. Flandin (the French Minister of Commerce) sharply inquired what their object was, and warned them that such action would ruin the whole economic policy of the League. It was not perhaps for M. Flandin to throw a stone, even though the target was so easy. It has been a nice foretaste of the troubles which inter-continental tariffs might bring into general international relations.

A variety of resolutions are to be presented by the Committee, designed mainly to speed up existing work. Time is certainly short if effective results are to influence present tendencies. One resolution proposes that there should be more frequent meetings of Ministers of Commerce to get measures accepted and put into practice. Another emphasises the necessity of the work of the European Committee of Study on the Briand plan being kept closely related with the work arising from the execution of the March commercial convention, and a long resolution is devoted to a plan for a comprehensive study of the causes and factors of the present depression. The Economic and Financial Organisation, which is already investigating the causes and effects of the fluctuations in the purchasing power of gold, is asked to inquire into the development and phases of the depression and to indicate the characteristic circumstances and factors. It is to get into touch with all other appropriate organisations and examine the means of co-ordinating the work already undertaken on the problem of the recurrence of periods of economic depression; so that it may be in a position to examine at the right moment the advisability of international action. This is the outcome of a proposal originally tabled by India. These are none of them heroic measures, but much can be made of them if the States are willing to act. The pity is that the years since the Economic Conference in 1927 have been so largely frittered away and precious time wasted.

The Assembly's debate on minorities ended on a harsh note and without any practical results. The report is a mere recapitulation of tenaciously opposing theories. No one has budged an inch, and none of the Powers with minority obligations has shown the slightest indication to treat the subject on any but the most rigid defensive lines. They let it be known that they would not stand for such nonsense as an annual Assembly debate on minorities—this they cannot avoid—and they are in no mood to begin to consider any more liberal policy of procedure. It is a sorry commentary on the fine professions of European solidarity, and shows how difficult the League's task is in face of such intransigence, with M. Briand the champion of the diehards; he was most indignant at the suggestion that the protection accorded was not perfect and complete, and M. Zaleski's offer to go further if all States accepted minority obligations was not by any means to his liking. Short of that, the idea

of the Treaty Powers seems to be that it is only a matter of time—the sooner the better—before all the minority nuisances are gobbled up and no trace left of religious, racial or cultural safeguards. It is wickedly narrow and short-sighted, whatever be the failings of the minorities and their often too politically zealous friends.

Discussion is still proceeding on the amendments of the Covenant, and fairly satisfactory progress has, so far been made on the general principles of the organisation of the League Secretariat. The Council decided against Lithuania in its protest that Germany could not put the subject of infractions of the Memel Convention on the Council agenda, and the Norwegian member of the Council was appointed *rapporteur* on the substance of the complaint that Lithuania has consistently failed to observe her obligations. The Council has authorised the Secretary-General to accept the invitation of the Government of Uruguay to pay that country a visit. He leaves later in the year, and will also visit other South American countries.

UNITED STATES.

Share Market — League Gold Report — Industry — Money.

(FROM OUR CORRESPONDENT.)

NEW YORK, September 24.

A LULL in the moderate improvement in trade which was noticeable in late August and early September is serving to stir up pessimism, and the share market has had a fresh relapse. It is now feared that autumn trade will not do much to relieve the situation, and that a dull winter is in prospect. However, the best of the season's business usually takes place in October, and it will be a few weeks yet before prediction can give way entirely to facts.

Fresh weakness in the wheat market is having an unfavourable repercussion on other markets and, to add to the confusion of thought, the Government has seen fit to give undue importance to Russian short selling on the Chicago Board of Trade. In the grain trade and in responsible quarters everywhere the absurdities of the accusations and conclusions of the Secretary of Agriculture, Mr Hyde, are clearly recognised. Just what the political effect of it all will be is difficult to say, but attempts to draw attention away from the business recession on the eve of Congressional elections will probably not be very successful.

With wheat and cotton markets under pressure and the bullish professionals in the share market already discouraged by their failure to draw the public into larger participation, the influence of political changes in South America and in Germany was greater than it would have been during a period of rising markets. The financial community is too familiar with the shifts in South American scenery to attach too much importance to what is now taking place. At the same time, it is realised that such things hamper business recovery, inasmuch as they cause postponement of capital flotations and a general weakening of confidence.

While the general public may be chary for some time of new South American financing, bankers familiar with the position are feeling no alarm. This week there was active competition here for a \$50,000,000 one-year loan to Argentina, and certain other credits are being negotiated. With the return of more settled conditions a considerable increase in foreign financing is anticipated, particularly that of a refunding nature. Short-term money has become more of a drug on the market than ever, and the banks are having to buy more bonds. The growing unattractiveness of the short-term market is, of course, aiding the long-time capital market and making the way easy for a larger volume of capital flotations.

Bankers are expecting that a large portion of approximately \$300,000,000 of foreign government, state and municipal obligations which are callable or will become callable in the next two years will be refunded here. Among these issues are \$30,000,000 of Danish 6 per

cents., a like amount of 5½ per cents., and a Danish consolidated municipal issue of 8 per cents. In the next two years also various sterling and dollar bonds of the Dutch East Indies become redeemable, including \$100,000,000 of loans issued in 1922. It is thought likely that the Belgian and French dollar issues may be paid off without refunding. Certain German municipal loans become callable shortly, and the same is true of Norwegian city loans.

The approaching visit here of Dr Luther of the Reichsbank is stirring up some interest, and rumours have sprung up that a general conference in New York will be held among the heads of the principal European central banks and the Reserve Bank officials. These stories are discredited in Reserve Bank circles, although it is expected that the officials of one or two of the smaller European central banks may come over shortly.

The reaction of most bankers here to the preliminary report of the Gold Delegation of the Financial Committee of the League of Nations is that the seriousness of the case has been somewhat overstated. The views of the American member of the committee, that remedial measures undoubtedly will be found and taken in time to cope with whatever situation may develop, are generally subscribed to by Federal Reserve and Wall Street bankers. Moreover, some do not agree with the low estimate of available supply given in the report, and they emphasise the increasing economy which is being made in the use of gold, particularly in this country, where currency circulation is steadily being replaced by the use of cheques and other credit devices. Those who disagree with the main conclusions of the report on the dangers involved feel that it does not adequately take into account this development. In the view of Mr George E. Roberts, this country's delegate, the relation of gold production at present to the situation with regard to credit inflation and restriction is impossible of calculation. He calls attention to the Federal Reserve Bank's calculation that all gold production available for monetary use since the world war has been absorbed by three countries: United States, France and India—and thinks it may be questioned whether, if output had been 25 per cent. larger, the distribution would have been any different, or the world business situation any better.

Investors are preparing themselves for the reading of unsatisfactory third quarter earning statements. Not only have production and distribution of goods fallen to the lowest point of the year, but prices also have been the weakest. It is still hoped that some improvement will take place in the remaining three months, but it is unlikely to be great.

Department of Commerce figures on motor output in August correspond closely with the preliminary estimates of the National Automobile Chamber of Commerce, showing a drop of more than half as compared with a year ago, and a small decline from July. Output in August was 223,046 vehicles, and for the first eight months it was 2,704,957, compared with 4,224,911 in the same period of last year. Steel production has increased a little, the operating rate now being around 61 per cent., compared with 58 per cent. for the past fortnight, and increasing disposition is shown to buy ahead. However, specifications against orders are mostly for replacement account. Railroads are not yet re-entering the market, and the motor industry is doing some cancelling.

Production of motor cars probably will be lower this month than it was in August. Railroad traffic, while responding somewhat to seasonal influences, is still the lowest for several years. Railroad earning reports for August are now being published. They are running about 25 per cent. under a year ago, which is an improvement over the 33 per cent. decline of previous months, but the comparative gain is due wholly to drastic reduction in maintenance expenditures. Gross revenues are not rising appreciably.

Last week's sharp rise in brokers' loans was due almost wholly to income tax payments, and the recent upward trend will scarcely continue in the face of weak markets. Commercial borrowing at reporting member banks of the Federal Reserve system, after a moderate gain during

late August and early September, is now stationary. Meanwhile Japan is again sending gold this way, and about \$25,000,000 is expected on this movement, which would bring the total received from there since the beginning of the year to \$175,000,000.

FRANCE.

Politics — German Loans — M. Moreau's Resignation — Income Tax Yields.

(FROM OUR CORRESPONDENT.)

PARIS, October 1.

THE political world is still strongly under the influence of the recent developments in Germany, and there are daily fresh indications that carefully planned steps are under consideration here for the purpose of meeting the new international situation that has developed. It goes without saying that French opinion, as a whole, is distinctly nervous as to the future, and it may be taken for granted that this will in all probability be reflected by definite strengthening of the political combination now in power.

Just what form this will take it is difficult to forecast. M. Tardieu, in his Alençon speech last Sunday, confirmed the statement made here last week that the French programme in regard to Germany, Italy, disarmament and other burning questions is summed up in the words, "Security, Arbitration, Disarmament," with disarmament very much in the third place, and to this all parties, with the exception of the Socialists, now appear to have plainly pledged themselves. M. René Renoult, another of the Radical Socialist leaders, who has held high office in several Cabinets, last Sunday re-echoed the views of his colleague, M. Herriot, in regard to the necessity for France, "in the absence of any international force," to maintain "military forces sufficient to guarantee the integrity of her territory and permit of the fulfilment of international obligations." Whether the various statements of the same character from the Radical-Socialist leaders foreshadow any extension of the Tardieu Government's majority towards the Left, in the near future, it is not clear.

At the same time, however, M. Tardieu's visit to M. Poincaré to-day in his country home at Sampigny, and the reports—which appear to be well-founded—of the ex-President's return to political life in the near future, are regarded as more than usually significant, particularly in view of the imminence of the reassembly of the Chambers. M. Poincaré, it is well known, has frequently expressed himself desirous to see the formation of a Ministry that should in part depend upon the numerically still powerful Radical Socialist Party, and it was notoriously the fault of neither M. Poincaré nor M. Tardieu that M. Herriot and his friends ceased to form part of the Cabinet. It is possible that the pending annual congress of the Radical Socialists at Grenoble may result in some appreciable modification of the present uncertainty.

The line adopted by President von Hindenburg and his Ministers, with a view to finding a solution of the new problem arising from the elections, has allayed a certain amount of the anxiety felt here when the results of the voting first became known, and it is still hoped that the policy may put an effective brake on Hitlerist extremism. At the same time, doubts are expressed here whether the financial situation of Germany, if it is really as bad as asserted, may not result in another upheaval that would place the whole Young Plan in peril. This aspect of the situation is receiving increased attention owing to the distribution here, as well as in London and New York, of prospectuses of a new German State Railway 6 per cent. loan of 150,000,000 Reichsmarks, with the announcement that the issue is guaranteed by the State Railways themselves. The prospectus states that the State Railways offer every guarantee to subscribers, and that the pledging of this form of security has been authorised by the Prussian Minister of Commerce, as formally

announced in the official journal of the Prussian Government on July 26th. Attention is called here to the allegation that the revenue from the German State Railways already forms the guarantee for the subscribers of the recent German reparations international loan of \$300,000,000, and it is insisted that, in these circumstances, the security offered by the prospectus to potential holders of the new issue is valueless, unless the Prussian Minister of Commerce (under the terms of the convention of 1920, by which the railways were ceded to the Reich) had beforehand the formal authority of the Governments of the Reich and of the eight German States who formerly owned the lines. In view of the fact that the statements thus discrediting the *bona fides* of the issue are being publicly made here, it would be well if some official announcement as to the facts were forthcoming from those responsible for the issue.

The resignation by M. Moreau of the Governorship of the Bank of France, where he bore the chief weight of the task of the stabilisation of the franc, came into effect last Thursday, when he was succeeded by M. Moret, who has shared with him (as one of the Deputy Governors) the work which has been so brilliantly accomplished since 1926. M. Moreau's departure has been foreshadowed for some time past, and was due solely to the fact that he regarded his task as finished and that he desired to undertake a more congenial post where he would be freer from official fetters. M. Moreau has already joined the board of the Banque de Paris et des Pays Bas, at the request of its chairman, M. Jules Cambon, whom it has been arranged he shall succeed, next spring, as the titular head of the institution.

The annual statistics showing in detail the yield from income tax and such other imposts as are included in French practice under the head of "direct taxation" indicate that the total recoveries registered in 1929 in respect of income tax, etc., appertaining to 1928 totalled 15,891,000,000 francs. This was made up of 8,634,643,000 francs, representing yield from income tax (general and scheduled) which went entirely into the State coffers, and 7,256,000,000 francs derived from land taxes, imposts on securities, the old "door and window" taxes, and the yield from "patentes," or trading permits, which are required from all persons in France (except journalists and midwives) who carry on any kind of trade or profession. The 7,256,000,000 francs derived from the last-mentioned taxes was distributed as follows:—To the State, 1,946,912,000 francs; to the departments, 2,693,180,000 francs; to the communes, 2,616,220,000 francs. The yield from income tax in 1928 was 7,600 million francs, as against 8,634 millions in 1929, while the revenue divided between the State and the local authorities in 1928 was 6,728 millions, against 7,256 millions last year.

The revenue derived from the general income tax (exclusive of all consideration of the yield from the schedule rates of income tax) furnishes the only existing key to the very interesting problem of what the average French income really amounts to. The "general" income tax is a thing quite apart from and supplementary to the scheduled rates, which vary according to the nature of the income, as in Great Britain. It is based on the total yield from the scheduled rate applied, plus the amount of yield from any income that may be derived from investments (with the exception of that from Defence Bonds and 4 per cent. 1925 Rentes, which are exempt). General income tax is now levied, under the Finance Act of December 31, 1928, only on persons in receipt of an income of over 10,000 francs (£80). The French abatements for income-tax purposes have been gradually raised to that level during the past few years. The present abatement rate, however, is the minimum; small income earners with children are conceded supplementary abatements of from 3,000 to 4,000 francs, according to the number of dependent persons, if the income is over 10,000 francs; and this allowance is duplicated in regard to the amount of their scheduled assessments. These deductions in 1929 affected an extra 7,000

millions of income. The loss to the revenue from this was only compensated to a very small extent by the taxation of unmarried and childless persons at rates ranging from 10 to 25 per cent. higher, for the yield from these supplementary charges in 1929 was only 63,082,000 francs.

The total incomes of all kinds assessed for general income tax in 1929 amounted to 57,665,460,000 francs, representing 1,922,542 distinct incomes. This would suggest that the average French income (exclusive of the great mass of wage-earners depending on not more than 30s. a week) works out at within a shade of 30,000 francs (say £240 a year, or under £5 a week). Over 50 per cent. of the total number subjected to general income tax returned incomes in the category between 10,000 francs and 20,000 francs; 473,000 as between 20,000 francs and 30,000 francs; 249,000 as between 30,000 francs and 50,000 francs; 113,000 as between 50,000 francs and 100,000 francs; 38,361 as between 100,000 francs and 200,000 francs; 9,390 as between 200,000 francs and 300,000 francs; and 5,889 as between 300,000 francs and 500,000 francs. The detailed return shows that 9,524 persons (less than one-half per cent. of the total assessed) enjoyed incomes in 1928 of over 300,000 francs (£2,400 each), and paid to the State 1,338,000,000 francs, or 54 per cent. of the total yield from the general income tax. The number of persons who declared their incomes as over 1,000,000 francs was 851, whose combined incomes were returned as totalling 1,835,853,000 francs, or a little over 2,000,000 francs (say £16,000) per head. The number of income-tax payers who were called on to pay the extra 25 per cent. "bachelor's tax" was 258,548, or about 14 per cent. of the total assessed. Childless married couples, whose income tax was increased 10 per cent. in consequence, numbered 230,000, of whom 56 declared incomes of over 1,000,000 francs (£8,000) a year.

GERMANY.

Politics — Lord Rothermere — Government Programme — Stock Exchange — Money Market — Wheat Duty.

(FROM OUR CORRESPONDENT.)

BERLIN, September 20.

It is not yet clear how the Chancellor proposes to solve the problem of the coalition. The decided, in some instances almost passionate, rejection by the Press of the Centre of any idea of a coalition with the National Socialists would be proof that a coalition is out of the question but for the necessity of taking into account the great adaptability of the Centre Party's tactics. There are, however, other indications that Herr Brüning wishes to try to reach an agreement with the Social Democrats. The chief of such symptoms is the decision, though so far it has only been published in a non-committal form, to recast the emergency decrees in the form of Bills for submission to the Reichstag. As this is impossible without negotiations on the subject of the content of the decrees, it would open the way for compromises on the conduct of social policy. It is indeed exceedingly doubtful whether these laws are capable of being so drafted that both the Social Democrats and the right wing of the present Government coalition can support them in the Reichstag, but even a gesture of good will from the Chancellor to the Social Democrats would be of some use. It would at least bring about a joint search for a means of escape from the unusually difficult situation, and, failing such co-operation, the rift which the election campaign opened, even between the parties which are loyal to the constitution, would continue to yawn dangerously.

Lord Rothermere's declaration in favour of the Hitler Party and his idea that the National Socialist movement can be used as a bulwark against Bolshevism has aroused great interest and intense astonishment in Germany. Lord Rothermere is, of course, quite right in thinking that the Versailles Treaty has played a large part in bringing the German people into such a state

that they gave 107 out of not quite 600 seats to the National Socialists. It is true that large sections of the young people of Germany have despaired of the idea of a united Europe and that the failure in many matters of the League of Nations has destroyed all their faith in the effectiveness of international co-operation. Still, a movement does not become a possible instrument merely by reason of its having arisen out of indignation at a real and severe injustice, and the disappointment of noble aspirations. German communism is animated to a large extent by a similar despair of Europe. The National Socialists come to blows almost daily with the Communists in the streets of Berlin and other cities, but they are far too close to them in spirit to be regarded as a sort of defensive army against Bolshevism. Co-operation between the National Socialists and the Communists may come about at any moment when the tactical advantage of such an alliance appears to both these extreme groups to be sufficiently substantial. Though the National Socialists are reprinting Lord Rothermere's article with enthusiasm in their journals, no German party would be able to keep its position with the German public if it really allowed itself to be used by foreigners as an army wherewith to combat Bolshevism. Further, if Lord Rothermere does not expect the policy he desires even from the British Conservative Party because "their leader himself is infected with semi-Socialist doctrines" he must have overlooked the fact that *inter alia* the nationalisation of joint-stock companies, compulsory profit sharing and the abolition of interest form part of the programme of the National Socialists, who until a few years ago were demanding expropriation of landowners without compensation.

Herr Hitler's evidence at the Leipzig trial has been received with mixed feelings. His statement that his party has confidence in the results of future elections and therefore is not contemplating a *putsch*, that it has been completely reconstituted since 1923 and now proposes to pursue its goal by legal means, was naturally received with satisfaction by the groups which would like to form a Government coalition with the National Socialists. These groups are, for the moment, the Hugenberg group, large sections of the German People's Party, and the "Economic Party of the German Middle Classes." On the other hand, his declaration that after their victory the National Socialists would set up a revolutionary tribunal and set heads rolling in the sand so that the crime of November, 1918, might at last be expiated, horrified thinking people in all parties, as did also his statement that the National Socialists would evade or repudiate the Reparations agreement when they came into power.

Thus, on the whole, Herr Hitler has hardly accomplished his purpose of convincing the bourgeois parties that he is eligible to join a coalition. His kindly intentions should not, of course, be taken too tragically; the idea that the National Socialists might be able to form a Government without the co-operation of other parties is, at any rate, within measurable distance of time, a pure chimera. Such a thing could not come about without a collapse of the great Centre and Social Democratic Parties, and all the evidence is pointing in precisely the opposite direction. Even those parties which are willing at present to help the National Socialists to a share in government are so only because they think that by doing this they would help them to destroy themselves. In the execution of their real home and foreign programme the Hitlerists would not even be supported by the Hugenberg Party, much less by anyone else.

The Government's financial programme is not yet known in full detail. In August the Government believed that its emergency decrees imposing new taxes had restored financial equilibrium and that the reduction of benefit and the raising of contributions had placed unemployment insurance on a sound footing. It has since become evident that these assumptions were far too optimistic, and a further deficit of nearly a milliard is now threatened. The Government now proposes to raise the *Notopfer* of officials, which amounts to a reduction

of salaries, from 2.5 per cent. to 6 per cent. of the salary. Contributions to unemployment insurance are to be raised from 4½ to 6½ per cent. of wages; further economies are to be attempted, including a contemplated reduction, as from next spring, in public expenditure on housing. This last is very regrettable, as either building will have to be curtailed, with catastrophic consequences for the labour market and for the homeless, or else public credits will have to be substituted by still further demands on the already overburdened capital market.

The unfavourable effect of political developments on the Stock Exchange and the money market are still in evidence. The Reichsbank return of September 23rd shows that the bank had up to that date lost 35 million Reichsmarks gold and 260 million Reichsmarks foreign exchange since the elections. Since September 23rd about 105 million Reichsmarks gold and about 100 million Reichsmarks foreign exchange have been added to the efflux. The total currency reserves are still nearly 3 milliard Reichsmarks, so that the position is strong. Withdrawals of foreign and even of French funds from Germany have diminished in the last few days, but the export of German capital continues, and there is consequently a perceptible stringency in the home money market. Market discount rate has gone up to 3½, and is only ½ per cent. below the Reichsbank rate. This very narrow margin might in itself suggest an impending rise in bank rate, but it is very unlikely that this step will be taken at present.

The Food Minister, Dr. Schiele, has raised the duty on wheat from 15 Reichsmarks to 18.50 Reichsmarks, on account of the fall in the world price. This is an exercise of the very wide margin of discretion left to the Government by the sliding scale of grain duties at present operative in Germany. Simultaneously with this rise in the duty, the percentage which German wheat must form of the total milling was raised from 60 to 80. The import of foreign wheat into Germany has recently been small, as even the 15 Reichsmarks duty exercised an exceedingly severe check. For the most part, foreign wheat was only imported into Germany to the extent that it was needed for blending, so that it is doubtful whether the checking of these imports will prove to be in the interest of the grain industry, for a deterioration in the quality of bread might easily lead to a decline in consumption. The trade may perhaps evade the difficulty by importing more flour, but that would, of course, entirely stultify the Food Minister's intentions.

DENMARK.

German Trade Treaties — Prices — Foreign Trade — Royal Marine Insurance Company.

(FROM OUR CORRESPONDENT.)

COPENHAGEN, September 19.

DURING the last few months Danish trade has to some extent been affected by certain German commercial treaties, which have caused difficulties for two important branches of Danish exports—cattle and butter. Germany endeavoured a year ago to effect a limitation of the import from Denmark of cattle for killing. As these endeavours were unsuccessful the duty was increased; but Sweden was given by treaty the right to export to Germany, at the previous low rate, a number of head of cattle which was in excess of the previous cattle export from Sweden to Germany. On the strength of its rights as "most-favoured-nation," Denmark claimed similar conditions for its entire cattle export, which is several times in excess of that of Sweden. The German refusal to agree to this created much bitterness in Danish trade circles, and especially in agriculture. Furthermore, Germany has now demanded that two counties in Southern Jutland, where isolated cases of foot-and-mouth disease have occurred, should be closed for the export of cattle, though opinion here is that there is no veterinary necessity for this.

The German import duty on butter has been raised, while endeavours are made to obtain a still further increase. At the same time, Germany has made a com-

mercial treaty with Finland by which that country has been secured the right to export its surplus butter into Germany at a lower rate of duty. The fear that this arrangement will lead to the unjust treatment of the Danish butter export to Germany has increased the ill-will against this country in certain agricultural circles, and has led to the proposal to boycott German goods. A dairy organisation, the "Sydjdysk Mejeriforening," in Kolding has thus recently published a proposal to this effect, and intends to effect its joint purchase of coal in England. At the same time, the "Sydvestjyllands forenede Elektricitetsværker" at Esbjerg, which required a generator, has ordered this from a Danish machine factory, although a German concern had made an offer at 10 per cent. lower price. However, it is as yet uncertain how German Customs policy will develop after the recent election.

As a result of this situation, there has been an increase of interest in British goods. This interest has been greatly stimulated by the visits to Copenhagen of the Mayor of Liverpool and the Lord Mayor of London, on which occasions the most friendly feeling developed between the prominent representatives of English municipalities and the Danish circles concerned. At the same time, it is pointed out in several quarters that it will be necessary for English exporters to meet as much as possible the wishes of the Danish importers and retail purchasers with regard to qualities and sale methods.

The declining prices all over the world continue to be reflected in the Danish wholesale price index, which is declining month by month. From a figure of 150 in August, 1929, the wholesale price index dropped to 128 in August, 1930 (1913 = 100), but for the last few months the rate of decline has been slower. This price-movement has been most pronounced for agricultural export goods and for grain and cattle food, and it has accordingly not been in favour of production. Retail prices have also continued to fall, and the cost-of-living index has declined from 173 in July, 1929, to 165 in July, 1930. The same influence is traceable in Danish foreign trade, of which recent returns are shown below:—

	Million Kroner.		Excess of	
	Imports.	Exports.	Imports.	Exports.
April	154	125	29	—
May	141	145	—	4
June	141	134	7	—
July	133	134	—	1

The slightly reduced value of industrial exports in 1930 as compared with 1929 is also to some extent a result of the price developments. In January-June, 1930, Danish manufactured articles to the value of Kr. 150,000,000 were exported, while for January-June, 1929, the value was Kr. 164,000,000. For some few articles—cement, vegetable oils and cattle food—a decline of quantity has taken place in addition.

August brought a very regrettable event—the suspension of the Royal Chartered Marine Insurance Company (Det kgl. octroierede So-Assurance Kompagni). This was one of the oldest marine insurance companies in the world, and had existed for 204 years. In the years after the war it suffered heavy losses and was reconstructed, but the new management was not able to carry it safely through the difficulties which have beset insurance business, especially marine insurance, during the last few years.

FINLAND.

Money Market Interest Rates — Foreign Trade — Prices — Production.

(FROM OUR CORRESPONDENT.)

HELSINGFORS, September 20.

THE money market was easy in August and the first weeks of September. The accumulation of capital is, indeed, still small, but credit requirements have also been limited, so that credits granted by the banks have been reduced. Thanks to the warm summer, the fairly satisfactory harvest was gathered earlier than usual, so that

the consequent tightening of the market in the autumn set in earlier than usual. The balance-sheets of the joint-stock banks show that deposits were reduced in August by 118.8 million marks, compared with a reduction in credits of only 49.0 millions. While there is a slight tightening in this respect in the joint-stock banks, their position towards other countries has gone on improving, their foreign balances having grown by 10.2 million marks to 647.3 millions, whereas the corresponding indebtedness has decreased by 2.4 million marks to 387.6 millions. The joint-stock banks thus have a net credit balance abroad amounting to 259.7 million marks, which is more than at any time since the Great War. A year ago they still had a net foreign indebtedness of 280.2 million marks.

The total credits of the Bank of Finland fell off in August by 54.4 million marks to 702.8 millions, so that the drop since the beginning of the year amounts to 678.9 million marks. Balances with foreign correspondents decreased during August by an insignificant sum of 42.3 million marks, but in spite of that the note reserve increased by 10.6 million marks to 862.0 millions. The ordinary cover consequently represented at the end of August 80.5 per cent. of all liabilities payable on demand. The corresponding figure a year before was only 50.5 per cent., which shows clearly how much the position of the Bank of Finland had been strengthened.

The changes in the position of the Bank of Finland during the first fortnight in September were very slight. Credits were reduced by 7.3 million marks, the foreign balances grew by 8.9 millions and the note reserve dropped by 7.4 million marks. Owing to the growing easiness of the money market, the time was ripe for a lowering of rates, and the Bank of Finland reduced its bank rate on August 26th from 6½ per cent. to 6 per cent. The last reduction, also of ½ per cent., occurred on April 28th. The joint-stock banks, which had reduced their rates on deposits by ½ per cent. on July 1st all along the line, again lowered their rates on deposits withdrawable on demand on September 1st to 4 per cent. Other rates on deposits are also expected to fall, but the competition for deposits with the savings banks, savings funds and co-operative credit societies delays the step.

Foreign trade in July and August showed a diminution, which was only partly due to falling prices. The value of imports amounted to 457.2 and 443.8 million marks for these months compared with 639.1 and 610.4 millions last year. For the whole completed part of the current year the value of imports records a drop of 29 per cent., while the quantity of imports has fallen 17 per cent. Exports kept at a higher level even than last year in the early part of this year, but in July and particularly in August the reduction was considerable. The value of exports was 707.2 and 535.9 million marks, compared with 801.6 and 904.4 millions last year. The reduction in value for the whole period from January to August amounted to 9 per cent., while the quantity shows a slight drop of 5 per cent. As the fall in prices only gradually influences exports, which were contracted for to a great extent some months ago at the higher prices then ruling, one must be prepared for a continued reduction in the value of exports. In any case it looks as though the balance of trade, and with it the balance of payments, would turn out very much more favourable than in previous years. At the end of August the value of exports exceeded the value of imports by 294.0 million marks, whereas the balance of trade usually has a surplus of imports at this time of the year; last year it was 678.1 million marks, in 1928 1,463.2 millions and in 1927 91.1 millions.

The fall in prices continues. The wholesale price index, which was still 94 in January, taking the prices for 1926 as a basis, sank gradually to 90 in July and 89 in August. Up to the present the fall in price has been comparatively advantageous for Finland, the index for imported goods having sunk to 79, but for exported goods only to 89. If prices on foreign markets are stabilised at their present low level, one must be prepared here for a continued fall in price for some important classes of goods.

The production figures for the third quarter of the Ministry for Social Affairs indicate that both the number of workmen and the number of working hours have, indeed,

exceeded the figures for the second quarter of this year, but have nevertheless fallen by no means inconsiderably short of the figures for the corresponding period last year. Simultaneously the number of unemployed registered at the municipal labour exchanges has risen week by week, as is customary during the autumn. The total number registered in the middle of September was, however, no more than 6,220.

INDIA.

Trade Returns — Joint-Stock Companies — Banking Inquiry — Money Market — Security Prices.

(FROM OUR CORRESPONDENT.)

BOMBAY, September 13.

THE trade returns for the first four months of the financial year, ending on July, 1930, show a fall of 22 per cent. in the value of imports, which amounted to Rs. 63 crores, as compared with Rs. 81 crores in the corresponding period of the previous year. Exports of Indian merchandise have fallen in value by Rs. 18 crores, or 17 per cent., as compared with the corresponding months of the last year. The most striking feature in the trade returns of July is the fall in imports of piece-goods. For the four months of the present financial year the fall is 154 million yards in quantity and Rs. 586 lakhs in value, as compared with the corresponding four months of the last year. This gives a fall of 25 per cent. in quantity and 35 per cent. in value. In exports the most striking features are the decreases in raw cotton, raw jute and jute manufactures.

Two important Blue Books have been issued containing statistics of joint-stock companies and banks for the year 1927-28. The number of companies has in each of the last ten years shown a steady increase. While the paid-up capital has increased in this period, the authorised capital has fallen. The steady increase in paid-up capital is very satisfactory, but the paid-up capital is still unduly small. Of the 626 companies registered in 1927-28 the authorised capital was Rs. 17,57 lakhs and the paid-up capital was only Rs. 86 lakhs. During the year under report 335 companies, with an authorised capital of Rs. 23,73 lakhs and a paid-up capital of Rs. 7,64 lakhs, ceased to do business. Of the total paid-up capital in 1927-28, 39 per cent. belongs to Bengal and 36 per cent. to Bombay. Burma follows with 9.2 per cent., and Madras and United Provinces with 4.6 per cent. each. The Gwalior State has 1 per cent., Indore and Mysore .6 each, Baroda .5, and Travancore and Hyderabad .4 each. The total number of companies which have been incorporated elsewhere than in India chiefly with sterling capital, but carrying on business in India, was 861, and the paid-up capital amounted to £632 millions, besides debentures to the extent of £126 millions. Only a portion, often a very small portion, of the capital just mentioned is invested in India, as many of these companies work in other countries also. At the third annual meeting of the Federation of Indian Chambers of Commerce, held at Delhi in February last, Sir George Schuster quoted with approval the recent estimates of Mr G. Findlay Shirras, showing that the figure of British capital invested in India could be placed somewhere in the neighbourhood of £500 millions.

The banking Blue Book reveals the urgent need for a more widespread system of banking throughout the country at the present moment. The present Banking Inquiry Committee will doubtless show the way by which the indigenous banking system can be linked with joint-stock banks. In a few months the names of foreign experts who are to assist the Committee in its final stage will be announced. Some days ago Sir George Schuster, in a speech before the Provincial Finance Secretaries, who met at Simla, said that "what India requires is the foundation of a sound Central or Federal Reserve Bank, which, based on national support, will co-operate with the central banks of the world in a sound currency policy, and this action should be reinforced by the diversion of India's powers of investment into productive channels." It

appears that the Exchange Banks have deposits amounting to Rs. 71 crores, out of a total of all bank deposits in India amounting to Rs. 274 crores. The respective shares of the three classes of banks in India in the total bank deposits in 1928 were: Imperial Bank of India, 36 per cent.; Exchange Banks, 33 per cent., and the Indian Joint Stock Banks, 31 per cent. The percentage of cash to total deposits was 13 per cent. for the Imperial Bank, 11 per cent. for the Exchange Banks, 13 per cent. for Indian Joint Stock Banks having a capital and reserve of Rs. 5 lakhs and over, and 15 per cent. for those having smaller capital and reserve.

Sir George Schuster has kept the promise which he made in the Budget Speech in regard to the sale of silver, viz., that the Government would not go into the market unless they were advised that, as in the past, the market would not be appreciably affected by their operations. Recently the Government of India, it is understood, has sold an additional five million ounces of silver. The price of this sale was announced (August 23rd) as Rs. 47.13.0 per 100 tolas, and to-day the price is Rs. 47.5.0. The Government of India has not made any announcement, as was not unnatural, but silver bullion from the Paper Currency Reserve was withdrawn in the return for the week ended August 22nd, which would tend to confirm the cable from Shanghai. It was not a suitable opportunity for Government to sell silver in India, but it was sound business to seize the opportunity of successfully selling a fairly large quantity in the Chinese market. The average off-take of silver in the Bombay market is now 80 bars per day, and the present stock is 3,660 bars. Gold is in demand. The monsoon has been good, and the price is Rs. 21.6.9 per tola. The net imports of gold this year for the four months ended July show that imports have increased from Rs. 5.66 crores to Rs. 6.85 crores, or 21 per cent. as compared with the corresponding period last year. The imports of silver have been 37 per cent. greater in quantity than in the four months of last year, and amounted to 39.6 million ounces, valued at Rs. 5.16 crores. Low prices are a great attraction in India.

Although the share market has been lifeless in the last few weeks, the Tata Iron and Steel Company especially having had a rather depressing year, the market for Government securities has been remarkably steady, showing great confidence in the Government. The 3½ per cents. are higher (Rs. 65.8) than they have been for many months, and the 5 per cent. tax-free loan (1945-55) is higher than during the last four months. The new 6 per cent. stands at 12 annas premium. Sterling exchange has remained steady at 1s. 5½d.

AUSTRALIA.

Agreement Between States and Commonwealth — Sir Otto Niemeyer's Address.

(FROM OUR CORRESPONDENT.)

MELBOURNE, August 28.

THE new agreement between the States and the Commonwealth was decided upon on August 21st, after some days' conference in which the representatives of the States expressed their disapproval of the policy of the Commonwealth Government of maintaining expenditure and increasing taxation. Most of the States are attempting to deal with their own problems by reducing expenditure, as is palpably required in view of the reduced taxable capacity of the country.

The attitude of the Commonwealth representatives in the early part of the Conference showed insufficient appreciation of the seriousness of the financial position, but the impending maturity of Treasury Bills in London helped to hasten decisions. The resolutions provide for a settled policy of maintaining Budget equilibrium, with further steps during any financial year to ensure that object if revenue shows indications of failing to meet expenditure. The Loan Council is to raise no further loans overseas until existing short-term indebtedness has been completely dealt with. This decision includes over-

seas borrowing by large public authorities. New works to be financed by internal loans are to be reproductive in the sense of yielding within a reasonable period a revenue at least equal to interest and sinking fund. A standing committee, consisting of the Treasurers of the Commonwealth and three out of the six States, is to be appointed to watch the operation of the plan adopted. Duplication between Commonwealth and State services is to be examined, and if possible eliminated. Five States are to forego a portion of certain sums which the Commonwealth Budget proposed to grant to them during 1930-31 for unemployment relief, and the amount foregone is to be paid to South Australia, which State has exceptional difficulty in balancing its Budget.

Sir Otto Niemeyer's address was published simultaneously with the Conference resolutions. His address dealt with the economic basis of Australian affairs, and especially the slow rate of progress in productivity as compared with the United Kingdom and the United States, together with the effects of the decline in the world's prices for wool and wheat, especially the latter. He pointed out that there is considerable reason to fear that the prices of those particular products in which Australia as an exporter is primarily interested will fall more rapidly than the general price level. He states that the resolutions now passed by the Conference are "wise and necessary," and that as Australia depends to a large extent upon the primary producer to emerge from a régime of emergency tariffs and rationed exchange, and the primary producer's power to sell abroad depends on his costs, which in turn depend very largely upon general costs in Australia, the issue has to be faced whether Australian standards have been raised too high "relatively to Australian productivity and to general world conditions and tendencies."

The results of the Conference and Sir Otto Niemeyer's address have been commented upon from two divergent points of view. The business view is that they simply represent what has been known and stated for years past by qualified observers, though when coming from any quarter of less weight they have received little attention from politicians, especially Labour. The Labour view on the other hand, is against curtailment of expenditure, whether from revenue or loans. The large expenditure from loans and the past prosperity of the country have certainly enabled the natural industries to carry for a time the burden of the artificial structure of the towns, including the Arbitration Court, but the general opinion is that the latter will have to be adapted to the real conditions of the future.

Books and Publications.

THE SOCIAL SERVICES.

DR. SLATER'S comprehensive survey of the development of our social services* is, in fact, somewhat wider than its title would suggest; for it covers a large area of voluntary activity both philanthropic and co-operative, and this is perhaps the most valuable feature of the book. It brings before the general reader a great deal of material bearing on the day-to-day problems of social life in a civilised but imperfect community, which has not hitherto been readily accessible without much delving into highly specialised literature. This would apply to his commendably objective account of the genesis of the Charity Organisation Society, to his summary of voluntary effort with regard to blind, deaf and mentally afflicted persons, and above all to his brief but illuminating exposition of voluntary hospital finance (on which subject he expresses decided views) and to his historical account of the growth of the friendly society movement. It may be argued that such material is very properly comprised in any study of State action in relation to the problem of poverty, since State action is usually the

* "Poverty and the State." By Gilbert Slater. Constable. 12s. 6d. Pp. vii+480.

consolidation of voluntary action, without a study of which its form and intent would be difficult to expound. Nevertheless the close interaction of the two types of social effort is continually understressed by writers and often sadly neglected by practical administrators; and we may be grateful to Dr. Slater for the fine understanding of practical student needs which has resulted in this particular interpretation of such a title as "Poverty and the State."

Just as it is humanly impossible to peruse an anthology of poetry without mentally execrating the compiler for sins of omission and commission in relation to the reader's personal taste, so it is equally difficult to embark upon a literary tour of the social services without indulging in similar strictures at the expense of one's guide. One may be inclined to think, for instance, that the agricultural programme expounded on page 67 constitutes a somewhat airy leap ahead of evidence—that, in fact, Dr. Slater's very definite expressions of opinion on many subjects may intimidate the politically suspicious social worker and that more evidence and less verdict would in the end minister more effectively to the author's gospel. One suspects that on page 53 he somewhat underrates the killing power of mediæval famines, and it is certain that the indefatigable Miss Hannah More deserves the place which she has not been assigned in the history of working-class education. There is not much illumination in the cryptic reference to the Medical Research Council which concludes Chapter IX, and in the long section which deals with pre- and post-war unemployment a better balance in relation to the general subject-matter of the book would have been achieved by devoting less space to the historical treatment of wage and currency theories—very easily accessible to the student in up-to-date publications—and more to the practical problems and finance of unemployment insurance. Finally, in touching the question of poverty in relation to family dependence in his closing chapter, Dr. Slater has perhaps neglected an opportunity for co-ordinating his material in a general survey of the statistics of poverty, helped out by the researches of Professor Bowley and Miss Hogg.

But it is an invidious job to pick holes in so valuable an instrument for the training of good citizens as that with which Dr. Slater has provided us. His book is brimful of good stuff, and to crown all, it is eminently readable.

BOOKS RECEIVED.

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

(It would be a convenience to our readers if publishers would make a point of notifying us of the prices of books sent for inclusion in this column.)

Unemployment. By Sir William Beveridge. New edition. (London) Longmans, Green and Company, 39, Paternoster Row. 21s. net.

This new edition of the most important British work on unemployment forms the subject of the first leading article in this issue. Most of the original work is retained as Part I., with an entirely new Part II., written in the light of recent experience.

The Economic Policy of Soviet Russia. By Professor Paul Haensel. (London) P. S. King and Son, Ltd., Orchard House, Westminster. 9s.

The author, who held a chair in Moscow until 1928, has aimed at strict accuracy and impartiality. His book, which is exceptionally well-informed, is very critical of the Soviet régime.

Problems of Monopoly and Economic Welfare. By F. Zeuthen. With a Preface by Professor J. A. Schumpeter. (London) George Routledge and Sons, Ltd., 68-74, Carter Lane. 7s. 6d. net.

A valuable contribution to pure economic theory.

The British Empire. By D. C. Somervell. (London) Christophers, 22, Berners Street. 12s. 6d. net.

An outline of the development of the Empire with separate chapters for each Dominion and group of Colonies. The book is well printed and agreeably illustrated.

The Stock Exchange.

LONDON STORES AS INVESTMENTS.

THE big London stores occupy a highly privileged position. They cater for the household needs of the greatest concentration of the middle classes in Great Britain. There is, for example, in the Metropolitan Police District, which extends over a radius of fifteen miles from Charing Cross, comprising an area of over 700 square miles, a total population of about 7½ millions. The big London stores cover, and even extend beyond the limits of, the Metropolitan Police District area. They will, no doubt, claim to supply only "the select" of this large population. In this country the middle-class householder values his credit as the hall-mark of his respectability. It is part of his class-consciousness that he should pay his household bills. The fact that the London stores have not found it necessary to introduce to any large extent the hire-purchase system for household necessities speaks well for the character of their trade. Moreover, the "select" middle-classes which they serve are probably among the last to be affected by a general trade depression, so diverse are the industries, trades, agencies and financial services carried on in the metropolitan area. At any rate, last year, though from September onwards there was a marked slowing down of general trade activity, the accounts of most of the London stores at the end of 1929 did not so far point to any appreciable decline in profits. This fact is brought home in the following table, giving the net profits, earnings and dividends for the last three years:—

	Year to Jan. 31, 1928.			Year to Jan. 31, 1929.			Year to Jan. 31, 1930.		
	Net Profits.	% Earned.	% Paid.	Net Profits.	% Earned.	% Paid.	Net Profits.	% Earned.	% Paid.
Harrod's.....	£ 716,751	21.8	20	£ 775,156	21.5	20	£ 784,188	21.8	20
Barker's.....	311,171	24.9	20	293,633	22.1	20	308,686	24.6	20
Whiteley's....	67,809	...	...	102,551	17.9*	25*	67,923	10.1*	25*
(Loss)	...	...	...	...	...	...	...	...	...
Selfridge's...	369,578	25.0†	20†	337,019	19.6†	20†	339,336	20.1†	20†
Gamages....	40,740	6.7	6	43,934	7.3	7	26,010	3.4	5
Army & Navy	228,818	28.6	25	203,928	24.8	25	208,319	25.5	25
Waring and	...	...	...	...	...	...	...	...	...
Gillow.....	147,151	16.8	10	209,760	28.0	15	9,233	1.5	...

* On 25 per cent. cumulative ordinary shares, the deficiency between earnings and dividends being made good by Selfridge's.
† On ordinary shares, after allowing for dividend on 10 per cent. cumulative preferred ordinary shares.
‡ On deferred shares of 1s., after allowing for 10 per cent. dividend on cumulative participating preferred ordinary shares.

The profit figures in this table are shown before allowing for preference dividends, and the percentages earned are calculated on the ordinary or deferred capital. It will be seen that only Whiteley's, Gamages and Waring and Gillow had disappointing results to show last year. The directors of Whiteley's explained that trade "in the higher grade utilities, furniture and motors" was affected by the business depression, although the number of by the business depression, although the number of customers served was greater than ever. Gamages re-ferred to "unusual losses" on account of the special writing down of stocks and the reorganisation of the management. Waring and Gillow reported that, while the volume of business was maintained, profits had fallen sharply "owing to the severe competition caused by the general trade depression." The further complication arising from the failure to complete a real property purchase on which the company is owed £172,585 has been dealt with in the *Economist* of August 30, 1930, page 413. That the profits of stores (such as Waring and Gillow and Gamages), which deal chiefly in household goods and not in provisions, should be among the first to feel the effects of a depression is not unnatural.

The real testing time, however, for all the big London stores is now at hand. The protracted trade depression has gone far enough to reduce the purchasing power of the middle classes and to give most trading companies some anxiety in the collection of their accounts. Waring and

Gillow has already suffered from a shortage of working capital and has been forced to postpone payment of its preference dividends and to negotiate for further finance to enable it to meet its creditors and carry on its trade. An analysis of the liquid assets position disclosed in the last balance-sheets of the other London stores may therefore be of interest. The following table gives the cash, Government securities and debtors, less current liabilities, as at the end of January, 1930, the figures for stocks being shown separately:—

(In thousands of £'s.)						
	Harrods.	John Barker.	Selfridge.	William Whiteley.	Army and Navy.	A. W. Gamage.
(1) Liquid Assets:—	£	£	£	£	£	£
Cash.....	395	644	85	56	150	22
Govt. securities.....	1,229	37*	575†	207*	473*	...
Debtors....	1,238	385	...	702	338	260†
Total...	2,862	1,066	660	965	961	282
(2) Current liabilities.....	2,820	1,089	816	759	1,017	269
(3) Surplus liquid assets.....	42	— 23	— 156	206	— 56	13
(4) Stocks.....	1,077	592	512	329	722	175
(5) Total of (3) and (4)....	1,119	569	356	535	666	188
(6) Total share and loan capital....	6,214	2,441	3,402	1,850	1,311	750
Ratio of (5) to (6)....	18%	23.3%	10.4%	28.9%	50.8%	25.0%

* Includes "other securities." † Less reserve.
‡ Includes £159,000 current and loan accounts of subsidiary and associated companies.

This table shows the liquid position of the companies with and without including stocks among current assets. Obviously, in a period of trade depression, when prices are falling steeply, stocks may become a burden, necessitating a heavy writing-down at the end of the year, and should not be included among "quick" assets at the values given in the balance-sheet. Disregarding stocks, it will be seen that none of the companies can claim to have a really strong liquid position, with the possible exception of William Whiteley, in whose case liquidity is a result of a curiously high ratio of debtors to other liquid assets. Actually, in each case liquidity would appear to depend upon the rapid turnover of stocks and regularity in the payment of customers' accounts.

It will be clear from the next table, showing the present market prices, as compared with the highest prices for this year, and the yields at the present market prices, that the Stock Exchange is taking a conservative view of the prospects of the London stores this year:—

	Highest 1930.	Present Price.	Div.	Yield.
Harrod's £1	74/6	60/-	20	6.7
Barker's £1	67/9	58/9	20	6.8
Selfridge's £1, 10 per cent. preferred ordinary	27/9	22/6	10	8.9
Gamages £1	15/9	10/9	5	9.3
Army and Navy 10s.	41/6	1 1/8	25	6.5
Whiteley's £1, 25 per cent. ...	51/3	41/3	25	12.1
Waring and Gillow	28/3	3/9	...	...

In the case of John Barker and Harrods it is satisfactory to observe that the interim dividends have been maintained at the same rates as in the previous year, namely, 5 per cent. The Army and Navy have also maintained their interim dividend at 6½ per cent., but it should be borne in mind that the chairman of this company, at the general meeting in April, announced the suspension of the company's rebuilding and modernising scheme and declared that the trade situation to-day was such as to render the outlay of large capital sums entirely unjustified. Nevertheless, Gamages have gone ahead with the

building of their West End store, which was opened to the public this month and have guaranteed the payment of the 7½ per cent. dividends on the £375,000 preference capital of Gamage's (West End). It would seem doubtful whether the parent company will be able to maintain its 5 per cent. dividend distribution this year. Selfridge's position is complicated by its guarantee of the 25 per cent. cumulative dividend on the £450,000 ordinary share capital of William Whiteley's. This guarantee holds good until April, 1942. In the year to January 31, 1930, Selfridge's paid under this guarantee £31,002. This year Whiteley's have declared an interim dividend of 10 per cent. on their ordinary share capital, but that they will earn sufficient to pay a final of 15 per cent. without calling upon Selfridge's for help seems doubtful. The guarantee which Selfridge's gave of the 7 per cent. dividends on the ordinary share capital of Selfridge's Provincial Stores came to an end at August 31st last, and it was satisfactory to observe that the earnings of the Provincial Stores covered the 7 per cent. dividends for that year. It is, therefore, only the question of the Whiteley guarantee which affects the prospects of Selfridge's for the current year.

In the long run the safety of an investment in the shares of these London stores remains largely a question of management. A year ago it appears to have been errors in management which caused Gamage's to write exceptional amounts off the value of stocks and the trouble which Selfridge's have had in reorganising Whiteley's seems attributable to the defects of the old organisation. On the other hand the prosperity of John Barker and Harrods is largely due to the excellent management which they have enjoyed.

THE WEEK IN THE MARKETS.

THE LONDON STOCK EXCHANGE.

SETTLING DAYS.

TICKET.	ACCOUNT.
October 7.	October 9.

HARDLY a single ray of hope this week penetrated the gloom which has lately been overhanging the share markets. The weight of political events was not quite so oppressive, however, and the chief German issues remained fairly steady pending further developments. The decline in commodity prices, particularly those of tin, copper and rubber, continued, and though there were occasional signs of a professional disposition to pick up good-class shares, the public gave no intimation that it was preparing to take any part in the proceedings. The week opened with news of a further wave of selling on Wall Street, and the International descriptions made heavy weather in the "Street" market, though a better tone later supervened. Stock price indices continued their steady downward drift, and everything pointed to fresh low levels for the year.

Following the short-lived display of activity which characterised the market at the close of last week, Gilt-edged early developed a quiet tone, and business was on a very small scale. War Loan was a good feature, but securities reflected the further drop in sterling, and the increase in public expenditure during the first half of the year, and some weakness ensued. Indian loans were dull at first, but closed quietly steady. Dealings opened in the new Ceylon loan on Wednesday, and the stock soon went to a premium. Australian issues enjoyed a marked recovery on Imperial Conference prospects, and reassuring utterances from Mr Scullin, stocks in many cases gaining from one to two points. Home Corporations were firm throughout.

In the foreign department, the Sino-Japanese group provided the chief feature of strength, Chinese bonds further improving on the latest peace moves and encouraging news regarding the Salt loans. German loans remained weak, but there was no recurrence of last week's heavy liquidation. French "rentes" moved within

narrow limits, but Poland Sevens were a weak spot. South American issues were flat, and Chile Sixes were sold to effect a "straddle," while Brazilians suffered from Continental realisations. Argentine loans were fairly firm, but San Paulos were a trifle heavy.

Home Rails were again utterly depressed on one of the worst batch of traffics yet recorded. Prior charges remained steady, but the junior stocks were all marked down a fraction. Interest centred on Metropolitans, which received attention on the prospect of the London traffic amalgamation and continued to rise. Buyers were again in evidence for Undergrounds, "traffics" again comparing favourably with last year's figures. Among Foreign Rails, Argentines were fairly steady despite poor returns, and were helped by a better exchange position. Antofagastas and Nitrates declined on the interim dividend announcements.

Dullness characterised the opening of the Industrial market in almost all sections, but the better tone of New York on Wednesday, and a certain amount of profit-taking inaugurated a firmer tendency later in the week. Among the "Record" leaders, Columbia were a weak spot at first, and Vocalions receded, but a general improvement occurred subsequently. Among Iron and Steel shares, Babcocks advanced on a satisfactory interim dividend. Interest in Electricals focussed on the new General Electric debentures, dealings in which opened at a premium. Equipment shares, however, were not popular, and Associated weakened. Stores were dull, International Teas suffered, and Home and Colonial were marked down, though Unilevers enjoyed a mild recovery. There was little disposition to support Rayon and Textile shares, and prices tended downwards. Motors were irregular, but Austins hardened on the report, details of which are found on p. 638. Breweries had an undecided appearance, and little interest was taken in Tobacco shares. Triplex reflected an increase in profits. Bank and Insurance shares were irregular, and movements were slight.

Conditions in the Rubber share market continued to have a very idle aspect, and the low level of the commodity, which touched 3½d., gave little promise of renewed activity, though prices were fairly well maintained among the mixed producers. Tea shares held the advance which they achieved last week, and continued to strengthen, with Allynugers leading. Oil shares were irregular, Shells, Burmahs and Anglo-Persian declining, while Lobitos and Canadian Eagles improved.

Conditions in the Mining market were overshadowed by a further sharp slump in the price of copper, tin and lead, and the tone was generally quiet. Kafirs were heavily sold from Paris, and Central Mining lost as much as 15s. to 13½, while Gold Fields, Rand Mines and Union Corporation all shared in the decline. Movements were very restricted among Northern Rhodesians, and few changes were recorded. Diamond shares were dull, and De Beers continued to fall, but Tintos advanced smartly at the close on the improved price of copper, after repeated losses throughout the week.

"FINANCIAL NEWS" DAILY BARGAIN INDEX.

(Approximate number of Bargains recorded in Stock Exchange Lists.)

	Sept. 25.	Sept. 26.	Sept. 29.	Sept. 30.	Oct. 1.	Oct. 2.
Government and Municipal Loans.....	1,156	1,126	1,321	1,157	1,328	1,297
Transport, Communications, and Public Utilities.....	721	769	931	852	874	849
Commercial and Industrial Banks, Insurance and Financial.....	1,431	1,476	1,771	1,579	1,686	1,655
Mines (including Nitrates).....	465	405	437	450	452	446
Oil.....	327	394	446	371	378	360
Rubber, Tea and Coffee.....	99	132	196	215	183	163
Total.....	103	201	253	294	329	259
Total.....	4,302	4,506	5,355	4,918	5,230	5,023

* Including iron and steel and breweries.

"FINANCIAL NEWS" DAILY AVERAGE OF 30 INDUSTRIAL ORDINARY STOCKS. (1928 = 100.)

Highest of 1930. (Apr. 17).	Lowest of 1930. (Aug. 26).	Sept. 25.	Sept. 26.	Sept. 29.	Sept. 30.	Oct. 1.	Oct. 2.
90.6	72.6	77.1	77.1	76.6	76.3	75.8	76.0

FOREIGN STOCK EXCHANGES.

NEW YORK.

The markets opened this week with a resumption of forced liquidation, and the movement, which initially consisted of selling drives at individual stocks and groups, later developed into a pronounced break. New low levels were recorded for the present slump and also for the year, and on Tuesday four and a half million shares changed hands, the recession receiving a further impetus from the failure and suspension of a large brokerage house. Call money dropped to 1½ per cent. for the first time since 1915, but the fact attracted little attention. Scattered bulls claimed to see signs of the long-awaited seasonal revival, but renewed weakness in commodity prices, especially of grain and oil, went far to undermine confidence. A change for the better took place on Wednesday, however, and after an irregular opening, a brisk demand arose for certain specialties, and the bears hurried to cover. Steady investment buying was a feature in the better-class issues, while brokers reported a sizeable volume of foreign business. Reserve officials did their best to avoid forcing credit liquidation, while a slight improvement in the prices of some commodities brought renewed courage. If the recovery holds it will have brought to a close a "bear" movement wave unequalled in point of duration even by the dark days of October last.

	Sept. 18.	Sept. 25.	Oct. 2.		Sept. 18.	Sept. 25.	Oct. 2.
U.S. 3½% T. Bds.	106½	106½	106½	Phelps Dodge	30½	30	28½
Do. 4½% T. Bds.	112½	112½	113	Pullman	66	65	61½
Lo-La 3½% '32-47	101	101	101½	Sears-Roebuck	69½	63½	61½
Do. 4½% '32-47	102½	102½	102½	Studebaker	30½	28	27½
Do. 4½% '33-38	103½	103½	103½	Un. Fruit	84	81½	75
Atchafalpa	218	213½	209	U.S. Leather	18½	15½	16
Ches. & Ohio	48	47	46½	U.S. Rubber	166½	158½	157½
Erie	41	38	38	U.S. Steel	147½	134½	131
Illinois Central	114	112	110½	Westinghouse	65	61½	63½
N.Y. Central	161½	157½	152	Woolworth	122	108	95½
Pennsylvania	73	71½	70½	Am. Pow. & Light	83½	74	73½
Southern Pacific	116	112½	109½	Am. Tel. & Tlg.	214½	206	205½
Southern Ry.	84½	81½	76	Electric P. & L.	72½	62½	63½
Union Pacific	216	212	207	Int. Tel. Teleg.	41½	31½	30½
Am. Can.	126	123	122½	Nat. Pow. & Lt.	45½	41½	39½
Allegheny Corp.	70½	64½	63½	Radio Corp.	38½	30½	28½
Amer. Smelting	64½	54½	55½	Utilities P. & L.	36½	33½	32
Anacosta	44½	40½	38	W. Union Tlg.	169	156½	152½
Bethlehem Steel	87½	82½	81½	Associated Gas "A" ..	30½	30½	30
Chrysler Motor	27½	24½	21	Mid-Cont. Pet.	23½	21½	21
Corn Producers	89½	85½	83½	Pan Amer. B.	52	53½	52
Eastman Kodak	212	199	203	Sinclair Oil	20½	17½	17½
Gen. Electric (New) ..	70½	64½	63½	Std. California	60½	56½	55½
Gen. Motors	43½	41½	39½	Do. N.J.	68½	63½	60½
Int. Harvester	75½	69½	64				
Montg. Ward	35½	32	28½				
Natl. Biscuit	84½	81	81				

x Ex dividend.

By courtesy of the Standard Statistics Company, Inc., of New York and 13, Copthall Avenue, London, we print the following index figures of American values calculated on closing prices (1926 = 100) :—

	1928.		1929.		1930.		
	Lowest.	Highest.	Lowest.	Highest.	Beginning of Year.	Sept. 24.	Oct. 1.
335 Industrials ..	132.5	186.4	134.5	218.9	146.0	132.5	126.6
33 Rails	120.5	139.7	127.8	173.5	134.3	119.7	116.5
34 Utilities	128.3	180.6	177.6	330.4	202.2	206.4	199.5
Total, 402 Stocks ..	130.3	178.9	140.3	228.1	153.0	142.1	136.5
Average yield of 50 Industrial Common Stocks..	3.32%	4.42%	3.10%	5.23%	4.83%	4.84%	5.02%

DAILY AVERAGE OF 50 INDUSTRIAL COMMON STOCKS (1926 = 100).

Highest of 1930. (Apr. 10.)	Lowest of 1930. (Sep. 30.)	Sept. 24.	Sept. 25.	Sept. 26.	Sept. 27.	Sept. 29.	Sept. 30.	Oct. 1.
202.4	142.9	155.5	152.5	149.7	148.6	144.9	142.9	150.1

TOTAL DEALINGS IN NEW YORK.

	Sept. 25.	Sept. 26.	Sept. 27.	Sept. 29.	Sept. 30.	Oct. 1.	Oct. 2.
Stock Exchange—Shares (Thous.).....	3,061	3,700	1,705	3,756	4,488	3,147	2,311
Bonds (Value—Thous. \$).....	12,268	13,632	6,742	12,861	14,220	11,456	10,652
Over-the-Counter—Shares (Thous.).....	661	742	375	769	1,145	720	526

* 2-hour session.

Continued on page 630.)

£4% TREASURY BONDS, 1934-1936.

Interest payable half-yearly on the 15th April and the 15th October.

ISSUE OF BONDS BY TENDER.

MINIMUM PRICE £100: 10s. PER CENT.

A First Interest payment of £1: 2s. per £100 Bond will be made on the 15th April, 1931.

This Loan is an investment authorised by "The Trustee Act, 1925," subject as regards securities payable to bearer to the provisions of section 7 of that Act.

THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND give notice that they are authorised to receive tenders for the above-mentioned Bonds to be created by the Lords Commissioners of His Majesty's Treasury.

The Principal and Interest of the Bonds will be chargeable on the Consolidated Fund of the United Kingdom.

If not previously redeemed, the Bonds will be repaid at par on the 15th April, 1936, but His Majesty's Treasury reserve to themselves the right to redeem the Bonds at par at any time on or after the 15th April, 1934, on three calendar months' notice being given in the London Gazette.

The Bonds will be issued in denominations of £50, £100, £200, £500, £1,000 and £5,000.

The Bonds may be registered, free of cost, in the books of the Bank of England, as—

1. "Transferable in the Bank Transfer Books," or
2. "Transferable by Deed";

Holdings of Registered Bonds, which will be transferable in any sums which are multiples of one penny, may be re-converted at any time in whole or in part (in multiples of £50) into Bonds to Bearer with coupons attached.

Interest will be paid half-yearly on the 15th April and the 15th October. A first payment of £1 2s. per £100 will be made on the 15th April, 1931. Dividend warrants for interest on Registered holdings will be forwarded by post; Income Tax will be deducted at the source from dividends of more than £5 per annum. Interest on Bonds to Bearer will be paid by coupon.

Powers of Attorney, Transfers and Bonds to Bearer will be free of Stamp Duty.

This issue will not be regarded as a "Loan issued for the purposes of the present war" within the meaning of Rule 3, Schedule C, of the Income Tax Act, 1918.

Tenders must be delivered at the Chief Cashier's Office, Bank of England, before 1 o'clock on Thursday, October 9, 1930, and a deposit of £10 per Cent. upon the nominal amount of the Bonds tendered for must be paid at the time of the delivery of the tender; the deposit must not be enclosed in the tender.

Where no allotment is made, the deposit will be returned in full; in the case of partial allotment the sum deposited in excess of £10 per Cent. upon the amount of Bonds allotted will be returned.

Tenders must be for sums of £10,000 or multiples thereof. Each Tender must state what amount of money will be given for each £100 Bond.

The minimum price, below which no Tender will be accepted, has been fixed at £100 10s. per £100 Bond. All tenders must be at prices which are multiples of sixpence.

Tenders at the lowest price accepted may be subject to a *pro rata* diminution. The Lords Commissioners of His Majesty's Treasury reserve the right of rejecting any tenders.

Tenderers will be notified forthwith of the result of their tenders. The balance of the money to be provided for allotments made will be due for payment on Thursday, the 15th January, 1931. Payment in full may, however, be made after allotment under discount at the rate of £1 per Cent. per annum; but in the case of full payments made before 1st December, 1930, discount will only be allowed from the latter date. Failure to pay on or before the 15th January, 1931, the balance due in respect of an allotment will render the deposit liable to forfeiture and the allotment to cancellation.

Fully-paid allotment letters will be exchangeable for Bond Certificates with coupon attached for the dividend due the 15th April, 1931. These Bond Certificates may be inscribed or registered, or they may be exchanged after the 16th March, 1931, for Bonds to Bearer.

A Commission of 2s. 6d. per £100 nominal will be paid to Bankers and Stockbrokers on allotments made in respect of tenders bearing their stamp.

Tenders must be made upon the printed forms which may be obtained at the Bank of England or at any of the Bank's branches; of Messrs. Mullens, Marshall, Steer, Lawford & Co., 13 George Street, Mansion House, E.C. 4; or at any Stock Exchange in the United Kingdom.

BANK OF ENGLAND,
LONDON,

2nd October, 1930.

NOTE.—Shares with a New York quotation, or with definite American interest, are distinguished by italics.

In calculating the yields on the stocks and shares quoted below allowance is made for interest accrued since the last payment. Where stocks are definitely redeemable at a certain date the yield includes any profit or loss on redemption; where stocks are redeemable at or before a certain date the final date of repayment is taken when the stock stands at a discount and the earliest date when the quotation is above par. The return on ordinary stocks and shares is calculated on the dividends paid by the company during the last year.

[illegible]

† Free of Income tax

[illegible]

+ Free of Income Tax

NEW ISSUE PRICES.

Stock or Share.	Issue price.	Amt. paid.	Price, Sept. 25, 1930.	Price, Oct. 2, 1930.
Austrian Govt. International Loan, 1930 7%	95	75	1 1/2 dis-1 pm	1 1/2 dis
Courage and Co., 5 1/2% debts.....	98	75	104-105	104-105
Edmundson's Electricity 5% debts.....	93 1/2	68 1/2	2 1/2-3 1/2 pm	2 1/2-3 1/2 pm
Ferranti 7% cum. pref.	20/-	20/-	20/0-20/6	20/0-20/6
General Electric 5% debts.....	98	25	...	1-1 pm
Grosvenor House (Park Lane) 7 1/2% Cum. Pref. £1.....	par	3/-	2/- dis.	...
Kelly's Directories 6 1/2% debts.....	98 1/2	75	2 1/2-3 1/2 pm	100 1/2-101 1/2
London Electric Railway 5% debts.....	97 1/2	50	4 1/2-5 1/2 pm	4 1/2-5 1/2 pm
Marks and Spencer, 7% cum. pref.	21/-	10/-	21/6-22/0	21/9-22/0
Do., 6% debts.....	102	75	104 1/2-105 1/2	105-105 1/2
Newcastle-upon-Tyne Electric 5% debts.....	96	41	4 1/2-5 1/2 pm	100 1/2-101 1/2
South Africa 5%.....	98	41	3 1/2-4 1/2 pm	3 1/2-4 1/2 pm
South Metropolitan Gas 5% debts.....	97 1/2	52 1/2	2 1/2-3 1/2 pm	3 1/2-4 1/2 pm
Tampin & Sons, Brewery.....	95	75	3 1/2-4 1/2 pm	99-100

(Continued from page 627.)

PARIS.

Once again the tendency on the Paris Bourse has been very irregular. During the first three weeks of September business took on a slightly more active appearance, with a firming up in most departments. There was, however, no consistency about the movement, and the market was later affected by less and less encouraging advices from abroad—nervousness in New York and Berlin, the renewed weakness of commodity prices, and the result of the German elections. In spite of these unfavourable factors, French "rentes" shared in whatever upward movement there was, and the price of the Young loan was maintained, although the situation resulting from the German elections was still not clear. From September 22nd, however, the tone of the market was noticeably less satisfactory, and prices slowly declined. The Young loan suffered a perceptible reverse, and "rentes" were heavy. At the end of the month the prices of the principal shares and bonds were approximately at the same level as at the opening. Rio Tintos were an especially poor feature. Easy conditions prevailed throughout in the money market, and the settlements of the 15th and the 30th presented no difficulties. Accommodation was obtained *au Parquet* at 1/2 per cent., the same as for the previous month, and at 4 1/2 per cent. *en Coullisse*, against 4 1/2 per cent. at the end of August.

"Valeurs à Terme"	Aug. 31, 1930.	Sept. 30, 1930.	"Valeurs à Terme"	Aug. 31, 1930.	Sept. 30, 1930.
Banque de France	21,985	21,975	Ottoman	689	775
Banque d'Algérie	14,900	14,450	Norvég. Azote	1,636	1,717
Paris Pays Bas	2,600	2,650	Hotchkiss	1,965	1,921
Union Parisienne	1,700	1,625			
Ole. Algérienne	2,030	1,975	"Valeurs au Comptant"		
Comptoir Nat.	1,865	1,835	Union-Vie	847	800
Crédit Commer.	1,325	1,305	Urbanisme Seine	1,770	1,715
Crédit Foncier	5,390	5,250	Union Mines	1,375	1,305
Crédit Lyonnais	3,010	2,925	Indo-Chine	4,000	3,800
Suez	17,000	16,450	El. Loire Centrale	590	560
O. de P. Nord	2,355	2,310	Delfins Mieg	8,750	8,750
O. de P. Santa Fé	2,640	2,720	Châtillon-Comm.	5,180	5,080
Soc. Lyon. Raux	2,950	2,880	Denain & Anzin	2,540	2,525
Parisienne Elect.	2,990	2,850	Alsac. Construct.	2,605	2,590
Gén. Electricité	3,180	3,255	Rhône-Poulenc	2,135	2,150
Littoral Médit.	1,356	1,378	St Gobain Chauny	4,300	4,405
Elect. Nord Fr.	1,065	1,029	Givet	6,600	6,500
Courrières	1,395	1,295	Kail St. Thérèse	12,350	11,950
Mines de Lens	1,155	1,118	Rosario	22,100	22,500
Penarroya	805	700	J. Damoy	1,555	1,610
Dives	2,680	2,540	Pollet Chausson	2,875	2,745
Etah. Kuhlmann	911	821			
Phosph. Gafsa	745	760	S. Fr. Viscose	14,700	13,400
Pechniney	2,840	2,700	Ass. Generale Vie	5,615	5,575
Air Liquide	1,655	1,660			
Caout. Indo-Ch.	481	468			

INVESTMENT NOTES.

The Wall Street Slump.—The New York Stock Exchange has experienced this week its third slump of the year. The failure of an important brokerage house—J. A. Sisto and Company—helped to intensify the selling, and prices declined below the level reached in the April slump, which in turn broke the low levels of the great autumn slump last year. If we take the high-level prices in the 1929 boom for representative industrial and railroad stocks as 100, the following indices, based on the

Dow Jones averages, may serve to show clearly the subsequent reactions:—

	30 Industrials.	20 Rails.
Sept. 16, 1929 (1929, high).....	100	100
Nov. 18, 1929 (1929, low)	60.9	76.7
April 15, 1930 (1930, high)	78.5	85.6
June 25, 1930 (first reaction)	57.7	68.4
July 28, 1930	64.7	73.5
Aug. 12, 1930 (second reaction)	58.1	69.3
Sept. 10, 1930	65.6	72.6
Sept. 28, 1930 (third reaction)	54.8	66.6

It will be seen that the average prices of leading industrial stocks are now not much more than half the high levels reached in the 1929 boom, while railroad stocks have lost 33 per cent. of their paper values. The movements can be viewed in greater detail by reference to the following table, which is based on figures supplied by the Standard Statistics Company:—

Group Indices.	Highest, 1929.	Lowest, 1929.	April 17, 1930.	June 25.	July 30.	Aug. 13.	Sept. 10.	Oct. 1.
335 Industrials.....	218.9	134.5	172.7	130.6	140.8	134.7	144.0	126.6
33 Rails.....	173.5	127.8	142.1	117.2	123.9	119.5	124.9	116.5
34 Utilities.....	330.4	177.6	266.0	202.8	216.9	205.4	223.8	199.5
Total, 402 stocks	228.1	140.3	182.7	139.3	150.1	143.4	153.6	136.5

The present reaction in values has assumed serious proportions, but there is this difference between this and the slump in June—that the public is not so deeply involved as it was in June last, and that the present decline is not so steep. The new wave of liquidation this week started under pressure of the fresh slump in commodity prices. The exaggerated news of political unrest in Germany and South America served to upset the nerves of traders in Wall Street, while domestic trade reports continued to shake confidence in a business recovery. The price-cutting in the gasoline markets and the weakness of copper further increased "bearish" sentiments. It was pointed out that there are still some twelve billions of security loans with the banks, and that so far no deflation of this position has been attempted. Obviously, the decline in market values is likely to force the liquidation of many bank loans and add to the rout in markets. On Wednesday, a sharp recovery occurred, although the volume of sales was lower at 3,147,000. Rubber, wheat and cotton stimulated investment buying, and there was a general rush of the bears to cover.

A Treasury Bond Issue.—In view of the persistent rumours which have lately been abroad in the City with regard to the imminence of a large conversion operation, the announcement on Thursday of a short-term Treasury bond issue, the proceeds of which would be used on January 15th next to repay the 4 per cent. (income tax compounded) War Loan, 1923-42, created considerable interest in the market. The issue takes the form of an offer for sale by tender of 4 per cent. Treasury bonds at a minimum price of £100 10s. per cent., at which price they allow a flat yield of £3 19s. 7d. per cent. The loan is a trustee security, repayable at par on April 15, 1936, but the Treasury reserve the right to redeem the bonds at par at any time on or after April 15, 1934, on three months' notice. Tenders must be for sums of £10,000 or multiples thereof, and applications must be received at the Bank of England not later than Thursday, October 9th. The outstanding amount of the 4 per cent. War Loan, which is at present quoted at about 100 1/2, is £75,144,120. While it is probable that tenders for the new bonds will approximate to the minimum price, the yield obtainable must be regarded as a fairly satisfactory return in the light of present money market conditions, and though hardly attractive to the ordinary investor, should find favour with institutions which habitually deal in short-term securities.

Electrical Power in Canada.—The Royal Bank of Canada recently published a circular dealing with the development of power in Canada. At present Canada ranks as the third largest producer of electrical energy in the world, the United States of America and Germany holding first and second places. The following table

gives a comparison of the investment in, and production of, power in these countries and in Great Britain:—

	Investment (in billion \$).	Electrical Power Production (billion kilowatt hours).	Investment per k.w.h. of production. Cents.
Canada	1.0	18.0	5.5
Germany	2.7	34.0	7.9
U.S.A.	11.0	125.0	8.8
Great Britain	1.5	16.2	9.3

Great Britain has an investment 50 per cent. larger but a production figure 10 per cent. smaller than that of Canada. According to the Royal Bank, the new power projects on hand in Canada will necessitate the expenditure of \$100 millions a year during each of the next three years. Can this new power output be utilised and made to earn adequate profits? It is, of course, essential that in a period of development large amounts of capital should be raised on which revenue will not be earned for some years, but the Royal Bank of Canada believes that the normal rate of expansion of established industries and the requirements of new industries which are being attracted to Canada, should absorb the new power as it comes on the market. The bank somewhat vitiates this argument by adding that cheap power, in itself, is rarely a decisive factor in the location of a manufacturing establishment. Apart from pulp and paper and aluminium there are few industries in which the cost of power constitutes 10 per cent. of total manufacturing costs, so that a variation of 20 per cent. in power cost would not ordinarily make a difference of 2 per cent. in total manufacturing costs. In the past five years the average increase in the amount of electrical energy generated in Canada has varied between 10 per cent. and 20 per cent., and the present depression in trade has resulted in an increase in the first five months of 1930 of only 4 per cent. over the amount generated in the corresponding period of 1929. If the trade depression lasts for another year the rapid development of power in Canada may bring a number of serious problems in its train.

Austin Motor Company.—The accounts of this company for the seven months to July 31st last record a trading profit of £858,187, equal to £1,471,092 for a full year, compared with a gross profit for the twelve months ended December 31st last of £1,297,446. Together with the balance of £75,952 brought in from the last account, there is available £934,089. Directors' fees require £2,375, depreciation and maintenance £242,670, income tax £150,000, and debenture interest £78,750. Preference dividend absorbs £42,911 and preferred ordinary dividend £67,813, while, as already announced, a dividend of 60 per cent. is paid on the £150,000 ordinary capital, requiring, less tax, £69,750, against 20 per cent. for the previous twelve months:—

	To Dec. 31, 1928.*	To Dec. 31, 1929.	To July 31, 1930.†
Gross profit.....	861,300	1,297,446	858,187
Brought in	10,639	59,664	75,952
Fees	3,506	1,500	2,375
Maintenance and depreciation.....	396,019	428,981	242,670
Taxes	50,000	172,177	150,000
Debenture interest	168,750	135,000	78,750
Preference dividends	194,000‡	404,000‡	42,911
Prof. ord. dividend	...	116,250	67,813
Ordinary dividend	...	23,250	69,750
Rate %	...	20	60
Carried forward	59,664	75,952	279,820

* 15 months.

† 7 months.

‡ Including 3 years' arrears on 6 per cent. pref.

‡ Including 6 1/2 years' arrears on 6 per cent. pref.

The sum of £279,820 is carried forward, against £75,952 brought in. The cash item appears this year in the balance sheet at £1,129,118, compared with £704,481 in the preceding accounts, while stocks and tools are down from £1,870,644 to £1,166,936. The directors report that the new prices operating from September 1st, coupled with the new models, have been favourably

received, and that the sales turnover since July 31, 1930, to date, shows a distinct improvement. Owing to the fact that the manufacture of the 7-h.p. car by the American Austin Car Company, Inc., was only in its initial stages, no licence fees were received during the period under review. The ordinary 5s. shares are at present quoted at about 89s.

The Borneo Company.—For the first time since its incorporation as a public company in 1922, the Borneo Company records a decline in profits. After deduction of £5,000 for directors' fees, £13,865, against £13,026, for depreciation, and £16,000 for taxation, net revenue totals only £82,162, compared with £113,986 for the previous twelve months. Dividend on the 7 1/2 per cent. preference shares requires £24,215, while the ordinary shares receive 6 per cent. for the year, against 9 per cent. in 1929, and absorb £28,233, out of £57,947 earned. A further sum of £15,000 is placed to general reserve account, compared with an allocation last year of £40,000, raising that item to £340,000. The sum of £76,796 is carried forward, an increase of £14,644 on the amount brought in.

Year to March 31st.	1928.	1929.	1930.
Net profit	106,565	113,986	82,162
Brought forward	51,236	60,018	62,152
Preference dividend	24,000	24,239	24,215
Rate %	7 1/2	7 1/2	7 1/2
No. of times covered	4.4	4.7	3.3
Ordinary capital—			
Earned £	82,565	89,747	57,947
Paid £	38,780	43,613	28,233
Earned %	17.0%	18.5%	12.3%
Paid %	8	9	6
To general reserve	35,000	40,000	15,000
Other allocations	...	4,000	...
Carried forward	60,021	62,152	76,796

In the following table the percentage earnings and payments on the ordinary capital are set out year by year since 1922.

Year to March 31st	Earned %	Paid %	Year to March 31st	Earned %	Paid %
1922	2.9	Nil	1927	16.1	8
1923	3.3	5	1928	17.0	8
1924	5.4	5	1929	18.5	9
1925	6.8	6	1930	12.3	6
1926	13.1	7			

The directors attribute the current fall in profits to bad trading conditions, and particularly to the decline in the values of practically all Eastern produce, especially of rubber, tea, sugar and tin, which led to a diminished purchasing power in the area in which the company trades. The delivery of teak was maintained, and sales were made at remunerative prices; but, as regards the Haboka Tea Estate, though the crop was 1,065,806 lbs., against 1,048,918 lbs. last year, the company registered a

HARRIS, FORBES & COMPANY LTD

77 CORNHILL, LONDON, E.C. 3

GOVERNMENT, MUNICIPAL,
RAILWAY, PUBLIC UTILITY,
INVESTMENT TRUST AND
INDUSTRIAL FINANCING

small loss as a result of the low level of tea prices. The results of the Borneo Company's other subsidiaries, Borneo Motors, Ltd., and Alexandra Brickworks, Ltd., were also adversely affected by general conditions, but both companies showed a profit. The fall in the price of manufactured articles has necessitated writing down stocks of merchandise, while plant, stocks of teak and produce, stores and investments all appear in the balance sheet at a lower figure, the balance-sheet total being £2,457,246, against £2,751,440. The position is satisfactorily liquid, available assets exceeding current liabilities by some £350,000. The 7½ per cent. preference shares, which are convertible into ordinary shares within ten years from October 1, 1922, on one month's notice from the holder, are quoted at 22s. 6d., and the ordinary shares at 18s. 9d., at which prices both classes of share offer a yield of about £6 13s. 4d. per cent.

First Co-operative Investment Trust.—The directors of the First Co-operative Investment Trust are to be congratulated on their persistence in reducing dividends. It takes courage to carry through an unpopular, albeit essential, programme of financial conservatism after the shareholders had become accustomed to the imprudent dividend policy of 7 per cent. per annum. For the half-year ended July 31, 1930, the interim dividend is to be 2 per cent., against 2½ per cent. in the previous half-year and 3 per cent. in the half-year to July, 1929. The net revenue for the past half-year is £48,231, as compared with £59,678 in the corresponding period of 1929. This would have permitted an interim dividend of 2½ per cent., but the directors have wisely decided to transfer £10,000 (over ½ per cent.) to reserve and to carry forward £8,273. On the book value of the investments of £1,980,689 at July 31, 1930, there was a depreciation of 21.8 per cent., which is reduced to 17.75 per cent. if credit is taken for the total reserves of £80,203. This is serious enough, but the directors are doing their best to improve the position by gradually increasing the proportion of first-class bonds to the total holdings. The distribution of the Trust's holdings at July 31st last was as follows: 51.36 per cent. in bonds and debentures, 16.05 per cent. in preference shares and 32.59 per cent. in ordinary and deferred shares. The capital now consists of £1,659,006 in 14,451,912 ordinary shares of 2s. and 42,763 withdrawable preference shares of £5. It is proposed to alter the articles of the Trust to make the ordinary shares transferable, but not withdrawable. It has long been impossible to allow members to obtain repayment of shares at par in view of the depreciation in the Trust's holdings, and the Trust has therefore been offering facilities for bringing buyers and sellers together at agreed prices. The new article proposed allows the directors to repay members direct, if funds of the Trust are available, at rates to be agreed upon in writing between the board and the member. Another proposed amendment to the articles concerns the payment of directors' fees. Under Rule 47 the directors were not entitled to any remuneration unless a dividend of not less than 5 per cent. is paid on the ordinary share capital. It is proposed instead that the directors should be paid in respect of each half-year a sum calculated at the rate of one-eighth of one per cent. of the issued and paid-up share and loan capital. Shareholders may object that as the directors obtained very high fees in the halcyon past, taking all the co-operative trusts together, they should forgo their fees in the lean times; but we would hardly regard it as sound policy to leave any inducement to the directors to declare 5 per cent. dividends when caution would dictate 4 per cent. The co-operative trusts, since Mr Emil Davies announced a radical change of policy, are, we believe, now being put into better shape, but it is unfortunate that they should have to lose in the process most of the characteristics of a "co-operative" association.

Richard Thomas and Company.—The advisory committee, consisting of Mr F. A. Szarvasy, Sir Gilbert Garnsey and Mr W. W. Paine, which was appointed in December, 1928, to consider the problem of reorganising the share capital of this tinplate and steel manufacturing company, have reported this week to the directors. The committee state that after taking into consideration the results of the experiments at Redbourn, which were understood to have resulted in a saving during the current financial year of £40,000, they have concluded that share capital to the extent of approximately £3½ millions has been lost or is at present unrepresented by available assets. Their conclusion was arrived at after taking into consideration the directors' view that, under existing conditions, a net annual profit of £250,000 could be earned after paying all fixed charges and providing approximately £120,000 per annum for depreciation. The floating indebtedness of the company, which at the time of the committee's appointment totalled about £1,200,000, had been reduced by about £300,000, and the committee had been informed that the company had made arrangements with the bankers, subject to satisfactory progress, for the existing indebtedness to remain outstanding, provided that a fixed portion, of not less than £100,000 per annum, of the net profits was applied towards its reduction before any distribution was made to shareholders. The committee suggest that any scheme for the reorganisation of the present share capital should be linked with the raising of necessary new money, "which would be an extremely difficult operation at the present time." They therefore consider it desirable, before formulating a scheme of reorganisation, to have further experience for a year or two of the working of the business under the new arrangements. In a circular addressed to shareholders the directors of the company express their agreement with the conclusions of the committee, and state that, while the expectations of the board have been fully realised, they are unable to recommend the payment of a dividend for the current year, though "it may reasonably be expected, if the earnings of the past year are maintained, that payments of dividends on the preference shares may be resumed next year on a reduced scale." No dividend has been paid on the £3,120,346 preference capital outstanding since 1926 and on the £2,790,560 ordinary capital since 1924.

Tyre Investment Trust.—The accounts of this company for the year to May 31st last show income totalling £59,667, against £66,809 for the previous fifteen months. Considerable savings have been effected in management expenses, while the items debenture interest and reserve for taxation which last year required £10,918, do not recur. Net profit is £9,078 less at £41,344. Preference dividend, paid for the fifteen months from March 1, 1929, to May last, absorbs £69,125, after deducting tax of £18,375. Income tax reserve of £12,500 no longer required is transferred to profit and loss account.

Period ended	Feb. 29, 1928.	May 31, 1929.	May 31, 1930.
Income	£ 69,711	£ 66,810	£ 59,167
Net profit	49,129	50,422	41,344
Preference dividend	70,000	70,000*	69,125†
Other allocations	...	...	Dr. 12,500
Decrease in carry-forward	20,871	19,578	15,28

* For 12 months ended Feb. 28, 1929. † For 15 months.

Of the total assets of £1,913,860, a holding of 1,200,000 6s. 8d. ordinary shares of the Dunlop Rubber Company accounts for £1,912,988. At this valuation each share is worth about 32s., while the present market quotation of the shares is 11s., giving a total value of £660,000. The holding is divided into 1,050,000 fully-paid 6s. 8d. shares and 150,000 shares still to be allotted by the Dunlop Rubber Company. The allotment is governed by an agreement dated July 27, 1929, supplemental to that of November 2, 1928, by which the Trust undertakes not to require the company to allot 150,000 of the shares due pending the complete repayment of the loan made by the company to the Trust, while, until the shares are allotted, the company will pay the Trust sums equivalent to the

net amount of any dividends declared on 150,000 ordinary shares of the company. The amount of £47,100 received by the Trust from the company for the past financial year represented a dividend of 15 per cent., less tax, on 1,200,000 ordinary shares.

Chairmen's Speeches.—At the general meeting of the Gaumont British Picture Corporation, on September 28th, the chairman, Mr Isidore Ostrer, declared that the current year's profit up to the present date had already shown a considerable increase over that of the corresponding period last year. This is welcome news, seeing that the Corporation only earned 3 per cent. last year on the actual cash subscribed on its ordinary share capital, the greater part of which had been issued at high premiums. Mr Ostrer also announced that the Corporation was enlarging its studios at Shepherd's Bush to enable them to produce 30 to 40 films a year and was engaged in a big theatre-construction programme in London and "key" provincial towns. Gaumont-British, he added, now controlled about £20 millions worth of assets—more than 25 per cent. in value of the total investment in cinema theatres in the country. At the general meeting of Selfridge Provincial Stores, on September 26th, Mr Gordon Selfridge referred to attacks on the company's credit and was at pains to show that the subsidiary companies' earnings had been maintained, indeed slightly increased, and that their cash position was strong. He could see no greater difficulties ahead than those the companies had already met, and he declared that they were fully equipped to take every advantage of a turn in trade when it came. He added that the book value of the fixed assets was much below their present replacement value, and explained that the small difference in the values this year was due to the closing down of two small concerns, valued at £17,663. An action, at the company's instance, for alleged libel is pending against the Financial Telegraph, Ltd.

Bajoe Kidoel Rubber and Produce.—The accounts of this holding company for the year to March 31 last reflect the sharp decline in rubber and coffee prices. Net profit is £11,023 down at £19,353, of which £16,666 is supplied by the operating company, N.V. Rubber Cultuur Maatschappij Bajoe Kidoel, in the form of a dividend, compared with £28,394 last year. The ordinary capital of £218,160 receives a distribution of 5 per cent. out of 8.9 per cent. earned, against 12½ per cent. out of 13.8 per cent. earned. No further allocation is made to reserve fund, which stands at £50,000, but £41,348 is carried forward, against £32,903 brought in.

	1928.	Year to March 31, 1929.	1930.
Net profit	30,745	30,376	19,353
Brought forward	31,141	35,070	32,903
Ordinary capital:—			
Earned £	30,745	30,376	19,353
Paid £	21,816	27,270	10,908
Earned %	14.0	13.8	8.9
Paid %	10	12.5	5
To reserve	5,000	5,000	...
Other allocations	...	273	...
Carried forward	35,070	32,903	41,348

The trend of percentage earnings and payments on the ordinary capital since 1923 is set forth in the following table:—

ORDINARY CAPITAL.					
Year to March 31.	Earned %	Paid %	Year to March 31.	Earned %	Paid %
1923	14.7	12.5	1927	42.7	30.0
1924	14.9	15.0	1928	14.0	10.0
1925	28.4	25.0	1929	13.8	12.5
1926	50.6	45.0	1930	8.9	5.0

The report states that the amount of rubber harvested during the year was 1,724,540 lbs., compared with 1,579,648 lbs., and the amount of coffee 18,330 piculs, against 13,385 piculs. The average net sale price of rubber was 6.56d. per lb., compared with 9.17d. per lb.,

PRELIMINARY NOTICE.

J. DARNELL AND SON, LIMITED.

(Incorporated under the Companies Act, 1929.)

WHOLESALE BOOT & SHOE FACTORS

SHARE CAPITAL :

Authorised.	Issued.
£250,000	£250,000
Divided into 500,000 Ordinary Shares of 10/- each.	
There are no Debentures or Mortgages outstanding.	

OFFER FOR SALE OF 499,000 Fully-Paid Ordinary Shares of 10/- each AT THE PRICE OF 16/- PER SHARE.

- J. Darnell and Son, Limited, was formed to acquire as from 31st December, 1929, the business of Boot and Shoe Factors established by the late Mr. Job Darnell in 1854. The business was commenced in a small store, but it has grown steadily and is to-day one of the leading London Wholesale Houses for all classes of boots and shoes.
- The Company belongs entirely to the Ordinary Shareholders, there being no Debentures or Mortgages outstanding, and no Preference Shares.
- Profits for the past three years have been as follows:—

Year to 31st December, 1927	£63,091
" " " " 1928	£64,644
" " " " 1929	£58,110

The Company is entitled to the profits from December 31st, 1929, which for the current year are estimated at not less than £50,000, and represent approximately 20 per cent. on the Share Capital of the Company.

- It is proposed to use part of the profits earned prior to incorporation of the present Company for writing off the entire Goodwill, and as the preliminary expenses are payable by the Vendors, no intangible assets should appear in next year's Balance Sheet.
- The Company's business is done on practically cash terms, the Management remains in the same hands and the trading territory is being considerable broadened.
- The name of Darnell is one of the best known in the Boot and Shoe trade.

The List will open on Monday next, the 6th instant, and copies of the Offer for Sale and Application Forms can now be obtained from:—

THE BANKERS :
MIDLAND BANK, LIMITED,
Poultry, London, E.C.2, and Branches.

THE BROKERS :
E. B. SAVORY & CO.,
Basildon House, Moorgate, London, E.C.2.

And from
GRESHAM TRUST, LIMITED,
Basildon House, Moorgate, London, E.C.2.

while the average net price realised for coffee was 71s. 2d. per picul, compared with 81s. 8d. In view of the further collapse in the quotations for these commodities since March, the company's immediate prospects cannot be considered too rosy. At their present price of 17s. 6d., the £1 ordinary shares give a yield of about £6 1s. 3d. per cent., allowing for the dividend of 5 per cent.

New Capital Issues in September.—In the following table we show the new capital raised in London by issue to the public and to shareholders in September, and in recent periods.

Monthly Average.	(000's omitted.)			
	United Kingdom.	British Possessions.	Foreign Countries.	Total.
	£	£	£	£
1924	7,051	6,023	4,370	17,444
1925	12,918	5,077	1,356	19,351
1926	10,765	4,431	4,036	19,232
1927	17,240	8,318	4,039	29,597
1928	21,965	5,263	3,526	30,754
1929	16,502	5,081	2,186	23,769

Monthly Average.	Govt. Other.			
	£	£		
Jan.-Mar., 1929	617	18,757	8,797	4,147
Jan.-Mar., 1930	12,803	11,973	5,360	1,120
Apr.-June, 1929	16	16,069	7,858	2,191
Apr.-June, 1930	567	10,233	7,025	25,621
July, 1929	Dr. 600	12,472	6,532	958
July, 1930	350	13,600	990	4,135
August, 1929	Dr. 250	Nil	411	Nil
August, 1930	600	431	Nil	451
Sept., 1929	Dr. 350	Nil	398	93
Sept., 1930	850	1,193	1,785	Nil

The month of September opened the autumn season of capital flotations. Sales of National Savings Certificates exceeded encashments by £850,000. The only Government issue was made by the Ceylon Government, which issued £1,750,000 in 4½ per cent. Inscribed Stock at 95, redeemable on November 1, 1935. The largest company issue of the month, and also the only one to the public, was made by Grosvenor House (Park Lane), Ltd., with 500,000 £1 7½ per cent. cumulative preference shares at par. Other large issues included that of Samuel Allsop and Sons, who offered shareholders 466,408 £1 ordinary shares at a premium of 2s. 6d. per share.

New Capital Issues in the United States.—The following table shows the new capital issues in the United States during the first nine months of the year, compared with three preceding years, which we are able to publish below by courtesy of the *Journal of Commerce* of New York:—

UNITED STATES ISSUES. FIRST NINE MONTHS.				
	1927.	1928.	1929.	1930.
Foreign.	Dollars.	Dollars.	Dollars.	Dollars.
Government	643,779,880	675,013,000	71,667,000	566,040,000
Corporate	486,628,625	636,873,482	203,831,347	395,010,000
Domestic.				
Municipal	1,130,603,781	664,499,116	679,863,151	773,677,810
Railroad	672,522,500	555,888,843	392,095,700	965,741,670
Public Utility	1,539,008,600	1,911,819,250	1,314,149,731	2,011,549,956
Industrial	734,857,269	1,486,872,249	2,065,694,413	992,270,516
Others	1,105,230,200	1,118,862,666	2,314,441,382	513,341,538
Total	6,314,630,855	7,049,828,606	7,041,742,724	6,218,631,490

Castbury
Maker
of Fine Chocolates.

The effects of the Wall Street slump is clearly shown in the marked reduction in issues for industrial and other purposes. Issues of a less speculative character have, however, been on a much larger scale. The total offerings are lower than for the past two years.

Rhodesian Selection Trust.—From a financial point of view the outstanding feature of last year's operations was the arrangement with the American Metal Corporation, under which a total of £1,500,000 had to be advanced. Of this, £312,500 had been received up to June 30th. The year's expenditure on prospecting and development work on the N'Kana concession brought the total up to £757,800, of which £246,800 has been contributed by the Bwana M'Kubwa Co., and £295,600, relating to the Mufulira area, has been treated as representing part of the cost of the 3,000,000 shares in the company to which the property has been transferred. The two parent concerns, in conjunction with the Chartered company, are financing the Mufulira. Up to February last, work on this area was calculated to have indicated the existence of fully 45,000,000 short tons of sulphide ore, averaging 4.68 per cent. copper. Further drilling has disclosed "additional large tonnages." The mine is being equipped with a view to the treatment of 2,000,000 tons annually. As regards the Selection Trust's own properties, drilling to a recent date on the Chambisi has indicated about 24,000,000 tons of sulphide ore, averaging 3.68 per cent. copper, and on the Baluba 21,000,000 tons, averaging 3.47 per cent. Developments on the former are described as "very encouraging," and work is proceeding; on the latter, operations are for the present in abeyance. Hopeful discoveries have been made on several other areas. The view is entertained that before any of these Northern Rhodesian propositions have attained the production stage, copper will stand much above the level to which it has lately fallen. This belief is based upon the expansion in the consumption of the metal which occurs over a period and upon the fact that some of the large American mines are within sight of exhaustion. Time alone will prove or disprove the accuracy of these anticipations.

Renong Dredging.—Our mining correspondent writes: The decline which took place in the price of tin last year was considerably more than offset by the expansion in the output and some saving in costs. The production totalled 912 tons, as against 654, and the profit came out at £51,200 in place of £40,160. That in these circumstances the dividend should have been reduced from 17½ per cent. to 15 per cent. is due partly to increase in the amounts written off and partly to the caution of the directors, the sum carried forward being £26,400, or £7,140 more than a year ago. The amortisation total of £15,700 included £3,900 prospecting and legal expenses in connection with a neighbouring property, which in the end the company failed to secure. Since the date of the accounts—June 30th—the two dredgers have in turn been shut down for a period of two months, and further restriction is probable. In view of this and the renewed depreciation in tin, the outlook for the current year is obviously none too hopeful.

CAPITAL ISSUES.

The chief issue of the week was the offer of 4 per cent. Treasury bonds, which is discussed in an Investment Note on a previous page. The offer of £1,750,000 4½ per cent. inscribed stock by the Ceylon Government was also open to trustees, and, Ceylon being a popular borrower, the issue was promptly over-subscribed. Grosvenor House (Park Lane) headed the autumn industrial list with 500,000 7½ per cent. cumulative preference shares at par, and J. Darnell and Son, Ltd., boot and shoe factors, followed with an offer of 499,000 ordinary shares of 10s. each at 16s. per share.

ISSUES OF THE WEEK.

By Prospectus or Offer for Sale.

Net total recorded, January 1 to September 27, 1930, £192,589,190.
Total, including conversion recorded, January 1 to September 27, 1930, £286,140,421.
National Savings Certificates.
Net sales, 10 days ended September 30, 1930, £100,000.
Total receipts, April 1, 1930, to September 30, 1930, £3,500,000.

	Nominal Capital.	Conversions or Repayments.	New Money Subscription.	First Payment.	Further Liability.
To the Public.					
Ceylon Govt.	1,750,000	...	1,662,500	87,500	1,575,000
Grosvenor House (Park Lane) ...	500,000	...	500,000	62,500	437,500
Total offered to Public, week ended October 4, 1930 ...	2,250,000	...	2,162,500	150,000	2,012,500
To Shareholders only.					
Crompton Parkinson, 150,000 New "A" ord. shares 5s., issued at 10s. 6d.	37,500	...	93,750	93,750	...
Kuala Krau Rubber, 100,000 ord. shares at par (2s.)	10,000	...	10,000	432	9,568
Union Steel Corporation of South Africa, 100,000 8% "B" cum. ptg. pref. £1 at par	100,000	...	100,000	12,500	87,500
Total to Shareholders only, week ended October 4, 1930 ...	147,500	...	203,750	106,682	97,068
Total Offered for Subscription—					
Including Conversions.					
Jan. 1 to date—					
1930	288,606,671	195,055,440	488,754,940	285,239,400	...
1929	236,963,395	199,637,795	693,100,056	269,058,073	...
1928	469,062,067	295,961,444	...	365,165,970	...
1927	...	253,382,826	...	230,782,600	...
1926	...	162,177,204	...	232,214,500	...
1925	...	165,589,650	...	209,326,101	...
1924	...	138,761,265	...	271,399,173	...
1923	...	226,901,987	...	573,675,653	...
By Stock Exchange Introduction.					
Amount previously recorded	16,467,378	...	...	18,152,707	...
Total, week ended October 4, 1930	Nil	...	...	Nil	...
Total to date, 1930	16,467,378	...	...	18,152,707	...
Total to date, 1929	29,834,581	...	...	41,166,723	...

Four per cent. Treasury Bonds, 1934-36.—Issue by tender of 4 per cent. Treasury Bonds, 1934-36, minimum price £100½ per cent. The bonds constitute a trustee security. If not previously redeemed, the issue will be repaid at par on April 15, 1936, but the Treasury reserve to themselves the right to redeem the bonds at par at any time on or after April 15, 1934, on three months' notice. Tenders must be for sums of £10,000 or multiples thereof. At the minimum price, the bonds give a flat yield of about £3 19s. per cent.

Ceylon Government.—Four and a half per cent. inscribed stock, 1965. Issue of £1,750,000 at £95 per cent., of which £400,000 has already been placed in the terms of the prospectus. Trustees are authorised to invest in this loan, which is raised to meet the cost of the construction or acquisition of certain public works in the Colony. The loan is secured on the general revenues and assets of the Government of Ceylon, and the principal will be repaid at par on November 1, 1965. A sinking fund will be formed for the redemption of the loan, and half-yearly contributions at the rate of one and a quarter per cent. per annum will be commenced on or before May 1, 1934. The public debt of the Colony on September 19, 1930, amounted to £14,119,193. The stock gives a flat yield of £4 14s. 9d. and a redemption yield of £4 15s. 11d.

J. Darnell and Son, Ltd.—Offer for sale of 499,000 fully-paid ordinary shares of 10s. each at 16s. per share. The company was formed to acquire from the Darnell Trust, Ltd., as from December 31, 1929, the goodwill and assets of a business of boot and shoe factors established in 1854 and converted into a private limited company in 1922 under the style of J. Darnell and Son, Ltd. On the basis of eight months' trading, the directors affirm that the company should earn £50,000 during the current year, representing 20 per cent. on the share capital.

Grosvenor House (Park Lane).—Offer for sale of 500,000 7½ per cent. cumulative preference shares of £1 each at par. The company was incorporated in 1928 and owns a valuable block of service flats in Park Lane. Net profit after debenture interest totalled £111,061 for the year ended June 30, 1930, covering dividend on the present issue 2.9 times.

[Other Stock Exchange information, including the latest dividend announcements, summary of balance sheets, profit and loss figures and shorter notices will be found on page 643 under the heading "Company News."]

WEEKLY TRAFFIC RETURNS. RAILWAYS OF GREAT BRITAIN AND IRELAND.

Week ended Sept. 27, 1930.	Miles Open.	Week ended Sept. 27, 1930.				Aggregate 39 weeks, 1930.			
		(000's omitted.)				(000's omitted.)			
(b) Week ended Sept. 25, 1930.		Passenger.	Merchandise.	Coal and Coke.	Total.	Passenger.	Merchandise.	Coal and Coke.	Total.
(c) Week ended Sept. 26, 1930.									
Great Western ...	3,751	243	219	113	575	9,610	8,216	4,586	22,412
Do. for 1929 ...	3,751	256	229	125	610	9,953	8,695	4,848	23,543
London & N. Eastern (c) ...	5,362	353	378	265	643	14,190	14,948	9,859	24,807
Do. for 1929 ...	5,361	389	459	295	743	14,759	16,163	10,451	25,614
London, Mid. & Scot. ...	6,956	541	520	258	778	21,010	20,499	9,728	30,227
Do. for 1929 ...	6,957	586	600	292	892	22,254	22,047	10,495	32,542
Southern ...	2,179	323	80	31	111	12,907	2,991	1,146	4,137
Do. for 1929 ...	2,175	344	85	37	122	13,190	3,041	1,274	4,315
Total of above ...	19,244	1,460	1,197	667	1,864	57,717	46,644	25,319	71,963
Do. for 1929 ...	19,244	1,575	1,373	749	2,122	60,156	49,946	27,068	77,014
Metropolitan (c) ...	59	32	5	4	...	127	19	15	...
Do. for 1929 ...	59	33	4	0	...	128	14	...	...
† Underground, E. R. (c) ...	...	308	4	...	...	1,173	...	...	...
Do. for 1929 ...	...	307	0	...	...	1,113	...	...	...
London & Sub. Group ...	...	46	1	...	...	1,727	...	...	...
Do. for 1929 ...	...	46	0	...	...	1,628	...	...	...
B'fret & Co. D'wnc ...	80	2	5	...	...	112	3	...	...
Do. for 1929 ...	80	2	4	...	...	111	5	...	...
* Great Northern b ...	562	12	1	...	...	28	...	...	...
Do. for 1929 ...	562	14	2	...	...	31	...	...	...
Great Southern b ...	2,187	28	3	...	...	70	...	...	...
Do. for 1929 ...	2,187	36	4	...	...	85	...	...	...

* Aggregate 38 weeks.
† Includes receipts from independent omnibuses during current year.

OVERSEAS RAILWAY RECEIPTS.

Name.	Weeks.	Ending.	Present Mileage.	Gross Receipts for Week.		Total Gross Receipts.	
				1930.	+ or -	1930.	+ or -
INDIAN.							
Assam Bengal ...	35	Aug. 30	1,306	Rs. 3,75,000	- 67,048	8,229,343	- 1,32,046
Barsi L. Ry.	23	Sept. 6	202	23,500	+ 500	956,700	- 232,200
Bombay & N. Western	25	Sept. 6	2,079	4,87,026	- 29,827	1,48,87,245	- 848,500
Bombay Nagpur ...	22	Sept. 3	3,139	11,78,000	- 235,643	3,47,51,852	- 30,10,399
Bombay, Bar. & O.L.	22	Sept. 3	3,094	17,90,000	- 1,73,000	4,78,32,000	- 37,59,000
Madras & S. Mahr.	35	Sept. 6	529	12,51,000	- 46,98,43	3,50,55,573	- 70,85,673
†Rohilk'd & Kumaon	23	Sept. 6	561	84,644	- 1,920	27,74,308	+ 1,08,499
South Indian ...	22	Sept. 3	2,371	11,96,777	- 86,353	2,69,62,676	- 10,51,569

† Including Lucknow-Bareilly State Railway.

CANADIAN.							
Canadian National	38	Sept. 21	20290	\$ 8,009,672	- 690,247	\$ 161,932,205	- 33,246,637
Canadian Pacific...	38	Sept. 21	15242	\$ 4,467,000	- 184,000	\$ 126,176,000	- 25,452,000

SOUTH AMERICAN.							
				£	\$	£	\$
Antofagasta (Chili and Bolivia) ...	39	Sept. 28	804	23,520	20,080	1,058,880	423,695
Argentine N. B. ...	13	Sept. 27	753	15,600	1,000	132,700	13,200
Argentine Trans. ...	13	Sept. 27	3,609	1,034	36,137	11,834	
B.A. and Pacific ...	13	Sept. 28	2,806	115,000	32,000	1,513,000	456,000
B.A. Central ...	13	Sept. 28	5,009	12,903	245	175,790	4,049
B.A. Gt. Southern	13	Sept. 28	5,009	184,000	39,000	2,339,000	572,000
B.A. Western ...	13	Sept. 28	1,926	62,000	5,000	868,000	230,000
Central Argentine	13	Sept. 27	3,359	185,000	72,000	2,950,000	712,000
Central Uruguay	13	Sept. 27	273	28,589	7,144	348,789	36,889
C. Urug. (East Ext.)	13	Sept. 27	311	5,185	1,051	69,011	4,894
C. Urug. (W. Ext.)	13	Sept. 27	185	3,329	906	40,403	3,198
C. Urug. (W. Ext.)	13	Sept. 27	211	2,497	152	35,770	4,239
Cordoba Central ...	13	Sept. 27	1,218	65,000	1,000	844,000	65,000
Entre Rios ...	13	Sept. 27	804	25,800	3,600	311,400	19,200
G. West. of Brazil	39	Sept. 27	1,035	13,700	8,400	512,200	135,400
Leopoldina ...	39	Sept. 27	1,856	40,525	23,179	1,362,206	463,397
Leopoldina Termal.	39	Sept. 27	Mrs. Ra. 263,000			1,115,500	288,000
Nitrate (monthly)	40	Sept. 27	153	21,184	31,084	2,184	21,184
San Paulo	40	Sept. 27	153	47,676	9,201	1,602,530	324,499
United of Havana.	13	Sept. 27	1,369	33,831	14,875	474,586	194,080

COMPANY MEETINGS, &c.

RHODESIAN SELECTION TRUST, LIMITED.
EXTENSIVE DEPOSITS.

The second ordinary general meeting of the Rhodesian Selection Trust, Limited, was held on the 2nd instant, at River Plate House, Finsbury Circus, London.

Mr A. Chester Beatty (chairman of the company) said in the course of his speech:—During the past year prospecting, geological work, and drilling were carried out in Mufulira prior to its being formed into a company and in the areas still held by our company. Drilling was chiefly concentrated on Mufulira, Chambishi, Baluba, and Luansobe, but a certain amount of prospect drilling was also carried out at Kalulushi, Mokambo North and South, Luansobe Extension, and Mutundu South.

SATISFACTORY DRILLING RESULTS.

The drilling carried out during the year was extremely satisfactory, and while in certain of the special grants our work has not yet reached the stage where we can decide as to the value of the ground, we have definitely blocked out three large ore bodies—namely, Mufulira, Chambishi, and Baluba.

In these three properties we have already proved the following quantities of sulphide ore:—

	Tons.	Average % of Copper.
Mufulira	45,000,000	4.68
Chambishi	24,000,000	3.68
Baluba	21,000,000	3.47
Total	90,000,000	4.13

IMPROVED CONDITIONS IN RHODESIA.

During the past year general conditions in Rhodesia have shown a very rapid improvement by the application of scientific methods to the problem of the elimination of the malarial mosquito and by the introduction of modern sanitary methods. Living conditions have been improved to a point where they compare favourably with Europe. By training, and particularly by the use of mechanical equipment underground, the efficiency of the native labour in the mines has made great progress.

During the year a central recruiting bureau was formed, with the result that a decided improvement in both the numbers and quality of natives available was evident within a very short time. I have no hesitation in stating that the supply of both white and native labour is entirely satisfactory and their health conditions good.

In a time like this, when there is a general world-wide depression, and when the price of commodities is considerably below the actual cost of production, it is necessary to take a long view and not be confused by existing prices. Copper at the present price of about £47 per ton is selling below the production cost of more than half the world's mines. There are several reasons why such a condition may continue much longer than is at first apparent.

In the first place, such a drop in price as we have just had must be the result of both over-production and over-buying. The manufacturer buys too far ahead and, because of this, the price rises and in turn the producer strains every effort to equal consumption and to derive the benefits of a high price. Eventually there must be a day of reckoning which, when it arrives, finds all consumers overstocked with the supply of metal. This can mean only one thing—a rapid drop in price and a loss of confidence on the part of both the producer and the consumer. When such a condition exists the manufacturer must, of course, use up his stocks, which in turn must be sold to the ultimate consumer at a time when new work is being curtailed.

On the other hand, the producers of copper attempt to keep their heads above water, and in doing so large numbers of small mines, whose production cost is high, will stop all development work and for a time may actually operate at a cost which shows them a slight profit. The aggregate tonnage that comes from mines of this type is fairly large and will not show a material reduction until a low price is continued for some little time.

INCREASED CONSUMPTION ANTICIPATED.

It is certain that over a period of, say, five years we may look forward with the greatest confidence to the normal increase in copper consumption. Over 60 per cent. of the world's copper is used in the electrical industry and the whole world to-day is increasing its consumption of electrical energy very rapidly. In the United States, where there has been a huge expansion in the quantity of electricity consumed during the last twenty years, we find that the copper consumed *per capita* is increased as follows: In 1912, with a population of 95,000,000, there was a consumption of

8.66 lbs. per person, while in 1928, with a population of 110,000,000, the consumption per person was 16.49 lbs.

In Great Britain in 1912, with a population of 45,000,000, the consumption was 6.98 lbs. per person, and in 1928, with a population of 48,000,000, it was 7.89 lbs. per person. There may be times in the next ten years when too much copper will be produced, but the average consumption during that period should be sufficient to give a fair average price, and I am sure that we can look forward with great confidence to the future of Northern Rhodesia and that there is no cause for alarm because of the present low prices.

The report and accounts were unanimously adopted.

ANGLO-SIAM CORPORATION, LIMITED.

DIFFICULT TRADING CONDITIONS.
DISTRIBUTION OF 27½ PER CENT.

The thirty-third annual ordinary general meeting of the Anglo-Siam Corporation, Ltd., was held, on the 30th ultimo, at 5 St. Helen's Place, London, Mr J. M. Ryrie, the chairman of the corporation, presiding.

After referring to the difficult trading conditions prevailing during the period covered by the accounts, the chairman said that, although the profits for the year ended on March 31st last at £62,134 compared unfavourably with those of recent years, he thought that, when the almost universal depression was taken into account, the result was satisfactory.

The accounts, he mentioned, had been drawn up in accordance with the new Companies Act, and, as all losses had been provided for out of the profits of the year, he considered the reduction in the dividend and bonus on the ordinary shares from 35 per cent. to 27½ per cent. was comparatively small.

Investments had increased from £308,442 to £348,007 during the year, but, in view of the deplorable conditions prevailing in India, he was sorry to say that any scheme of reconstruction of the Bombay Woollen Manufacturing Company or sale of the property which the corporation held as mortgagees had proved impossible.

In dealing with the progress and position of the Siam-Malay Rubber Company, Ltd., in which the corporation was largely interested, the chairman announced that it had been decided, after mature consideration, to bud-graft the 2,320 acres in Nos. 2 and 3 clearings, and that, arising from this, the cost of production would be so reduced that, with rubber at, say, 5d. per pound, a profit could be expected.

Mr Ryrie then dealt at some length with conditions prevailing in Siam, and pointed out the strong currency and financial position of that kingdom.

CURRENT YEAR'S OUTLOOK.

As regarded the outlook for the current year, he was unable to say anything of a favourable nature respecting the probable results of the general trade of the corporation, except that the heavy losses incurred last year were not likely to recur, but, given a good floating season, he looked for satisfactory results from the timber side of the business.

Mr Ryrie, however, looked forward to more activity when confidence in the present low level of prices was established, and remarked that, at values ruling to-day, many commodities were selling below the cost of production.

In view of the important part the corporation had taken in the development of the teak trade of Siam, and, indeed, Siamese trade generally, the chairman was hopeful that, in due course, the corporation would be at least granted a lease of the now closed area forests, he said, involved considerable lock-up of money and a large organisation, and as, in view of this, it was important the corporation should know in good time what they were to expect, he hoped at the earliest opportunity.

The directors' report and statement of accounts for the year ended March 31, 1930, were adopted, and final dividends of 3½ per cent. on the preference shares and 12½ per cent., together with a bonus of 7½ per cent., on the ordinary shares were declared, making a total distribution of 27½ per cent., less tax, on the ordinary shares for the year.

Mr J. M. Ryrie and Mr J. Mackenzie were re-elected directors, and Messrs Turquand Youngs and Company were appointed auditors for the current year.

The proceedings terminated with a vote of thanks to the chairman, directors and staff.

Orders for the publication in these columns of the reports of Company Meetings should be addressed to the Reporting Manager of THE ECONOMIST, 8 Bowyer Street, Fleet Street, London, E.C.4.

IMPERIAL SMELTING CORPORATION, LIMITED.

THE FALL IN NON-FERROUS METALS.

Sir Robert Horne (the Chairman) presiding yesterday at Winchester House, E.C., at the first ordinary general meeting of the Imperial Smelting Corporation, Ltd., which was registered and commenced business on August 3, 1929, first dealt with the accounts submitted, and the severe decline in non-ferrous metal prices, pointing that comparing present prices with those ruling in 1925, spelter had fallen from £36 5s. per ton to £14 15s., lead from £35 17s. 4d. per ton to £16 5s., copper from £61 19s. 7d. per ton to £43 17s. 6d., and silver from 34.6404d. per fine ounce to 17.6875d.

HANDICAP OF TAXATION AND FREE IMPORTS.

Having referred to arrangements which had been entered into for future supplies of zinc concentrates, the chairman, continuing, said: While this contract helps us with a reasonable assurance of raw material, and while our works have been made as efficient as possible by large capital expenditure and the employment of a highly trained staff and a skilled and industrious body of workers, it would be folly to forget the handicaps to which an industry such as smelting in this country is subjected in competition with our rivals in other countries. We, and all those who provide services for us are the victims of taxation more grievous than exists anywhere else. It throws a heavy burden on the financial conduct of our business, and tends to impede its development and the adoption of new processes. Not only do these conditions adversely affect our prospects in external markets but, under our present fiscal system, domestic sales are equally menaced when a free entry to the British market is granted to the products of countries where workers in the smelting industry receive at best 5s. to 7s. a day, and where taxation and internal transport costs are a mere tithe of what we have to pay.

It is worth while to observe that we import zinc in all its forms to the extent of over 200,000 tons a year, and that, to obtain and transport this tonnage of imports, about 1,000,000 tons of coal or its equivalent and 1,000,000 man-days of labour have been consumed. We are therefore importing these two items as well, and to sum up, that extent depriving our own people of employment. Our exports of manufactures representing British coal and British labour are taxed wherever they go. There is no reason why all the zinc requirements of the United Kingdom, both for its home and export trades, should not be produced within the Empire, and provide a profitable use for our own resources and more stable employment for our people.

PROSPECTS.

Declining prices have not been confined to the metal markets, but have been general amongst almost all staple commodities. Sugar, tea, coffee, wheat, rubber, wool, cotton, have all suffered a similar fate, and producers of such articles throughout the world are the victims of a consequent serious decline in their revenues. This movement does not represent any orderly adjustment of the world's price levels—it has been sudden and violent, and for this reason has in some cases assumed the character of a catastrophe, seriously disturbing the social as well as the financial and commercial structure of many important countries. Abrupt dislocation of employment has been one of its gravest effects. The first to suffer—and suffer severely—from movements of this character, are debtor countries and those whose industries are in an important degree concerned with the production and distribution of basic commodities. Creditor nations and those largely exporting manufactured goods were, for a short time, only slightly affected, but now with a decline in the purchases of manufactured goods and a heavy reduction in the return on their external investments they, too, are being severely hit.

In this country there has been a tendency to regard the difficulties of the countries engaged in primary production—who in this time of vicissitude find themselves embarrassed by borrowings made for developments—as entirely due to some form of improvidence peculiar to them, the punishment for which has now inexorably arrived. From a pinnacle of high rectitude we have shown a disposition to admonish them with some severity, referring them to the science of economics and warning them to reduce their costs and curtail their expenditure. But, because of the low prices which their produce is fetching, these critics have only gone half-way in their criticism and advice. They would be well advised to turn their gaze homeward. Our own position and practice deserve just as severe scrutiny. We have been and are improvidently dissipating the national resources and spending with a folly that becomes more and more evident when misfortune in other countries lessens or destroys the yield on our overseas investments and decimates the demand for our manufactures. These troubles in other countries must add to our domestic difficulties, already grave enough. Our national revenues will be materially affected. We shall have less to spend. It is incumbent

on us, equally with the debtor countries, to reduce our costs, increase our efficiency, cut out public and private extravagance, and reduce the overwhelming burden of national expenditure, if we are to escape conditions which might easily assume the character of a crisis.

Whether this adverse movement in commodity prices is nearing its end, or whether a recovery is now near at hand are questions which are being actively debated in every important centre. The mal-distribution—and perhaps the insufficiency—of the world's gold supply and the destruction, by the forced decline in silver values, of the purchasing power of the great Eastern nations are important factors in causing existing difficulties. I humbly agree with the views recently enunciated by Sir Henry Strakosch that the cause of the present low prices is not to be found in the over-production of commodities, but in the failure of the medium of exchange. The increased production which we have witnessed is not lopsided or confined to a narrow limit of articles, but extends over almost the whole range of those commodities which are usually most in demand. Logically this ought not to lead to any disturbance in markets. The world, indeed, ought to benefit through greater well-being.

EXPLANATION OF PRESENT TROUBLES.

The explanation of the present trouble seems to me clear. Low prices of commodities may be otherwise expressed as appreciation of gold, and nothing is worse for trade than wide fluctuations in the value of gold. This was foreseen by a great conference of economists of all European nations over which I had the honour to preside at Genoa in 1922; and, in recommending a reversion to the gold standard, we at the same time proposed that measures should be taken to co-ordinate the demand for gold in order to avoid such fluctuations in its purchasing power as might arise from the competitive efforts of a number of countries to secure metallic reserves. To this end the conference suggested close co-operation on the part of the central banks, with a view to "preventing undue fluctuations in the purchasing power of gold." This task, unfortunately, still remains for the banks to accomplish. The inauguration of the International Bank for Reparations might afford an opportunity for tackling a problem whose vital importance has been only too clearly demonstrated by the misfortunes which have come upon us for that lack of co-ordination which has resulted in the sterilisation of gold in considerable quantities in some countries, while the trade of the world is impeded for want of a sufficient quantity of money to effect the necessary exchanges of goods.

If due attention were given to this aspect of the world-problem, I believe that a solution could be found which would, at least, tend to alleviate the world's distresses. The whole question ought to be studied in conjunction with the statistics of gold production, which seem to warn us that in a few years we may be faced not only with the difficulty of mal-distribution of the precious metal, but also of its insufficiency to meet the demands of world trade. At the same time, consideration ought to be given to the position of silver, whose loss of value, brought about to a large extent by Government action, has grievously impaired the purchasing power of India and China and helped to destroy the prosperity of Lancashire, and all other regions which depend upon Eastern trade.

FALL IN PRICES OVERDONE.

Estimating the situation to-day as best I can, it seems to me that the fall in commodity prices has now been overdone. There have been similar occurrences in the past, but none so wide in extent or so serious in result. If experience furnishes any guide, it would appear safe to expect the great gap between the selling prices of commodities and their cost of production to be bridged—in greater degree by lowered costs, and, to a lesser extent, by some recovery in prices from their present depressed levels.

The prospect of rapid recovery is, however, far from promising. No group of industries has felt the effects of the world-wide industrial malaise more severely than the base metal industries, and it speaks well for the equipment and arrangement of your concerns that they have stood up so well against the violent and sudden market movements, to which I have already referred. We have to accustom ourselves to a lower level of prices; but by effort and economy and sacrifice, fairly distributed amongst all concerned, we feel that we can face the future with calm—a calm which would grow into assurance if we could rely upon the Government to mitigate the unequal burdens which industry has to bear in this country; and to make the conditions of competition between ourselves and our foreign rivals fair to the products of our own people.

The report and accounts were unanimously adopted and a dividend of 5 per cent., less tax, on the ordinary shares was declared.

GAUMONT-BRITISH PICTURE CORPORATION, LIMITED.

CONSIDERABLY INCREASED PROFITS.

The third annual general meeting of Gaumont-British Picture Corporation, Ltd., was held, on the 26th ultimo, at Film House, 142-150 Wardour Street, London, Mr I. Ostrer (the chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said that the net result of the year's working was an increase in revenue earnings of £81,758. That increase was offset to some extent by the charge of £56,824 for interest, being the debit balance on that account written off. A material saving in that item was anticipated in the future. The directors recommended a dividend of 6 per cent. on the ordinary shares, the same as in the two preceding years. He did not think the results could be regarded as other than satisfactory, particularly when taking into consideration the conservative methods that had been applied in arriving at the results. The profit to date already showed a considerable increase over that of the corresponding period of last year.

Since the accounts closed, they had taken over the management of United Picture Theatres, Ltd., owning or controlling 17 theatres, and since last year associated and subsidiary companies had completed and opened a number of new theatres—some of which ranked with the finest in the world—rebuilt some, and acquired others. They had also in course of construction theatres in the most important districts around London and in some of the principal key centres in the provinces. In addition, it was their definite policy to keep their theatres and properties in first-class condition, and wherever possible to bring even their oldest theatres into line with the most modern.

By its association with some of the principal British producing companies, the corporation controlled an output of British films that was second to none, and might justifiably claim to take the leading part in the world of British films.

When he reminded them that there had come from those units such famous films as "Journey's End," "Rookery Nook," "High Treason," "Alf's Button," "Splinters," "The Great Game," and "Symphony in Two Flats," they would appreciate the fact that their corporation was definitely unwilling to take second place in production to any other company operating in the kingdom.

The report was unanimously adopted.

D. GESTETNER, LIMITED.

RECORD OF PROSPERITY.

Mr Sigmund Gestetner, chairman of the company, presided at the annual general meeting of D. Gestetner, Ltd., held, on the 30th ultimo, at Aldwych House, London. Mr Gestetner said that the figure of profit for the past year represented a record of prosperity since the commencement of the business by Mr D. Gestetner some forty-nine years ago. Most of those present would agree with him that these were not times of general prosperity; in fact, it would be no exaggeration if he said that, throughout a great part of the period covered by these accounts, the world had been passing through an unparalleled economic crisis. They in the business were confident that their products were easily first of their kind, and the constant improvements which emanated from Mr D. Gestetner and the research staff, coupled with the energy and enterprise of their sales organisations, enabled them to maintain their prosperity in times when prosperity was hard to come by. As they were all aware, the Gestetner business was not confined to this country; in fact, they were doing a very large business with all the countries of the world. He felt he could truthfully say that the same courage and energy that had been shown by the home staff had been employed by their associates abroad. He felt that it would be the wish of many friends, in many parts of the world, if he, the chairman, paid a tribute to the inventive genius, courage, and determination of their founder,

OFFER TO NEW READERS.

Any reader who makes his first acquaintance with this journal with this week's issue is invited to fill up the attached:

To Publisher, "Economist Newspaper, Ltd.,"
8, Bouverie Street, E.C.4.

In order to test the value of your publication I should like you to forward this to me by post for the next four weeks. If I then decide to become a subscriber, it is understood that there will be no charge for the copies thus received, but otherwise I shall be willing to pay 4s. to cover their cost.

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Mr D. Gestetner, who had started the business from nothing and had brought it where it was. Those same qualities, even though they had been used for half a century, had not been used up, and would not be lacking in the future.

Turning to the balance-sheet, the main item of change was an increase of just over £140,000 in the investments in subsidiary companies. This figure practically represented an increase in their interest in the Gestetner Duplicator Corporation of New Jersey. The corporation had already established branches in New York, Buffalo, Newark, Philadelphia, Washington, Chicago, Baltimore, and Boston. Everything was proceeding according to plan. Breaking into a new market, and especially the American market, was no easy matter, and they realised that they would have their difficulties and their struggles; but once the necessary spadework had been done, and their machines became known, they were confident that they would attain success.

The report was unanimously adopted.

CITY AND INTERNATIONAL TRUST, LIMITED.

REVENUE POSITION MAINTAINED.

The ordinary general meeting of the City and International Trust, Ltd., was held, on the 30th ultimo, at Winchester House, London.

Mr. Louis H. Kiek (chairman and managing director) said that after paying the dividend on the preferred stock they had £38,136, or slightly over 9½ per cent. on the ordinary stock. They recommended a final dividend of 4 per cent., making 6½ per cent. for the year. Considering the anxieties and difficulties of the period, he thought the result gave cause for moderate satisfaction.

For their new book year, they must be prepared for a possibly less satisfactory diet, for they could not expect to be entirely immune from the consequences of the universal economic crisis. They might, however, as far as their own company was concerned, derive comfort from the fact that their net revenue prospects for the year appeared reasonably satisfactory. Subject to unforeseen political or economic complications, there appeared solid ground for the view that lower interest rates than had prevailed for the last few years would rule for some time to come and that consequently those easier conditions would gradually exercise their effect also on the long-term investment market.

He was therefore fairly confident that in their new year they need not apprehend any increased cost in bank interest charges. Incidentally, the investment demand already in evidence for high-class securities would sooner or later also turn to investment trust company debentures, whose remarkable record of security and wide margin of revenue cover had of late been singularly overlooked.

Their investments numbered 334, and after deducting capital profit on the year's changes in investments, they represented a book value of £1,831,383, or an average of £5,483, as against 320 and £5,465 respectively last year. About 48 per cent. of their securities were of the fixed interest-bearing type. Next came 13.6 per cent. in preference shares, the remaining 38.8 per cent. being in ordinary stocks or shares. In the light of their revenue position he trusted it would be conceded that they might look with comparative equanimity upon the depreciation which their investments showed at this time of abnormal depression.

The most crying need to-day was relief from the burden of excessive taxation, which was now levying direct tribute on our industrial and commercial working capital and was thus crippling enterprise and increasing unemployment. The immediate outlook at home and abroad remained obscure, but he was convinced that they would successfully emerge from their protracted ordeal.

The report and accounts were unanimously adopted.

Government Returns, &c.

NATIONAL ACCOUNTS.

As is shown from the Treasury Return printed below, the total ordinary revenue for the ten days ended Sept. 30, 1930, amounted to £9,591,700, against ordinary expenditure of £13,093,400. After allocating £1,552,500 to the Sinking Fund, and having allowed for operations, as shown below, increased the National Debt by £5,075,000 to £7,675,000,000:—

(000's omitted.)

National Savings Certificates ...	£ 100	Public Department Advances ...	£ 28,470
Treasury Bills	31,096		
P.O. and Telegraph Money	2,350		
	+ 33,546		
			— 28,470

A complete analysis of the National Debt at Sept. 30th is shown below:—

NATIONAL DEBT—(Million £).

	Aug. 1, 1914.	Dec. 31, 1919.	Mar. 31, 1926.	Mar. 31, 1927.	Mar. 31, 1928.	Mar. 31, 1929.	Mar. 31, 1930.	June 30, 1930.	Sept. 30, 1930.
2½% and 2½% Consols	573	300	300	300	300	300	300	300	300
Term Annuities	30	20	13	12	12	12	12	12	12
4% Consolidated Loan	...	...	...	166	204	354	353	353	350
5% Conversion Loan	...	...	760	832	811	790	790	790	785
Other Funded Debt...	15	15	14	14	14	14	14	14	14
4½% Conversion Loan	...	...	211	211	221	223	227	313	316
5% Conversion Loan	...	...	...	...	...	...	323	323	323
3½% War Stock	...	63	63	63	63	63	63	63	63
4½% War Stock	...	13	13	13	13	13	13	13	13
4% and 5% War Stock	2,047	2,109	2,154	2,253	2,264	2,171	2,171	2,171	2,171
National War Bonds	1,509	706	556	194	...	...	...	...	...
4% Funding Loan	409	390	389	385	381	378	378	374	374
4% Victory Bonds	360	292	277	261	246	235	235	233	233
Treasury Bonds	...	482	454	675	681	542	517	517	517
Exchequer Bonds	20	323	15	16	16	16	16	16	16
National Savings Certs.	267	375	372	362	361	358	358	359	359
Other Debt	1,306	1,111	1,103	1,097	1,087	1,076	1,076	1,076	1,076
American Loan (Anglo-French)	...	51	...	...	...	...	...	...	...
Treasury Bills	15	1,107	565	599	527	700	589	615	680
Temporary Advances	1	243	139	117	162	37	49	77	10
Other Capital Liabilities	654	57	7,558	7,555	7,528	7,500	7,470	7,545	7,533
	87	46	75	103	103	120	127	129	131
Total Liabilities ...	711	8,079	7,633	7,653	7,631	7,620	7,597	7,674	7,664

* Includes debt to American Government.

The aggregate revenue and expenditure to Sept. 30, 1930, is shown below:—

FINANCIAL YEAR, 1930-31, APRIL 1 TO SEPTEMBER 30.

(000's omitted.)

	£	Revenue	£
Expenditure	353,700	Decreases in balances	295,481
Sinking Fund	22,824	Net amount borrowed	78,458
	376,524		376,524

POSITION OF THE FLOATING DEBT.

Ways and Means Advances Out-stand- ing—	Sept. 30, '29.	Mar. 31, '30.	Sept. 30, '30.	Sept. 30, '30.
Advances by Bank of England ..	21,446,000	48,530,000	10,000,000	—28,470,000
Advances by Public Departments	792,400,000	588,885,000	680,065,000	+ 31,275,000
Treasury Bills outstanding	813,846,000	637,415,000	690,065,000	+ 2,805,000

* Includes £186,000, the proceeds of which were not carried to the Exchequer within the period of the account.

TREASURY BILLS BY PUBLIC TENDER.

Tenders for £45,000,000 in Treasury Bills were opened on September 26, 1930, and the total amount applied for was £54,705,000. Tenders were accepted for bills at three months, dated Monday and Tuesday at £99 9s. 10d.; Wednesday to Friday at £99 9s. 8d., about 23 per cent., and Saturday at £99 9s. 10d., and above in full. The amount allotted was £45,000,000.

Date.	Amount Offered.	Amount Applied For.	Treasury Bills at 3 Months Average Rate.
1930.			
Sept. 5	40,000,000	45,575,000	2 1/2 8-27
Sept. 12	35,000,000	48,140,000	2 1/2 8-21
Sept. 19	40,000,000	55,740,000	2 0 10-05
Sept. 26	45,000,000	49,705,000	2 0 2-84

The OCEAN ACCIDENT and GUARANTEE CORPORATION, Limited.

ASSETS £29,048,500
CLAIMS PAID £56,933,000

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

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

The Bankers' Gazette.

BANK OF ENGLAND.

Return for Week ended Wednesday, October 1, 1930.

ISSUE DEPARTMENT.

Notes Issued—	£	Government Debt	£
In Circulation	359,386,483	Other Government Securities	11,015,100
In Banking Department	56,232,482	Other Securities	232,894,634
		Silver Coin	11,627,417
			4,462,849
		Amount of Fiduciary Issue	260,000,000
		Gold Coin and Bullion	155,618,965
			£415,618,965

BANKING DEPARTMENT.

	£		£
Proprietors' Capital	14,553,000	Government Securities	44,536,247
Reserve	3,719,847	Other Securities—	
Public Deposits	21,645,391	Discounts and	
Other Deposits		Advances	£11,916,677
Bankers'	£61,317,731	Securities	22,157,669
Other Accounts	34,789,325	Notes	34,074,346
		Gold and Silver Coin	56,232,482
7-Day and other Bills	96,107,056		1,184,362
	2,143		
	£136,027,437		£136,027,437

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

Both Departments.	Amount, Oct. 1, 1930.	Inc. or Dec. on Last Week.	Inc. or Dec. on Last Year.
Note circulation	359,386,483	+ 3,617,486	— 3,961,212
Public deposits	21,645,391	+ 8,335,160	+ 12,652,829
Bankers' deposits	61,317,731	+ 2,856,132	+ 3,592,178
Other deposits	34,789,325	+ 594,425	+ 3,252,326
Seven-day bills	2,143	— 138	— 366
Total, outside liabilities	477,141,073	+ 9,690,801	+ 1,846,747
Capital and rest	18,272,847	+ 18,451	+ 25,225
Government debt and securities	288,445,981	+ 3,484,130	— 32,071,443
Discounts and advances	11,916,677	+ 6,244,539	+ 3,409,028
Other securities	33,785,086	+ 570,144	+ 4,403,977
Silver coin in issue department	4,462,849	+ 2,650	+ 379,779
Coin and bullion (bank's reserve)	156,803,327	+ 623,813	+ 26,459,739
Reserve of notes and coin in banking department	57,416,844	+ 4,241,299	+ 30,420,951
Proportion of reserve to outside liabilities—			
(a) Banking department only	48½%	— 6¼%	+ 24½%
(b) Gold stocks to deposits and notes ("reserve ratio")	33½%	— ½%	+ 5½%

(000's omitted.)

Date.	Issue Department.		Banking Department.			Gold in or out of Bank.	Increase or decrease.
	Notes Issued.	Circulation.	Public Deposits.	Bankers' Deposits.	Other Deposits.		
1930.							
Aug. 13	413,092	367,379	12,256	66,253	34,020	508 in	3
20	414,334	361,791	21,045	61,655	33,594	1,213 in	3
27	414,840	360,868	18,173	62,600	33,799	504 in	3
Sept. 3	414,460	362,983	7,917	67,428	34,616	381 out	3
10	415,546	361,326	9,013	67,166	34,137	267 in	3
17	416,420	357,768	8,934	65,308	33,786	653 in	3
24	416,305	355,769	13,310	64,174	34,195	155 out	3
Oct. 1	415,619	359,386	21,645	61,318	34,789	748 out	3

(000's omitted.)

Date.	Issue Department.		Both Depts.		Banking Department.				
	Govt. Debt and Securities.	Other Securities.	Gold Coin and Bullion and Reserve Ratio.		Govt. Securities.	Dis- counts & Advances.	Other Securities.	Reserve & the "Proportion."	
1930.	\$	\$	\$	%	\$	\$	\$	%	
Aug. 13	243,786	11,754	154,105	32½	54,346	6,865	22,744	46,726	41½
20	243,906	11,629	155,366	32½	49,371	6,115	25,434	53,574	46
27	243,908	11,629	155,888	32½	49,141	6,460	22,187	55,020	48
Sept. 3	243,910	11,629	155,522	32½	47,881	6,229	21,559	52,539	47½
10	243,910	11,629	156,574	33	45,911	5,770	21,641	55,520	50
17	243,904	11,629	157,511	33½	38,766	5,377	22,409	59,743	48½
24	243,906	11,629	157,427	33½	41,056	5,672	21,586	61,658	55½
Oct. 1	243,910	11,627	156,803	33½	44,536	11,917	22,158	57,417	48½

BANKERS' CLEARING RETURNS (000's omitted).

	Town.	Metropolitan.	Country.	Total.
1930.				
January 1 to September 17	£ 28,300,077	£ 1,311,767	£ 2,144,583	£ 31,756,427
Week ended September 24	611,917	28,578	49,165	689,660
Week ended October 1	855,597	30,559	48,962	935,118
Total to date, 1930	29,767,591	1,370,904	2,242,710	33,381,205
Total to date, 1929	30,087,041	1,419,544	2,310,043	33,816,628
Increase or decrease in 1930	— 319,450	— 48,640	— 67,333	— 435,423
	— 1.1%	— 3.4%	— 2.9%	— 1.3%
Total for year, 1929	39,935,924	1,881,789	3,078,764	44,896,477
Do, 1928	39,311,117	1,854,190	3,035,422	44,204,729
Increase or decrease in 1929	+ 624,807	+ 27,599	+ 39,342	+ 691,751
	+ 1.6%	+ 1.5%	+ 1.3%	+ 1.6%

OVERSEAS BANK RETURNS.

NOTE.—The latest Return of the Bank of Portugal appeared in the *Economist* of August 30; Bank for International Settlements on September 18; Denmark and Egypt on September 20; Canada, Danzig, Lithuania, and Roumania on September 27.

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

RESOURCES.	Oct. 3, 1929.	Sept. 11, 1930.	Sept. 18, 1930.	Sept. 25, 1930.	Oct. 2, 1930.
Total gold reserve	2,982,796	2,559,600	2,975,640	2,988,930	2,976,770
Total bills discounted	930,630	185,190	163,160	167,160	185,920
Bills bought in open market	322,820	193,120	208,860	197,740	193,110
Total U.S. Govt. securities	145,750	602,030	610,380	601,810	601,180
Total bills and securities	1,414,230	980,340	982,410	976,910	980,210
Total resources	5,506,930	4,806,380	5,001,380	4,827,300	4,878,980
LIABILITIES.					
Federal Reserve notes in actual circulation	1,851,170	1,351,250	1,349,330	1,347,720	1,376,350
Deposits—Memberbank—reserve account	2,398,930	2,428,290	2,456,280	2,416,150	2,394,320
Total deposits	2,470,710	2,476,630	2,485,550	2,483,540	2,456,680
Capital paid in and surplus	421,400	446,770	446,810	447,500	447,580
Total liabilities	5,066,930	4,806,380	5,001,380	4,827,300	4,878,980
Ratio of total reserves to deposits and Federal Reserve note liabilities combined	72.7%	81.3%	81.6%	82.0%	81.6%

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

RESOURCES.	Oct. 3, 1929.	Sept. 11, 1930.	Sept. 18, 1930.	Sept. 25, 1930.	Oct. 2, 1930.
Total gold reserves	151,820	982,200	996,410	1,048,720	1,043,450
Total bills discounted	126,650	26,120	21,600	24,140	26,390
Bills bought in open market	31,400	51,300	59,600	44,250	48,650
Total U.S. Govt. securities	320,720	187,950	195,350	187,540	186,240
Total bills and securities	478,170	265,370	276,550	255,930	261,280
Deposits—Memberbank—reserve account	985,280	1,905,360	1,022,200	1,026,320	1,008,710
Ratio of total res. to dep. and Federal Res. note liabilities combined	81.0%	85.2%	84.5%	86.9%	86.5%

SOUTH AFRICAN RESERVE BANK.—In £'s (000's omitted).

ASSETS.	Sept. 6, 1929.	Aug. 8, 1930.	Aug. 15, 1930.	Aug. 22, 1930.	Aug. 29, 1930.	Sept. 5, 1930.
Gold coin and bullion	7,503	6,799	6,872	7,007	6,843	6,604
Subsidiary coin	67	173	181	184	173	173
Bills discounted	8,823	6,730	7,271	8,160	8,077	7,832
Investments	674	1,341	1,105	1,405	1,405	1,404
LIABILITIES.						
Capital	1,000	1,000	1,000	1,000	1,000	1,000
Reserve	600	720	720	720	720	720
Notes in circulation	9,062	8,160	7,509	7,214	8,676	8,175
Government deposits	1,663	1,139	1,919	2,379	1,881	1,881
Bankers' deposits	4,585	5,135	5,194	4,948	4,764	4,746
Ratio of cash reserves to liabilities to public	47.5%	46.7%	46.5%	46.9%	43.9%	44.7%

IMPERIAL BANK OF INDIA.—In rupees (000's omitted).

ASSETS.	Sept. 6, 1929.	Aug. 8, 1930.	Aug. 15, 1930.	Aug. 22, 1930.	Aug. 29, 1930.	Sept. 5, 1930.
Total securities	30,277.98	38,218.81	28,712.29	28,456.66	27,357.57	27,015.50
Loans	8,899.95	17,588.88	17,215.00	18,484.41	18,812.72	18,014.45
Cash credits	22,556.66	32,072.82	30,998.73	30,114.46	30,179.72	29,144.40
Inland bills	2,911.76	2,093.98	2,333.34	2,311.45	2,377.34	1,846.68
Foreign bills	1,873.40	40.74	39.39	35.66	43.95	46.90
Dead stock	2,825.54	2,781.12	2,785.45	2,785.45	2,785.45	2,785.45
Bal. with other banks	8.54	12.68	4.20	3.53	7.38	22.41
Cash	28,421.19	22,268.85	24,111.07	27,213.35	29,755.26	23,096.62
LIABILITIES.						
Capital paid up	5,625.00	5,625.00	5,625.00	5,625.00	5,625.00	5,625.00
Reserve	5,275.00	5,375.00	5,375.00	5,375.00	5,375.00	5,375.00
Total deposits	84,668.28	94,757.72	93,755.00	96,897.87	99,444.92	89,746.26
The above includes—						
Deposits in London	920	6,000	5,873	6,797	6,790	6,885
Advances in London	920	7,220	7,158	8,130	8,042	7,982
Cash, &c., at other banks in London	62	97	29	26	51	168

BANK OF FRANCE.—In francs (000's omitted).

ASSETS.	Sept. 27, 1929.	Sept. 5, 1930.	Sept. 12, 1930.	Sept. 19, 1930.	Sept. 26, 1930.
Gold	39,410,828	47,477,717	47,542,834	47,671,630	48,431,266
Foreign assets	7,209,737	6,832,314	6,839,305	6,725,892	6,566,845
Bills discounted	18,761,631	18,794,705	18,785,175	18,891,042	19,036,990
Domestic bills discounted at home	9,017,740	4,896,658	4,859,501	4,928,485	6,154,577
Advances against sec.	8,811,552	8,504,399	8,504,399	8,504,399	8,504,399
To the State	2,400,961	2,835,979	2,803,691	2,789,714	2,796,453
Other assets (excluding forward exch.)	2,586,946	3,238,382	3,074,592	3,100,607	3,052,611
LIABILITIES.					
Notes in circulation	66,639,204	73,433,001	72,875,318	72,479,063	73,053,479
Public deposits	13,629,168	9,993,421	10,611,131	10,859,923	10,508,526
Private deposits	5,531,010	6,603,572	6,450,439	6,723,817	8,270,433
Other liabilities	2,400,013	2,530,163	2,496,951	2,548,966	2,709,805

THE REICHSBANK.—In Reichsmarks* (000's omitted).

ASSETS.	Sept. 23, 1929.	Sept. 6, 1930.	Sept. 15, 1930.	Sept. 23, 1930.
Reichsbank shares not yet issued	177,212	177,212	177,212	177,212
Gold and bullion	2,192,006	2,618,902	2,618,902	2,583,625
Of which deposited abroad	149,788	149,788	149,788	149,788
Reserve in foreign currencies	326,631	392,108	320,473	223,749
Bills of exchange and cheques	2,121,650	1,572,422	1,366,242	1,351,767
Silver and other coin	128,900	148,429	165,034	181,001
Notes of other German banks	24,017	13,514	17,289	22,148
Advances	43,188	57,007	62,637	66,039
Investments	92,755	102,677	102,666	102,666
Other assets	594,746	668,097	665,132	677,492
LIABILITIES.				
Reduced capital	122,788	122,788	122,788	122,788
Increase of capital (shares not yet issued)	177,212	177,212	177,212	177,212
Reserve	319,608	371,139	371,139	371,139
Notes in circulation	4,201,964	4,486,210	4,245,610	4,032,989
Other daily maturing obligations	519,430	368,996	352,244	443,237
Other liabilities	360,103	225,023	226,439	228,334

* Equal to one billion paper marks or one Rentenmark.
The gold reserve is calculated in accordance with the new legal prescription of one pound of fine gold equals 1,392 Reichsmarks.

NATIONAL BANK OF BELGIUM.—In Belgas (000's omitted).

ASSETS.	Position, May 28, 1914.	Sept. 25, 1929.	Sept. 8, 1930.	Sept. 15, 1930.	Sept. 18, 1930.	Sept. 25, 1930.
Gold	232,650	551,255	869,086	894,581	892,814	851,842
Foreign Bills and Balances Abroad	697,600	748,108	751,271	745,451	735,259	743,664
Silver and other coin		1,920	4,575	4,588	4,707	4,324
Securities						
Notes in circulation	934,150	2,627,945	3,081,561	3,078,624	3,048,145	3,051,219
Current accounts	112,125	67,870	105,391	131,317	141,108	154,430

(b) In thousand francs.

NETHERLANDS BANK.—In florins (000's omitted).

ASSETS.	Position, May 30, 1914.	Sept. 23, 1929.	Sept. 8, 1930.	Sept. 15, 1930.	Sept. 22, 1930.
Gold	163,092	443,043	390,615	390,609	390,601
Silver	8,436	19,697	24,350	24,166	24,389
Home Bills discounted		53,543	48,697	48,797	48,435
Foreign Bills	153,504	183,221	234,352	234,401	239,867
Loans and advances in current acct.		91,971	115,586	91,517	89,043
LIABILITIES.					
Notes in circulation	316,632	803,217	843,998	824,505	812,499
Deposits	5,016	16,101	17,578	12,356	13,078

BANK OF JAVA.—In florins (000's omitted).

ASSETS.	Position, May 30, 1914.	Sept. 28, 1929.	Sept. 6, 1930.	Sept. 13, 1930.	Sept. 20, 1930.	Sept. 27, 1930.
Gold	22,971	146,656	168,300	168,100	168,800	170,300
Silver	29,785	23,224				
Discounts, advances, and other investments	77,567	195,027	108,900	108,600	109,200	107,300
LIABILITIES.						
Notes in circulation	109,499	306,035	265,200	264,600	260,300	257,300
Deposits and bills payable	11,250	67,264	36,600	37,300	39,500	44,000

SWISS NATIONAL BANK.—In francs (000's omitted).

ASSETS.	Position, May 31, 1914.	Sept. 23, 1929.	Aug. 30, 1930.	Sept. 6, 1930.	Sept. 13, 1930.	Sept. 20, 1930.
Gold	171,175	506,822	639,253	639,585	639,621	639,632
Foreign Bills and Balances abroad		227,956	341,644	342,326	340,542	329,911
Discounts		131,273	12,954	10,123	58,703	25,583
Advances	103,000	55,739	37,264	36,501	36,061	38,967
LIABILITIES.						
Notes in circulation	275,925	880,914	942,658	923,983	903,706	895,843
Deposits	53,750	76,996	175,913	229,314	245,997	228,356

BANK OF ITALY.—In lire (000's omitted).

ASSETS.	Sept. 20, 1929.	Aug. 20, 1930.	Aug. 30, 1930.	Sept. 10, 1930.	Sept. 20, 1930.
Gold, coin and bullion	5,170,800	5,226,300	5,232,100	5,235,800	5,294,600
Foreign bills and balances abroad	5,021,900	5,091,000	5,098,300	5,040,400	5,003,700
Other cash	233,800	589,700	754,700	589,200	580,500
Gold deposited abroad due by the State	1,813,100	1,792,000	1,792,000	1,792,000	1,790,100
Discounts	3,699,600	2,711,900	2,783,700	2,777,900	2,752,300
Advances	1,490,200	927,300	1,145,300	1,072,400	1,090,500
Credit with "Istituto di Liquidazione"	897,500	657,100	656,400	656,400	656,400
Government securities	1,063,600	1,136,700	1,136,700	1,149,000	1,144,200
LIABILITIES.					
Notes in circulation	16,538,400	15,890,200	16,074,300	16,300,400	15,941,800
Public deposits	300,000	300,000	300,000	300,000	300,000
Other deposits and drafts	1,580,500	1,828,100	1,669,900	1,594,600	1,633,500
Ratio of reserve to note and sight liabilities combined	55.34%	57.26%	57.25%	57.47%	57.61%

BANK OF SWEDEN.—In kronor (000's omitted).

ASSETS.	Sept. 28, 1929.	Sept. 6, 1930.	Sept. 13, 1930.	Sept. 20, 1930.	Sept. 27, 1930.
Gold	241,951	242,405	242,344	242,266	242,184
Government securities—Swedish	3,291	18,141	17,508	17,177	16,981
Foreign	69,923	65,992	65,992	65,992	65,992
Other Swedish bonds quoted on foreign bourses	171	97	97	97	97
Bills payable in Sweden†	220,450	77,592	66,505	57,320	51,466
"abroad"	73,926	102,586	99,061	94,538	89,098
Balance abroad	77,017	177,823	187,056	210,708	221,864
Advances made on Government securities and bonds	55,573	38,004	29,883	28,962	32,140
LIABILITIES.					
Notes in circulation	566,881	553,075	549,702	558,238	556,127
Government deposits	129,556	102,881	94,528	102,964	91,754
Private deposits	4,905	16,187	9,776	24,558	19,511

† The sum of the items "Bills payable in Sweden" and "Advances made on Government Securities and Bonds" excludes advances and cash credit which are not available as cover for the note issue.

BANK OF NORWAY.—In kroner (000's omitted).

(Not audited).					
	Position, May 31, 1914.	Sept. 23, 1929.	Sept. 8, 1930.	Sept. 15, 1930.	Sept. 22, 1930.
ASSETS.					
Coin and bullion—Gold	44,224	146,762	146,510	146,497	146,495
Balance abroad and foreign bills	28,553	46,230	27,792	23,840	25,007
Norwegian and Foreign Government securities	8,816	21,382	48,517	52,949	53,249
Discounts and loans	76,911	249,803	210,511	210,842	208,350
LIABILITIES.					
Notes in circulation	113,484	308,648	305,456	301,936	301,936
Deposits at sight	7,188	90,274	65,702	67,302	70,000

RATES OF EXCHANGE.

London on	Usance	Par.	Oct. 3, 1929.	Sept. 25, 1930.	Oct. 2, 1930.
New York.....	dollars to £1	Cable	4.85 1/2	4.85 1/2	4.85 1/2
Montreal.....	dollars to £1	Cable	4.85 1/2	4.85 1/2	4.85 1/2
Paris.....	francs to £1	T.T.	124.21	123.91	123.91
Berlin.....	marks to £1	T.T.	20.20	20.39	20.41
Amsterdam.....	florins to £1	T.T.	12.107	12.091	12.091
Brussels.....	belgas to £1	T.T.	35.00	34.87	34.88
Milan.....	lire to £1	T.T.	92.46	92.82	92.84
Zurich.....	francs to £1	T.T.	25.22	25.17	25.17
Oslo.....	kroner to £1	T.T.	18.159	18.201	18.201
Stockholm.....	kronor to £1	T.T.	18.159	18.201	18.201
Copenhagen.....	kroner to £1	T.T.	18.159	18.201	18.201
Madrid.....	pesetas to £1	T.T.	25.22 1/2	25.22 1/2	25.22 1/2
Lisbon.....	escudo to £1	T.T.	208 1/2	208 1/2	208 1/2
Vienna.....	schillings to £1	T.T.	34.58 1/2	34.52	34.45
Prague.....	krone to £1	T.T.	164 1/2	164 1/2	163 1/2
Belgrade.....	dinars to £1	T.T.	25.22 1/2	25.22 1/2	25.22 1/2
Budapest.....	pengo to £1	T.T.	27.82	27.82	27.82
Batavia.....	rupiahs to £1	T.T.	81.5	81.5	81.5
Sofia.....	leva to £1	T.T.	25.22 1/2	25.22 1/2	25.22 1/2
Athens.....	drachmas to £1	T.T.	375	374 1/2	374 1/2
Constantinople.....	piastres to £1	T.T.	110	100 1/2	100 1/2
Moscow.....	roubles to £1	T.T.	9.46	9.42 1/2	9.42 1/2
Warsaw.....	zloty to £1	T.T.	43.38	43 1/2	43 1/2
Helsingfors.....	F. marks to £1	T.T.	193.23	193 1/2	193 1/2
Kyovo.....	lira to £1	T.T.	48.66	48 1/2	48 1/2
Reval.....	krone to £1	T.T.	18.159	18.201	18.201
Riga.....	lata to £1	T.T.	25.22 1/2	25.22 1/2	25.22 1/2
Alexandria.....	piastres to £1	Sight	97 1/2	97 1/2	97 1/2
Buenos Aires.....	pence to peso	T.T.	47.62 1/2	47 1/2	47 1/2
Rio de Janeiro.....	pence to mls.	90 days	16	5 1/2	5 1/2
Montevideo.....	pence to peso	T.T.	51	48 1/2	48 1/2
Valparaiso.....	pence to £1	90 days	40	39 1/2	39 1/2
Lima.....	Eng. to Per. £1	90 days	par	19 1/2	14.20
Calcutta.....	pence to rupee	T.T.	18	1 1/2	1 1/2
Bombay.....	pence to rupee	T.T.	18	1 1/2	1 1/2
Madras.....	pence to rupee	T.T.	18	1 1/2	1 1/2
Hong Kong.....	ster. to dollar	T.T.	1/11 1/2	1/11 1/2	1/11 1/2
Shanghai.....	ster. to tael	T.T.	2/2 1/2	2/2 1/2	2/2 1/2
Singapore.....	ster. to dollar	T.T.	2s. 4d.	2/3 1/2	2/3 1/2
Kobe.....	ster. to yen	T.T.	24.58d.	1/11 1/2	1/11 1/2
Manila.....	ster. to peso	T.T.	24.06d.	7/20 d.	7/20 d.
Mexico.....	pence to \$	T.T.	9.76	9.90	10.10
San Francisco.....	ster. to baht.	T.T.	21.81d.	1/9	1/9

OVERSEAS BANK RATES.

Changed.	From To	Changed.	From To
Amsterdam.....	Mar. 24, 1930	Oslo.....	Mar. 20, 1930
Athens.....	Dec. 2, 1928	Paris.....	May 1, 1930
Batavia.....	Mar. 10, 1930	Prague.....	June 24, 1930
Belgrade.....	May 28, 1930	Reval.....	Sep. 29, 1930
Berlin.....	June 20, 1930	Riga.....	Oct. 3, 1929
Buenos Aires.....	July 31, 1930	Rome.....	April 1, 1928
Budapest.....	Nov. 23, 1929	Sofia.....	May 20, 1930
Calcutta.....	May 28, 1930	Stockholm.....	Apr. 2, 1930
Copenhagen.....	July 10, 1930	Swiss Bank	
Danish.....	Aug. 18, 1930	places	
Helsingfors.....	Aug. 26, 1930	Tokio.....	July 10, 1930
Kyovo.....	Apr. 1, 1930	Vienna.....	Sept. 9, 1930
London.....	June 2, 1930	Warsaw.....	June 13, 1930
New York.....	June 19, 1930	Irish.....	May 1, 1930
San Francisco.....	July 17, 1930		

Central Bank of Chile.—Discount rate for member banks, 7%; discount rate for the public, 8%.
 † 6% applied to banks, &c., charging not more than 11% p.a. for their loans.
 ‡ 7% applied to banks, &c., charging more than 11% p.a. for their loans.

CURRENT PRICES IN NEW YORK.

The Irving Trust Company cable the following money and exchange rates in New York:—

	Oct. 2, 1929.	Sept. 3, 1930.	Sept. 10, 1930.	Sept. 17, 1930.	Sept. 24, 1930.	Oct. 1, 1930.
Call money.....	9 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2
Time money (90 days' mixed coll.).....	9 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2
Bank acceptances:—						
Members—eligible, 90 days.....	5 1/2	2	2	2	2	2
Non-mem.—eligible, 90 days.....	5 1/2	2	2	2	2	2
Ineligible, 90 days.....	5 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2
Commercial accept., 90 days.....	6	3	3	3	3	3

RATES OF EXCHANGE, New York on—

London—	Par Level.	Oct. 2, 1929.	Sept. 17, 1930.	Sept. 24, 1930.	Oct. 1, 1930.
60 days.....		4.79 1/2	4.84	4.83 1/2	4.83 1/2
Cable.....		4.85 1/2	4.86 1/2	4.86 1/2	4.85 1/2
Cheques.....		4.85 1/2	4.86 1/2	4.86 1/2	4.85 1/2
Paris.....	Cents for 1 franc	3.918	3.917	3.928	3.928
Brussels.....	Cents for 1 franc	13.90	13.92	13.94	13.94
Switzerland.....	Cents for 1 franc	19.30	19.30	19.39	19.40
Italy.....	Cents for 1 lire	5.263	5.261	5.23	5.23
Berlin.....	Cents for 1 mark	23.51	23.51	23.52	23.50
Vienna.....	Cia. for Austrian sh.	14.07	14.07	14.13	14.11
Madrid.....	Cents for 1 peseta	19.30	14.84	10.70	10.35
Amsterdam.....	Cents for 1 guilder	40.195	40.10	40.28	40.31
Copenhagen.....			26.685	26.75	26.74
Oslo.....	Cents for 1 kroner	26.80	26.69	26.75	26.74
Stockholm.....			26.82	26.86	26.85
Athens.....	Cents for 1 drachma	1.297	1.292	1.29	1.29
Montreal.....	Cents for \$1	100	1 dia.	1 prem.	1 prem.
Yokohama.....	Cents for \$1	49.85	49.35	49.43	49.47
Hong Kong.....	Cents for \$1	49.85	49.35	49.43	49.47
Shanghai.....	Cents for \$1	49.85	49.35	49.43	49.47
Calcutta.....	Cents for \$1	36.50	36.08	35.95	35.98
Buenos Aires.....	Gold Pesos for \$100	103.65	104.90	122.50	124.50
Rio de Janeiro.....	Cents for 1 milreis	32.42	11.85	10.15	10.40
Valparaiso.....	Cents for 1 peso	12.125	12.03	12.10	12.10

CENTRAL AND SOUTH AMERICAN EXCHANGE RATES.

The Anglo-South American Bank, Ltd., quotes the following rates of exchange:—

Country.	Method of Quoting.	Par Value.	Usance.	Rate.
Ecuador.....	Guineas to \$	24.3325	Sight London	24.60
Venezuela.....	Bolivares to \$	25.25	"	26.50
Colombia (Bogota).....	Pesos to \$	4.8665	"	5.04
Nicaragua.....	Colonos to \$	9.73	"	4.92
Salvador.....	Colonos to \$	9.73	"	10.15
Bolivia.....	Pence to Boliviano	18d.	"	13.50

SOUTH AFRICAN EXCHANGE RATES.

The South African Banks quote the following rates:—

	Union of South Africa.	Union of South Africa.
	From August 27, 1929.	From November 25, 1929.
	Buying.	Selling.
T.T. Demand.....	1 1/2% dis.	1 1/2% dis.
30 days.....	1 1/2% "	1 1/2% "
60 days.....	1 1/2% "	1 1/2% "
90 days.....	1 1/2% "	1 1/2% "
120 days.....	1 1/2% "	1 1/2% "

OVERSEAS DOMINION RATES.

COMMONWEALTH OF AUSTRALIA AND DOMINION OF NEW ZEALAND.

	London on Australia and New Zealand.	Australia and New Zealand on London.
	Buying.	Selling.
T.T. Demand.....	1 1/2% dis.	1 1/2% dis.
30 days.....	1 1/2% "	1 1/2% "
60 days.....	1 1/2% "	1 1/2% "
90 days.....	1 1/2% "	1 1/2% "

BULLION.

The following statistics of imports and exports of gold for week ended Oct. 2, 1930, are issued by the Statistical Department of H.M. Customs and Excise:—

Imported into Great Britain and Northern Ireland.	Exported from Great Britain and Northern Ireland.
From—	To—
Venezuela.....	Poland.....
Brazil.....	Germany.....
Irish Free State.....	France.....
British West Africa.....	Switzerland.....
British South Africa.....	Austria.....
Australia.....	Kenya.....
Other countries.....	Bombay via other ports.....
	Other countries.....
Total declared value of imports.....	Total declared value of exports.....

GOLD MOVEMENTS.

The arrivals and withdrawals of gold during the past week, as announced by the Bank of England, have been as follows:—

ARRIVALS.	WITDRAWALS.
Sept. 25.....	Sept. 25 Bars sold.....
Sept. 26.....	Sept. 26 Bars sold.....
Sept. 27.....	Sept. 27 Bars sold.....
Sept. 28.....	Sept. 28 Bars sold.....
Sept. 29.....	Sept. 29 Bars sold.....
Sept. 30.....	Sept. 30 Bars sold.....
Oct. 1.....	Oct. 1 Bars sold.....
Oct. 2.....	Oct. 2 Bars sold.....
Total.....	Total.....

Messrs. Samuel Montagu and Company write on October 1, 1930, as follows:—

GOLD.

The Bank of England gold reserve against notes amounted to £156,304,901 on the 24th ultimo (as compared with £156,419,699 on the previous Wednesday), and represents an increase of £10,344,817 since January 1st last. Gold from South Africa to the value of £390,000 was available in the open market yesterday. At the fixed price of 84s. 11 1/2d. per fine ounce France secured £72,000. To-day a further £600,000 was offered from an outside source, besides about £30,000 of West African gold, the whole being taken for France at 84s. 11 1/2d. per fine ounce.

There have been further withdrawals from the Bank of England of gold for despatch to France after refining, but the movements of the French exchange being more in favour of sterling, some of the arrangements for refining previously made have been cancelled. Movements of gold at the Bank of England during the week show a net efflux of £748,052. Receipts totalled £9,088 and withdrawals £757,140. Of the latter, £25,000 was in sovereigns and £732,140 in bar gold, of which about £480,000 was for France and £100,000 for Switzerland.

SILVER.

A weaker tendency has been manifest in the silver market during the past week, and from 16 1/2d. quoted on the 25th ultimo the price moved steadily downward. The pressure has been mainly from China, further weak advices from Shanghai yesterday being followed by a fall of 1d. here, lowering the quotation to 16 1/2d. There have been some offerings on Continental account, and America has operated moderately both ways. The weakness in the Shanghai exchange is probably due to the adjustment by Chinese operators of oversold positions in gold exchanges, and the outlook for the moment is therefore somewhat uncertain.

The following were the United Kingdom imports and exports of silver registered from mid-day on the 22nd ultimo to mid-day on the 29th ultimo:—

IMPORTS.	£	EXPORTS.	£
Mexico.....	101,725	British India.....	7,402
Canada.....	30,452	New Zealand.....	9,500
Australia.....	18,098	Other countries.....	11,057
Other countries.....	8,339		
	£158,614		£27,959

INDIAN CURRENCY RETURNS (in lacs of rupees).

	Sept. 22.	Sept. 15.	Sept. 7.
Notes in circulation.....	17,083	17,022	16,958
Silver coin and bullion in India.....	12,111	12,050	12,131
Silver coin and bullion out of India.....	3,228	3,228	3,228
Gold coin and bullion in India.....	1,560	1,560	1,476
Securities (Indian Government).....	184	184	123
Securities (British Government).....			

The stocks in Shanghai on the 27th ultimo consisted of about 99,800,000 ounces in sycee, 144,000,000 dollars and 3,980 silver bars, as compared with about 100,700,000 ounces in sycee, 146,000,000 dollars and 4,020 silver bars on the 20th ultimo.

Statistics for the month of September last are appended:—

	BAR SILVER per oz. std.	BAR GOLD.
Cash.....	Two Mos.	per oz. fine.
Delivery.....	17d.	85s. 0 1/2d.
Highest price.....	16 1/2d.	84s. 11 1/2d.
Lowest.....	16 1/2d.	85s. 0 3/4d.
Average.....	16.738d.	85s. 0 3/4d.

GOLD AND SILVER PRICES.

	Gold Per Ounce.	Silver—Per Ounce.	Date.	Silver.
	Cash	Forward		Cash.
1930.	s. d.	d.		d.
Sept. 26.....	85 0 1/2	16 1/2	Oct. 5, 1923	31 1/2
" 27.....	85 0 1/2	16 1/2	" 3, 1924	35 1/2
" 29.....	84 11 1/2	16 1/2	" 2, 1925	32 1/2
" 30.....	84 11 1/2	16 1/2	" 1, 1926	28 1/2
Oct. 1.....	84 11 1/2	16 1/2	Sept. 30, 1927	25 1/2
" 2.....	84 11 1/2	16 1/2	Oct. 4, 1928	26 1/2

NOTICES.

The directors of the Queensland National Bank, Ltd., announce that Mr John William Drury has retired from the position of London manager. He is succeeded by Mr Lionel William Mortimer, who has been appointed acting manager as from 1st instant.

Company News.

SUMMARY OF BALANCE SHEETS.

THE BORNEO COMPANY, LIMITED.		March 31, 1930.	
LIABILITIES.	Amount.	ASSETS.	Amount.
7 1/2% cum. pref. £1	399,400	Properties.....	326,853
Ord. shares, £1	600,000	Plant.....	36,956
General reserve	340,000	Stock of teak.....	288,265
Reserve for taxation, &c.	141,909	Stock of merchandise.....	363,164
Amounts due on fixed and other deposits.....	145,117	Stock of produce.....	8,548
Amounts due by company.....	470,284	British Govt. securities.....	302,635
Amounts due by subsidiaries.....	14,277	Other investments.....	13,801
Liability on bills.....	131,231	Advances to and debts due from subsidiaries.....	306,866
Bills payable.....	109,328	Amounts due to company.....	473,762
Profit and loss.....	105,100	Bills receivable.....	64,372
		Cash.....	77,572
Total.....	2,457,246	Total.....	2,457,246

AUSTIN MOTOR COMPANY, LIMITED.

July 31, 1930.	
LIABILITIES.	Amount.
7% Pref. shares £1.....	250,000
6% B. Pref. shares (£1).....	1,000,000
20% Pref. Ord. shares (10/-).....	750,000
Ord. shares (5s.).....	150,000
6 1/2% Deb. Stock.....	1,316,636
Sinking fund.....	167,271
Accrued charges.....	436,837
Creditors.....	282,436
Profit and loss.....	573,512
Total.....	4,926,692

DIVIDEND ANNOUNCEMENTS.

Name of Company.	Rate % per Annum, except where marked % or Stated in Cash. * Interim div. † Final div.			Dividend for Whole Years.	
	Interim or Final.	Date of Pay-ment.	Method of Payment	Latest Year.	Pre-vious Year
RAILWAYS.					
Antofagasta (Chile) and Bolivia Railway	2%*	plus bon	us of 2%	10	12
Barr Light Railway	3%†				
BANKS.					
Bank of Scotland	9%*	Oct. 15	Less tax		
INSURANCE.					
Standard Insurance	...	...	...	12½	12½
TEA AND RUBBER.					
Bajoe Kidoel Rubber and Pro-duce	...	...		5	12½
Caledonian (Ceylon) Tea and Rubber	10%†			15	25
K.M.S. (Malay States) Rubber	2½%†	Oct. 29			
Tangool Rubber Estates	20%†			5	9
MINING.					
Anaconda Copper	62½c.ps.*		Quarterly		
Mysore Gold Mining	5%*	Oct. 18	Less tax		
Rio Tinto	10/-p.s.*				
Temoh Tin Dredging	1/- p.s.†			10	3½
West African Diamond	5%*	Oct. 1			
OTHER COMPANIES.					
Aird and Coghill			Tax free	7½	
Antwerp Works	2½%*	Oct. 15	Less tax		
Associated Fire Alarms	...	...		8	8
Austin Motor	...	...		60(a)	20
Beecham's Pills	7½%*	Oct. 1			
Birmingham and District In-vestment Trust	3%*	Nov. 1			
Birmingham Small Arms	...	...	Less tax	5	
Borneo Co.	3½%†		Less tax	6	9
British Portland Cement Manufs.	5%*	Oct. 15	Less tax		
Brooks Wharf and Bull Wharf	...	...		5	5
Colombo Gas and Water	5%*	Oct. 11	Tax free		
Dutton's Blackburn Brewery	24%*	Oct. 1	Less tax		
Edinburgh Investment (Def.)	5%*	Oct. 15	Less tax		
Elder, Smith and Co.	1½%†			5	10
Empress Brewery	...	...		17½	7½
First Co-operative Trust	2%*				
F. McNeill and Co.	5%*		Less tax		
Glenboig Union Fireclay	2½%*		Less tax	2½	7½
Harrisons and Crossfield (Def.)	...	...		20	35
H. and M. Rayne	10%†			15	
Joshua Watson and Co.	8%†	plus bon	us of 2%		
Kayser Ellipse and Co.	...	...		6	6
Kingsley and Thackeray Hotels	5%*	Oct. 1	Less tax		
Leathems (Twilfit)	...	...		8	8
Manchester Liners	...	...	Less tax	10	10(e)
Maynards	10%†			12½	12½
Murex	20%†			35	15
N. and M. Rayne	10%†			15	15
Novello and Co.	10%†			18	18
Queen Anne Mansions	10%†	Oct. 1		17½(b)	17½(b)
Quicktho (1928)	1d.p.s.*				
Rubens-Rembrandt Hotels	5%†		Less tax	8	8
Robinson and Cleaver	6%†		Less tax	10	10
Serek Radiators	2/- p.s.*	plus bon	us of 1s. 6d.	p.s.	
Tarapaca Waterworks	2%†	Oct. 20			
Thorn Heaton	6†		Less tax		
Trafford Park Estates	...	...		5	5
Triplex Safety Glass	...	...		5	5
United Drapery	5%*		Less tax		
Wales	5%*	Oct. 1	Tax free		
West London and Provincial Electric and General	4½%*	Oct. 1	Less tax		

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS.

Company.	Period Ending	Balance from Last Account.	Net Profit After Payment of Deben- ture Interest.	Amount Available for Distri- bution.	Appropriation.					Corresponding Period Last Year.	
					Dividend.			Carried to Reserve, Deprecia- tion, &c.	Balance Forward.	Net Profit.	Divi- dend.
					Prefee.	Ordinary.					
						Amount	Amount.				
		£	£	£	£	£	%	£	£	£	%
Breweries.											
Empress Brewery	Aug. 31	117	24,045	24,162	6,000	17,500	17½	...	662	23,949	7½
Financial Land, &c.											
Borneo Company	Mar. 31	62,152	98,162	160,314	24,214	28,303	6	31,000	76,797	133,986	9
Caledonian Property Invest.	July 31	...	3,218	3,218	...	1,712	5½	1,506	...	3,150	5
Trafford Park Estates	June 30	46,753	33,188	79,941	...	32,500	5	...	47,441	34,068	5
Hotels, Restaurants, &c.											
Queen Anne Residential Mansions and Hotel	June 24	35,241	36,547	71,788	8,750	22,500	20	3,000	37,538	36,544	20
Rubens-Rembrandt Asso- ciated Hotels	June 30	1,185	15,771	16,956	...	14,119	8	1,000	1,837	31,355	8
Iron, Coal and Steel.											
Kayser, Ellison and Co.	June 30	11,002	25,967	36,969	6,000	15,000	6	5,200	10,769	28,227	6
Old Silkstone Collieries ...	Mar. 31	58,769	22,361	81,130	...	...	...	...	81,130	Dr. 4,643	...
Motor and Cycle.											
Austin Motor	July 1	75,952	£384,341	460,293	110,723	69,750	60	...	279,820	...	...
Rubber, &c.											
Bajoe Kidoel Rubber &c.	Mar. 31	32,903	19,353	52,256	...	10,908	5	...	41,348	30,102	12½
Padang Jawa Rubber	Mar. 31	1,946	2,652	4,598	...	...	...	...	4,598	3,044	5
Tangoel Rubber Estates ...	June 30	1,042	7,211	8,253	...	3,830	5	2,000	2,423	8,432	9
Shipping.											
Hazelwood Shipping	May 16	149	694	843	...	...	...	...	843	9,479	...
Manchester Liners	June 30	39,426	65,574	105,000	22,886	34,503	10	...	47,611	72,883	10½
Prince Line	June 30	54,754	161,490	216,244	...	60,150	5†	150,000	6,094	168,107	5†
Tea.											
Caledonian (Ceylon) Tea, &c.	June 30	2,759	11,211	13,970	1,920	5,250	15	2,000	4,800	14,228	25
Textiles.											
Robinson and Cleaver	July 31	55,363	46,659	102,022	7,916	19,375	10	16,000	58,731	49,466	10
Trusts.											
Capital and National Trust First Co-operative Invest- ment Trust	July 31	5,733	25,808	31,541	11,813	7,875	5	8,228	3,625	27,572	5
Mid-European Corporation ..	July 31*	4,676	48,233	52,909	3,801	28,892	2	11,943	8,273	56,548	3
Tyre Investment Trust	May 31	37,612	132,396	170,008	30,250	76,000	8	10,000	53,758	120,461	8
Other Companies.											
Associated Provincial Pic- ture Houses	May 31	26,278	53,844	80,122	69,125	...	...	...	10,997	50,422	...
Associated Fire Alarms	May 31	58,750	99,696	158,446	7,500	70,000	10	24,000	56,946	94,536	10
Brooks Wharf & Bull Wharf	June 30	1,694	4,244	5,938	...	3,546	8	1,000	1,392	4,423	8
Elder Smith and Co.	June 30	7,509	17,897	25,406	8,899	5,562	5	1,900	9,045	16,627	5
Hodsmen (George) and Sons (1928)	June 30	80,614	128,724	209,338	...	119,683	5	...	89,655	227,106	10
Leethems (Twilfit)	June 30	311	6,794	7,105	6,400	...	...	...	705	8,659	...
Splintex Safety Glass	June 30	2,197	44,675	46,872	14,063	15,000	8	12,934	4,875	29,448	8
	June 30	679	Dr. 15,757	Dr. 15,078	...	...	...	...	Dr. 15,078	17,891	...
* For half-year. † Free of income tax. ‡ 7 months											

* For half-year.

† Free of income tax.

‡ 7 months.

the bank had outstanding bonds for a total of £5,362,000, of which £3,330,000 were external issues. Against this, it had granted mortgage loans for £5,910,000 secured on properties valued at £15,181,000. Net profits for the half-year were £86,242, which compares with the previous earnings as follows: First half, 1928, £69,824; second half, 1928, £78,764; first half, 1929, £78,641; second half, 1929, £85,238. The dividend for the half-year was raised from £1.70 to £1.80 (equivalent to 18 per cent. for the year), and £12,000 was allocated to the reserve fund as compared with £8,400 in the first half and £10,000 in the second half of 1929, bringing the total reserves and undistributed profits up to £308,000.

MISCELLANEOUS

PLAISTOWE AND CO., LIMITED.—The nineteenth annual report and accounts shows a profit for the year ended March 29, 1930, of £3,591, after charging interest on debentures and loans and debenture sinking fund instalment. For the preceding year to March 31, 1929, there was a loss of £8,249, with no provision for debenture sinking fund. As a result of the amalgamation proposals made by Messrs. Crosse & Blackwell, Ltd., since the date of the accounts (which were accepted by an overwhelming majority of the debenture stockholders, preference and ordinary shareholders of the company) the unpaid arrears of debenture interest are cancelled as from April 1st last. The effect of this is to convert the balance of profit and loss account from a debit of £22,152 to a credit of £318, and, adding the profit for the year to March 29, 1930, there is a total of £3,909, which it is proposed to carry forward. During the year, £9,615 of the company's 6 per cent. mortgage debenture stock was purchased and cancelled, leaving £177,646 outstanding. The profit arising thereby, £3,917, and £186 interest on stock cancelled in advance of sinking fund requirements have been transferred to a debenture stock reserve account.

SCOTTISH AMALGAMATED SILKS, LIMITED.—The committee appointed by the shareholders have devoted considerable time in investigating the present position of the company, and the prospects of continued running under more favourable conditions than in the past. They find the company practically at the end of its cash resources, without a complete selling organisation, and unable to produce its commodities at most of the mills on a profitable basis. Complete re-organisation is required. This is impossible without

considerable new capital, and, in the present state of trade, it is doubtful whether this course would be advisable if the money could be obtained. The committee are hopeful that some scheme of re-construction or amalgamation may yet be evolved, but are satisfied that the liquidation of the company is unavoidable, and are prepared to support the recommendations of the directors with that end in view, as they think that voluntary liquidation would give more latitude in dealing with any scheme that might be forthcoming. The committee thinks that forced realisation, at the present time, would be disastrous to all concerned.

Commercial Reports.

THE CORN TRADE.

Mark Lane, Thursday evening.

Ploughing operations are proceeding under fairly favourable climatic conditions. Recent rains have interfered with threshings, with the result that comparatively light supplies of native wheat were forthcoming at the principal statute markets. The general tone, however, remains depressed and prices easier on balance. Latest reports indicate yields below normal, while certainly under earlier anticipations. On the import market, trading has been somewhat spasmodic, and prices registered a further decline, though sellers are now showing more resistance to the downward movement. Attempts to arrest the decline in North America prove difficult in face of free offers of Russian here, and a good business was reported in this quality to United Kingdom and Continental countries at competitive rates. Australian and Canadian parcels were selling more freely, and there is scarcely any doubt that deficiency countries are taking the opportunity to rebuild stocks at the low prices current. It is stated that wheat has touched the lowest level on the Winnipeg market since its inception, and in view of huge stocks held in Canada and the United States any marked improvement in prices appears out of the question until healthier conditions prevail. New crops in

Australia and Argentina are progressing satisfactorily and will be competing for European custom a few months hence, thus increasing materially the world's supply, and tending to force down prices still further. Meanwhile, it is interesting to note that Russian chartering operations have subsided, but in view of recent large bookings, shipments will be well maintained for many weeks ahead. The market for feeding stuffs also shared the depression, and prices for Plate maize were marked down sharply, due to acute competition of cheap Russian and Danubian barley. At the lower levels, however, buyers showed more inclination to operate on a larger scale, both cargo and parcel sales being recorded for all positions up to the end of the year. Prices of oats have recovered slightly, of late, with Plate shippers more reserved.

WHEAT.—Steadier. No. 1 hard Manitoba, ex ship, 32s.; No. 1 Northern Manitoba, ex ship, 31s. 9d.; No. 2 ditto, 31s. 3d.; No. 3, 30s. 9d.; No. 6 Manitoba, 24s. 6d.; No. 2 mixed Durum, 28s. 9d.; Barusso, 61½ lbs., ex ship to arrive, 28s. 9d.; Australian, 30s. 6d.; choice white Karachi, 30s. 6d. per 496 lbs. English, new, 6s. 4d.-6s. 8d. per 112 lbs.

FLOUR.—Quiet. London straight run, 29s. per sack for country deliveries and 28s. London area. Of imported, Manitoba patents, 26s. 6d.-28s. 6d.; Buffalo ditto, 27s.-28s. 6d.; Australian, 24s.-25s. 6d. ex store per 280 lbs.

MAIZE.—Steady. Plate, landed, 24s.; ex ship, 22s.; September-October and October-November, 21s. 3d.; Bessarabian, landed, 23s. 9d.; No. 2, white flat African, ex ship, 20s. 6d. per 480 lbs. Yellow maize meal, £7 f.o.r. London. Yellow African, ex ship, £5 10s.; white, £5 per ton.

BARLEY.—Quiet. Californian, old, landed, 30s.-35s.; new, ex ship, 30s.-41s. as to sample; Chilian brewing, landed, 30s.-35s. Chevalier, 38s.-44s.; Australian, 32s.-34s.; Smyrna, 30s.-32s. per 448 lbs.; Black Sea, ex ship, 14s. 3d.; Danubian, 14s. 3d.; Persian, new, ex ship, 14s. per 400 lbs. English, new, malting, 6s. 3d.-13s.; feed, 5s. 3d.-5s. 9d. per 112 lbs.

OATS.—Steadier. Plate, landed, 13s. 3d.; ex ship, 12s. 3d.; Chilian, tawny, ex ship to arrive, 13s. 3d.; mixed Chilian, white, 17s. 6d.; ex ship, best whites, ex ship, 20s.; German, landed, 22s.; mixed Canadian feed, ex ship, 11s. 3d.; landed, 12s. 3d. per 320 lbs. English, new, 5s. 8d.-6s. 4d. per 112 lbs.

COMPARATIVE AVERAGES OF GRAIN.

The following table gives the estimated sales of home-grown wheat during the harvest years 1930-31, 1929-30, 1928-29, 1927-28:—

	1930-1931.	1929-1930.	1928-1929.	1927-1928.
Estimated sales of home-grown wheat—				
1 week to Sept. 27	Cwts. 157,614	Cwts. 354,216	Cwts. 374,763	Cwts. 219,396
4 weeks to Sept. 27	646,731	1,680,106	1,503,662	1,178,897
Average price of English wheat per cwt.	s. d. 7 2	s. d. 9 6	s. d. 9 2	s. d. 10 6

The following is a statement showing the Quantities Sold and the Average Price of British Corn in the past two weeks, and for the corresponding week in each of the years from 1926 to 1929:—

Weeks ended.	QUANTITIES SOLD.			AVERAGE PRICE PER CWT.		
	Wheat.	Barley.	Oats.	Wheat.	Barley.	Oats.
1930.	Cwts. 176,086	Cwts. 267,255	Cwts. 45,992	s. d. 7 2	s. d. 9 2	s. d. 5 11
Sept. 20	176,086	267,255	45,992	7 2	9 2	5 11
Sept. 27	157,614	188,550	48,269	7 2	8 7	6 0
Sept. 25, 1929	372,154	244,268	111,109	11 1	12 1	8 3
Sept. 24, 1927	247,437	292,144	72,656	10 6	13 0	8 11
Sept. 23, 1928	369,737	438,279	100,862	9 1	11 1	8 10
Sept. 22, 1929	365,511	356,172	82,921	9 8	10 0	7 11

AMERICAN WHEAT MARKETS.

The following table shows wheat quotations in recent weeks, with comparative figures for 1929:—

NEAREST FUTURE.	Jan. 2, 1929.	Oct. 2, 1929.	Jan. 2, 1930.	Sep. 17, 1930.	Sep. 24, 1930.	Oct. 1, 1930.
Winnipeg (No. 1 Manitoba) —Cents per 60 lb.	122	144½	148½	80½	74	74½
Chicago (No. 2 Winter) —Cents per 60 lb.	116½	135½	130½	83½	79½	80½

The visible supply of wheat in Canada, at 65,894,000 bushels, shows an increase on the week of 1,949,000 bushels. Supplies a year ago stood at 74,491,000 bushels.

THE COAL TRADE.

Our Sheffield correspondent writes:—While export trade in South Yorkshire best steams is steady, conditions are not so good in the industrial and household sections. Buyers show an inclination to hold off the market until the effects of the operation of the new cut are more apparent. Prices are generally as before, with bargains obtainable in secondary and small coals. Best steams are worth 15s. and 15s. 6d. f.o.b. Coke is as depressed as ever. The prices of furnace coke are 11s. 6d. to 12s. 9d. at ovens.

Our Glasgow correspondent writes:—Business is still very slack. In the home market the demand on household account is naturally opening out, but the industrial works are not in need of their average requirements for the season of the year owing to the slackness in trade. Shipping business still consists largely of a day-to-day trade, as the collieries are not disposed to quote freely beyond October in view of the uncertainty created by the new Act. Prices generally show little change over the week. Among round coals, Lanarkshire splints and Hamilton ells are firmly maintained, while in washed nuts trebles and doubles are stronger than singles and pearls. Prices for shipment are approximately as follows:—LANARKSHIRE.—Ell best, 13s. 9d.; splint best, 16s.; splint second, 14s. 3d.; navigation, 15s. 6d.-16s.; navigation second, 14s. 6d.; Hartley, 15s.; steam, 12s. 6d.; trebles, 13s.; doubles, 12s. 6d.-13s.; singles, 11s. 9d.; pearls, 11s. 6d.; dross, 9s. 6d. FIRE.—Screened navigation, 16s. 6d.-17s. 6d.; first-class steam, 11s. 9d.; third-class steam, 10s. 6d.-10s. 9d.; trebles, 13s. 6d.-15s.; doubles, 13s.-13s. 6d.; singles, 11s. 3d.; pearls, 11s. 3d. LOTHIAN.—Prime steam, 11s.; secondary steam, 10s. 9d.; trebles, 13s.; doubles, 12s. 6d.; singles, 11s. 6d.; pearls, 10s. 6d.-10s. 9d. Ayrshire.—Unscreened navigation, 16s.; jewel, 16s.; steam, 13s.; trebles, 13s. 6d.; doubles, 12s. 9d.; singles, 12s. 3d.; pearls, 11s. 9d.; dross, 10s. 6d.

Our Cardiff correspondent writes:—The most important event in the South Wales coalfield this week has been the opening of negotiations for a new wages agreement. A meeting of the Conciliation Board was held at Cardiff on Tuesday, but the discussion centred chiefly on the present serious financial position of the collieries. No definite proposal was submitted by either side, but "having regard to the great diversity of opinion"—to use the words employed in the official report—it was agreed to appoint a small joint committee "to consider the present position and the future possibilities in relation to the wages and conditions of employment." The owners are contending that in view of the fact that the collieries are being worked at a loss, and that costs will increase under the new Act, a reduction in wages is imperative; while the workmen's representatives declare that they will decline to consider any proposal involving a wage reduction. There has been no improvement in the state of the coal market, and shipments have continued to decline. The market is glutted with small and other grades of coal, but prices are maintained at minimum basis, and it is stated that there is no likelihood of any of them being lowered in the immediate future. Best house coals have actually been increased by 1s. 6d. per ton as from Wednesday. The following are the current approximate quotations:—Best Admiralties, 20s.; seconds, 18s. 9d. to 19s. 9d.; best drys, 18s. 6d. to 19s. 3d.; Black Veins, 18s. 3d. to 18s. 6d.; Western Valleys, 18s. to 18s. 3d.; Eastern Valleys, 17s. 6d. to 17s. 9d.; best small steams, 13s. to 13s. 3d.; cargo smalls, 12s. to 12s. 6d.; coking smalls, 13s. 3d. to 13s. 6d.; anthracite, best large, 36s. to 37s. 6d.; Red Vein, large, 22s. to 27s.; machine-made cobbles, 40s. to 45s.; stove nuts, 39s. 6d. to 43s. 6d.; rubbly culm, 10s. to 11s. 3d.; foundry coke, 30s. to 35s.; patent fuel, 20s. to 21s. 6d.; pitwood, ex-ship, 25s. 3d. to 25s. 6d.

IRON AND STEEL.

We extract the following from the weekly report of the London Iron and Steel Exchange:—Although business in iron and steel remains lethargic, there are signs of returning confidence. The iron and steel plants, both in this country and on the Continent, are working at much below capacity, and there is keen competition to secure export orders which has resulted in some price cutting. The volume of business in iron and steel, however, seems to be gradually if slowly increasing. In the pig-iron department the demand has been quiet, and the tendency noted recently for buyers to consider forward business seems to have subsided. The greater part of the transactions reported lately have concerned small tonnages for near delivery. Few orders are reported in Continental

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iron for the home market, but Indian iron is still being imported into Scotland. The position in the semi-finished steel department has become quiet after rather active buying, but a considerable proportion of this business was placed with Continental makers. For the time being, users appear to have satisfied their near requirements, and are not showing a deal of interest in the market. In the finished steel department competition has been keen for any orders passing, but the volume of business transacted has been disappointing. There has been a considerable amount of inquiry, but only a comparatively small proportion of this has materialised into business. Although the tone of the export markets has been rather better than for some time past, there has been practically no buying on a large scale, and the belief persists that overseas consumers must shortly come into the market.

Our Middlesbrough correspondent writes:—Business in Cleveland iron has fallen off recently, and it looks as if a quiet time is to be experienced for a little period ahead. Consumers have covered their early requirements, and they are now inclined to wait for developments before making further purchases. They hardly look for any reduction in prices for the present, but on the other hand they do not consider an advance likely. The limited make of Cleveland iron available for the open market is all going into consumption, and stocks are being reduced to some extent, so that the position of the makers is a fairly comfortable one, and they anticipate that there will be a resumption of buying before long. There was only a very moderate business reported at Tuesday's weekly market, and prices were unchanged, viz.: No. 1, 66s.; No. 3, 63s. 6d.; No. 4 foundry, 62s. 6d., and No. 4 forge, 62s., f.o.b. or f.o.t. The demand for hematite shows a steady improvement, both on home and export account, which promises to extend. The present small make is insufficient for current requirements and stocks are being reduced. Makers' price for mixed numbers is firm at 71s. for delivery over a few months, but odd prompt lots are obtainable at a trifle less. Shipments of pig iron for September totalled only 14,130 tons, a loss of 2,733 tons on August. Manufactured iron and steel together also showed a loss of 2,780 tons compared with the previous month. The details are as follows:—

	September.	August.
Tons.	Tons.	
Pig iron	14,130	16,863
Manufactured iron	3,446	4,223
Manufactured steel	39,950	41,953
	57,526	63,039

In the manufactured departments there is very little new demand, and works are urgently in need of fresh orders. The rolling mills at the Acklam works of Dorman, Long and Company, Ltd., have just closed down for want of work, and it is feared that other units will have to follow unless there is a change for the better very soon. A blast-furnace producing steel-works iron has also been damped down at Acklam. Prices for the different materials are unchanged from last week except that 24-gauge galvanised corrugated sheets are reduced 5s. to £11 12s. 6d. and 24-gauge black sheets by 10s. to £9. The ore market is almost idle, best rubio is nominally 18s. c.i.f. and the current freight Bilbao-Middlesbrough is unchanged at about 5s. 6d. Imports of all descriptions of ore into Middlesbrough during September amounted to only 65,312 tons against 97,571 tons in August. Coke is slightly firmer, and 17s. delivered works is generally quoted for ordinary blast-furnace qualities for delivery up to the end of the year, but odd prompt lots can still be secured at 16s. 9d. The total number of furnaces in blast in the district is reduced to 24 by the damping down of one basic at Acklam works.

Our Sheffield correspondent writes:—Conditions in the iron and steel industry are still disappointing, a few instances of improvement being annulled by further reaction elsewhere. Taken as a whole, the industry has declined rather badly since the end of July. Turnover is heavily down in mill products, especially rods and plates. Output alike in Sheffield and North Lincolnshire indicates contraction, and there is no improvement in inquiries or tonnage business. Railway and shipyard requirements are below the average. Steelmakers are being badly hit by the inability of the leading export markets to buy on a normal basis. In fact, there is no real bright spot in the overseas trade. A blast-furnace (one of three) has been stopped at Lysaghts' works, Lincolnshire. Special steels still command a moderate trade and the output of non-corrodible irons and steels is being maintained at a substantial level. Tool makers report a moderate home demand but less doing overseas. In the cutlery and plate branches no reasonable development has made its appearance at present. Iron and steel prices are unchanged.

Our Glasgow correspondent writes:—Business in the West of Scotland remains quiet and the majority of the plants are employed considerably below capacity in practically every branch of the iron and steel trades. Clyde shipyards are unfortunately finding the tonnage booked not equal to the tonnage launched and have too many vacant berths. Messrs Wm. Denny and Bros., Ltd., of Dumbarton, have, within the week, received an order for a vessel of some 550 tons gross from Messrs. David MacBrayne (1928), Ltd. The demand for semis is poor and there has been little buying either of home or Continental material. Tube makers also find business unchanged. There has been rather more buying in the sheet trade—probably the result of reduced prices—and a considerable tonnage of galvanised sheets for export has been booked during the past few days. The home trade also, both in black and galvanised, shows some expansion.

Our Cardiff correspondent writes:—Notwithstanding the recent decreases in the prices of Welsh tinplate bars and tinplates, the volume of business in the tinplate trade continues of a restricted character. Galvanised sheets are being quoted for the Indian market at £11 8s. 9d. per ton f.o.b., compared with the general minimum quotation of £11 12s. 6d. per box for other markets. Foreign steel bars are quoted down to £4 2s. 6d., compared with £4 10s. a week ago, and £5 17s. in the corresponding period last year. Scrap prices are generally easy at recent figures.

OTHER METALS.

TIN.—In the standard market, prices continued on a downward course under selling pressure and lower Eastern cables, but, at the lower levels established buyers were more in evidence and a partial recovery resulted. Dealings were attended by a good deal of irregularity, and included cash at £128-£123 2s. 6d. and £124 5s.; three months, £131-£126 5s., £124 10s. and £125 12s. 6d. In the American deliveries were reported at £135 17s. 6d. to £128 per ton c.i.f. 7,100 tons; Pacific, 150 tons; and stock, 3,360 tons; with landings, 2,660 tons.

COPPER.—Market opened weak, but, later, sellers showed more resistance to the downward trend, and tone firmer on good support accorded. Standard cash sold at £43 10s. to £44 12s. 6d.; three months, £44-£42 17s. 6d. and £44 11s. 3d. per ton.

LEAD.—Market irregular and easier, but dealings were on a fair scale. Good soft foreign pig, October, sold £16 15s. to £16 8s. 9d.; November, £16 13s. 9d. to £16 8s. 9d.; December, £16 12s. 6d. to £16 5s. 6d. 6s. 3d.; January, £16 17s. 6d.-£16 3s. 9d. and £16 6s. 3d. per ton.

SPELTER in moderate support, but market easier on liberal offerings. October sold £15 to £14 12s. 6d.; November, £14 17s. 6d. to £14 13s. 9d.; December, £15 2s. 6d., £14 17s. 6d. and £15; January, £15 2s. 6d. to £15 and £15 2s. 6d. per ton.

ALUMINIUM maintained. Home trade, £95; export, £100 per ton.

QUICKSILVER steady. Spot, £22 2s. 6d. per bottle.

TIN PLATES quiet. I.C. coke, prompt and forward, 17s. per box f.o.b. Swansea.

ANTIMONY easier. English regulus, £38 to £45; Chinese ditto, spot, £26 10s. to £27 10s.; October-November, £25; Chinese crude, October-November, £15 per ton c.i.f.

ANTIMONY OXIDE, October-November, £27 per ton c.i.f.

ANTIMONY ORE, 60 per cent. October-November, 3s.; 50 per cent. ditto, 2s. 6d. per unit c.i.f.

WOLFRAM firm on scanty offers. Chinese, October-November, buyers 18s. 6d., sellers 20s. per unit c.i.f.

THE COTTON TRADE.

LIVERPOOL, October 1st. During the past week the market has shown further weakness, and prices reached new low levels. Hedge selling has been more in evidence, and, though there has been considerably more inquiry for cotton, purchases by spinners have been mainly on "basis" days, and, with the usual month-end trade fixing of prices, values are now a few points above the lowest reached. Investment buying has been taking place on the scale down. There is no change in weather conditions in the United States cotton belt. The latest advices indicate that the Federal Farm Board, through the Co-operative societies, are prepared to handle 3,000,000 bales of cotton. There has been a little more mill activity in America. Spot sales for the week September 25th to October 1st (inclusive) are 40,000 bales, of which 10,250 are American, 12,500 Brazilian, 1,250 Argentine, 10,500 Peruvian, 1,600 Egyptian, 1,650 African, 2,000 East Indian, and 250 sundries. Imports for the same period are 38,363 bales, of which 32,073 are American, 733 Argentine, 1,967 Peruvian, 206 Egyptian, 539 African, 2,812 East Indian, and 33 sundries. Quotations to-day are: American Middling, 5-75; Egyptian Sakel, 9-95; Uppers, 7-82; Brazilian Fair, 5-75; Peru Smooth, 6-30; West African Middling, 5-80; and East African G.F., 6-75.

MANCHESTER, October 1st. Since last week, trade developments have again been checked by the falling tendency of prices, and, owing to the weakness in the raw cotton markets, buyers of yarn and piece-goods have not been in the mood to operate with any freedom. The general inquiry, however, continues more extensive, and numerous customers are kept in close touch with prices. Advices from India have tended to improve, and the boycott movement is undoubtedly weakening. Some fair cloth sales have been put through for Madras and Bombay. China merchants have been somewhat discouraged by the fall in exchange rates, but some white shirtings have been taken place for Hong Kong. Printing cloths have moved off America, but very little has been done for Egypt and the Near East. Home trade buyers remain generally cautious. Restricted operations have occurred in American yarns and prices have favoured buyers. There has also been very little life in Egyptian counts.

Statement of the Cotton Trade.

	1930.					Corresponding Date.	
	Sept. 10.	Sept. 17.	Sept. 24.	Oct. 1.		1928.	1929.
Mid. American per lb.	6-40	6-30	5-98	5-70		10-71	10-41
Sakelardis Fully Good Fair							
Egyptian per lb.	10-20	10-50	10-20	9-75		17-70	16-75
If, as is twist per lb.	11	10½	10½	10½		16½	15½
of Cana twist (Egyptian) per lb.	19	19	18½	18		28½	25½
whole 116 yds., 16 by 16, 32's and	s. d.	s. d.	s. d.	s. d.		s. d.	s. d.
good shirtings, 75 yds., 19 by 19, 32's and	20 0	19 9	19 7	19 5		25 0	25 0
such, ditto, 38 yds., 18 by 18, 10 lb.	22 6	22 3	22 0	21 9		28 3	28 0
ditto, 37½ yds., 16 by 15, 8½ lb.	11 1½	11 1½	11 0	10 10½		13 9	13 6

THE WOOL TRADE.

Our Bradford correspondent writes:—The sales have been continued in London on very similar lines to those of last week. No higher values have been realised, though the offerings of both merinos and crossbreds have been fairly attractive. It is stated that the Queensland new clip is not so fine in quality as last season, but it has commanded very good Continental competition, whilst the home trade has bought greasy and slipe crossbreds. Very good New Zealand greasy halfbreds have sold readily, making practically the same prices as at the opening. Slipe have been offered in good quantities, but have made no more money. Many feel that it would have been as well if the sales had been closed yesterday, four sales being abandoned instead of two. Considering the state of home consuming markets, it would seem as if prices ruling in London have been fully equal to what can be realised for tops, yarns or piece-goods. This is one of the anomalous features of the situation, the raw material being unprofitable both for growers and users, too cheap and yet too dear. A very disappointing state of affairs obtains in consuming centres. Spinners are having their hands forced by manufacturers, these being pressed by wholesale buyers for a reduction in the cost of cloth. It is impossible to state definitely what tops are worth, but average 64's have been sold in Bradford for forward delivery at 24d. The best topmakers are still asking 26½d. for warp 64's. All qualities of crossbreds are irregular. Topmakers are mostly asking what they were prepared to sell at a fortnight ago. The steady downward movement of prices revealed every time any sales are effected is destroying confidence.

THE JUTE TRADE.

DUNDEE, October 1st. Holidays in Calcutta during the first four days of this week are tending to interrupt business. There is, however, a great watchfulness on the part of speculators in raw jute, who this week have done some buying on the strength of the rumour that the Indian Government is to call a conference of representatives of the jute industry to consider the crisis which has arisen through the abnormally large stocks and the almost entire absence of orders for jute goods. There seems to be an idea that the Government will take some action which may lead to the arrest of the downward trend of values of raw jute and also goods. It is generally believed here, however, that the Indian Government will not create a precedent by subsidising any industry, because of the difficulty of stopping such a measure. In Calcutta, efforts are being made to elicit Government support for the purpose of curtailing the cultivation of raw jute, owing to the fact that, with the quantity carried forward from last season and the large crop expected to be yielded this season, there is about two years' supply of the fibre in view. In normal times, the large supply of jute would create no alarm, but business in jute goods is so bad that even the greatly curtailed output of the producing centres is not being taken up by consumers. The position in Dundee is depressed and further stopping of looms and spindles has had to be resorted to, while many works are running only on alternate weeks. Prices of raw jute have been advanced through speculative operations, and the value of Daisee assortment has risen from £14, done the other day, to £15 10s., while Tossa assortment has advanced to the same extent from £16 to £17 10s., October-November shipment. Good First Marks are nominal at £20, and Lightnings are offered at £18, with Hearts at from £15 to £16, September-October. Jute yarns are firmer as the result of the higher raw jute values. Common 8-lb. cops have been sold down to 1s. 10d., and 8-lb. spools at 1s. 11d., but now there are no sellers quoting less than 2s. and 2s. 1d. respectively, and some small sales have been made at these rates. Buyers generally, however, are not following the rise. Twist is from 4d. to 4½d. for 3-ply 8-lb., and sacking yarns are quoted at from 3½d. for 8-lb. chains and 2½d. for 24-lb. weft. Rove is easier at £26 10s. for 48 lb. and £17 15s. for 200 lb. Fine yarns are very steady, but carpet qualities continue neglected. Cloth orders are not numerous, but buyers are keeping in close touch. The very lowest prices possible are 3d. for 10½ oz. 40 in. and 2d. for 8 oz. Only small quantities are being purchased to meet immediate needs. The Calcutta goods market is steadier at the moment, but prices have recently shown weakness owing to lack of demand.

HIDE, LEATHER AND ALLIED TRADES.

Trade in connection with hides has not been so satisfactory during the past week, and the general tendency of values is towards lower levels. Hides from home-slaughtered cattle were only just able to realise last sales prices at the auctions held at Manchester

on Tuesday, and there is a feeling that the markets at which sales are held during the week-end will register lower figures. Business in connection with foreign hides has also been quieter, and, with buyers not showing the same amount of interest as of late, the outlook for the future is rather uncertain. In the South American market sales of Argentine ox have been made to the U.S.A. on the basis of 6½d., while 6½d. has been paid for cows, 6½d. for light ox, and 7d. for Montevideo ox. Dry River Plates are fractionally weaker, and at the lower figures a fair amount of business has been put through, including B.A. Americanos at 7½d., M.V. Americanos at 8½d. Business has been limited in connection with African hides, although sales of Capes have been made at 8½d. and 7½d. for first and second dries, with 7½d. and 6½d. accepted for the same selections of dry-salted. The turnover in the leather market has again been of moderate dimensions, although for certain classes there is just a slight temporary falling off. Prices, however, are maintained on a firm level, and any change that may occur is likely to be in an upward direction. In sole leather the bulk of the business done has been in connection with English and wet-salted bends in the medium to heavier weights. A steady demand is experienced by the majority of producers and distributors of upper leathers, and, all things considered, business moves on quite respectable lines. Improvement has been noticed in the call for box calf, while sales of black and brown glacé kid are well up to the average of recent weeks. The best enquiry experienced, however, is in connection with willow calf, and some decent-sized parcels of this leather have again changed hands. Suede leather and reptile skins are not a good market. Patent continues to sell in the lower-priced lines, but enquiry is not up to the average for the time of the year. Curriers have experienced a slight improvement in the call for waxed and russet kip butts and dressed ofal, but business is still very restricted, orders being confined to very small quantities.

OVERSEAS PRODUCE.

SUGAR.—The market manifests steadiness, and business proceeded with more freedom in British refined at a decline of 3d. Anglo-Dutch and Anglo-Scottish, granulated, marked down 3d. The Java Trust now quotes white sugar at 8½ guilders, ex go-down for any quantity. All raw refining kinds continue to meet a slow market. Terminal markets stronger and fair support accorded raw. December delivery, sold 4s. 0½d. to 4s. 3d.; March, 5s. 2½d. to 5s. 5½d.; May, 5s. 5½d. to 5s. 8½d.; August, 5s. 7½d. to 5s. 9½d. Foreign, 96 per cent. centrifugal, October, quoted 4s. 9d., and November, 4s. 9½d., c.i.f. U.K. Polish crystals, October, quoted 6s., and Czecho granulated to the U.K., 6s. 9d. f.o.b. Cuban receipts last week cabled 30,014 tons, against 20,890 last year; exports, 46,408, against 65,726; stocks, 1,162,515, against 503,590. According to Messrs Willett, stocks on plantations and in transit to ports of shipment amount to 1,301,000 tons. Stocks of raw sugar in the three chief ports of the United Kingdom for week ending September 27 amounted to 122,774 tons, against 152,489. Mr F. O. Licht's estimate for Europe, excluding Russia, amounts to 7,851,000 tons, against 7,299,000 last season. Including Russia, an increase of 1,400,000 is indicated.

COFFEE.—Quite a healthy tone still prevails. There seems no diminution in demand, either on home or consumption account, especially for all desirable grades. Supplies of such are in very narrow compass. Kenya and Costa Rica in particular are favoured. Brazilian kinds for shipment, firm but quiet.

COCOA.—Only a small movement on spot, including fine Grenada at 51s. and Trinidad 57s. Forward positions irregular but firm on balance. Accra F/F, October-December, London contract, quoted 24s., and January-March, 24s. 6d. f.o.b.; G/F, October-December, 26s. c.i.f. Terminal, December delivery, sold 26s. 6d. to 26s. 9d.

TEA.—Indian auctions during the week amounted to 58,256 packages. With good general competition, fine and tippy teas made firm to dearer prices. Most other descriptions went off firmly. Common tea now 9½d. Choice broken orange sold 4s. 7d. 17,362 packages Ceylon, of attractive quality generally, came to quite a strong market, with export orders in evidence for good to fine leaf grades. Prices advanced ½d. to 1d. and, in the case of fine and finest, from 2d. to 3d. Only moderate are expected from the island for some little time ahead. Java and Sumatra auctions ruled firm with a good demand.

RICE.—There is only a small movement and trend of prices still weak. Two Stars, October-November, London, quoted 10s. 6d.; Spanish oil, 12s. 9d. c.i.f.

BEANS AND PEAS.—The market in beans is steady, though business moves slowly. Madagascar butters of good quality, spot, quoted 33s. to 34s. Rangoon haricot, 11s.-11s. 3d. The market in peas is fully steady and reserve is marked on the part of spot holders. Japanese spot current crop, 18s. 6d.; afloat, quoted 17s.; September-October, 15s. c.i.f. Dutch quiet unaltered.

POTATOES.—The market in potatoes has been quiet at unchanged prices.

SPICE.—Pepper held steadily, but there was only moderate response from buyers. Lampung, August-October, quoted 5½d.; October-December, 5½d.; Muntok white, August-October, 8½d., and October-December, 8½d. Zanzibar cloves, on spot London, sold 1s. 2½d.; August-October steamer, quoted 1s. 1½d. Tapioca and ginger, quiet unaltered. Sago flour dull, and Sarawak, October-November, to Liverpool, quoted 8s. 6d. c.i.f. London stocks of black reduced 58 tons on the week to 786 against 1,493 same time last year. Muntok white, 90 tons lower at 320 against 1,000 same time last year.

COMMERCIAL TIMES—WEEKLY PRICES CURRENT.

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

LONDON, TUESDAY.		FRUIT (continued)—		WOOL—		HIDES—	
CEREALS AND MEAT.		Spanish Onions,		English Southdown, washed		Wet salted—Australian	
GRAIN, &c.	s. d.	Valencia:—	s. d.	per lb.	d.	per lb.	d.
Wheat, No. 3, N. Man. 496 lb. ...	30 9	case 4s.	6 6 7 0	per lb.	14 1/2	West Indian	per lb.
Eng. Gaz. av., per cwt.	7 2	case 5s.	7 6 8 0	Queensland, red, super cmbg.	23	Cape	per lb.
Barley, Eng. Gaz. av.	8 7	Onions, Oporto	case 0 0 0 0	N.S.W. greasy, super	11	Dry and Drysalted Cape...	0
Oats,	6 0	Chestnuts, Huelva	case 0 0 0 0	N.Z., gray, half-bred 50-56	8	Market Hides, London—	0
Maize, La Plata, landed, 480 lb.	24 0	Grapes, Lisbon	case 7 0 15 3	Crossbred 40-44	9	Best heavy ox & heifer	0
Flour, Lon. stan. ex mill, s. d.		Almeria	case 8 0 22 6			Best cow	0
280 lb.	27 6 0 0	LARD—				Best calf	0
Rice, No. 2 Burma, per cwt. 10	6 0 0	Irish bladders	62 0 72 0			INDIGO—	0
Sago, Pearl, per cwt.	19 0	American boxes 56 lbs.	0 0 0 0			Bengal gd. red-vio. to	at
Tapoca, per cwt.		SPOICES—				fine—per lb.	5 6 1 1/2
B.I. flake, fair spot	17 6 0 0	Pepper, per lb.				LEATHER—	
Medium pearl	20 0 0 0	Muntok, fair White	0 0 0 10 1/2			Sole Bends 8/14 lb.	1 3 2 6
Potatoes, good English,	5 6 6 0	Black Lampung	0 0 0 6 8			per lb.	2 6 3 3
per cwt.		Cinamon—1st sort, per lb.	0 10 0 0			Bark Tanned Sole	0 7 0 11
Beef, per 8 lbs.	5 0 5 8	Cloves—Zanzibar	per lb. 0 0 1 2 1/2			Do. Eng. or WS	do. 0 11 1 5
English long sides	5 0 5 8	Ginger—per cwt.				Bellies from DS	do. 0 6 1/2 0 7 1/2
Argentine chilled hinds.	5 0 5 4	African	40 6 0 0			Do. Eng. or WS	do. 0 7 1/2 1 0
Mutton, per 8 lbs.	5 0 5 4	Jamaica, ord. to good	65 0 90 0			Dressing Hides	1 6 1 8
English wethers	6 8 8 0	Mace	per lb. 1 10 2 6			Ro. Eng. Calf, 20/30 lb.	3 6 5 6
N.Z. frozen	3 6 4 8	Nutmegs 65's	1 2 0 0			Aust. Bends	1 1 1 7
Port, English, per 8 lbs.	4 8 8 8	SUGAR—				VEGETABLE OILS—	
BACON— OTHER FOODS.		(Duty 11s. 8d. per cwt.)	19 6 22 0			Linseed, naked, p. ton net	24 5 0 0
Irish	68 0 90 0	(Duty 11s. 8d. per cwt.)				Rape, refined	28 0 0 0
Danish	61 0 68 0	Java, white, c. & f. India	7 9 0 0			Cotton-seed, crude	22 0 0 0
Canadian	72 0 0	REFINED—London—				Coconut, deo.	30 10 0 0
Dutch	59 0 64 0	Yellow Crystals	18 1 1/2 0 0			Palm	20 10 0 0
HAMS—Irish	0 0 0 0	Cubes	22 6 23 0			Oil Cakes, Linseed, Eng.	per ton 9 0 0 0
Canadian	0 0 0 0	Crushed	21 0 21 6			Oil Seeds—Linseed—	
American	85 0 115 0	Granulated	18 3 19 7 1/2			La Plata, p. ton	Oct.-Nov. 11/18/9 0 0
BUTTER—		Home Grown (Oct.)	18 6 18 10 1/2			Calcutta—per ton	Oct.-Nov. 14 10 0 0
Irish creamery per cwt.	126 0 130 0	TEA—				Turpentine, per cwt.	35 0 0 0
Australian	110 0 130 0	Indian & Ceylon—per lb.				MINERAL OILS—	
New Zealand	120 0 148 0	Pekoe	8 9 2 5			Petroleum—Oil, per 8 lbs.	0 11 1/2 0 0
Danish	145 0 146 0	Broken Pekoe	0 9 2 4			Water-White	1 0 1/2 0 0
CHEESE—		Orange Pekoe	0 10 2 10			Lubricating—per ton	1 0 1/2 0 0
Canadian	74 0 80 0	Broken Orange	0 9 1/2 5 4 1/2			Pales	10/5/0 21/7/6
New Zealand	73 0 75 0	TOBACCO—				Reels	11/10/0 18/15/0
English Cheddars	78 0 106 0	(Duty 8/10-11/2 per lb.)				Cylinder	12/0/0 29/10/0
Dutch	42 0 75 0	Empire growth, 6/9 1/2				Fuel—per ton	s. d. s. d.
OOO—		per lb.				S.G. 895, 910	82 6 0 0
(Duty, British grown,		Virginia leaf—				" 950	67 8 0 0
11s. 8d.; foreign, 14s. cwt.)		Common to fine	0 10 2 6			ROBIN—	
Acra, f.f., per cwt.	36 0 0 0	Rhodesian leaf	0 9 1 6			American	per ton 12 15 17 15
Trinidad	54 0 60 0	Nyasaland leaf	0 9 1 8			RUBBER—	
Grenada	52 0 55 0	Stripes	0 10 1 10			Plantation Sheet per lb.	0 3 1/2 0 0
COFFEE—		East Indian leaf	0 4 0 8			Fine Hard Para per lb.	0 5 1/2 0 0
(Duty, British grown,		Stripes	0 5 1 2			SHELLAC—	
11s. 8d.; foreign, 14s. cwt.)		COTTON—				TN Orange ... per cwt.	85 0 87 6
B.I. good to fine, per cwt.	120 0 133 0	Mid-American	per lb. 5-70			SHELLS—	
Costa Rica, good to fine...	135 0 152 0	Sakellardis, f.g.f.	9-75			W. Aust. M.-o.-P.	3 10 11 10
Cent. Amer., mid to fine...	110 0 135 0	Yarns, 32's twist	10			SWEDISH—	
Kenya, bold sizes	115 0 128 0	60's twist	18			Swedish u/s 3 x 8	per std. 18 0 0
Colombian, mid to fine...	105 0 118 0	FLAX—				Do. 2 1/2 x 7	" 18 0 0
EGGS—		Livonian ZK	per ton 40 0 0 0			Can'dn Spruce, Dis.	" 17 0 0
English	per 120 15 6 23 9	Pernau HD	40 0 0 0			Fitchpine	per load 9 0 0 0
Danish	15 3 17 6	Shanets Medium 1st sort...	40 0 0 0			Rio Deals	per std. 32 0 0 0
FRUIT		HEMI				Teak	per std. 20 0 0 0
Oranges, South African bxs.	10 0 21 0	Italian P.O.	per ton 42 0 0 0			Honduras Mahg. logs	c. ft. 0 11 6
Oranges		Manila, Oct.-Dec. "J2"	22 0 0 0			African	" 0 6 6
Denia and Valencia		N.Z.	nom.			Amer. Oak Boards	" 0 6 0
1 cases 300 0 0 0 0		Sisal African, Oct.-Dec.	21 10 20 10			Do. Ash	" 0 6 0
360 0 0 0 0		Mexican	0 0 23 10			English Oak Planks	" 0 7 0
504 0 0 0 0		JUTE—				Do. Ash	" 0 6 6
Lemons, Naples ... boxes	21 0 34 0	Native 1st mks. ... per ton	s. d.				
Sicilian	boxes 14 0 24 0	Sept.-Oct.	16 15 0				
cases 20 0 24 0		Nov.-Dec.	16 17 6				
Malaga ... cases 420 No. 1	20 0 27 0	SILK—					
Apples: Amer. (var.) bxs.	22 0 45 0	Canton	per lb. 8 0 9 6				
(var.) boxes	0 0 0 0	Tussah	5 0 8 0				
" Tasmanian	0 0 0 0	Japan	10 6 12 6				
" Australian	0 0 0 0	Italian—Raw, fr. Milan	11 0 13 6				

FRUIT (Dried).—Currants: Supplies of new crop are now available. Gulf sold 38s. to 40s.; sun-dried Patras, 38s. Sultanais in fair demand. Cretan, 50s. to 74s. Raisins met with good support. Valencia, quarter boxes, sold, medium to good, 43s. to 58s.; fine to choice, 59s. to 87s. Dates quiet of sale. Evaporated fruits: Market quiet and trend of prices easier.

CANNED GOODS.—Fruit: The general position remains unchanged regarding Californian varieties, and buyers evince little disposition to operate in new pack. Apricots are available at reasonable prices and attractive offers of pears are also being made. Fish: Sardines: Market steady, but business restricted. Meat: Market remains steady, but trade proceeds on quieter lines. Condensed milk and milkpowders: Market steady, with improved inquiries for winter deliveries. Dutch condensed milk, full cream, sweetened, 5-cwt. casks, 33s. 6d.; English, full cream, sweetened, 5-cwt. casks, 39s. Honey: A fair demand continues for the better qualities, and tone steady. Jamaican, white, 47s. 6d. to 50s.

MEAT.—According to the Smithfield Market official report, supplies of meat during last week amounted to 8,625 tons, as compared with 8,600 tons in the corresponding week last year. Imported beef, principally Argentine, formed 84.2 per cent. of the supplies, as against 84.2 per cent. a year ago, and imported mutton, mainly New Zealand, formed 86.0 per cent. of the total supply, as against 81.9 per cent. last year. Prices are scarcely changed on the week.

RUBBER.—Nothing occurred to relieve the monotony attaching to this market. Moderate sales resulted and prices show but fractional changes, closing tone steady. Standard sheet, spot, sold 3 1/2 d. to 3 3/4 d.; October, 3 1/2 d. to 3 3/4 d.; November, 3 1/2 d. to 3 3/4 d.; December, 3 1/2 d. to 3 3/4 d.; January-March, 3 1/2 d. to 3 3/4 d.; April-June, 3 1/2 d. to 4 1/4 d.; July-September, 4 1/4 d. to 4 1/4 d.; October-December, 1931, at 4 1/4 d. to 4 1/4 d. To New York, estate sheet, April-June, sold 4 1/4 d. c.i.f. Straits shipments for last month

total 49,229 tons, against 47,800 last month and 53,484 corresponding month last year. London stocks increased 488 tons on the week, landings being 2,825; deliveries, 2,337; stocks, 83,136, against 42,077 last year. Liverpool stocks 773 tons higher; landings, 1,444; deliveries, 671; stocks, 34,858, against 10,161 last year. Hemp: Manila qualities held with some reserve and a firm market prevailed. K grade, October-December, quoted £21, sisal, No. 1, f.a.q., October-December, quoted £21 10s. c.i.f. Receipts last week cabled 18,000 bales, against 26,000 same time last year and 30,000 in 1928. Estimate for next week, 23,000; United Kingdom, 4,000 Continent, 7,000 U.S.A., 9,000 Japan and other countries 3,000 making stocks 123,000 bales.

VEGETABLE OILS AND OILSEEDS.—Markets have continued to display great weakness, and in most cases prices have gone down. Plate linseed, in sympathy with lower exchange rate and Argentine options, has declined almost daily, though at the close there is a revival of demand both here and on the Continent. Old crop for and new crop, December-January, at £11 8s. 9d. and £11 10s. The crop outlook in both Argentina and North America remains touched, new crop black Egyptian for shipment having fallen to £5 8s. 9d., at which latest business has transpired. In the oil section linseed oil is weak, and ex Hull raw oil on spot sharply declined but is steadier at £24 15s., and October delivery at £24, a fall of £9 per ton being registered within the past three weeks. Cotton oil is weak and lower crude Egyptian on spot offering at £22 and common edible at £25. All other seed oils are lower but have not declined to the same extent. Oilcakes and meals are in poor demand and prices have been reduced. The market in copra tone later. Straits S.D., November-December, to Rotterdam, quoted £15 5s.; Dutch E.I. ditto, £15 5s.; Ceylon, £15 17s. 6d. Palm kernels, October-November, to Hamburg, £10 8s. 9d. c.i.f.

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THE MONEY MARKET.

EARLY in the week some apprehensions were felt that money might prove difficult, as on Tuesday the sum borrowed from the Bank at the end of September fell due for repayment, while two days later the initial payment for the new Treasury Bond issue had to be made. These

fears, however, proved groundless, and money has remained easy all the week. Rates down to $1\frac{1}{2}$ per cent. have been quoted for day-to-day loans, while in the discount market short bills have commanded 2 per cent. and three months' bills $2\frac{3}{4}$ per cent. As the latter rate now relates to January, or after the turn of the year, it is not surprising that it is a shade higher than a few weeks ago; and it does not betoken an upward trend in rates.

At one time, the new Treasury Bond issue was not viewed too enthusiastically in the market, partly because for all practical purposes they were six-year bonds, and partly because 90 per cent. of their price did not fall due for payment or rank for interest until January 15th, when in the normal course of events money could be expected to be more needed and rates to be higher than at the present moment. When the time came, however, the issue proved a success, for applications amounting to £116,000,000 were received. Allotments were fixed at £105,000,000, those applying at the minimum price obtaining 56 per cent. of their needs, and the remainder being satisfied in full. Thus the Treasury seems to have judged the position to a nicety, while the market apparently considers that money is likely to remain easy and plentiful for some time to come.

Including Tuesday's repayments to the Bank and Thursday's 10 per cent. initial call upon the Treasury Bonds, some £17,000,000 must have been taken off the market during the week. Normally the withdrawal of so large an amount would have had some effect, and this week the opinion has been freely expressed that special steps were taken to keep money easy so as to facilitate the Treasury Bond issue. No direct evidence to this effect is forthcoming, though it may be significant that the leading banks did not call so heavily as usual. In any case, the decrease during the week of £8,748,090 in Public Deposits, shown by the Bank return, and due presumably to the encashment of Conversion Loan dividend warrants issued the previous week, eased the situation. Thus bankers' deposits increased during the week by £5,129,283 to £66,447,014, which meant that the market was well supplied with funds.

	Sep. 18, 1930.	Sep. 25, 1930.	Oct. 2, 1930.	Oct. 9, 1930.	Previous Rate and Date Changed.
Bank Rate	3	3	3	3	3 (May 1, '30)
Bankers' Deposit Rate	1	1	1	1	1 (May 1, '30)
Discount / Call	1	1	1	1	1 (May 1, '30)
Houses / Notice	$1\frac{1}{2}$	$1\frac{1}{2}$	$1\frac{1}{2}$	$1\frac{1}{2}$	$1\frac{1}{2}$ (May 1, '30)
Market rate (3 months' bills)	$2\frac{1}{2}$	2	$2\frac{1}{2}$	$2\frac{1}{2}$	...

As a result of arrivals, amounting to £2,000,000, of sovereigns from Australia, the Bank has gained £1,857,751 in gold during the week. On Wednesday £138,062 gold was withdrawn from the Bank on Swiss account, while France has continued to take the week's supply of Cape gold. The chief monetary developments abroad were the increase in the Reichsbank's rate on Thursday from 4 to 5 per cent., and the increase of $2\frac{1}{2}$ per cent. in the Australian banks' selling rate for telegraphic transfers on London. It is common knowledge that both countries concerned have lately been losing gold as a result of well-known circumstances peculiar to them alone, and neither development must be taken as indicating that the era of cheap money is coming to an end. In London, New York and other important centres the position remains unchanged.

NEW YORK.

Money remains easy and plentiful. Call money is quoted at 2 per cent., and ninety days' bankers' acceptances at $2\frac{1}{2}$ per cent. The outflow of gold noticeable in July and August has been reversed, mainly owing to arrivals from Japan. The Federal Reserve system states that the net importation of gold during September amounted to \$3,000,000, while last Monday the arrival of a further \$1,000,000 from Colombia was notified.

THE STOCK MARKETS.

Stock market conditions remained depressed, the foreign bond market a semi-panic occurred, or absence of news—of the Brazilian revolt, industrial shares were steady at the outset, but lost ground, tobacco shares, in particular, being fears of a possible price "war." Business in speculative markets was on very restricted lines, and tin shares being affected only to a minor degree, the stronger and weaker tendency, respectively, at commodities concerned. Gold-mining shares were in the absence of interest from the Cape and Paris, various "finance" issues coming again on offer, though to a less extent than last week.

THE COMMODITY MARKETS.

The coal trade continues depressed; the demand for industrial fuel still tends to shrink and competition in the export markets is increasing. The improvement in the iron and steel industries has not been maintained and transactions are few in number. The falling tendency of cotton and wool prices continues to check trade developments. The demand for hides has fallen off and prices show a weakening tendency. Wheat prices show a small decline on last week.

THE FOREIGN EXCHANGES.

The Foreign Exchange market was quiet during the week, and the turnover was on the small side. Sterling on New York, after touching 4.85 $\frac{1}{2}$, closed at 4.85 $\frac{1}{2}$. The Montreal rate fell to 4.85 $\frac{1}{2}$. French francs came on offer and closed at 123.82. In Belgium there was a further loss to sterling of $\frac{1}{2}$ cent. at 34.83. Milan was steady at 92.79. Heavy German demands for Dutch guilders and Swiss francs caused these exchanges to appreciate to 12.04 $\frac{1}{2}$ and 25.00, as against 12.05 $\frac{1}{2}$ and 25.03 $\frac{1}{2}$, respectively, a week ago. A further steady depreciation occurred in Spanish pesetas, the rate closing at 48.60—a new record adverse to Spain. Reichsmarks were offered from German sources, and showed further depreciation at 20.41 $\frac{1}{2}$, compared with 20.40 $\frac{1}{2}$ last week. Among the Eastern Exchanges, rupees improved to 1s. 5 $\frac{1}{2}$ d., as did yen to 2s. 1 $\frac{1}{2}$ d. The South American exchanges showed heavy depreciation. Buenos Aires was 38 $\frac{1}{2}$ d., as against 39 $\frac{1}{2}$ d. last week, while Rio was quoted nominally at 4 $\frac{1}{2}$ d. for delivery at the expiration of the fourteen days during which all banks have been closed on governmental instructions, consequent upon the political disturbances. In the forward market, New York was quoted at premiums of $\frac{1}{4}$ cent and $\frac{1}{2}$ cent for one and three months, respectively. Forward Paris was at premiums of 2 cents and 5 cents. Forward Belgas were less in demand, and moved to a slight discount. Milan forwards continued at last week's levels. Dealing took place in forward pesetas at premiums of 1 cent for one month, and 2 cents for three months. Forward guilders were in better demand at discounts of $\frac{1}{4}$ cent and $\frac{1}{2}$ cent for the two periods. Business in forward Reichsmarks was small, the quotations being 1 $\frac{1}{2}$ pfennigs discount for one month, and 6 $\frac{1}{2}$ pfennigs discount for three months. Silver was better on the week owing to Chinese and Indian purchases, and closed at 1s. 6 $\frac{1}{2}$ d. for both spot and forward positions. Hong Hong was 1s. 3 $\frac{1}{2}$ d., and Shanghai 1s. 7 $\frac{1}{2}$ d.

ECONOMIST BANKING SUPPLEMENT.

The Economist Autumn Banking Supplement is published with this week's issue. It contains an analysis of the current British banking situation, a commentary upon the Interim report of the Gold Delegation of the League of Nations Financial Committee, and an examination of recent banking developments in the Dominion and the United States.

ECONOMIST INTELLIGENCE BRANCH.

Our Intelligence Branch, which has been amalgamated with Moody's Investors Service, Ltd., is available to our readers for the supply of economic, statistical and other information, at a charge proportionate to the work involved. Inquiries should be addressed to Moody's Economist Services, 6, Boulevard Street, London, E.C.4.

BRITAIN FIRST.

"If 'twere done, 'twere well 'twere done quickly." If, as is now obvious, Mr Bennett, the new Prime Minister of Canada, came here with the intention of bringing the whole question of fiscal policy to a head, it is all to the good that he has wasted no time, and (subject only to such ambiguities of detail as are inseparable from a brief statement on a vast problem) has made his general intentions and wishes clear beyond a peradventure. The crux of his proposal is contained in two passages of his speech which he delivered to the Imperial Conference on Wednesday. Here is the first:—

"I offer to the Mother Country, and to all the other parts of Empire, a preference in the Canadian market in exchange for a like preference in theirs, based upon the addition of a 10 per cent. increase in prevailing general tariffs or upon tariffs yet to be created. In the universal acceptance of this offer, and in like proposals and acceptances by all the other parts of the Empire, we attain to the ideal of Empire preference."

Here is the second:—

"The primary concern of Canada to-day is profitably to sell its wheat. We believe that we shall be reaching towards a solution of that problem if we can establish a better market in Great Britain. This market we want, and for it we are willing to pay by giving in the Canadian market a preference for British goods."

Regardless of the considerable preferences already accorded to Canadian goods coming under the "Safeguarding" and "McKenna" schedules, Mr Bennett in effect says to the Mother Country:—"Revolutionise your fiscal policy, put duties on primary foodstuffs imported from foreign countries in order to admit under preferential rates larger quantities of Canadian wheat, and we will give your manufactured goods, not lower duties, but a preference conditioned by the further raising of our own tariff barriers against the rest of the world."

The first and most vital point in Mr Bennett's offer is that it entails not lower but higher tariffs. There is a vast body of opinion in this country, even among those reared in the Cobdenite faith, which would have been inclined to give the most careful and favourable consideration to any proposals for Imperial preference which might have foreshadowed progress through the lowering of tariffs to anything like a system of Imperial Free Trade. Had any such prospect been instinct in Mr Bennett's proposal, the Government and the country would have been obliged seriously to face the issue whether Britain's international interests permitted her to consider the gradual diversion of trade channels which such a proposal would have meant. But Mr Bennett has made it abundantly clear that the road which he proposes to follow, and on which he wishes to take the Empire with him, is a path of high Protectionism which leads anywhere but to such a breaking down of barriers between constituent members of the Commonwealth as has been achieved between the constituent members of the United States of America. In set terms he rules out the possibility of anything in the nature of Empire Free Trade, and in this he was explicitly supported by the other Dominion Premiers.

We are grateful to Mr Bennett for his frankness and, in particular, for his outspoken declaration that the essence of Canadian fiscal policy is "Canada first." He will not take it amiss if we remind him that the considerations which must determine the answer of the British Government, for which he is apparently unwilling to wait, must be based on a policy of "Britain first." When that reply is framed—and with all due deference to Mr Bennett, statesmen cannot reasonably be asked to sign away a country's economic birthright in five minutes—its key-note must be that the basic requirement of Britain in her present difficult commercial position is to seek the lowering of tariff barriers whenever and wherever she can find any promise of success; and the lowering of tariffs is the precise opposite of what is entailed by Mr

Bennett's proposals. Without prolonged and detailed investigation it is quite impossible to assess the probable value to our own manufacturers and traders of the terms which Canada offers in exchange for a complete reversal, with all its unlimited ramifications, of our fiscal policy, and for an attempt at the diversion of the channels of trade which must react on every purchaser throughout the world who deals in British products. But, on the face of it, there would appear little doubt that in terms of hard commercial advantage Mr Bennett is offering to this country the equivalent—if we may reverse a much used political phrase—of "fourpence for ninepence."

Mr Scullin, the Prime Minister of Australia, who followed Mr Bennett, unconsciously perhaps, yet very effectively, emphasised the greatness of Britain's trade connections with foreign countries which might be jeopardised by such proposals as those discussed on Wednesday. Mr Scullin was at pains to bring out a fact of which everyone is aware, namely, Australia's importance as a market for British goods; and to illustrate his argument he produced figures comparing Britain's trade with his Dominion with her trade with the two foreign countries of Argentina and Denmark. When these figures are examined their chief conclusion seems to us to be this—not the remarkable nature of our trade with a country isolated in the Pacific Ocean, and almost as accessible geographically to this as to other countries, but that our trade with Denmark and Argentina—two countries differing in language and tradition and both having industrial neighbours strongly competing with us—is of a magnitude comparable with our trade with the Dominion. Indeed, in the case of cotton and woollen goods, Mr Scullin's figures show the foreign to be the better market. They show also that the potential opportunities in Denmark and Argentina—countries of high living standards and with larger populations—are greater than in Australia. On Mr Scullin's figures a deal with these two countries would pay us better than one with Australia, if the Commonwealth insists that the basis of discussion must be the excessive duties at present levied by her against British goods, and the only inducement is to be still higher tariffs against the rest of the world.

What then is Britain's reply to be? She wants markets, markets everywhere, and in fulfilment of the promise already given to examine any and every proposal with an open mind, Mr MacDonald may agree to the establishment of a committee to consider whether out of any far corner of Mr Bennett's proposals anything practicable and advantageous can be disinterred. He would, nevertheless, be wasting the time of the Conference unless he made it abundantly clear from the outset that this country must rule out the possibility of participating in or encouraging a general upward movement of tariffs within the Commonwealth in which she is a partner. Indeed, the speech which the British Prime Minister delivered at the Labour Party Conference at Llandudno, on Tuesday, suggests the lines on which the reply must be framed. In defending his Government's action in signing the Tariff Truce at Geneva last month, Mr MacDonald said that they had signed it "expecting results" in the direction of lowering tariff walls in Europe. "The truce," he said, "has only been signed to allow negotiations to be begun. If those negotiations are not successful, the Government will certainly take its freedom to take the next step that has been imposed upon it by the failure of other nations to meet it in its advances."

These simple sentences should be pondered carefully by Dominion as well as European statesmen. They reveal a policy to which enlightened opinion of every fiscal school subscribes, namely, that the prime economic interest of Britain lies in securing anywhere and everywhere, and by all means at our disposal, the lowering of the incidence of protective tariffs. Spoken before Mr

Bennett's speech, they might have been read as a warning to Europe that we might be driven towards a special agreement for freer trade within the borders of the Commonwealth. That alternative has now been removed from the sphere of practical politics by the speeches of Mr Bennett and his Dominion colleagues. But the bearing of Mr MacDonald's words remains the same. The British Dominions, in pursuit of their own unfettered freedom in fiscal policy, have deliberately chosen the path of high protection and apparently intend to pursue that path up-hill. We cannot follow them; and if, in their turn, they recognise the peculiar economic needs of the Mother Country and the duty of her Government to observe them first and foremost, they should realise that the latest developments must enhance in the eyes of Britain's rulers the importance of the existence of a low tariff group of foreign countries with whom co-operation may prove an alternative road to the achievement of freer trade and better markets.

Mr Bennett has achieved fame. He has imported sensation into a Conference which promised to be nearly humdrum; he has at one blow killed the latest of British political parties; he has brought from the wings, where it has remained too long, into the centre of the stage the supreme fact about Imperial preference, namely, the practical limitations to which the development of Imperial trade is subjected by the varying needs and accepted policies of the Commonwealth's individual members. We hope that in matters of general principle the British reply—the only, inevitable British reply—will be given without undue delay. Then, perhaps, with the air cleared, and facts frankly faced, the Conference will settle down to the practical work of organisation, research and the establishment of machinery for continuous consultation and, indeed, for getting closer together on every aspect of economic life. There, if we would only look for it, so much common ground exists between the chief countries of the Empire.

THE PROSPECTS OF THE LEAGUE.

LAST Saturday, October 4th, the Eleventh Assembly of the League of Nations closed its proceedings in an atmosphere of pessimism which inspired Lord Cecil's speech and was not dispelled by Monsieur Titulescu's. Letters in this and recent issues from our League correspondent have described the vicissitudes of this session—the "ups" and "downs" of feeling, the successes and failures of action. On this showing, if we confined our attention to the scene at Geneva during the last few weeks, it could be argued with almost equal plausibility that the League was prospering and that the League was in a bad way. But, we may suppose, the statesmen who have just concluded their work in this Assembly do not estimate the prospects of the League (whatever their estimates may be) on so narrow a view. They may well look before as well as after, and keep in mind the whole history of the League up to date, since its building during the Peace Conference of Paris and its launching on January 10, 1920, when the Covenant came into force as the first chapter of the Peace Treaty of Versailles. In this perspective the prospects of the League ought to be estimated not only by the statesmen but by the peoples of the world. And the League Secretariat, foreseeing and providing for the needs of the day, has just published a clear, compact and authoritative survey of the League's performance during the first decade of its existence.*

What is the League? We must ask first: What is the task which the League has been called into existence to perform? And the answer to this second question is that it is a political task more difficult than any that the world has ever before set itself. The supreme difficulty of our generation—a difficulty which underlies the war problem, the unemployment problem, the gold problem, and every other problem with which we are beset—is

that our achievements on the economic plane of life have outstripped our progress on the political plane to such an extent that our economics and politics are perpetually falling out of gear with one another. On the economic plane, the world has been organised into a single all-embracing unit of activity. On the political plane, it has not only remained partitioned into sixty or seventy sovereign national States, but the national units have been growing smaller and more numerous and the national consciousnesses more acute. The tension between these two antithetical tendencies has been producing a series of jolts and jars and smashes in the social life of humanity; and the smash which pushed us into founding the League—the Great War of 1914-18—was not a unique catastrophe. It was merely the worst that has occurred so far, and we know that worse will follow unless we succeed in putting our politics into gear with our economics again. The League is an association of States for this purpose. Its immediate object is to prevent the recurrence of war, that is, the recurrence of the most dangerous and destructive form of political sabotage to the economic life of the world. Its minimum programme for the future is, over and above the prevention of war, to bring the political organisation of the world into line with its economic organisation far enough to take off the political brake which is at present retarding our advance towards world-wide economic efficiency and prosperity. Its maximum programme (if we may be bold enough to pitch our expectations so high) is to make the political factor in modern international life a positive asset to humanity instead of the incubus which it is to-day.

In this first decade, what progress has the League made towards attaining its successive objectives? In the first place (and this is the chief ground for present pessimism), it has certainly not eliminated the danger of war between Great Powers, that is, it has not made life safe against the only kind of war which is capable, nowadays, of bringing catastrophe upon the world at large. We do not take too tragically the failure of the League, in the field of disarmament, to obtain this or that concrete result—the failure to carry the Geneva Protocol of 1924, the failure of the Preparatory Commission for the Disarmament Conference, in meetings drawn out over half-a-dozen years, to produce an agreed "yard-stick" for the comparative measurement of armaments as the basis for an agreed limitation and reduction; or the failure of this Eleventh Assembly to incorporate in the Covenant of the League the provisions of the Multilateral Treaty of Paris (the so-called "Briand-Kellogg Pact") for the renunciation of war as an instrument of national policy. To read the proceedings of the League and of its organs *à propos* Disarmament is certainly discouraging. The effort seems quite disproportionate to the achievement. But this is largely because the League does not acquiesce in its own failures. It goes on trying again and again.

And here we have put our finger on one of its main points of strength—the permanence of its organisation and the continuity of its work. Before the war such attempts as were made at ensuring peace through inter-State action were spasmodic and desultory; and if the failures of the Hague Conferences were not "rubbed in," as the failures of the League Preparatory Commission have been, that was mainly because, unlike these, they were not followed up by fresh efforts to overcome the *impasse*. The ground for pessimism lies rather in the general temper and outlook of the statesmen and parties who are in the ascendant in certain great countries. The symptom that is really alarming is the persistence, or recrudescence, of the belief that national interests can be served best by a policy of "sacred egoism"; and the most ominous instance of this attitude is its prevalence in France. We can understand it in Germany and Italy, whose statesmen and peoples would like to see drastic changes in the present political disposition of the world. In a country which has everything to lose by change and everything to gain by the establishment of a political world-order which rules out change by violence, a nationalist policy is such a piece of perversity that it becomes rather a terrifying portent.

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France is reported to have made up her mind not only to obstruct the progress of Disarmament, but to oppose the extension of the League's activities in every sphere. Some colour is given to this allegation by the leading part which the French took, at this Assembly, in frustrating the efforts to enable the League to take effective action for the suppression of slavery—a humanitarian duty which is explicitly within the province of the League and is essentially a matter for international co-operation. If this is really the explanation of the French delegation's action on this point, we are inclined to take this more seriously than the failures to incorporate the terms of the Kellogg Pact in the Covenant or to fix a date for the Disarmament Conference. In attacking war and armaments, the League, after all, is making a frontal attack upon the traditional activities and attributes of sovereign States; and frontal attacks seldom carry their objectives straight away. They are a form of tactics which almost invites repulses and setbacks. On the other hand, the League in its humanitarian and economic work is swimming with the tide—the mighty tide of modern economic life which is making all the time for world-wide co-operation. These considerations suggest that a small setback to the progress of the League in its humanitarian and economic work may be a ground for greater disquiet than a much more sensational setback to its efforts after peace and disarmament.

Yet, whatever the general policy of France towards the League may be to-day, no one can say that the French Government is inclined to ignore the League nowadays or neglect it. And this brings us to the remarkable change in the position of the League in international politics in the course of these first ten years. In 1920, the League was an "epiphenomenon," a "fly on the wheel" of international affairs. The important business of the day was being transacted by other bodies—the Supreme Council of the Allies, and the Conference of Ambassadors. Prime Ministers and Foreign Ministers could not be bothered to attend the sessions of the Council and the Assembly; they left that sinecure to enthusiasts and amateurs. In 1930, on the other hand, Geneva is the forum where the current work of international politics is being done; and the statesmen who really control the policies of the countries which they represent are coming to Geneva to do this work there. The League has become a real and vital instrument, and this is a great advance; but it has its disadvantages, too; for when an organisation is effective its powers and functions are closely scrutinised and cannot easily expand unnoticed and unopposed. This point is serious, because the League, as set up in 1920, was intended by its architects to be the modest beginning of an ambitious building. The Covenant and all its provisions—for the maintenance of peace, for the reduction of armaments, for the protection of minorities, for the supervision of mandates—were meant to be foundations, not copings, beginnings and not ends. When we measure the growth of the League

during its first decade we cannot help being disappointed to find how small this has been, or disturbed to see how vigorous and wide-awake the opposition is apt to be nowadays whenever any question arises of completing the original plan.

And what of the future? What will be made of the League by the generation, now nearing manhood and womanhood, which has had no personal experience of the war? In the modern world, with its organised universal education, no institution can hope to impress itself on the minds and implant itself in the hearts of the rising generation unless it finds its place in the educational curriculum. We may conclude this survey of the prospects of the League on a note of optimism when we observe how warm a response has been made by education authorities, all over the world, to the Assembly's appeal for "the instruction of youth in the existence and aims of the League of Nations." Uninspiring and academic? Well, so it may be. And yet this humdrum, unobtrusive measure for making the work and purpose of the League familiar to the mass of mankind may be more momentous for the future than anything which was done or left undone last month by the statesmen at Geneva.

INDUSTRIAL PROFITS.

OWING to the natural "time-lag," varying in extent for different companies, between the closing of a working year's accounts and the publication of results, the trend of the profits of British industrial joint-stock undertakings, surveyed in our usual quarterly analyses, has been slow to reflect the influence of the major recession in trade which set in last autumn. Three months ago an increase in net profits amounting to 8.6 per cent. was revealed; and, though this was accounted for almost entirely by higher earnings in the case of three prominent oil companies, the results disclosed in the other groups did not merit a more adverse description than that they were "patchy." Our latest analysis, however, depicts a very different situation. The accounts of the 329 companies which have reached us during the last three months show net earnings, after payment of debenture interest, amounting to £23,626,502, against £25,232,486 a year ago, a decline of 6.4 per cent. —

NET PROFIT (AFTER PAYMENT OF DEBENTURE INTEREST, &c.).

	Number of Companies.	Reports Published in		Increase (+) or Decrease (—).	
		1928.	1929.		
Third quarter	257	£ 24,039,327	£ 23,327,747	— 711,580	— 3.0
Fourth quarter	420	32,948,898	33,404,593	+ 455,695	+ 1.4
		1929.	1930.		
First quarter	516	60,888,497	62,021,337	+ 1,132,840	+ 1.9
Second quarter	578	73,424,411	79,717,393	+ 6,292,982	+ 8.6
Third quarter	329	25,232,486	23,626,502	— 1,605,984	— 6.4

* "League of Nations: Ten years of World-Co-operation: foreword by Sir Eric Drummond" (Secretariat of the League of Nations, 1930).

The September quarter's industrial reports are less numerous than those of any other quarter of the year, and it is, consequently, unsafe to draw too confident conclusions from their showing in comparison with the results of preceding quarters. The next table, however, which gives quarterly fluctuations in net earnings since the beginning of 1924, seems to suggest that, after a period of comparative stability in 1929, followed by a brief and irregular upward movement in the first half of this year, we are now at the beginning of a phase in which industrial profits will show a marked downward movement:—

	1924.	1925.	1926.	1927.	1928.	1929.	1930.
First quarter	+ 8.7	+ 9.1	+ 7.6	+ 4.0	+ 15.2	+ 1.5	+ 1.9
Second quarter	+ 3.0	+ 11.1	+ 8.3	+ 5.7	+ 1.3	+ 0.7	+ 8.6
Third quarter	+ 2.3	+ 4.8	+ 2.8	+ 2.4	+ 9.7	+ 3.0	+ 6.4
Fourth quarter	+ 13.3	+ 6.4	+ 3.8	+ 0.3	+ 3.1	+ 1.4	...
Year	+ 6.6	+ 8.7	+ 6.3	+ 3.0	+ 7.2	+ 0.0	...

This impression is strengthened by the next table. Of the results disclosed by the various groups which make up the total, only four groups show an increase (substantial only in the case of breweries) whereas twelve groups record decreases, in many cases of very considerable extent. In fact, with the exception of the first half of 1927, when the effects on profits of the industrial troubles of the previous year were observable, it is not since the slump of 1921-22 that our analysis of earnings has revealed such a pronounced or general decline:—

NET PROFITS (AFTER PAYMENT OF DEBENTURE INTEREST, &c.)

	No. of Companies.	Reports published in Quarter ended Sept. 30th.		Increase.	Decrease.
		1929.	1930.		
Breweries	21	£ 8,398,161	£ 8,977,019	6.9	...
Gas	4	72,445	83,115	15.0	...
Hotels, Restaurants, &c.	2	113,477	141,225	24.5	...
Iron, Coal and Steel	27	672,125	740,135	10.1	...
Land Mortgage, &c.	20	1,244,760	1,063,616	...	14.6
Motor and Cycle	3	331,858	266,952	...	19.6
Nitrate	3	23,611	Dr 83,063	...	451.8
Oil	3	448,158	421,103	...	6.0
Rubber	64	1,477,191	1,005,460	...	31.9
Shipping	9	1,034,818	823,868	...	20.4
Shops and Stores	15	1,048,713	999,973	...	4.7
Tea	23	319,096	139,850	...	56.2
Textiles	12	1,125,806	614,082	...	45.5
Trusts	19	1,231,863	1,092,611	...	11.3
Waterworks	6	33,930	33,267	...	2.0
Miscellaneous	108	7,656,454	7,307,325	...	4.6
Total	329	25,232,486	23,626,502	...	6.4

So far as domestic industry is concerned, the heavy fall in the net profits of nitrate, rubber and tea companies is not directly significant. But it is noteworthy that the large "miscellaneous" group shows a decline of nearly 5 per cent., while motor and cycle and shipping profits are both down by about 20 per cent., and in the case of textiles the drop amounts to the disastrous figure of over 45 per cent. In the iron, coal and steel group the increase shown must be judged in relation to the depression already existing a year ago. Investment trusts, it will be noticed, suffered a sharp contraction in earnings, and though brewing profits, as already mentioned, continued on their upward path, the decline in the profits of the shops and stores group would appear to point to diminished spending power on the part of the public as a result of the trade depression.

In our next table we set out the distribution of profits during each of the past five quarters:—

DISTRIBUTION OF PROFITS.

	Net Profits.	Ordinary Dividend.	Preference Dividend.	To Reserve, &c.
1929.	£ 23,327,747	£ 14,368,539	61.6	£ 4,149,124
Third quarter	33,404,593	22,054,466	66.0	5,356,375
1930.	£ 62,021,337	£ 38,408,282	61.9	£ 12,233,520
First quarter	79,717,393	45,045,105	56.5	19,848,375
Second quarter	23,626,502	14,830,457	62.8	4,469,225
Third quarter				

As compared with a year ago, dividends on ordinary and preference shares account for a somewhat larger proportion of total earnings, and the percentage of total profits left in the business fell from 20.6 per cent. to 18.3 per cent. The comparison with the third quarter of 1928, when the reserved proportion amounted to 26.9 per cent., is still more unfavourable. The next table shows how the aggregate distribution was divided up as between the different groups:—

	Net Profits.	Ordinary Dividend.	Preference Dividend.	To Reserve, &c.
Breweries	£ 8,977,019	£ 6,418,479	71.5	£ 563,868
Gas	83,115	76,529	92.1	5,586
Hotels, Restaurants, &c.	141,225	98,739	69.9	Nil
Iron, Coal and Steel	740,135	619,637	83.7	232,005
Land Mortgage, &c.	1,063,616	688,144	64.7	350,390
Motor and Cycle	266,952	122,904	46.0	279,494
Nitrate	Dr 83,063	Nil	...	Dr 115,077
Oil	421,103	215,403	51.2	Dr 83,063
Rubber	1,005,460	582,321	57.9	205,700
Shipping	823,868	349,416	42.4	221,612
Shops and Stores	999,973	587,078	58.7	177,238
Tea	139,850	438,187	313.5	235,621
Textiles	614,082	136,545	22.2	Dr 44,776
Trusts	1,092,611	650,425	59.5	362,702
Waterworks	33,267	26,225	78.8	226,406
Miscellaneous	7,307,325	3,793,625	51.9	2,015,908
Total	23,626,502	14,830,457	62.8	4,469,225

It will be seen that there were wide divergencies in the treatment of reserves. In order to maintain dividends heavy drafts on accumulated funds were made by the textile, tea, nitrate, motor and cycle, and iron, coal and steel groups, while at the other end of the scale the proportion of profits reserved by the oil, rubber, shipping, shops and stores and brewery groups was distinctly conservative. In the important "miscellaneous" group the amount reserved, 20.5 per cent., compares with 24.4 per cent. at this time last year.

Turning to earnings on capital, we next give the ratio of net profits and of sums reserved to total ordinary and preference capital:—

	Total Ord. and Pref. Capital.	Net Profits.	Carried to Reserve, &c.
1929.	£ 203,191,686	£ 23,327,747	11.2
Third quarter	323,129,955	33,404,593	10.3
1930.	£ 595,281,227	£ 62,021,337	10.4
First quarter	751,909,913	79,717,393	10.6
Second quarter	268,078,042	23,626,502	8.8
Third quarter			1.6

The ratio last quarter of net profits to total capital shows, at 8.8 per cent., an appreciable decline in comparison with 11.2 per cent. a year ago and 11.9 per cent. in the third quarter of 1928. The proportion of reserve allocation to capital has also fallen to a somewhat disquietingly low figure.

The next table summarises for each quarter since the beginning of 1927 the average rates of interest and dividend paid on debenture, preference and ordinary share capital:—

AVERAGE RATES PAID.

	On Debenture Capital.				On Preference Capital.				On Ordinary Capital.			
	1927.	1928.	1929.	1930.	1927.	1928.	1929.	1930.	1927.	1928.	1929.	1930.
1st quarter	4.80	4.78	4.89	4.89	5.1	5.3	5.4	5.8	10.4	11.3	10.9	10.0
2nd "	5.30	5.43	5.10	4.94	5.9	6.0	5.9	6.3	11.8	10.0	9.8	10.3
3rd "	4.98	4.90	4.88	5.36	5.2	5.4	6.0	5.0	10.2	10.7	10.3	8.3
4th "	5.19	5.04	5.29	...	4.9	4.9	4.7	...	10.1	10.3	10.6	...
Year	5.08	5.02	5.15	...	5.3	5.4	5.5	...	10.8	10.6	10.5	...

Ordinary dividends have declined to the lowest rate shown for a number of years, a fact not without significance in connection with the problems which will confront Mr Snowden when he makes up his Budget for 1931-32. On the other hand, the Chancellor of the Exchequer may find some consolation in the fact that our final table shows that in the two largest groups, breweries and "miscellaneous," which between them account for nearly half the aggregate capital, the rate of ordinary

dividend actually records a fractional increase over that shown a year ago:—

	Debenture Capital.	Rate of Int.	Preference Capital.	Rate of Int.	Ordinary Capital.	Rate of Int.	Rate of Div. a year ago.
Breweries	£ 15,090,999	4.7	£ 14,780,994	3.8	£ 34,191,340	18.8	17.7
Gas	243,176	3.8	9,000	...	1,028,240	7.4	7.5
Hotels, Restaurants, &c.	Nil	...	Nil	...	1,608,190	6.1	17.4
Iron, Coal and Steel	11,299,411	6.3	10,442,312	2.2	18,925,452	3.3	5.1
Land Mortgage, &c.	10,408,263	5.5	6,657,955	5.4	13,776,199	5.0	8.1
Motor and Cycle	611,250	7.2	2,212,774	12.6	2,176,858	5.6	17.5
Nitrate	Nil	...	Nil	...	2,000,000	...	...
Oil	2,986,651	6.6	73,202	4.7	15,773,293	3.7	7.8
Rubber	2,150,000	5.2	4,155,000	5.3	7,695,399	4.5	7.2
Shipping	947,660	6.0	3,405,071	5.2	5,874,438	10.0	10.6
Shops and Stores	136,452	6.7	883,361	2.4	2,778,490	5.9	8.1
Tea	5,461,054	4.1	7,898,051	4.6	8,319,002	5.3	6.1
Textiles	6,496,042	4.5	6,156,726	3.7	13,499,678	4.8	8.7
Trusts	94,096	4.6	89,235	5.5	399,615	6.6	7.6
Waterworks	16,134,987	5.8	32,650,353	6.2	44,967,629	8.5	8.4
Miscellaneous							
Total	72,059,141	5.36	89,414,034	5.0	178,664,008	8.3	10.3

In many of the groups the *caveat* may perhaps be repeated that the number of companies publishing results during the last quarter is not sufficiently large to afford completely reliable evidence for drawing conclusions as to the general trend in particular industries. With this qualification, however, it should be observed that marked reductions have occurred not only in the oil, nitrate, rubber and tea groups, but also in the case of both investment trusts and of companies drawing their revenue from land, mortgage, etc. It is to be feared, given prevailing trade indications, that the results disclosed during the next few quarters may be even less encouraging to investors than those revealed by our present analysis.

THE AIRSHIP DISASTER.

(BY A CORRESPONDENT.)

THE vital need, in regard to such a disaster as has befallen the airship R 101, is to view the circumstances of the tragedy in their right perspective. It would be as foolish to belittle this catastrophe as it would be to say, prematurely, that it spells the doom of all airship progress. Profound sorrow is felt at the loss of all those brilliant men who have sacrificed their lives for the cause they had at heart, and our deepest sympathy goes out to their sorrowing relatives. But these pioneers are now beyond recall, and what they themselves would have wished, were they still here, would be for us to seek dispassionately every means which might prevent such a disaster happening again.

What must be our point of view in endeavouring to see this great tragedy of the air in its proper proportion? Two questions at once arise:—(1) The effect of the disaster on airship construction; (2) its influence on the general position of the airship in world transport. A public inquiry, in addition to a close technical scrutiny of all the facts, is already promised. No stone is to be left unturned in arriving at the truth. To-day, reviewing all the facts known at the moment, one may say this. The crash appears to have been due to one or other of two causes:—(1) The airship may have been driven to earth in a violent squall while heavily-laden and flying low; (2) just before the accident she may have been the victim of some structural failure which rendered her only partially controllable. The preliminary technical investigations which preceded the design and construction of the R 101 led British experts to believe that, in previous large airships, the margin of structural strength had been insufficient. In the R 101, therefore, the prime consideration was to ensure the amplest margin of safety in every part of the enormous hull. Steel girders, instead of those of aluminium alloy, were employed, while as an additional precaution, to avoid fire risks while in the air, the expedient was adopted of using oil-burning instead of petrol burning engines. Incidentally, even with oil engines, in the case of such a

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crash as that of the R 101, the risk of a fire starting, through sparks igniting escaping hydrogen, cannot be obviated. Here lies the convincing argument in favour of the use, when it can be procured, of the non-inflammable gas, helium.

The essential point, however, is that all these safety precautions resulted in the R 101 having a heavier structural weight than had previously been estimated, and this was a very definite drawback from the point of view of her use as a commercial vessel, carrying passengers and mails for long distances. It was found, as a matter of fact, that unless she could be given a bigger lift, by the introduction of more gas compartments, she would be unable to carry out the demonstration programme which had been planned in the shape of long trans-Empire flights. Thus, recently, a new 45-foot bay was introduced into her hull, increasing her lift by approximately 15 tons.

Even so, when she left London on the first stage of her flight to India she was very heavily loaded, remembering always that the vessel itself was of a heavy structure. This meant that, for a considerable distance after she had begun her flight, she was obliged to fly at a low altitude. This would not have mattered had weather conditions been favourable. But as she crossed the Channel, and began to fly over France, the conditions of wind and rain grew rapidly very much worse. Torrents of rain fell, soaking the fabric of her great hull and rendering her still more sluggish. The wind blew in gusts of increasing strength. In the neighbourhood of Beauvais, where she crashed, atmospheric conditions are notoriously dangerous for air navigation, and a good many aeroplanes have come to grief in this region.

We have the testimony of survivors that just before the crash the airship, labouring heavily in the raging wind and driving rain, dipped her nose steeply. From this dive those controlling her managed to bring her back on an even keel. But then came another plunge, and this time the bow of the airship struck the crest of a ridge which rises something like 700 feet high. There is the story as it is known to-day, and what experts have to do is to derive the clearest possible lesson from it.

One positive fact must be borne in mind. What the world requires to-day of an airship is that it should be an economic proposition as a commercial transport vehicle. It has not only to be safe and fast in flight, but it is imperative that it should carry a paying load. An airship might be built so strong that nothing in the world would break it up; but if its weight was so great that it would not carry a remunerative commercial load, then it would be a useless proposition from an economic point of view. It is vital that a most careful balance should be struck between the structural strength of a great dirigible and the load it can carry over long distances without alighting. That is the problem in a nutshell, and this disaster must be viewed critically from just this one point of view.

Although the provision of moorings is a serious factor, the scope for the airship in aeronautics is that it offers a means of long-distance non-stop aerial transport which, at the moment, no other aerial machine provides. Gratifying progress, fraught with great possibilities, is being made with large multi-engined flying-boats; but when it comes to a non-stop crossing of oceans, with a big commercial load, no heavier-than-air machine, at the

present time, can approach the performance of the airship. But can the big dirigible be made strong enough, and at the same time light enough, to enable it not only to survive very bad weather, but, in addition, to carry a load of a sufficient weight to permit it to be operated on an economic scale?

Airship designers have been talking recently of very much bigger airships, into which it would be possible, without undue risk, to import a lower factor of structural strength than had been employed in the R 101. They have realised that if they build a dirigible with a large margin of safety, it may not be able to lift a really commercial load. Therefore, the idea has been to reduce sheer structure weight. But this does not deal with the problem fully.

Both the R 101, and her sister ship, the R 100, have proved too slow in flight to be of any real value in operating an all-the-year-round ocean service. Therefore, the experts are examining the possibility of building bigger and lighter airships and at the same time of equipping them with far more powerful engines to drive them through the air at speeds approaching 100 miles an hour. But here a further problem of the gravest significance, and one so far unsolved, arises. It concerns the enormous strains which may be imposed on a great light-weight hull when flying at a high speed in weather which is producing rapid and powerful atmospheric disturbances.

The airship designer appears, to-day, to be on the horns of a dilemma. If he builds a great machine of high structural strength, such as the R 101, it may not carry a sufficiently large paying load; or, if it is laden very heavily for some long flight, it cannot, for some considerable distance after it has started, attain a height sufficient to render it immune from a risk of powerful downward eddies in the air. And if a designer, in an endeavour to produce a great vessel which shall be a really commercial proposition, cuts down his weight and puts up his speed, then he appears to be running heavy risks of structural failure should his machine be beaten and tossed about in a violent gale.

Until answers which are completely satisfactory can be provided to the problems, and until convincing evidence is forthcoming that any repetition of the R 101 disaster can be averted, giant airships as transport vehicles must be held to be susceptible to risks so great that an expenditure of further large sums of public money upon their construction is unjustified.

"NAZISMUS."

(BY A CORRESPONDENT.)

WHEN Herr Hitler and his "Nazis," after the German elections, became figures on the international stage, their success was certainly not due to the party programme, for the most part a conglomeration of absurdities. Nor was it due to marked ability or character on the part of the leaders of the movement, most of whom are demagogues of the purest water unhampered by experience or knowledge. Nevertheless, Herr Hitler's movement has caught the imagination of millions of young Germans, many of them of the best type, and seems likely to grow apace now that it is in the limelight. Herr Hitler may not be as absurd as he seems when he disclaims all intentions of a "Putsch" and declares his intention of "conquering the German soul."

This remarkable phenomenon has been explained in a variety of ways. Undoubtedly discontent with the incapacity of the old parties, fear of Communism, severe economic distress, continual scandals in local administration, the burden of reparations, the disarmament fiasco, have all played their part; but this is hardly the whole story. Under the surface of German life a reaction against the whole tendency since 1918 has been germinating, and more by chance than anything else it has chosen this particular way in which to manifest its strength.

The power of an idea over the German people was sufficiently demonstrated by their achievements during the War. The collapse of 1918 produced a widespread reaction towards materialism, which has been perhaps the principal characteristic of political life under the

Republic. The political parties which have alternated at the helm have tended more and more to represent material vested interests of one kind or another. The Social Democrats, representing mainly organised Labour, failed to establish Socialism, but succeeded to a very large extent in establishing themselves. The Democratic Party had its ideals, but it has been handicapped by becoming more and more associated in the public mind with the Jews and the Jewish Press, and it has increasingly suffered from the general failure of Liberalism in Europe to command the enthusiasm of the masses. The Centre is Catholic; the People's Party represented mainly "business"; the Economic Party's *raison d'être* is exclusively the pursuit of material advantages for the small shopkeepers, house-owners, etc., which compose it; Hugenberg Nationalists, and the groups which seceded from them, are mainly agrarian. None of these parties offered ideas or ideals capable of commanding enthusiasm. In the negotiations preceding the dissolution of the Reichstag they had confined themselves to "Kuhhandel," an expressive German word denoting party bargaining for petty advantages. The Government's programme, though necessary, was uninspiring. The National Socialists and, to a much lesser extent, the Communists offered something which the others lacked. They were not burdened with unfulfilled promises; they had never been in office. By voting for them, then, the average man could express his desire for a complete change, for a thorough clear-out, for new ideals.

The idealistic basis of the National Socialist Party is perhaps best expressed by a remarkable pamphlet published some ten years ago by Oswald Spengler, the author of "Der Untergang des Abendlands." Under the heading "Prussianism and Socialism," Spengler compares Socialism with the Prussian ideal of service for the State, and contrasts this with the Anglo-Saxon ideal of individual enterprise which built up the Empire. The Anti-Semitism of the movement is bound up with this view; the Jew is looked upon as a person whose only law is that of private profit, and who is therefore bound to come into conflict with the ideal of service to the German people as a whole. Hence, too, the animosity against "international bankers," who are very often supposed by the general public invariably to be individuals who put their profits before the interests of the nation. From here, it is not a far cry to the idea of the Young Plan as an instrument of international finance to exploit the German people.

A further important basis of the movement is in the domain of what in Germany is described as "cultural policy." Before the War Germany was morally strict and neatly divided socially into watertight compartments. The War and the disturbed period which followed it undermined the established order to a far greater extent than in most other European countries. Laxity became the rule, particularly in the larger cities, and went to unprecedented lengths in literature, theatre and conduct. The National Socialist movement has cleverly utilised the inevitable reaction. Their most successful election poster was that of a stern-faced giant wielding an iron broom and cleaning the Augean stables of the "Weimar System." Here they join hands with the Right or clerical wing of the Centre Party, which partly explains the unwillingness of the Centre to turn to the Social Democrats at the present juncture.

The theoretical attitude of the movement towards the Young Plan and the Treaty of Versailles is one of frank repudiation. The practical proposals of the foreign policy experts in the party organs are so tame that, according to the *Deutsche Allgemeine Zeitung*, they make Herr Koch-Weser's pronouncements in Geneva sound like those of a Nationalist hothead. Bismarckian "Realpolitik" is the slogan—utilising every opportunity as it presents itself. This, added to vague ideas of an alliance with Italy and even with England, is the sum of National Socialist wisdom in the domain of foreign policy. The party demands a cessation of payments under the Young Plan, but most of its members would admit that this is only intended as a gesture, as the indication of insistence on negotiations for a revision, and not as repudiation. In practice, it is far more likely that application would merely be made for a moratorium under the terms of the Plan itself. Whichever course is taken, unless there is absolute

catastrophe in Germany nobody would dream of repudiating any private liabilities, including the Young Loan.

Two problems confront those who are interested in Germany's political and economic development. The first is the problem of the immediate future—say, of the next two years or so. The Brüning Government, confronted with very great difficulties, has presented a far-reaching programme of reform whose keynote is drastic reduction of expenditure, including salaries. With this programme it will face the Reichstag. Since nobody really wants to govern at the present juncture, it may be able, like the Labour Party in England, to continue minority government. If the Reichstag, particularly the Social-Democrats, prove obstreperous, it is difficult to see how a majority could be obtained. Government by decree might conceivably be introduced for a time under President Hindenburg's authority. Any temporising, and particularly any coalition with the Social-Democrats, would undoubtedly largely increase the National Socialist vote. There is a body of responsible opinion which urges that the best course would have been to take the National Socialists in at once and try the effect of responsibility upon them. It is probably too late to do this, at least, upon reasonable terms. The situation is thus extremely obscure, although the fundamental good sense of the German people leads one to believe that some solution will be found to enable the critical winter months at least to be tided over.

The immediate future, however, is not fundamental. It is necessary frankly to face the question what would happen if the National Socialists attained such strength at future elections that they dominated the situation. Is their radicalism a sign that Germany is breaking up, or one that she is, according to the Hitler slogan, waking up? Is the movement essentially sound, and can it become constructive if properly handled? Of two things there is no doubt. The main support of the movement does not come from extreme Labour, but from the discontented middle and upper class—the stablest elements in pre-war Germany. And this support is uncertain, experimental. Hitler might have 200 seats at the next elections or he might have 20. Judging from the comparative caution of the party pronouncements, it looks as though he is well aware of his position.

Notes of the Week.

The Labour Party Conference.—The annual conference of the Labour Party, which opened at Llandudno on Monday, was awaited with especial interest for two reasons. It would, in the first place, obviously provide the occasion for the full-dress parade of the malcontents of the Left Wing; and secondly it was expected to reveal the trend of opinion within the party and among its leaders on the fiscal issue. From both points of view the proceedings of the opening days provided plenty of interest, but no excitement. Although Sir Oswald Mosley cogently remodelled the facts and arguments in favour of his own unemployment policy, which he presented to the House of Commons some months ago, the attack from the Left was successfully resisted by the executive. It is clear, however, from the fact that Mr Thomas was eliminated and Sir Oswald Mosley elected in the voting for seats on the Party Executive, that the latter's speech produced a real impression on the delegates. The threatened storm over the Government's failure to amend the Trades Disputes Act was more easily averted by Mr Henderson's promise that such a Bill would definitely be introduced next session. The Conference, therefore, produces no appearance of danger or threat to the Government. Nor has it produced any serious support for revolutionary proposals. Impatience with the slow progress towards Socialism was evident in abundance, but there seemed to be a sort of reluctant acquiescence with the "inevitability of gradualness," and Miss Susan Lawrence, in her presidential address, sounded this very note when she bemoaned, but faced, the fact that the capitalist system is internationally and firmly entrenched. Nevertheless, the

voices of the malcontents were sufficiently loud to create the fear lest the Government should be driven to appease them by even increasing social expenditure; and this fear is not allayed by Miss Lawrence's choice of ground for defending the Government's record, which was that it had in the last Budget taken money from the rich to give to the poor—a process which she amiably described as "Robin Hood" finance. We wonder how Mr Snowden appreciates the rôle which his lady colleague has thus cast for him? It is one which hardly tones with the peroration of his Budget speech, in which he promised, if possible, to leave the shorn lamb with such remnants of fleece as he still can boast.

The Unrest in Latin America.—The present economic depression is world-wide, but the social and political reactions to it naturally differ in different regions. In Latin America, it is producing something like a political regression to an era of political revolutions which seemed to have been left behind once and for all—at any rate, in the normally prosperous and progressive "A.B.C." States of South America and in the Caribbean Republics which have had prosperity and progress thrust upon them by the intervention of the United States. After having had to record revolutions in Peru and Argentina within the last few weeks, we have now to add to the list. In Ecuador, the President of the Republic has first tendered and then withdrawn his resignation, after encountering military opposition to a scheme of financial reform which he is carrying through on the advice of a commission of private financial experts from the United States. In this story, we cannot tell yet whether there are more chapters to come. Meanwhile, in Cuba, there has been a clash, involving casualties, between the police and a band of armed students who were demonstrating against President Machado—the Dictator whose function it has been to maintain in Cuba that state of affairs which meets the requirements of the United States. But the most serious and extensive new disturbance is the revolution which broke out on October 3rd against the Federal Government in Brazil. This outbreak appears to have started in the three States of Rio Grande do Sul, Minas Geraes and Parahyba, and to be extending rapidly over the vast territories of this largest of Latin American Republics. At the time we go to press, reports of the progress of the revolt are conflicting, but the rebels have apparently captured Pernambuco and are said to be at the gates of Sao Paulo, and to be within 300 miles of Rio Janeiro. As we show on a later page, the shock to Brazilian securities has been severe. It remains to be seen how the new Governments that have come, or are on the point of coming, into power in half-a-dozen Latin American countries will acquit themselves. No doubt they will be expected to perform miracles, quite beyond their power, in conjuring prosperity back. It is to be hoped that they will not try to divert their supporters' attention from their inability to do the impossible by embarking on any foreign military adventures. There are still a number of unsettled boundaries and disputed territories in Latin America which offer opportunities for mischief to anybody who has an interest in making it.

The Fascist Trend in Germany and Austria.—Last Saturday, October 4th, the three officers of the German Reichswehr who were on trial for treason before the Supreme Court at Leipzig were sentenced each to eighteen months' detention in a fortress for "jointly preparing a highly treasonable undertaking." The two of them who were on the active list were also dismissed the service. The public in court made enthusiastic demonstrations in favour of the prisoners when the verdict was read, and the demonstrations have spread. They have been particularly violent in Munich, a city that, as the headquarters of the National-Socialists, may hope to retain some of that independence and importance which all other local capitals in Germany have lost irretrievably to Berlin. The Fascist idea has entered Germany from the south side of the Alps, and it is in the South German States—no longer content to acquiesce in the

hegemony of a demilitarised and socialised Prussia—that the movement is establishing its strongholds. Herr Hitler himself is an Austrian by origin; and a young Austrian aristocrat, the Prince of Starhemberg, who is one of Herr Hitler's disciples, has just come to office in his own country. He has been given the Ministry of the Interior, and his partisan, Dr. Hueber, the Ministry of Justice, in the new Austrian Cabinet, which was formed on September 30th by Herr Vaugoin. Evidently the Austrian Christian-Socialists do not feel that they can face the coming general election with confidence unless they have allies; and the inclusion of the Prince of Starhemberg and Dr. Hueber in the new Cabinet is a bid for the support of the Heimwehr—the Fascist organisation in Austria, of which the Prince is commandant. In this latter capacity he has issued a proclamation declaring that his party has accepted office not to save the Christian-Socialist Party, but to save Austria, that the Heimwehr now hold the rudder of the State firmly in their hands for their own benefit, and that they will not allow it to be wrested from them, even if, in the forthcoming elections, the "Reds" prove victorious. This declaration, from a Minister whose office gives him control over the police and the gendarmerie, is tantamount to producing a revolution in advance unless the elections yield the results that he desires. Meanwhile, Herr Hitler has given an interview in which he has once again emphatically disclaimed any intention of seizing power in Germany by unconstitutional means. We are neither seriously alarmed by the Prince of Starhemberg's statement nor appreciably reassured by Herr Hitler's.

The Round Table Conference.—The list, announced on Wednesday, of the representatives of the British Government and of the two Opposition parties who will attend the Indian Round Table Conference occasioned little surprise, for it had been understood for some time that the Oppositions would not be represented by their leaders. The British Government are to be represented by the Prime Minister, Lord Sankey, Mr Wedgwood Benn, Mr Henderson and Mr J. H. Thomas; the Conservatives will be represented by Earl Peel, Sir Samuel Hoare, the Marquis of Zetland and Major Oliver Stanley, and the Liberals by the Marquis of Reading, the Marquis of Lothian, Sir Robert Hamilton and Mr Isaac Foot. It is to be regretted that the Opposition in the House of Commons are not to be represented by strong Front Bench teams, and though there are those who have been strongly pressing the case for including younger men who have less commitments round their necks than some of their older colleagues, the fact remains that the Opposition nominees from the Commons will be sitting with a very much stronger team from the Government side. The Government have, in effect, nominated the inner circle of the Cabinet, and it is difficult to see that the Commons representatives of the Liberals and the Conservatives can be much more than observers for their respective parties. The representatives selected from the House of Lords are in a rather different category seeing that they include an ex-Secretary for India, an ex-Viceroy and an ex-Governor of Bengal. But the task before the Conference is at once so important and so difficult that the combined strength of Mr MacDonald, Mr Baldwin and Mr Lloyd George could most profitably have been employed upon it.

London Traffic Co-ordination.—Last December, a few months after the rejection of the private Bills promoted by the L.C.C. and the Underground group, Mr Morrison, the Minister of Transport, announced in Parliament the Government's general intentions. Briefly, these lay in the direction of the unification of all forms of London passenger transport under a "single and simple form of public ownership," to be combined with the principle of commercial management, thus ensuring the advantages of vigorous business enterprise. Last week, following consultations between the Ministry and the various traffic interests, Mr Morrison issued a statement elaborating

these proposals. The Government now intend to create a new statutory public body to embrace the "Underground" transport undertakings, the Metropolitan Railway, all municipal tramways, and all other omnibus undertakings operating within the London area. The suburban lines of the four trunk railways are to be excluded, on the ground that they are inseparable from the main systems, and the new Traffic Board is to be given considerable elasticity as to its relations with omnibus companies operating long-distance road services between London and provincial centres. In deciding the composition of the Board the idea of a joint municipal authority has been rejected, on the ground—as Mr Morrison naively explains—that such bodies have too much "joint" and not enough "authority" about them. Instead, there is to be a small Board consisting of persons of "proved business capacity," led by a chairman who should "combine business acumen and vigour with wide knowledge and experience." In fact, Mr Morrison is following the example of the Electricity Board, and in so doing he is devising the kind of machinery most suitable for the functions it is to perform. It should, however, be recognised that the new body has many difficult problems to solve. It must, for example, avoid the temptation of establishing new omnibus services which would add to road congestion, danger, and noise, and at the same time starve existing railways of traffic which they could readily handle. It must recognise that the electrification of a suburban line, even though outside the Board's control, may be the best solution to a particular traffic problem. It must realise that the Metropolitan Railway is a hybrid system, which extends not only from New Cross to Kensington, but also from Baker Street to Verney Junction in the heart of Buckinghamshire. In short, it owes a duty not only to the London travelling problem and to those who have invested their capital in the undertakings which it controls, but also to all other road users, to all those living alongside main roads, and to other traffic interests which lie by their own right outside the new Board's ambit. The task will call for discretion as well as zeal.

The Coal-owners' Refusal.—The Mining Association have announced their refusal to exercise the right given to them under the Coal Mines Act to suggest six out of the seventeen members of the National Industrial Board, established by the Act to consider such questions of wages and labour conditions as may be submitted to it. Although their refusal will not prevent the constitution of the Board according to law—for the Minister of Mines can now act on his own initiative—it shows that the Mining Association have only accepted this section of the Act under protest, and that they are not prepared to admit the principle laid down in the Act that wages and labour conditions ought to be determined nationally rather than district by district. By so doing, the Mining Association have only followed past precedent, for it will be recalled that they have always held out for district rather than national settlements, and in furtherance of their policy they have previously been known to declare that they have no power to act as a national body. Nevertheless, their refusal upon this occasion is creating a bad impression. For good or for evil, the new Act is now law, and in failing to fulfil it in the spirit as well as in the letter, the members of the Mining Association are open to the charge that they are shirking the duty every citizen owes to his country. It is particularly unfortunate that this should have occurred just at the time when many important and far-reaching decisions have to be taken in the industry, and when a general atmosphere of good will and desire to co-operate is essential. Must it be said that once again the Mining Association has shown itself to be still living in the past?

Midland Coal Schemes.—A correspondent writes:—The district marketing scheme which the Midland coalowners were required to submit to the Mines Department under the provisions of the Coal Mines Act has been the subject of considerable negotiation with the Department. Soon after the scheme was forwarded, certain amendments were submitted by the Department, and these have been

the subject of conferences with the separate Associations which comprise the Midland area. There is by no means unanimity among the members of these Associations, and considerable difficulty is being experienced in getting agreement on some of the provisions of the scheme. On another matter arising out of the Act the attitude of the Yorkshire owners differs from that of many of the owners in other parts of the country. The Yorkshire owners do not agree with the attitude of the Mining Association in declining to nominate representatives to the proposed National Board. This is only consistent with their attitude ever since 1926. Then the Yorkshire owners voted in favour of a national wages agreement, and they still maintain that this is the proper course. It is not unlikely that some Yorkshire owners would accept a seat on the Board if given the opportunity.

More Cotton Yarn "Stabilisation."—This week, writes our Manchester correspondent, another scheme has been considered for the stabilising of cotton yarn prices. On Tuesday last there was a special meeting in Manchester of the General Committee of the Master Spinners' Federation to discuss a proposal from the Oldham Masters' Association. After some discussion a resolution was passed in which the Committee favoured the attempt being made to establish a scheme, with compulsory powers, for the purpose of stabilising prices amongst spinners of American cotton. A sub-committee was appointed to prepare a plan in full detail, with a view to a further discussion taking place at a later meeting of the Federation Committee. The President of the Federation, Mr Fred Holroyd, said that the object of the proposed scheme was not so much to fix definite prices as to establish a principle by which prices can be calculated on a basis which will prevent selling at less than the cost of production of efficient and reasonably financed mills on full time working. In trade circles there is very little expectation of a scheme of this kind being a success. It is evident that the Master Spinners' Federation have an idea of doing something on the lines of the recent proposed Egyptian Cotton Spinners' Convention which up to now has not received adequate support. Leading authorities in the trade contend that the proposed action will not have the desired effect, even should it be possible to secure a big majority in favour of the scheme. The need in Lancashire to-day is to reduce production costs so as to bring our prices on to a competitive level with world prices.

Cotton Supplies.—On Wednesday last the United States Government published important statistics relating to the cotton crop for the season 1930-31. The growth is estimated at 14,486,000 bales, as compared with a forecast a month ago of 14,340,000 bales. The amount ginned so far this season is 6,805,000 bales, against 5,906,000 bales at this time last year. The yield per acre is given as 154.7 lbs., the condition being 53.5 per cent. The carry-over from last season was over 6,000,000 bales, so prospective supplies for the twelve months are about 20½ million bales. Owing to the trade depression the world consumption at the moment is very low, and authorities are of opinion that the amount being used is only on a level of 10½ million bales per annum. The figures, writes our Manchester correspondent, were about equal to expectations, and did not result in any particular change in prices, but values have recently declined and are now on a lower level than at any time since 1915, futures in Liverpool being round 5½d. At the beginning of this week the Ministry of Agriculture of the Egyptian Government estimated the cotton crop at 8,420,435 cantars, including 2,328,068 cantars of Sakellaris. This forecast was better than expected, and resulted in a sharp drop in prices in Liverpool and Alexandria.

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Trade Union Membership.—Statistics of trade union membership at the end of 1928, contained in the Report of the Chief Registrar of Friendly Societies for 1929,* show that the decline of previous years continued, though at a slower rate. The table below gives the number and membership of trade unions on the register during the last ten years:—

TRADE UNIONS AND MEMBERSHIP.					
	Number.	Membership.		Number.	Membership.
1919	544	6,516,436	1924...	484	4,458,147
1920	557	6,928,666	1925...	488	4,447,818
1921	524	5,453,815	1926...	485	4,147,653
1922	514	4,505,941	1927...	487	3,903,048
1923	490	4,368,877	1928...	481	3,764,865

The percentage decline in membership during 1928 was greatest in quarrying, where it amounted to 9.7 per cent. of the membership. Declines were also recorded in the general miscellaneous group, in building, textiles, entertainments, clothing, metals, printing, leather, pottery and glass, transport and agriculture. There were, on the other hand, increases in the fishing, commerce and finance, professional, woodworking, food and chemical groups. On the financial side, 1928 was in a sense a successful year, as diminished income was more than balanced by diminished expenditure, with a consequent increase in the funds from £9,709,538 to £10,602,403 during the year. Expenditure on unemployment benefit was low, though this is partly due to the fact that one large union has ceased to administer State unemployment benefit, and expenditure on dispute pay exceptionally low, as compared with other post-war years. Superannuation benefit, on the other hand, is putting an increasing strain on union funds, and the United Society of Boilermakers has been driven by it to suspend its "donation" benefit to unemployed members. It is not yet possible to estimate the full effect of the Trade Disputes and Trade Unions Act, 1927, on the political funds, but it is significant that the number of members returned as contributing fell from 2,222,000 in 1927 to 1,634,000 in 1928, and the amount shown as contributions fell in the same period from £133,000 to £100,000. The promise, repeated by the Government at the Llandudno Conference of the Labour Party, that an amending Bill will be introduced before Christmas, is doubtless a reflection of a further decline in "free-will" political contributions.

Builders on Rationalisation.—The Building Industry Council of Review, on which are represented employers, operatives, building materials manufacturers and suppliers, architects and surveyors, has issued a report

* Part IV, Section 1 (60-42-1-29). H.M. Stationery Office. 1s. net.

embodying the first results of an inquiry into the possibility of introducing the methods of rationalisation into the building industry. Rationalisation is defined as "the elimination of waste and the reduction of costs by improvement in general organisation and technical methods. The view is expressed that though much progress has been made recently in the organisation of the industry, there is still a great deal to be done, and that efforts within the industry itself must be supplemented by help from Government departments and local authorities, particularly in the form of revision of out-of-date legislation and regulations. One of the most interesting points made in the report is the great scope for economies both in time and labour by the use of "time and progress schedules," to which the greater economy of building in the United States, with the consequent higher wages, is largely attributed. A time and progress schedule is a carefully co-ordinated programme drawn up before building is begun, which makes possible a methodical succession of operations and a consequent saving of from one-sixth to one-third of the time otherwise required. In the case of expensive buildings, this means a very substantial economy in interest charges, and the report recommends as wide an extension as possible of the system. In order to carry this out, the closest collaboration between architect, engineer and quantity surveyor would be necessary from the very early stages. Other recommendations deal with the education of students for the building industry and the need for giving the industry as a whole the benefit of the very most recent developments and experience; with the need for closer contact between different branches of the industry and the associated trades, and with the possibilities of wider use of standardisation and the use of machine methods. It is satisfactory that the majority of the recommendations are calculated to reduce costs without increasing unemployment; indeed, the most important of them would tend to reduce it by eliminating certain causes of lost time. A further inquiry into the possibility of mitigating the effects of instability of employment by control of recruitment and training, better weather protection and the regulation of the flow of orders for public building is suggested, and the report concludes by recommending the establishment of a permanent central council to represent all branches of the industry and associated trades with a view to securing a greater measure of co-operation. This programme of rationalisation, interpreted in its best sense as a policy of economy and simplification, should, if carried out, help to create the necessary conditions for the expansion of the industry, for the experience of the United States has shown that the demand for buildings is surprisingly elastic and can readily be stimulated by a sufficient reduction in costs.

Shipping Freight Index Number.—The seasonal rise in shipping freights was arrested during September, and our index number, at 97.3, recorded an increase (monthly averages being compared in each case) of only 1.3 per cent., against 5.8 per cent. in August. Recent movements of the various group indices are summarised below:—

AVERAGE 1898-1913=100.

	Average, 1913.	Sept., 1929.	July, 1930.	Aug., 1930.	Sept., 1930.
European Waters	110.0	129.7	86.3	86.7	87.3
North America	113.1	99.9	89.6	94.2	91.2
South America	123.4	112.3	94.6	99.7	95.7
India	106.3	115.3	102.8	104.5	103.0
Far East and Pacific	107.4	100.4	78.3	84.7	89.2
Australia	127.9	107.7	93.5	106.8	117.5
Total	116.3	110.9	90.8	96.1	97.3

Among the homeward trades, the Plate market underwent a sharp reaction as a result of the unsettling influence on grain prices exercised by unexpectedly substantial shipments from South Russia, and the North American trade was depressed by the same factor. Rates from Australia and the Far East were firm, but the volume of business remained small. Except for Russian chartering, conditions in Europe were quiet, and the out-

ward coal market was dull. The month's changes in the index of each group and sub-group are shown in the following table, the figure 100 representing in each case the average rate during the basic period 1898-1913:—

	Index Number	Inc. or Dec. Points.		Index Number	Inc. or Dec. Points.
Home trade.....	76.1	+ 2.5	South America—out-		
Bay—outwards	100.9	— 1.8	wards	89.7	+ 2.5
Bay—homewards	93.5	—	South America—		
Mediterranean—out-			wards		
wards	86.4	— 0.2	homewards	101.6	— 10.6
Mediterranean—			India—outwards	122.1	+ 2.1
homewards	90.7	+ 0.7	India—homewards	83.9	— 5.0
North America	91.2	— 3.0	Far East, &c.....	89.2	+ 4.5
			Australia	117.5	+ 10.7

Expressed as a percentage of the average for 1913, the total figure of our index number for September works out at 83.6, as compared with 82.6 in August, and 95.3 a year ago.

Anglo-Russian Timber Trade Agreement.—Our timber trade correspondent writes:—The lack of confidence so rife this year in the United Kingdom imported wood market will be allayed to no small extent by a provisional agreement which has been arrived at between the Soviet timber authorities and the Central Softwood Buying Corporation, Ltd.—a consortium of the larger timber importers in the United Kingdom representing, it is claimed, some 80 per cent. of British first-hand purchasing power for European timber. The C.S.B.C. is to enter the market as a buyer (whereas before it stood aloof); it will take over on January 1st next all Russian stocks unsold in shippers' hands in the United Kingdom, and it will control the purchase and distribution of the whole of the Russian cut intended for the United Kingdom and to be shipped in 1931. A prominent feature in the arrangement is that the Russian shipments will be conducted this and next year more in ratio to demand, compared with the previous intensive export plans of the Soviet timber authorities. Thus this year's receipts are to be approximately 500,000 standards, against the 650,000 standards the trade recently anticipated, and next year the import of Russian wood is to be approximately 600,000 standards. The actual price terms for the 1931 market have not at time of writing been divulged, but they will be on an even lower basis than this year, and will have the effect of forcing Russia's principal competitors either to come down in their price ideas, or to limit their output. The latter policy would be tantamount to giving up the game, whereas by practising the severest economies they may succeed in meeting the Russian competition. That other than Russian timber is required here is shown by the 1929 imports of 1,398,000 standards of sawn and planed woods, whereof Russia sent 517,000 standards. Any serious drop in exports by any other country would be more loss to that country than to the United Kingdom, as—except during the war—supplies always seem to be forthcoming, especially, as now, when money is so scarce in European afforested areas.

Overseas Correspondence.

LEAGUE OF NATIONS.

The End of the Assembly — Results Reviewed.

(FROM OUR CORRESPONDENT.)

GENEVA, October 8.

THE Assembly concluded on Saturday, and the general impression of the delegates was aptly described by the President as "not satisfied, not discouraged." There was not much encouragement in the final Assembly debate on the disarmament resolution, which expressed the conviction that the Preparatory Commission would be able to conclude the preliminary draft convention in November so that the conference might be summoned "as soon as possible." The German, Austrian and Hungarian delegations abstained from voting because the resolution did

not fix the date of the conference for 1931, the German Foreign Minister suggesting with some logic that if they were convinced that the Preparatory Commission could finish in November there seemed no reason why they should not also be convinced that the conference could take place during the following twelve months.

M. Briand made one of his occasionally disconcerting contributions, due doubtless to the political situation in France. On the morning of his speech in the Assembly there had appeared a report of an extremely liberal statement made by him to the women's international organisations, and his afternoon speech in the Assembly was described as a reply to himself. He claimed, in effect, that France had done as much as could be expected of her in the way of reduction (he flattered himself that she had reduced the period of military service from three years to one, and her effectives from 810,000 to 556,000), and that only when the League had given France an assurance that it would always provide sanctions would there be sufficient security for France to do anything more substantial. He referred to recent events in Germany as showing the necessity for prudence, and said nations must not by disarming create new dangers; there could be no real solution outside the formula of arbitration, security and disarmament. To this the German Foreign Minister, Dr. Curtius, replied that the maintenance of armaments at their present level was a much greater danger to peace than reduction, and he pointedly observed that German opinion—that the best means of achieving security was to begin with disarmament—was shared by the British and Italian delegations. On M. Briand's reference to recent developments in Germany, he observed that Germany was not the only country where anxieties existed, and that causes of unrest would not be removed by failure to respect treaties or to disarm.

Count Apponyi, of Hungary, also reminded M. Briand that, though there might be danger for countries which had means of self-preservation, it was even graver and more intolerable for countries subject to unilateral disarmament which had been imposed on them with a promise that it would only be for a transitional period. He, Dr. Curtius, and Lord Cecil drew attention to the fact that while little or nothing had been done towards disarmament, a good deal had been done towards arbitration and security. With the failure or suspension of the Franco-Italian negotiations, and the hardening of the French position, the Assembly's "conviction" in regard to the successful outcome of the Preparatory Commission's meeting seems optimistic.

The resolutions on economic questions, as summarised last week, were adopted by the Assembly, and the Council subsequently instructed the Economic Committee to draw up concrete proposals for the conference which is to meet on November 17th. A point of interest in the Assembly debate was that the French Minister of Commerce said that the volume of credit in the world should be increased by a redistribution of the gold supply; and this was capped by the Italian rapporteur, M. Michelis, with an observation which he described as even more "revolutionary," namely, that there might be a redistribution of soil.

Of what might be termed the three security questions on the Assembly agenda—amendments to the Covenant, the financial assistance scheme, and the draft convention for strengthening the means to prevent war—one only, the financial assistance scheme, was definitely concluded. The other two questions were postponed to the next Assembly. It was always likely that the amendments to the Covenant to bring it into harmony with the Paris Pact would lead to controversy on wide political issues when the report of the Committee of Jurists came before the Assembly. How far the interpretations which accompanied the accessions to the Paris Pact would remain effective if the proposed amendments were adopted; how far the amended Covenant would be compatible with other treaties, such as the Locarno treaties, which were the object of express reservations when the Pact was concluded; the conditions of the application of the sanctions of Article 16 to the new obligations—these are all ques-

tions upon which differences exist. Moreover, there were some substantial changes proposed, including the elimination of the proposal of the Committee of Jurists that a unanimous decision of the Council under Article 12 should be binding. It is easy to see how far all these factors carry the discussion, and although Lord Cecil pressed hard for a final decision at this Assembly, it seems too important a question to be hurried through. On the other hand, there are obvious dangers in prolonging the discussion, which would be much simpler if one word of guidance were forthcoming from the United States of America as to what she would consider her obligations to be if the Pact which she proposed to the world should be violated. The Assembly's resolution approved of the necessity of incorporating in the Covenant a general prohibition of resort to war, and decided to submit to the Governments the report of the Committee of Jurists, and that of the First Committee, asking them to present their observations before June 1, 1931.

For the rest, the report on the minorities' discussion gave rise to no further debate in the Assembly, but the rapporteur, M. Motta, discreetly took his stand on the more liberal interpretation of the treaty obligations; resolutions were adopted to facilitate League communications in times of emergency; a European conference on road traffic is to be summoned for March, 1931; a general conference on the limitation of drug manufacture is to meet in May, 1931; a provisional agreement was reached between the German and Lithuanian Governments concerning Memel; the Polish and Lithuanian Governments are to enter into direct negotiations to restore order and tranquillity in the region of the administrative boundary. Arrangements were approved for the committee inquiring into the traffic in women in the Far East; various health organisation developments were authorised; and satisfactory progress reported in health service organisation in China. The discussions on the organisation of the Secretariat led to a reaffirmation of its international character, and the adoption of conditions designed to strengthen it; a consideration of the number and status of the higher officials has been referred to a committee which is to report to the next Assembly. The Assembly noted with great satisfaction the improvement of the position in Palestine, and also the renewed undertaking of the British Government to give the Mandates Commission an opportunity of making observations on whatever might be decided in regard to the scheme for closer union between Tanganyika, Kenya and Uganda before this decision became operative. In the Council, a resolution was adopted inviting the British Government to adopt in Palestine such measures as it considered fit to give effect to the recommendations and conclusions of the Mandates Commission, and the British representative informed the Council that the Government would be able shortly to state its intentions as to future policy on immigration and on the development of the territory.

UNITED STATES.

Economic Situation — Industry — Money Market.

(FROM OUR CORRESPONDENT.)

NEW YORK, SEPTEMBER 30.

FRESH liquidation in the share market, which has carried the prices of most shares to the lowest levels of the year and of many to lower prices than were touched in the 1929 crash, reflects a sudden increase in pessimism growing out of disappointment at the lack of pronounced business recovery. From hopes of an upward turn this autumn, the mercury of sentiment has dropped to fears of worse times this winter and of various financial troubles. The German elections, the South American troubles, the Canadian tariff, the Russian grain affair, and, above all, the renewed declines in wheat, cotton, rubber, sugar, copper and other important commodities have combined to give Wall Street an exaggerated fear of what may lie behind the horizon.

Yet, in spite of the undisputed evidence that the volume of business sagged further in August to new low

levels for the year and that no widespread progress was made in September, the feeling is still strong in many quarters that the worst is over and that recovery, while promising to be slow, is directly ahead. A survey of the situation has just been published by President Hoover's National Survey Conference, of which Mr Thomas W. Lamont, Mr Owen D. Young and Mr Myron C. Taylor are members. Unfortunately, the survey does not go much further than August with most industries. It attempts no interpretations or predictions, but summarises briefly conditions in leading industries. The picture painted is one of modest gains here and there, but of continued slackness in the major industries and an abundance of both short-term and long-term capital.

In the New York Federal Reserve district, where conditions are perhaps typical of those for the entire country, department store sales in August were 7 per cent. below the previous year's level, but the decline in daily volume of sales was not greater than it was in July, and stocks on hand at the end of the month showed a record-breaking decrease as compared with the same month of a year ago. Chain store sales were 8 per cent. less than last year, while wholesale trade dropped 24 per cent. Goods in the hands of wholesalers, with the exception of shoes and drugs, were smaller than a year ago. Since August trade has picked up considerably at the stores and among the wholesalers, and with cooler weather ought to increase further. Purchasing power is revealed as greater than many had supposed, but a species of "buyers' strike" has developed in many goods of the luxury type and in others where price reductions have not been made.

Heavy industries show little improvement. The steel trade is holding around 60 per cent. of capacity, but its principal consumers are not increasing their orders to any extent. Motor makers, farm implement manufacturers, the building industry and the railroads are buying only from hand to mouth and their operations are at a rather low point. Railroad traffic has increased somewhat with the season, but grain movement is disappointing, owing to farm holding of wheat. If there is an increase in traffic early next year, most railroads will be able to maintain their dividends, as they are cutting expenditures drastically.

Dividend cutting has affected already most of the motor companies and further suffering is in prospect, inasmuch as the leaders of the trade expect no sudden and sharp increase in motor sales. Copper companies are losing money, even with reduced output, with the metal selling at 10 cents a pound, which is below production costs for the large majority even at a larger rate of operation. Those companies which continue to pay dividends are doing so out of their surplus, and the same is true of most motor companies.

Oil companies are finding conditions growing worse, if anything. It is rumoured that the export association has decided to dissolve, as it is unable to keep all members in line on export prices. Stocks of both crude and gasoline in the hands of the producers, the refiners and the distributors are so huge that the struggle for "gallage" is growing hotter daily, and there are reports that the much talked of agreement on ethics made a year or so ago has been badly strained. Some companies in the south-west, to ensure larger outlets for their gasoline, are favouring a system of giving a concession of two cents a gallon under the cash price to those who buy on time, the theory being that the "charge account" purchasers will stick to one distributor. Accounts for most companies promise to be "in the red" for last quarter.

Meanwhile lower prices for commodities and the comparatively small volume of trade have accentuated the ease in money. Call money has at times been unobtainable, even at 1 per cent., although with the exception of one day this month, the Stock Exchange official renewal rate was maintained at a minimum of 2 per cent. Time money is nearly as cheap as call money. Thirty-day money is over plentiful at 2 per cent. and six months' loans are made at 2½ to 2¾ per cent., while prime names

on commercial paper go at 2½ per cent. Nothing more than a ripple was caused by the month-end financial transactions, involving a turnover of about \$750,000,000, including, for this season, record-breaking dividend and interest disbursements.

The Federal Reserve Bank finds that the return flow of currency to the bank after the beginning of September, usually small owing to expanding autumn payrolls and trade, was this month very large. In addition, the reporting member banks failed to expand their loans to the extent they usually do. Commercial loans have actually declined recently, while loans on securities have risen slightly, the gain being due to replacement by New York City banks of loans to brokers reduced by out-of-town banks and corporations. Rumours have been heard that the Reserve authorities are undertaking an investigation of the status of member bank loans on securities, which are considerably higher than a year ago, but there is nothing in them. The matter was investigated some time ago and reported upon at length by the Reserve Bank and the board. With the exception of a few unimportant interior banks, such loans were found to be quite safely protected with collateral and by no means a danger either to banking stability or to the security market. Doubtless in many instances banks have urged the reduction of such loans, but liquidation for such cause has been orderly.

Lacking the natural outlet for their funds the banks have continued as heavy buyers of securities. The advance in the fixed-interest-bearing securities market has carried prices to the highest in two years. The strength naturally has stimulated the new capital market and in September new issues were greater than in the previous month. Both domestic, corporation and foreign issues increased and were larger than in September of last year. State and city financing was stationary and new share sales were unimportant. Political disturbances abroad have hurt foreign financing, but only temporarily. Banks arranged a \$50,000,000 Argentine credit almost immediately after the new Government took office, and a credit of \$110,000,000 to \$125,000,000 is expected before long for German account. This will be arranged with private bankers and no Government bond issue is anticipated just now.

With the announcement to-day of the release from earmark of \$9,000,000 in gold held for foreign account, a transaction designed to put to work an idle central bank balance, the country had a net gain of \$12,000,000 on the month. The net gain for the year to date is \$212,000,000, which has, of course, emphasised the ease in the money market.

FRANCE.

Radical-Socialist Congress — Disarmament — Anti-Dumping Measures — Iron, Steel and Coal Output.

(FROM OUR CORRESPONDENT.)

PARIS, October 8.

In the political world the attention of all parties is focussed on the annual congress of the Radical-Socialist Party, which is to take place at Grenoble this week-end, and which, it is anticipated, will throw some definite light on the future policy of the largest group in the Chamber. The situation of M. Herriot and his followers is at present nebulous, as all recent events have shown. The question is whether they will persist in their effort to revive the Cartel, in spite of the repeated refusals of the Socialists to co-operate with them, or will abandon their policy of refusing to support M. Tardieu, unless they receive, as the price of their collaboration, the portfolio of the Ministry for the Interior and other key positions in the Cabinet. M. Tardieu and his predecessor, M. Poincaré, have long shown every disposition to meet the Radical Socialists half way, but they strongly object to be dominated by what after all is only one of the numerous groups in the Chamber. The extension of the Government majority to the Left, by including the Radical Socialists, would settle

many problems and probably give substantially more stability of policy. It would also solve the problem of the situation of M. Briand, arising from the changed outlook in regard to Franco-German relations since the recent elections. For the moment, however, it appears probable that the Nationalist Wing of the Government majority will not emphasise their distrust of the Foreign Minister by any overt action. Any attempt of the Right to remove M. Briand could only result in overthrowing M. Tardieu, and could only succeed with the help of the Radical Socialists, which is most unlikely to be accorded for such a purpose.

Meanwhile, no change in Ministerial policy seems likely, and there are indications that, whatever paper resolutions may be voted by the Grenoble Conference, a substantial section of M. Herriot's supporters will endorse the Government policy of "Security, arbitration, disarmament." Incidentally, M. Herriot has troubles of his own at Lyons, where on Sunday he escaped—thanks only to the votes of the seven Nationalist members of the Municipal Council, and by a majority of one vote—two defeats by his Socialist opponents that would have cost him the post he has held for so many years as Mayor of the Silk City. The incident may appear unimportant to those unacquainted with the idiosyncrasies of French local politics, but opinion in general inclines to the view that the new situation set up thereby at Lyons may have an important repercussion on the country's general policy.

The announcement last week that 170 steamers had been chartered by the Soviet Government to transport grain and other Russian products to Western European ports was followed on Saturday by the promulgation of a Presidential decree, countersigned by the Minister for Commerce, applying forthwith Article 5 of the tariff law of March 3, 1910, to all supplies of cereals, sugar, meat, poultry, eggs, timber, glues, gelatine, stearine, etc., and flax of Russian origin henceforward exported to this country. The Article in question gives the Government the power, at any given moment, to place under a special régime of import permits any category of products whose entry may prove undesirable. Provision is also made with a view to controlling indirect import of the same products. The decree authorises the entry (without special permit) of any goods belonging to the categories affected in respect of which documentary proof is supplied showing that they were dispatched from Russia prior to last Saturday, and provided that they are declared for immediate consumption. It will be noted that Soviet petroleum, of which large quantities have been brought into this country for some time past, is not included in the list of commodities now subjected to special authorisation. This is explained by the fact that all mineral oils, irrespective of origin, have for some years past been subjected to special entry permits.

The returns of French foreign trade "by countries" for the first eight months of the year, which are issued to-day, show that British exports to France have fallen off by 330,000,000 francs as compared with the corresponding period of 1929, while German exports (including reparation payments in kind) were 145,000,000 francs more. French exports to Great Britain, Germany and the United States all showed substantial declines.

Iron and steel production returns for August show a decline of about 2 per cent. under both heads. The total output of pig iron was 845,000 tons, against 861,000 tons in July and monthly averages of 871,000 tons in 1929 and 841,000 tons in 1928. The output of crude steel was 775,000 tons, against 790,000 tons in July and averages of 805,000 tons last year and 783,000 tons in 1928. The export market remains depressed, with falling prices and reduced activity. The past few weeks have also registered a certain slowing down in the home market, as in those of most other countries, with declining selling prices. The partial break-up of the European Steel Cartel, as shown in the decisions taken at Liège in the middle of September, is indicative of the difficulties at present experienced by all countries represented in the international market. The international agreement in regard to half-finished products

and small girders has been definitely terminated. The continuation of the international entente so far as the remaining categories are concerned was recognised at the Liège meeting as being possible only by a general consent to reduction of output up to 25 per cent. (including the 10 per cent. cut which has been in operation since November last) as from the beginning of October; or, in the alternative, to a return to the original total tonnage programme of 27,190,000 tons, fixed in 1926; subject to a penalty clause (whichever alternative is accepted) that each national group shall be strictly called on to pay a fine of \$4 per ton on any quantity exceeding its fixed quota. Finally, it was decided that in the event of the various groups failing to agree on one or other of these alternatives, the Cartel in its present form should be brought to an end on September 30th. On present figures, France and Luxemburg would find it to their interest to accept their original quotas of 1926, whereas Belgium, Germany and the Saar would probably prefer the extra 15 per cent. cut. The Cartel's managing committee of four is holding frequent meetings with a view to working out details as to the future form of a modified Cartel, but in any case a still greater reduction of output is probable (and particularly by France and the Saar, if they are to escape fines).

Coal production figures for August indicate a total output tonnage of 4,441,347 tons, as against 4,591,539 tons in July, as compared with monthly averages of 4,577,000 tons in 1929 and 4,369,000 tons in 1928. The decline in August was due solely to the fact that the month comprised only 25 working days, against 26 in July, the shortage being partially compensated for by an increase in daily average output from 176,598 tons to 177,654 tons. The output of metallurgical coke was 4,500 tons less than in July. The general situation in the French coal market, though quiet, remains better than in other countries, with prices unchanged. Coalowners have so far failed to come to any agreement with the miners' unions on the question of holidays on full pay, and on Monday the threatened protest, in the form of a 24-hours' general strike, became an accomplished fact throughout the French coal districts. In the northern coalfield the number of absentees from work reached over 90 per cent. Coal imports continue to increase, larger British entries being registered in all the coastal districts, while German imports are increasing in the East, and British, German and Belgian consignments in the Paris area. Both French and foreign prices remain steady, however, and there is no indication of any price war. Wage levels at the French mines are being maintained at their old figures. The Belgian miners have accepted a further cut of 4 per cent. in wages, following 5 per cent. in July.

GERMANY.

Government Programme — Deficit — Future Financial Reform — Wages — Housing.

(FROM OUR CORRESPONDENT.)

BERLIN, October 7.

The official announcement of the financial programme with which the Brüning Government intends to go before the Reichstag contains some surprises. True, the actual proposals do not differ very much from what was already publicly known. The deficit for 1930, which amounts to about a milliard, is to be temporarily covered by short-term borrowing, and the new foreign credit of 500 million Reichsmarks, already assured, is to be used for the same purpose. In order to prevent a further expansion of the deficit, unemployment insurance contributions are to be raised from 4½ to 6½ per cent. of wages, so that the system will become independent of the Treasury, provided that nothing unexpected occurs further to depress the labour market.

Financial reform proper will begin with the Budget of 1931. The cut in official salaries will be 6 per cent.; for

ministers, members of the Reichstag, and apparently also for the highest local government officials it will be 20 per cent. The Reich is expected to save 120 millions on this reduction, and the saving to the states and communes will be far greater, as they have a very much more extensive personnel. In consequence, the Reich is reducing the share of the states and communes in the assigned taxes by 388 millions. The Reich is making further reductions amounting to 300 millions in its new expenditure; as it is not yet known under what heads, it is impossible to say whether these are effective economies or merely postponements of expenditure.

Another quarter of the rent tax, half the yield from which has hitherto been used for the building of houses, is to be withdrawn from this object and placed at the disposal of the states and communes for general financial purposes. The consequent diminution in the funds available for housing purposes is to be made good by borrowing, but it is not quite certain if this will prove possible. The states and communes are to be required to use these additional proceeds of the rent tax for the reduction of the factory and land taxes, which are particularly burdensome to industry.

This programme of the Brüning Cabinet shows a very great measure of decision and courage. A Government which is far from possessing a parliamentary majority, and yet ventures to propose a reduction of official salaries can at least not be accused of timidity. Possibly it was not necessary to postpone these measures, with the raising of the tobacco duty, until the end of the Budget year, but by putting them off until April Herr Brüning gains time to prepare a solution of his parliamentary difficulties. At present he would probably be defeated, since the Social Democrats can hardly associate themselves with the reduction of salaries unless they obtain concessions for the workers at the same time, and the inclusion in the Cabinet of a social democratic minister may even prove necessary for this purpose. The moment, however, that such concessions were made to the Left, the Right wing of the Government coalition would have broken away. There is, of course, great anxiety lest this situation remain the same until the new Budget comes up for discussion in the early months of next year, but it may be possible to achieve some temporary agreement which will enable the Government to steer their reform programme, in its present form or remodelled, through the Reichstag.

True, it is not impossible that some fatal political difficulty may arise before then, as, for example, if the Social Democrats, under pressure from their Radical section, join in the vote of no confidence against the Brüning Cabinet which the Communists or the National Socialists, or both, will immediately bring in, or if they put forward a motion to rescind the emergency decrees of the President which provide for economies in health and unemployment insurance. But although a process of fermentation is going on in the ranks of the Social Democrats, the Parliamentary Party has taken such a cautious attitude that it may be assumed that it will not move against the Government at the outset. The Chancellor has gone so far to meet it as to announce that the emergency decrees must be recast as Bills, which will open the way for fresh discussion of their contents.

In addition to measures designed for the mitigation of the immediate financial crisis, the Government programme contains a series of proposals whose effect will for the most part only be felt in future years. Of the greatest immediate importance is the reduction in wages which is openly contemplated by the Government. The official announcement states, somewhat obscurely: "The income and the standard of living of all classes of entrepreneurs and workers, and the price level of German goods, must be such as to enable us to hold our own in world competition." The Minister of Labour has already intimated in a speech that in the opinion of the Government wages and salaries must come back to the level of 1927, as every increase above that level has imposed an exces-

sive burden. That it might have been better in the interests of the workers themselves if the wage increases of 1928 and 1929 had never taken place is very probable. It can almost be regarded as a certainty that unemployment would then have been very much less, or at least that the period of prosperity would have lasted longer, but to depress wages now would create a degree of political unrest which might easily outweigh the economic advantages. Whether the Government is really disregarding this consideration and proposing immediate steps for the reduction of wage scales is bound to be revealed almost at once, for the Berlin metal industry has at this moment a wage dispute under arbitration, the result of which will set the standard for the rest of industry. The Government arbitrator has to deal with a proposal by the employers to reduce wages by 15 per cent., which is naturally being strongly resisted by the unions.

The Government programme deals in detail with the housing question. It is proposed not only to reduce gradually the housing subsidy, but also to abolish the restrictions on free bargaining between landlord and tenant. The allocation of tenants by housing officials of the communes is to cease as from April 1, 1934, and the official fixing of rents and the protection of tenants against eviction as from April 1, 1936. Meanwhile every effort is to be made to build, not the greatest possible number of new dwellings, but the cheapest possible dwellings. This last idea is quite sound, but whether the necessary conditions for the removal of restrictions will be present within the next few years it is impossible to say, and the Cabinet's plan can only be explained by a desire to retain in the Government bloc the Economic Party, whose support is indispensable for the maintenance of a majority. This little group has taken upon itself the championship of the interests of house owners. On the other hand, this part of the programme will, if it is retained, prove a serious hindrance to any alliance with the Social Democrats.

For 1932 and succeeding years the Government programme contemplates a new financial arrangement between the Reich, the states and the communes. In this matter a compromise has been sought between the various proposals which have been publicly put forward, and attention has also been paid to the recommendations in Mr Parker Gilbert's report. The Government proposes to keep for the Reich a larger share of the income tax, which at present goes for the most part to the states and communes, and to make the states and communes rely more upon consumption taxes. They are, however, to receive a right of levying a supplementary income tax, but the exercise of this right is to be made conditional on the simultaneous imposition of a poll-tax, an arrangement which was already provided for in the last emergency decree of the President. If the communes were given a free hand in the taxation of alcohol and beverages a supplementary income tax would be superfluous. The socially undesirable poll-tax could thus be done away with; it is only intended as a safeguard against the levying of this supplementary income tax, and is meant to prevent the communes from indulging in excessive expenditure and then making property owners foot the bill while the mass of the electorate goes scot free.

The Government is planning a very rapid reduction of floating debt. For three years from 1931 onwards, 420 millions out of the approximately 1,700 millions short-period debt of the Reich are to be redeemed out of tax revenue. This decision seems almost excessively radical, for such rapid extinction calls for efforts from the taxpayer which are not really necessary.

To sum up, the virtues of this programme are vigour and an appreciation of the connection between financial and economic policy. The chief defects are the lack of financial provision for the communes in the current year, the overburdening of the programme with premature and to some extent even impracticable projects, and the renunciation of still higher revenues from tobacco and alcohol. Perhaps, however, many of these deficiencies may be remedied in the course of the negotiations.

BELGIUM.

Coal Industry — Industrial Conditions — Tourist Revenue — Banking and Stock Exchange.

(FROM OUR CORRESPONDENT.)

LOUVAIN, September 21.

THE coal problem, though less acute in Belgium than in other countries, has been growing more serious. Sales of coal are effected through the central agency in Brussels of the coal cartel, which has succeeded, in spite of the strong competition from abroad, in keeping the fall in prices to less than 10 per cent., but an increase in unsold output was the inevitable consequence. Shortage of labour curtailed coal production till the end of 1929, but since the collieries were able to obtain the necessary labour there has been a tendency to increase output, though sales during the last year have only reached 92 per cent. of the total production. While output averaged 2,250,000 tons per month, stocks at the pithead grew as follows:—

UNSOLD COAL OUTPUT.			
Thousand Metric Tons.			
End of		End of	
September, 1929	280	June, 1930.....	1,585
December, 1929.....	322	July, 1930.....	1,719
March, 1930	1,100	August, 1930.....	1,845

In view of the present situation a reduction of both output and wages appears almost inevitable. During previous periods of depression in the coal industry, as for example in 1925, unsold output never exceeded 1,860,000 tons. The expansion of bank deposits enables industrial holding banks to grant to subsidiary pit-owning companies the advances required for holding stocks, but this unusual financial support is, of course, limited.

Last July there was a 5 per cent. wage reduction in the coal industry, which gave rise to a small regional strike in the Borinage. Pit-owners and employees have again entered into negotiations on a proposal of the employers for a further reduction of 4 per cent. The trade unions are resisting, but they will probably agree to a diminution which is generally regarded as unavoidable. There has hitherto been little wage reduction in the other industries. Decreases have been reported in the diamond industry, and in building, but there is no general downward movement, and it is generally hoped that there will be no widespread reduction.

The revenue from foreign tourists has fallen, despite the exceptional attraction for touring of the centenary pageants and the Antwerp-Liège Exhibition. Income from abroad on account of tourism has been estimated at a minimum of 1,250 millions (£7,000,000); though considerably lower than the corresponding item in France's balance of payments (say £80,000,000) this minimum figure is, nevertheless, satisfactory. Industries whose main revenue comes from this source (e.g., hotels and garages) have experienced a very bad season, but it appears that the real reason for this is excessive competition. There has been a great deal of hotel building in Brussels and in the seaside resorts. The figures of the passenger traffic on the Ostend-Dover line as well as on the Belgian railway shows that the number of tourists has remained very satisfactory, though the amount of expenditure per head has probably been less.

The critical economic situation is forcing industrialists to energetic efforts towards rationalisation and industrial concentration. The amalgamation of the mechanical window-glass works utilising the Fourcault process was registered at the end of August. Thus thirteen companies have merged into the "Union of Belgian Mechanical Glassworks, Cy., Ltd.," founded with a subscribed capital of 200 million francs. It was reported a little later that the above-mentioned merger has entered into a sales agreement with the Belgian company which works the Libbey-Owens patent. The production of mouth-blown glass has almost ceased, and practically all the Belgian glassworks have been grouped either in syndicates or in cartels. The output of the glassware industry has temporarily declined, but it is anticipated that many

Union Bank of Switzerland

(Union de Banques Suisses)

ZURICH.

Bahnhofstrasse 45

Basle, Berne, Geneva, Lausanne, Locarno, Lugano, Montreux, St. Gall, Vevey, Winterthur, etc.

Capital & Reserves - Fr.131,500,000

Total Assets - - - - Fr.992,000,000

ALL BANKING TRANSACTIONS

INVESTMENT FACILITIES. Administration of Private Estates.

mechanical glass-kilns will soon be put to work again. Wage negotiations are at present in progress.

In the heavy metallurgical industry the amalgamation of *Ougrée-Marihaye Cy., Ltd.* and *Alliance Monceau Cy., Ltd.*, is anticipated; the situation of the latter is said to be bad. The shareholders of this company are trying to avoid amalgamation, which they consider will be unfavourable to their interests. The remaining metallurgical companies made substantial profits last year, though less than in the previous year.

Since the end of August the industrial situation seems in general a little less bad. A slight improvement has been registered in metallurgy and in the glassware industry, though this is not a decisive index of a general recovery. On the Stock Exchange this feeling of slight revival has had a steadying effect and put an end to the bear movement of the previous months. All the same, the National Bank share index which was 125 in 1928 was only 62 at the beginning of September, 1930. In the stock market, total turnover remains very small, and the public takes at present hardly any part in transactions. The present inactivity is, of course, prejudicial to the banks which previously enjoyed substantial profits from transactions and new issues. In addition, the banks have been facing serious difficulties in the quest of a profitable investment for their deposits. Burdened with heavy general expenses and the necessity of numerous employees, they have been compelled to raise their rates for current services and transactions, *inter alia* the collection and receipt tariff. Only very limited profits can be made by this means, however, on account of the competition from the Postal Cheque Service, which is managed by the State and carries only very small general expenses.

ROUMANIA.

Budget Prospects — Stewart Contract — Foreign Trade Balance — Prices — Petroleum Industry.

(FROM OUR CORRESPONDENT.)

BUCHAREST, September 19.

THE principal problem confronting the Government in the coming parliamentary session will be the budget. It is regrettable that the Minister of Finance has not been able to keep his promise of tax reduction made at the end of last year, and it appears that the only hope of reducing the crushing burden weighing at present on the taxpayer lies in effecting economies. Instructions have gone forth to the various Government departments to reduce their budgets by considerable sums, amounting in all, it is reported, to 8,000 million lei. It seems unlikely that economies of such size will be realised. Probably the Minister of Finance asks much to obtain little. At any rate, he is determined to reduce expenditure as the imposition of new taxes is impossible, and the appropriation of extraordinary revenue to meet ordinary expenditure is definitely labelled by him as unsound. The future of the present Government probably depends on the successful solution of this difficult problem.

It is reported that the contract of the Government with the firm of Stewart and Partners for the repairing of the roads, ratified by Parliament at the end of last session, is

after all to be cancelled for lack of the necessary financial support. The opposition parties endeavour to make capital out of this lack of elementary providence on the part of the responsible ministers, and Mr Madgearu, who is said to be chiefly instrumental in the conclusion of this contract, is the principal butt of their attack. It is, indeed, almost incredible that the Bill for this contract should have been placed before Parliament without having been examined in all its details, especially with regard to so important a point as the financial arrangements.

Roumania's foreign trade figures for the first six months of this year show a favourable balance of 641 million lei, exports amounting to 12,857 million lei, against imports of 12,216 million lei. This compares with an adverse balance of 4,104 million lei in the corresponding period of last year, when exports amounted to 10,171 million lei and imports to 14,275 million lei. In the spring of 1929, a very small quantity of cereals was available for export owing to the bad harvest of the previous year. This year's figures, on the other hand, have been swelled by the fact that considerable quantities of the 1929 harvest were not immediately exported in the hope of better prices, unfortunately not realised, but were held back for a time, and only exported in May and June last. It is, therefore, not surprising that exports of cereals are principally responsible for the improvement in the trade balance; in fact, they were over 900,000 tons higher this year than in the corresponding six months of last year.

Petroleum products show a satisfactory increase with 1,788,000 tons in 1930, against 1,309,000 tons in 1929. Timber exports have decreased, but those of cattle are slightly greater. The truly significant feature of the trade figures is the substantial contraction of the imports, obviously the direct result of the diminished purchasing power of the population of Roumania. As the excess of exports over imports is generally greater in the second half of the year than in the first, it may be expected with confidence that for the whole twelve months of 1930 Roumania will have a very considerable active trade balance which is estimated in some quarters at between 4,500 to 5,000 million lei. Already in the month of July and August exporters have been very busy owing to this year's satisfactory harvest of wheat, barley, oats and rye. It is true that the maize crop shows a decrease against last year of 88 per cent., but in 1929 the harvest of maize was particularly abundant.

The result of this satisfactory position is noticed in a marked improvement of the rate of exchange during the last two months. Indeed, the supply of foreign bills has been plentiful and the National Bank has easily covered its substantial requirements of foreign exchange for the coupons on the foreign loans due in September and October, and, in the light of this year's experience, no fear need be entertained, given average conditions, as to the maintenance of the stability of the currency. Unfortunately, however, owing to the low prices which have been obtained, the trade figures do not mean prosperity. The fall in average prices recorded this year against those of 1929 is as follows: cattle 7 per cent., cereals 48 per cent., timber 24 per cent., and petroleum products 11 per cent. Lately the prices of cereals, which had shown a slight recovery in June and July, partly owing to the reduction of the export duties, have fallen again to almost low records. Thus wheat is quoted at Braila Port at 400 lei, oats at 200, maize at 300 per 100 kgs., against 500, 320 and 400 lei two months ago. The result is a serious decline in the value of land which threatens to undermine the credit system of the country already badly shaken by the prolonged economic crisis. This is causing grave concern to the Government, but so far nothing practical has evolved to mend matters. In its campaign against usury, in its endeavour to create cheaper credit facilities, especially for agriculturists, it does not appear to make much progress, while its negotiations with other agricultural countries in South Eastern Europe and the much acclaimed results thereof, valuable as they may be at some future time, do not seem to be of a nature to cause immediate improvement of conditions.

Under the plan for the reduction of petroleum output, the maximum daily production for the period up to October 1st was fixed at 1,350 waggons. On the basis of this figure the apportionment of the quantity was determined which each company taking part in the plan was allowed to produce. On September 12th a test of the potential productivity was made which well serve as a basis for the establishment of the proportions to be attributed to the various companies for the period of the six months following October 1st. The latest output results are not yet definitely known, but they are supposed to surpass the most sanguine expectations, being estimated at over 3,000 waggons. It is expected, therefore, that the maximum production will be increased. The restriction agreement has already borne good fruit, as prices for interior consumption have been sensibly raised. It must be noted that in the last two years the export of petroleum products has surpassed that of cereals and now takes first place in Roumanian exports. Important developments are expected from the negotiations which are to take place as soon as possible to determine a programme for the purpose of encouraging the export of Roumanian petroleum to France.

JAPAN.

Public Finance — Bankers' Committee of Industrial Research — Money — Foreign Trade — Prices.

(FROM OUR CORRESPONDENT.)

TOKYO, September 9.

THE national accounts for the fiscal year ended on March 31st last, which were published on August 30th, disclosed a surplus of 90,127,000 yen, revenue amounting to 1,826,444,000 yen, and expenditure to 1,736,317,000 yen. The revenue shows an increase of 52,877,000 yen, in comparison with the original estimates for the year, but a decrease of 179,246,000 yen, as against the actual receipts of the preceding year. The excess over the estimates, however, is mainly accounted for by the unexpectedly large transfer of the preceding year's surplus. Receipts from taxation revealed a decrease of 4,066,000 yen. While land tax, business tax, death duties, and sake duty produced 3.8, 2.2, 3.7, and 7.9 millions respectively more than were anticipated, income tax, textiles duty, Bourse tax, and Customs fell by 2.8, 3, 2.6, and 14.2 millions respectively short of the original estimates. As for non-tax revenue, profits of State monopolies alone show an increase of 6.3 millions, while postal receipts declined by 10.1 millions, earnings of Government undertakings by 10.7 millions, and revenue from State-owned forests by 6.5 millions. On the other hand, aggregate departmental expenditure shows a fall-off of 87,537,000 yen upon the preceding year, and of 172,524,000 yen on the original estimates. Of the realised surplus, 49.5 millions has already gone over to the current year, and 40.5 millions is earmarked for deferred expenditure, leaving little or no margin available for the coming fiscal year as a budgetary offset against a sum for new items of expenditure to be claimed by the spending departments.

A syndicate of the leading banks in Tokyo, Osaka and Nagoya announced last week the formation of the "Bankers' Committee of Industrial Research," designed much along the lines of your Bankers' Industrial Development Company, to receive schemes for rationalisation put forward by basic industries and to provide money necessary to carry them out. The plan has been warmly supported by the Finance Minister and the Governor of the Bank of Japan. The membership is open to trust companies and insurance offices, and the Committee represents a co-operative effort on the part of all the important banking and financial institutions of the country to assist in restoring the depressed staple industries to a condition of soundness and prosperity. But a certain section of official circles seems to look askance at the scheme, which involves a centralised control by finance over industry, and tends to strengthen more than ever the banker's position as the autocrat behind the scenes. The life assur-

ance offices also are talking over the projected Life Assurance Securities Company, Ltd., to be designed to pool and safeguard their security investments.

The Post Office Savings Bank has decided to lower its deposit rate as from October 1st to 4.2 per cent. from 4.8 per cent., at which it stood since April, 1915. The other savings banks have agreed to follow its example: the Class A Tokyo joint-stock banks announced a reduction in the rate of interest on overdrafts as from next week from 7.3 per cent. to 6.5 per cent. Since the end of last month, however, there have appeared signs of monetary stringency with day-to-day loans quoted as high as 4½ per cent. The contraction of loanable funds is reflected in the bankers' deposits in the Bank of Japan, which are now down to 80 million yen, as compared with 158 millions at the opening of the year. Despite the lack of effective demand for credit, the effect of the drain of gold has begun to tell upon the monetary situation.

A further shrinkage in the value of foreign trade took place in August. Both imports and exports were the lowest for any August since the war. In comparison with the corresponding month of last year, imports fell by 61.3 million yen, or 39 per cent., and exports decreased by 90.6 millions, of 41.6 per cent. Imports of cotton fell by 24.8 millions, machinery by 7.3 millions, and iron and steel by 5 millions, while exports of raw silk declined by 47.7 millions and cotton manufactures by 19.9 millions. In addition to the fall in prices, however, the fact must be borne in mind that August, 1929, happened to be an exceptionally good month.

The slump in wholesale prices continued last month, though with much less severity. The wholesale index number of the Bank of Japan for August registered a further drop of 0.6 per cent. on the month, following the fall of 2.5 per cent. in July, and is now 19.7 per cent. lower than a year ago. The rises in rice, wheat, sugar, cotton, and cotton yarn did much to retard the pace of the downward movement.

Letters to the Editor.

INDUSTRY AND THE CITY.

TO THE EDITOR OF THE ECONOMIST.

SIR.—All who are watching the trend of events in Lancashire will have read with deep interest and grave concern the letter of Mr. S. S. Hammersley, which appeared in the issue of the *Economist* of September 27 last. The significance of the experiment that the Lancashire Cotton Corporation is conducting, of rationalising a depressed industry, is so great for industry in general that Mr. Hammersley's criticisms require either more explicit statement or withdrawal.

In his letter Mr. Hammersley, with a full knowledge of the conditions obtaining in the industry, stresses a point which, if accurate, requires explanation. After stating that the Lancashire Cotton Corporation is "an aggregation of the financial lame ducks of two years ago," and that "There are many more financial lame ducks now," he says that "Lancashire is experiencing the peculiar phenomenon of efficient mills being closed down while inefficient mills are being started up." Is there not a simple explanation of this?

Those relatively inefficient mills which are being started up are no longer being worked under the old, inefficient conditions as separate units, because they now form part of one large undertaking for which an economic programme is being worked out, so that the least efficient mills are remaining closed and the less efficient mills are being so developed as to become efficient. Moreover, it is not the case, as is implied, that the concerns nearest insolvency financially are the least efficient technically. On the contrary, in the recapitalisation boom of 1919-1920 the best price from the public, and, therefore, the largest promoting profit, could be obtained for the best-equipped mills; these, therefore, had most attraction for the company promoters of that period, and it was the newest and best mills that were involved in the most serious financial embarrassment. As Mr. Hammersley truly says, "For a correct understanding of the problem, it is important to appreciate the historic perspective." In fact, published information shows that the Lancashire Cotton Corporation has rejected one in three of the mills offered to it, and the average age of the mills it has accepted is less than the average for the American cotton-spinning industry as a whole.

Mr. Hammersley proceeds to base on his statement the deduction that "the mesh through which companies which the Bankers' Industrial Development Company is prepared to help must pass is the mesh of insolvency."

This deduction is contrary to the repeated announcement that the object of the Bankers' Industrial Development Company is to receive and consider schemes submitted by the basic industries of this country for the purpose of their rationalisation, and that in the case of schemes which may be approved, arrangements will be made for the provision in one way or another, and through existing agencies, of such moneys as may seem to be essential. And the case of the Lancashire Cotton Corporation is consistent with this. It is the first, and at present the only active attempt to help the industry, and it has received from the City the support it required. The insolvency of a large part of the American cotton-spinning industry was a condition with which the City was confronted when it was invited to take an interest in the industry's fortunes, and any scheme for assisting the industry had to take account of that condition. What the Lancashire Cotton Corporation has done has been to substitute an orderly liquidation of an insolvent position for a sporadic and chaotic series of bankruptcies, followed by the export of good machinery, bought at scrap prices, to our competitors. It has written down assets to their present-day value and assigned different categories of scrip in proportion to the previous claims of creditors and proprietors. No one under the scheme has got anything "for nothing"; no one has "made a good thing of it"; no one has been enabled to take out in cash capital that is essential to the industry if it is to recover.

Mr. Hammersley produces no evidence whatever to support his assertion that, through the association of the Government with the Bankers' Industrial Development Company, "all normal avenues of finance have been closed to the cotton trade." The prosperous companies, solvent and enjoying the best management, to which Mr. Hammersley refers, have open to them all the avenues of finance that would be open to them if the Bankers' Industrial Development Company did not exist, and they have open to them the Bankers' Industrial Development Company in addition. The latter cannot coerce them into rationalisation schemes.

The difficulty which has really troubled Mr. Hammersley and others is that which is so fully dealt with in the articles published in *The Manchester Guardian* of August 23rd and *The Times* of August 25th, and answered in *The Times* of August 29th and the *Economist* of August 30th, namely, the disinclination of the Bankers' Industrial Development Company to raise money for distribution amongst existing creditors and shareholders of mill companies. The fullest sympathy may be meted out to all those persons whose interests, whether as creditors or shareholders, are already so severely tarnished, but the payment of money to these persons, in order that they may withdraw it from the industry, can serve no useful purpose towards the re-establishment of the industry. Moreover, the demand for such payments might well be practically inexhaustible.

It is conceded by Mr. Hammersley that "on the face of it the attitude of the Bankers' Industrial Development Company seems so wise and reasonable that many people, whose knowledge of the intricate financial structure of the cotton industry is not great, have doubtless come to the conclusion that this quarrel is only another example of Lancashire's obstinate mindedness." But he appears to claim that some "economic righteousness" demands that an unlimited supply of money should be produced for meeting direct payments in cash to those individuals upon whom the burden of the depression in the industry has so cruelly fallen. Such economic righteousness would seem to require the attention of some charitable institution, whose aim is to benefit the needy.

It is perhaps unnecessary to pursue in much detail the suggestion made by Mr. Hammersley that the Bank of England, through the Bankers' Industrial Development Company or the Lancashire Cotton Corporation, is "only prepared to rationalise that part of the industry which it can get for nothing." No attempt has yet been put forward by the Bank to acquire the property of any cotton concern, either directly or indirectly. If assistance be given for enabling money to be borrowed, it is not unreasonable that a demand should be put forward on behalf of the lenders for some measure of control over the expenditure of the borrowed money and conduct of the business during the period of the loan. This demand has been made, and, in the case of the Lancashire Cotton Corporation, has been conceded; but it is surely misleading to confuse such a control with ownership of the business over which the control is exercised.

Finally, Mr. Hammersley speaks of "the difference of opinion between the City and Lancashire"; would it not be more accurate to speak of "the difference of opinion between the City and Mr. Hammersley"? The question is not unimportant, since the cotton industry is not yet rationalised.—I am, etc., London, October 3rd.

H. C.

THE TIN POSITION.

TO THE EDITOR OF THE ECONOMIST.

SIR,—May I call your attention to an error which your correspondent made on this subject in your issue of October 4th?

The writer says, speaking of the voluntary restriction which the tin producers have put into force, that "Bolivia and the Dutch Colonies are definitely non-participants." This, as his figures show, is not the case; and, further, it was announced in the Press at the end of July that the Tin Producers' Association had received assurances of curtailment from the principal Bolivian producers and the Dutch. Still further, it is well known that the biggest Bolivian producer is the President of the Tin Producers' Association.

There is one other point in your correspondent's article which is misleading, namely, the measure of curtailment by the producers in the Federated Malay States. Surely the question to ask in wanting to know what curtailment of output has done in 1930 is:—

(a) What would they have produced in the first eight months of 1930 without any curtailment?

(b) What did they produce?

The answer can be based on the knowledge of new plants and dredges ready for operation during that eight months' period, or more simply by taking the first month of the year. This is a conservative measure, because with new dredges the January output could have been increased.

The figure for January was 6,128 tons, which in eight months would have been 49,024 tons of metal. As the output was only 43,377 tons, the curtailment amounted to 5,647 tons, or 11 per cent. Considering this 6,128 tons includes Chinese producers, it indicates clearly that the participating members are carrying out their full measure of curtailment. Another point to bear in mind is that curtailment on an international basis did not start until June.—Yours, etc.,

London, October 8, 1930.

A. B. C.

[Our correspondent writes:—"The President of the Tin Producers' Association is Señor Don Simon Patiño, head of Patiño Mines and Enterprises Consolidated. Although Don Simon holds this office, his firm has not, so far as I am aware, joined the Association. Reduction of output in Bolivia has been much more severe than was contemplated or recommended by the Association; in view of known conditions in Bolivia, this can only be attributed to financial stringency.

According to public announcements, Dutch co-operation has always been conditional upon the support accorded to the T.P.A. schemes; no promise has gone beyond that of non-expansion. An indefinite promise, subject to the same condition, was made when the production-holiday was first mooted; no announcement has yet been made regarding action proposed or taken under this promise. It is, therefore, legitimate to say that the Dutch promises have been fully kept, and would not be infringed by an expansion of the recent rate of output.

The remaining point raised in "A. B. C.'s" letter is fully covered by the article in question. Malayan output certainly promised new records this year, and this inopportune expansion has been averted by restriction. This merely serves to emphasise the excessive capacity of the industry. Despite a 20 per cent. cut in output, stocks have been accumulating; the inference is, in the words of the article, that "when capacity is excessive, the task of the restrictionists is impossible." The point is that at least 14,000 tons of the world's potential output will not be needed, even when 'normal' consumption reaches the abnormally high figures of 1929. In these circumstances, a reduction in capacity would seem to be the best solution of the problem; restriction will then be concerned with meeting the temporary stringency due to reduced consumption."—Ed., *Econ.*]

Books and Publications.

RUSSIA THROUGH THE EYES OF A HISTORIAN.*

VERY many books have been written about Soviet Russia by men of many different nationalities and opinions, after visits of a few weeks or months. Mr Feiler's book, the fruit of a "three months' journey of investigation, lasting from March to June, 1929," is one of the few which are free from partisanship and prejudice. It is the carefully-written work of an understanding economist, an accurate observer and an impartial historian.

* "The Experiment of Bolshevism." By Arthur Feiler. Allan and Unwin. 10s. 6d. pp. 253.

Mr Feiler seems to have approached Russian history since 1917, as a historical episode in the comparative study of revolutions, rather than as a battlefield of present-day politics. It is this impartiality that makes this a book worthy of serious study; and it will doubtless be valuable as secondary historical material, as a fairly detailed study of the industry, agriculture, government and social life of Russia in the summer of 1929.

There are many obvious advantages in writing history at first hand, but the still more obvious disadvantage is that even as the word is written, the facts are changed. This book was written in September, 1929. Mr Feiler saw the economic tendencies with a great deal of acumen, but already these tendencies have changed to such a degree that the conclusions he draws from them have lost some of their value. For instance, he cites Dnieprostroy as an example of Russian Americanisation. He is impressed by the works, but fears that there might be too much electric current generated for the work available. "The opportunities for its employment must, first of all, be created." Now, of course, the opposite is true: it is already clear that the current will be quite inadequate to the needs; and new power stations are already being projected to meet the growing demand.

Writing of the collective farms, hardly a year from the inception of the movement, Mr Feiler is most pessimistic as to its value and permanency; and does not seem to think that the economic advantages outweigh what he considers the undue victimisation of the peasants as a class.

In general, Mr Feiler deplores the abandonment of the New Economic Policy as a departure in the wrong direction, but even though he is describing an attempt at the formation of a society naturally distasteful and antipathetic to him as an individualist Liberal, he remains an impartial historian, true to the statement in his first chapter: "If you recognise the Revolution as a historical fact, then you must regard it as a whole, you cannot have one part of it, and not the others, you cannot choose what you will have. The result is still in the lap of the gods. But one thing remains: men hold their heads an inch higher—there is more pride among men." Though, on the whole, it cannot be taken as an up-to-date study of the ever-changing Russian conditions, Mr Feiler's book still remains valuable as an analysis of the cross-section of Russian life in the summer of 1929.

BOOKS RECEIVED.

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

(It would be a convenience to our readers if publishers would make a point of notifying us of the prices of books sent for inclusion in this column.)

The National Debt. By E. L. Hargreaves. (London) Edward Arnold and Co., 41 and 43, Maddox Street. 15s. net.

A scholarly account of the British National Debt which constitutes a valuable contribution to financial history.

The International Bank. By Harry D. Gideonse. (New Brunswick) Bureau of Economic and Business Research, Rutgers University.

Contains a short history of the Reparations problem and of the movement towards international co-operation in the use of gold, followed by a brief study of the B.I.S.

The Money Machine. By Francis Whitmore. (London) Sir Isaac Pitman and Sons, Ltd., Parker Street. 5s. net.

A useful descriptive account of the working of the London money market.

The Bankers' Place in Commerce. By W. F. Spalding. (London) Sir Isaac Pitman, Parker Street, Kingsway.

Reprint of a series of articles.

Present-Day Banking in India. By B. Ramachandra Rau. Third Edition. (Calcutta) University of Calcutta. A very comprehensive textbook.

An Introduction to the Money and Banking System of the United States. By John Percival Day. (London) Macmillan and Co., Ltd., St. Martin's Street. 4s. 6d. net.

A simple and clear description of the working of the Federal Reserve system.

The Age of the Chartist. By J. L. Hammond and Barbara Hammond. (London) Longmans, Green and Co., Ltd., 39, Paternoster Row. 12s. 6d. net.

Definitely not a history of the Chartist movement, but rather background for such a history, constituting a continuation of the author's earlier works "The Town Labourer" and "The Skilled Labourer."

The Life of Robert Owen. By G. D. H. Cole. (London) Macmillan and Co., Ltd., St. Martin's Street. 12s. 6d. net.

A second edition with an opening chapter in which the author has modified his estimate of Owen's position in the development of Socialist thought.

Land Settlement in Palestine. By A. Granovsky. (London) Victor Gollancz, Ltd.

A discussion of the most urgent questions of Jewish land policy.

Commerce Year Book, 1930. Vol. I. United States. (Washington) Superintendent of Documents. \$1 per copy.

An invaluable year book based on official statistics covering every branch of the economic activities of the United States.

Trends in the Foreign Trade of the United States. (New York) National Industrial Conference Board Inc., 247, Park Avenue. \$3.50.

An extremely elaborate analysis of the United States foreign trade statistics. The periods covered are, for the most part, 1912-14, 1925-27 and 1929.

Bulletin of the National Association of Wool Manufacturers. Nos. 1, Extra 1, 2, 3. (Boston) National Association of Wool Manufacturers, 80, Federal Street. 50 cents per copy.

Contains valuable statistics of the woollen industry of the United States. "Extra No. 1" is an annual wool review containing an unusually comprehensive collection of world statistics.

The Bankers' Magazine, October, 1930. (London) Waterlow and Sons, Ltd., London Wall. 2s. 6d. net.

Includes a survey, illustrated with charts, of the silver situation.

Foreign Affairs, October, 1930. (New York) 45, East 65th Street. \$1.25.

An exceptionally interesting number, including articles on "The New American Tariff: Europe's Answer," by Percy W. Bidwell, and "The Economic Organisation of Peace," by Sir Arthur Salter.

OFFICIAL PUBLICATIONS RECEIVED.

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

Annual Statement of the Trade of the United Kingdom with Foreign Countries and British Countries, 1929, compared with 1925-28. Vol. III. 17s. 6d. net.

Report of an Inter-Departmental Committee on the Grading and Marking of Beef. Cmd. 3648. 9d. net.

Department of Overseas Trade: Economic Conditions in Syria, July, 1930. 1s. net; *Economic Conditions in Bulgaria, July, 1930.* 2s. net; *Economic Conditions in Japan, June, 1930.* 2s. 6d. net.

Report from the Select Committee on Ministers' Remuneration. 2s. 6d. net.

Empire Marketing Board: Production and Trade of the Indian Empire. September, 1930. 2d. net.

Report of the Chief Registrar of Friendly Societies for the Year 1929. Part 1. General. 6d. net; *Part 4. Trade Unions: Section 1. Proceedings and Statistical Notes.* 1s. net.

Department of Scientific and Industrial Research: Home-grown Timbers—Their Anatomical Structure and its Relation to Physical Properties: Elm. 3s. 6d. net.

First Annual Reports of the National Radium Trust and Radium Commission. 1929-30. Cmd. 3678. 1s. 3d. net.



H.M. STATIONERY OFFICE

Students of current economic and social affairs find in the publications of H.M. Stationery Office a library of up-to-date volumes of a range, authority and variety unobtainable elsewhere. Some recent volumes are listed below. To keep informed of future publications ask for the "Monthly Circular"—post free.

Agriculture.

The Agricultural Output and the Food Supplies of Great Britain. 1s. (1s. 2d.)

Agricultural Statistics 1929: Part I. 1s. 3d. (1s. 8d.)

Overseas Trade.

The Economic and Trade Conditions existing in from thirty to forty areas within and without the Empire are annually dealt with in the Reports of the Department of Overseas Trade. Subscription £3 post free, per annum. Recent Reports are:—

Bulgaria, July, 1930. 2s. (2s. 2d.)

Japan, June, 1930: with Appendices on the Trade of Formosa and Corea. 2s. 6d. (2s. 8d.)

Syria, July, 1930. 1s. (1s. 1d.)

Industry.

Committee on Education for Salesmanship. Second Interim Report: Modern Languages. 6d. (7d.)

Committee on the Cotton Industry. Report: Cmd. 3615. 6d. (7d.) *Third Census of Production of the United Kingdom. Final Report: The Textile Trades.* 4s. 6d. (4s. 10d.)

Catering Trade. Report of Enquiry into Remuneration, Hours of Employment, etc. 3s. 6d. (3s. 10d.)

Factories and Workshops. Annual Report of the Chief Inspector of, 1929. Cmd. 3633. 2s. 6d. (2s. 9d.)

Dyestuffs. Report of the Advisory Committee on. Cmd. 3658. 1s. 6d. (1s. 8d.)

Unemployment Insurance. Selected decisions given by the Umpire respecting claims to benefit. With Index (U.I. 440). 7s. 6d. (7s. 11d.)

The Monthly Unemployment Index is a detailed and comparative return of persons registered as unemployed in Great Britain on the 14th of each month. Subscription £3 3s. post free, per annum.

Statistics.

Guide to Current Official Statistics, Vol. VIII, 1929. 1s. (1s. 5d.)

All prices are net. Those in brackets include postage. Obtainable from:

H.M. STATIONERY OFFICE

LONDON: Adastral House, Kingsway, W.C.2.

EDINBURGH: 120, George St.

MANCHESTER: York St.

CARDIFF: 1, St. Andrew's Crescent.

BELFAST: 15 Donegall Square West.

Or through any Bookseller.

The Stock Exchange.

THE FUTURE OF THE RATE OF INTEREST.

THE September issue of the Svenska Handelsbanken "Index," contained an article by Mr J. M. Keynes, entitled "The Future of the Rate of Interest," which has attracted some attention on the Stock Exchange. In it Mr Keynes predicted that the prospective course of the rate of interest would be steadily downwards, and the prices of first-class bonds steadily upwards, and that when belief in this tendency seized hold of the minds of the financial world—"perhaps in the comparatively near future"—things would move quickly. In Mr Keynes' own words: "Once the idea gets abroad that we are starting on a journey towards pre-war rates of interest there will be a tremendous hurrying and scurrying not to miss the bus."

On Mr Keynes' general proposition with regard to the trend of interest rates we are in agreement, and have from time to time put forward grounds for holding that the trend must be downward. But this view has also been fairly generally accepted for some time past in the City without any remarkable results being observed upon the price of long-term gilt-edged securities. Mr Keynes argues that the downward trend has latterly been arrested by special causes, and that now that these causes have ceased to be effective the downward movement will rapidly come about. The events of recent years, however, suggest that this thesis is an over-simplification of a complex situation. Before setting out a few of the relevant facts it is necessary to give a little more of Mr Keynes' argument.

In brief, Mr Keynes argues that long-term interest rates (comparing securities of approximately equal risk) are nearly 50 per cent. higher than they were twenty years ago. He declares that sundry special causes after the war (for example the repair of war damage and the making good of arrears in housing and public utility services) operated to maintain the actual rate of interest at an exceptionally high level, but that this phase was coming to an end in 1924-25. Two sets of events, however—the return to the Gold Standard and the settlement of Reparations and war debts—intervened at this stage to maintain market rates of interest above the level which productive enterprise could really afford, and to bring about in certain countries some measure of credit restriction. New borrowers also came on the market, who were prepared to pay rates not based on any calculation of the probable yield of new investment—"distress borrowers," such as Governments anxious to meet urgent liabilities; "banking borrowers," including State and central banking authorities seeking gold and foreign balances to protect newly restored currencies; and "artificial borrowers," such as speculators participating in the bull movement in equities in New York. By the middle of 1929 in most countries and in the autumn of 1929 in the

United States the genuine trade borrowers, on this argument, were already being squeezed out of the capital market. Mr Keynes therefore arrives at the remarkable conclusion that "the slump is due to a retardation of new real investment so that it is falling seriously behind the level of current saving—the natural and inevitable result of maintaining, year after year, a rate of interest which would have been considered high at almost any time during the nineteenth or early twentieth centuries, and is surely preposterously high in an environment so well equipped as is the contemporary world with fixed investments of every description."

Before accepting the argument, investors may pause to ask whether its premises are in accordance with known facts. The table below gives the average yields on a number of representative Government stocks, and industrial fixed-interest securities in 1910, 1914 and each year from 1925, and the yields at present market prices.

It will be seen from this table that the yields to-day are in no case 50 per cent. above those of 1910, much less above those of 1914. On the British Government stocks the present-day yields are about 48 per cent. above those of 1910 and only 27 per cent. above those of 1914. In the case of the long-dated Swedish Loan the yields to-day are even lower than they were in 1910 and 1914. In the case of the industrial fixed-interest securities the yields to-day vary from 6.9 per cent. to 42 per cent. above those of 1914. It will further be observed that, omitting 1926, which was the year of the coal strike, the decline in yields since 1925 has been slow but steady up to and including 1928, but that in 1929 the yields were forced up by the demand of what Mr Keynes calls the artificial borrowers, engaged in stock market speculation. Since the credit crisis in 1929, interest rates on Government bonds have declined as steeply as it would be reasonable to expect, but on fixed-interest securities with an industrial risk there has been no decline at all.

Mr Keynes is therefore not wholly accurate in the assumption on which his argument is based. If a further test is applied of the average yields obtained on issues of industrial and commercial debentures in the London capital market, his assumption that interest rates to-day are 50 per cent. higher than in pre-war days will be found untrue if we compare to-day's with those of 1913. An analysis of the yields obtained on debentures offered by industrial and commercial companies (excluding railways), based on our annual computations of new issues in the London market, shows that the average figures have been as follows:—1913, 5.5 per cent.; 1925, 6.43 per cent.; 1926, 6.48 per cent.; 1927, 6.21 per cent.; 1928, 5.75 per cent.; 1929, 6.1 per cent.; 1930 (nine months),

	Average yields (%) in									% Increase or Decrease in Oct., 1930, compared with	
	1910.	1914.	1925.	1926.	1927.	1928.	1929.	Oct., 1930.		1910.	1914.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.			
2½% Consols	3 1 9	3 9 0	4 10 1	4 11 3	4 11 1	4 9 3	4 13 7	4 7 11	+ 42.7	+ 27.4	
3% Local Loans	3 3 6	3 11 9	4 14 6	4 15 1	4 14 7	4 16 4	4 16 4	4 10 11	+ 43.2	+ 26.9	
Sweden 3% 1900	4 6 4	4 4 7	4 16 7	4 13 7	4 9 9	4 13 3	4 14 3	4 1 11	— 5.1	— 3.2	
Gt. Western Rly. 4% Deb.	3 12 1	3 19 4	5 3 0	4 17 10	4 17 7	4 16 9	5 0 1	4 16 5	+ 33.4	+ 21.5	
" 5% Cum. Pfd.	3 15 0	4 1 9	5 7 0	5 5 10	5 4 9	5 2 9	5 6 1	5 7 6	+ 43.3	+ 31.5	
Bradford Dyers 4% Perpetual Deb.	4 0 0	4 3 3	5 1 3	5 2 10	5 4 6	5 4 3	5 6 3	5 12 8	+ 40.8	+ 35.6	
Bradford Dyers 5% Pref. ...	4 14 3	4 14 0	5 1 7	5 4 9	5 1 7	5 5 0	5 11 9	6 13 4	+ 41.4	+ 41.9	
Guest, Keen and Nettlefolds 4% Deb.	3 16 5	4 2 9	5 3 0	5 6 1	5 3 9	5 4 1	5 7 1	5 12 6	+ 47.4	+ 35.9	
Guest, Keen and Nettlefolds 5% Pref.	4 1 4	4 8 0	4 16 4	4 17 7	4 15 3	4 13 0	4 15 3	4 14 1	+ 15.6	+ 6.9	

THE WEEK IN THE MARKETS.

THE LONDON STOCK EXCHANGE.

SETTLING DAYS.

TICKET. ACCOUNT
October 21. October 23.

STOCK EXCHANGE conditions, while possibly falling short of a state of complete depression (with certain exceptions), were more trying than for many weeks past. The storm-centre was the market for Brazilian securities, which at times exhibited semi-panic symptoms, while German issues were another source of weakness in the bond market. British Government stocks, by contrast, were a satisfactory feature, their reaction after the exuberance which followed the Government's decision to redeem 4 per cent. War Loan being regarded as a healthy symptom—taken in conjunction with the excellent response to the week's new offerings of trustee securities. Industrials, however, made heavy weather after showing gratifying stability early in the week. London's estimates of the immediate future of New York prices continued to be framed on conservative lines. Finally, weakness in commodity prices, especially of base metals, again affected the psychology of the speculative markets. Altogether, the Stock Exchange had little on which to congratulate itself.

Gilt-edged stocks threatened at one time to develop mild "boom" characteristics, but profit-taking speedily ensued, affecting War Loan (after the latter had touched 105) and Four per Cent. Consols. The result of the Treasury Bond tenders was regarded as highly satisfactory to the Government. A certain amount of money was withdrawn from the market for new capital issue applications. India loans gained ground, despite a slight falling-away in mid-week. The names of the British representatives at the Round Table Conference inspired confidence. A smaller business was done in Dominion issues, but the success of the Ayr Loan stimulated interest in Home Corporation stocks.

The decline in Brazilian bonds is dealt with in an "Investment Note" on page 675. The absence of adequate news from Brazil was unfortunate, inducing numerous holders to put an unfavourable construction on events. Other South American stocks were sympathetically lower, though Argentines, for the most part, were an exception. Among Europeans, German bonds were again on offer for political reasons, numerous sales coming through Amsterdam.

For once, the week's batch of Home Railway traffic figures provided a favourable surprise, the decline in gross receipts being appreciably less than in recent weeks, except on the London, Midland and Scottish. Investment inquiry, however, again centred on the prior charge rather than the junior stocks. Undergrounds remained steady, the rapid over-subscription of the London Electric Railway and Central London Railway debenture issues affording fresh evidence of the contemporary favour with which the group is regarded. Among Foreign Railways, Brazilians were inevitably affected by the crisis, San Paulos falling as much as 13 points in a single day. Argentine railway stocks declined, though to no more than a normal extent, following further unfavourable traffic statements.

The Industrial markets opened with an uncertain air, and, after holding their ground fairly creditably for the first three days, suffered a measurable recession on Thursday. The week's dividend announcements were not, on the whole, unsatisfactory. The British Celanese figures (discussed on page 675) went beyond, and the Gramophone dividend was not much below market expectation. The announcement, however, of a cut in cigarette prices by Godfrey Philips—in opposition to the policy steadfastly maintained by the giants of the trade for years past—caused selling of a wide range of shares. Breweries were heavy on talk of new taxation. International counters showed uncertainty, merging into depression, Brazilian Traction being affected by political events, and other stocks by anxiety regarding the possi-

(Continued on page 674.)

6.2 per cent. These figures show a much smaller increase over the pre-war rate than Mr Keynes' 50 per cent., though the various factors which he mentions may recently have retarded their tendency to decline.

Our figures, again, do not bear out Mr Keynes' argument that trade has suffered from unduly high interest rates. Indeed, if genuine trade borrowers were already being squeezed out to some extent by the middle of 1929 in this country and by the autumn of 1929 in the United States, we should expect to have seen a decline in the amount of new capital raised for business purposes in the London and New York capital markets. What are the facts? The new capital raised in the London and New York markets by "trade" borrowers in 1913 and recent years is shown below:—

NEW CAPITAL ISSUES IN LONDON FOR TRADE PURPOSES.

(000's omitted.)

	1913.	1925.	1928.	1929.	1930. (9 mos.)
Debentures, bonds, &c.	£ 64,796	£ 35,952	£ 46,296	£ 29,606	£ 13,716
Preference stocks and shares. ...	22,956	42,802	45,062	31,543	11,796
Ordinary stocks and shares.	33,661	51,772	111,178	116,018	21,979
Total	121,413	130,526	202,536	177,267	47,491

NEW CAPITAL ISSUES IN NEW YORK FOR TRADE PURPOSES.

(000,000's omitted.)

	1925.	1928.	1929.	1930. (8 mos.)
Bonds, notes	\$ 2,889	\$ 3,009	\$ 2,551	\$ 2,820
Stocks (including pref.)	1,211	3,071	6,098	1,370
Total	4,100	6,080	8,649	4,190

It will be seen that there is no evidence of trade going short of new money since 1925. The boom in common stocks in the New York Stock Exchange merely switched trade borrowers from bonds to issues of common stock or preference. Hence the "artificial borrowing" to which Mr Keynes refers did not force industry to go short of capital, but merely to raise it in a different form. Indeed, no one can seriously question that up to the time of the credit crisis in 1929 the boom in common stocks acted as a direct stimulant to the raising of large amounts of new industrial capital by the issue of "equity" shares.

We agree with Mr Keynes that the prospective course of interest rates is downward, and we have no doubt that investors for the most part endorse this view. But conditions in the gilt-edged market are to-day not identical with those of pre-war days. The supply of British Government stocks in 1910 was insufficient to meet the demands of trustees and other "safety-first" investors. To-day there is an enormous accumulation of war loans, while extensive borrowing by such Dominions as Australia, under the stimulus of the Colonial Stock Act, has further increased the supply of gilt-edged stocks available for trustees. As regards interest rates in other countries, bond prices are influenced to a much greater extent to-day by the political factor than they were in 1910, when world wars had not been contemplated. Civil wars in China, unrest in India, instability in Balkan and Central European States, demands for the revision of the Versailles Treaty and the Young Plan in Germany, not to mention minor revolutions in South America, are some of the factors which go to prevent a general rise in foreign Government bonds. In fact, it is probable that for some years there will be a considerable difference in interest rates ruling in different parts of the world, and that the 'bus on which Mr Keynes invites us to travel with such assurance may have not quite so high a horse-power, or so smooth a highway on which to run, as Mr Keynes would have us believe.

NEW ISSUE PRICES.

Stock or Share.	Issue price.	Amt. paid.	Price, Oct. 2, 1930.	Price, Oct. 9, 1930.
Austrian Govt. International Loan, 1930 7%	95	75	14-1 dis	31-27 dis
Ceylon 4½%	98	5	104-105	104-105
Courage and Co., 5½% deb.	93½	6½	24-34 pm	3-34 pm
Edmundson's Electricity 5% deb.	20/-	20/-	20/0-20/6	20/0-20/6
Ferranti 7% cum. pref.	98	25	8-1 pm	1-1 pm
General Electric 5% deb.	par	10/-	2/- dis.	3/0-2/0 dis
Grovenor House (Park Lane) 7½%	98½	50	41-42 pm	102-103
Cum. Pref. £1	97½	50	21/9-22/0	34-41 pm
Kelly's Directories 6½% deb.	21/-	102	105-105½	21/104-22/11
London Electric Railway 5% deb.	96	50	100½-101½	101-102
Marks and Spencer, 7% cum. pref.	97½	50	101-101½	101-102
Do., 6% deb.	98	50	101-101½	101-102
Newcastle-upon-Tyne Electric 5% deb.	97½	50	101-101½	101-102
Simonds, H. & G., 6½% Cum. Pref. £1.	98	50	101-101½	101-102
South Africa 5%	97½	50	101-101½	101-102
South Metropolitan Gas 5% deb.	97½	50	101-101½	101-102
Tamplin & Sons, Brewery	95	50	101-101½	101-102

(Continued from page 671.)

bility of further selling from Wall Street. Electrical shares were steady on a small turnover, but motor shares were lower. Little interest was taken in textiles, the market being unaffected by the payment of a maiden dividend on Canadian Celanese preferred. Hudson's Bays continued their persistently downward course, shareholders having little expectation of good news in the pending report of their committee of examination. Insurance shares were firm on recent satisfactory announcements, and a moderate selective demand was in evidence for bank shares.

Rubber shares being no longer affected by minor variations in the price of the commodity, the stronger tone of Mincing Lane had little effect on an idle market. Tea shares were in some demand—in small amounts—over the week-end, but an easier tendency supervened. Dealings in oil shares were on a small scale, leaving the leading issues lower on balance.

Mining shares attracted much less than their normal share of attention. The Cape did little buying, and Paris, on the whole, was a seller. Among Kaffirs, "Finance" issues again came on offer. Northern Rhodesians fluctuated in characteristic fashion, with no weight of public interest behind them, quotations finishing lower on the week. The new break in tin produced no spectacular weakness in the shares, where the open position had long been reduced to very small dimensions. Tintos were easier on the further fall in copper.

"FINANCIAL NEWS" DAILY BARGAIN INDEX.

(Approximate number of Bargains recorded in Stock Exchange Lists.)

	Oct. 2, 1930.	Oct. 3, 1930.	Oct. 6, 1930.	Oct. 7, 1930.	Oct. 8, 1930.	Oct. 9, 1930.
Government and Municipal Loans.....	1,297	1,532	1,678	1,377	1,587	1,515
Transport, Communications, and Public Utilities.....	849	867	1,028	861	938	1,004
Commercial and Industrial Banks, Insurance and Financial.....	1,555	1,785	2,001	1,555	1,603	1,641
Mines (including Nitrates).....	440	463	522	523	599	445
Oil.....	360	373	438	366	384	433
Rubber, Tea and Coffee.....	163	190	179	125	109	158
Total.....	259	232	240	170	159	143

* Including iron and steel and breweries.

"FINANCIAL NEWS" DAILY AVERAGE OF 30 INDUSTRIAL ORDINARY STOCKS. (1928 = 100.)

	Highest of 1930. (Apr. 17).	Lowest of 1930. (Aug. 26).	Oct. 2, 1930.	Oct. 3, 1930.	Oct. 6, 1930.	Oct. 7, 1930.	Oct. 8, 1930.	Oct. 9, 1930.
90-5	72-6	76-0	76-1	76-2	76-2	76-2	75-5	74-8

FOREIGN STOCK EXCHANGES.

NEW YORK.

Despite the authorities' threat of disciplinary measures against bear raiders, further selling depressed prices. The decline, however, was less extensive and more orderly than that of last week, and was accompanied by no signs of panic. Sentiment, none the less, is pessimistic. Some of the business forecasting houses are still advising the

purchase of sound securities on the ground that the next major change in general trade will be for the better, but they admit that this may be delayed, while the declines in steel operations and in car loadings are among numerous indications that the seasonal revival from the midsummer low point has been very modest. Confidence is wanting in the stability of commodity prices, especially of grain and non-ferrous metals. The largest declines in Stock Exchange quotations this week have been suffered by high-grade stocks like U.S. Steel, General Motors, and Standard Oil of New Jersey, which have hitherto stood up well against selling. Some large investors, indeed, are for the time being switching over to more speculative stocks, on the ground that these are more thoroughly deflated. Money on call has remained at 2 per cent. The foreign bond market has been unfavourably affected by the developments in Brazil.

	Sept. 25, 1930.	Oct. 2, 1930.	Oct. 9, 1930.		Sept. 25, 1930.	Oct. 2, 1930.	Oct. 9, 1930.
U.S. 3½% T. Bds.	106½	106½	106½	Phelps Dodge	106½	106½	106½
Do. 4½% T. Bds.	112½	113	112½	Pullman	112½	113	112½
Do. 4½% T. Bds.	101	101½	101½	Sears-Robuck	101	101½	101½
Do. 4½% T. Bds.	102½	102½	102½	Studebaker	102½	102½	102½
Do. 4½% T. Bds.	103½	103½	103½	Un. Fruit	103½	103½	103½
Atchafalpa	213½	209	202½	U.S. Leather	213½	209	202½
Ches. & Ohio	47	46½	43½	U.S. Rubber	47	46½	43½
Erie	38	38	35½	U.S. Steel	38	38	35½
Illinois Central	112	110½	105	Westinghouse	112	110½	105
N.Y. Central	157½	152	141½	Woolworth	157½	152	141½
Pennsylvania	71½	70½	65	Worthington Pump	71½	70½	65
Southern Pacific	112½	109½	107	Am. Pow. & Light	112½	109½	107
Southern Ry.	81½	76	71	Electric P. & L.	81½	76	71
Union Pacific	212	207	200	Int. Tel. Teleg.	212	207	200
Am. Can.	123	122½	114	Nat. Pow. & L.	123	122½	114
Allegheny Corp.	18½	18½	16½	Radio Corp.	18½	18½	16½
Amer. Smelting	54½	55½	53½	Utilities P. & L.	54½	55½	53½
Anaconda	40½	38	35	W. Union Tel.	40½	38	35
Bethlehem Steel	82½	81½	77½	Associated Gas "A"	82½	81½	77½
Chrysler Motor	24½	21½	17½	Mid-Cont. Pet.	24½	21½	17½
Corn Produce	85½	83½	78½	Pan Amer. B.	85½	83½	78½
Eastman Kodak	199	203	186	Sinclair Oil	199	203	186
Gen. Electric (New)	64½	63½	54½	Std. California	64½	63½	54½
Gen. Motors	41½	39½	36½	Do. N.J.	41½	39½	36½
Int. Harvester	69½	64½	61½		69½	64½	61½
Mont. Ward	32	28½	22½		32	28½	22½
Natl. Biscuit	81	81	77½		81	81	77½

x Ex dividend.

By courtesy of the Standard Statistics Company, Inc., of New York and 13, Copthall Avenue, London, we print the following index figures of American values calculated on closing prices (1926 = 100):—

	1928.		1929.		1930.		
	Lowest.	Highest.	Lowest.	Highest.	Beginning of Year.	Oct. 1.	Oct. 8.
335 Industrials	132.5	186.4	134.5	218.9	146.0	126.6	120.4
33 Rails	120.5	139.7	127.8	173.5	134.3	116.5	112.0
34 Utilities	128.3	180.6	177.6	330.4	202.2	199.5	190.6
Total, 402 Stocks	130.3	178.9	140.3	228.1	153.0	136.5	130.1

	Average yield of 50 Industrial Common Stocks.	3.32%	4.42%	3.10%	5.23%	4.83%	5.02%	5.32%
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DAILY AVERAGE OF 50 INDUSTRIAL COMMON STOCKS (1926 = 100).

	Highest of 1930. (Apr. 10.)	Lowest of 1930. (Oct. 8.)	Oct. 1, 1930.	Oct. 2, 1930.	Oct. 3, 1930.	Oct. 4, 1930.	Oct. 6, 1930.	Oct. 7, 1930.	Oct. 8, 1930.	Oct. 9, 1930.
202.4	141.5	150.1	147.9	149.8	148.2	143.2	143.5	141.5		

TOTAL DEALINGS IN NEW YORK.

	Oct. 2, 1930.	Oct. 3, 1930.	Oct. 4, 1930.	Oct. 6, 1930.	Oct. 7, 1930.	Oct. 8, 1930.	Oct. 9, 1930.
Stock Exchange—Shares (Thous.)	2,311	2,040	898	2,362	3,562	2,061	5,041
Bonds (Value—Thous. \$)	10,652	10,058	5,813	10,522	14,461	13,216	17,067
Over-the-counter—Shares (Thous.)	526	479	255	500	813	515	1,100

* 2-hour session.

BERLIN.

Berlin Stock Exchange prices underwent, in the second half of September, their heaviest fall since last autumn. After mild fluctuations in the first half of this year July brought marked declines; subsequently a quiet tendency developed, which lasted until the elections of September 14th. The result of the elections came as a complete surprise to the Stock Exchange at

least, and gave rise to heavy selling by small investors. The selling pressure was considerably strengthened when the reaction of other countries to the election results became known. The fall in the Young Loan on the New York, London and Amsterdam Exchanges gave the keynote for developments on the Berlin Stock Exchange. The serious depreciation of German credit abroad, as expressed in the decline in the quotations of German foreign loans, greatly influenced opinion in Germany as to the duration of the present depression. The second great downward impulse came from the flight of capital, which has been intensified in recent weeks. The Reichsbank's losses of gold and bills, which have amounted to nearly Rm. 500 millions since the elections, are attributed to the export of capital rather than to the calling-in of foreign credits. Among the shares most severely hit by the last decline were bank and shipping shares. The shares of the big German banks are now quoted 40-50 per cent. below their levels at the beginning of this year. Among industrials, Salzdetturth Potash fell in a short time from 330 to 280, and Schultheiss Beer from 250 to 190. Coal, iron and steel securities also shared in the decline. Under heavy foreign sales, bond prices fell on the average 10 per cent. The average yield in first-class German loans has risen in the last few weeks to 8½ or 9 per cent.

Official "Cash" Quotations in all cases.

	Sept. 8, 1930.	Oct. 6, 1930.		Sept. 8, 1930.	Oct. 6, 1930.
Banking and Insurance			Industrials—cont.		
Berliner Handelsg.	143½	133½	Deutsche Erdöl	74	66
Commerz und Pri.	127½	118	Deutsche Linien	175	156
Vat.	127½	118	Dynamit Nobel	72½	64
Darmstädter	181½	161	Farbenindustrie	153½	137½
Deutsche Dis-			Feldmühle Papier	135	118
conto	123	116	Gelsenkirchen	110	98
Dresdner	123	115½	Görlicher Waggon	106	106
Reichsbank	253	220½	Harpener	102	87
Allianz und Stutt-			Hirsch Kupfer	128	119
garter	182½	178	Karl Aschersleben	205	195
Nordstern	223	212½	Karstadt	101½	90½
Communications			Lindström	470	435
Deutsche Reichs-			Mannesmann	84	73
bahn Pref.	93½	88½	Nationale Autom.	9½	12
Hamburg-Amerika	91½	78	Norddeutsche		
Hamburg-Süd-			Orenstein und Kop-		
Amerika	161	164½	pel.	59½	48
Hansa	...	123	Polyphon	184	150
Norddeutscher			Riebeck Montan	97½	97
Lloyd	91½	78½	Rütgers	57	50
Industrials			Salzdetturth	328	280
Allg. Elektrizität	139	122	Sarotti	108½	105
Angsbury-Nürn-			Schlesische Textil-		
berg, Masch.	68½	69½	werke	10	8½
Bemberg	90½	73	Schultheiss-Patzen-		
Bergmann	166	149	hofer	252	190
Continental Gum-			Siemens und Halske	199	180
mi	143	129	Tietz	136	120
Daimler-Benz	29	75½	Verein. Glanzstoff	123½	...
Dessauer Gas	137	117½	Verein. Stahlwerke	77½	70
			Zellstoff Waldhof	133	121½

INVESTMENT NOTES.

The Outlook for Gilt-Edged.—It cannot be said that the market was wildly excited by the issue by tender of the 4 per cent. Treasury Bonds, 1934-36, this week. The terms, on the basis of the minimum tender price of 100½, less commission, were moderately attractive—the flat yield being £3 19s. 9d. and the redemption yields £3 17s. 9d. and £3 18s. 6d. per cent., allowing for redemption in 1934 and 1936 respectively. Nevertheless, a good response was elicited. Applications totalled £116,000,000, and £105,000,000 was allotted. Tenders at 100½ per cent. were allotted 56 per cent., and above in full. The Treasury has thus obtained more than sufficient for the redemption of the £75 millions of 4 per cent. tax-compounded War loan next January and for the £11 millions of 4½ per cent. Treasury bonds due in the following month. The anticipation that a large proportion of the £75 millions of the 4 per cent. tax-compounded War loan will be reinvested in long-dated stocks has already led to professional or speculative buying of the long-dated British Government securities. At the moment of writing, prices have not held their best, but the ground which has been gained by the Gilt-edged market since the end of December—when the 5 per cent. Conversion loan 1944-64 was issued at a period of deep depression

in Government circles—may be seen in the following table:—

	End Nov., 1929.			This Week.				
	Price.	Yield %*			Price.	Yield %*		
		£	s.	d.		£	s.	d.
5% War Loan, 1929-47	97½	5	2	2	104½	4	16	9
3½% Conversion, after 1961	74½	4	14	6	79½	4	8	0
4½% Conversion, 1940-41....	94½	4	15	7	102½	4	8	3
4% Funding, 1960-90.....	85½	4	13	9	92xd.	4	7	6
4% Consols, after 1957.....	84½	4	16	6	89½	4	9	9
2½% Consols, perpetual	53	4	14	3	57	4	7	11
4% Victory Bonds, 1976 ...	91½	4	12	0	96½	4	4	6
3% Local Loans.....	62	4	16	3	65½	4	11	0

* Yields shown with redemption where necessary.

Some conservative brokers are asking what will be the attitude of investors next January, when the national accounts for the nine months are published. The shadow of the impending Budget will begin to fall on the market probably just at the time when the money from the 4 per cent. tax-compounded War loan falls due for reinvestment.

Brazilian Stocks and the Revolt.—The present revolt in Brazil is the most formidable movement since Don Pedro, Emperor of Brazil, was deposed in 1889. According to some reports, nine of the 20 States are involved in the revolt, which began in the State of Rio Grande do Sul. The direct cause appears to be the allegation of Dr. Getulio Vargas, who was defeated at the recent presidential election by Dr. Julio Prestes, that improper practices were employed. Dr. Vargas is stated to be leading an army on Rio de Janeiro and Sao Paulo. The Federal Government has requisitioned all food supplies and shipping, at the same time closing all business houses for fifteen days, which is to be regarded as a general "holiday." Owing to the "holiday," there has been no foreign exchange quotation on Rio this week, and Brazilian stocks have shown considerable weakness on the London Stock Exchange, where jobbers have endeavoured to protect themselves by the precautionary marking down of prices and the quotation of wide margins. The largest fall has been suffered by the 4 per Cents. of 1911, which have a sinking fund operating every six months. Other heavy declines were experienced by the 1888 4½ per cents. and the 6½ per cents. San Paulo loans all showed approximately the same falling off. The extent of the various declines is shown in the following table:—

	Oct. 3.	Oct. 6.	Oct. 8.	Falls since Oct. 3.	Fall %
Brazil 4½%, 1888	68	66	57	11	16.2
Brazil 5%, 1895	61	60	53½	7½	12.3
Brazil 4% Rescn.	58½	55	48½	10	17.1
Brazil 5%, 1903	81½	79½	72½	9½	11.3
Brazil 5%, 1908	98½	97	90	8½	8.6
Brazil 4%, 1910	47	45½	41	6	12.8
Brazil 4%, 1911	75½	74	57½	18	23.8
Brazil 5%, 1913	58½	55½	50	8½	14.9
Brazil 5%, 1914	75½	73	67	8½	10.9
Brazil 6½%	80½	78½	68½	12	14.9
Rio State 5½%	77½	76½	72½	5	6.4
San Paulo 7½%	82½	79	71½	11½	13.6
San Paulo 7%	91½	89½	83½	8½	8.9
San Paulo 6%	62	60	55	7	11.3
Leopoldina R'way ...	29½	29	25	4½	15.2
San Paulo Railway ...	163	161	142	21	12.8
Brazil Traction.....	35½	32½	29½	6½	17.6

Other South American stocks have been indirectly affected, Chile Sixes and Peru Sixes, for instance, falling sharply. Nearer home, German issues have again been offered owing to distrust of the National Socialist attitude towards the Peace Settlements. Altogether the foreign bond market has been making heavy weather.

British Celanese.—The report of British Celanese, for the sixteen months to June 30th last, shows an increase in trading profits, on a twelve months' basis, of 52 per cent. This, on the face of it, is a creditable achievement, but the detailed accounts continue to offer the investor many tantalising problems. The year's earnings approximately cover the dividend requirements of

the two classes of preference shares, but interest centres rather on the numerous charges and directorial allocations which reduce a total trading profit of £2,634,845 to a distributable surplus of no more than £514,535. These items are not shown on exactly the same basis as last year, but the following table affords as close a comparison as possible:—

	Year to Feb. 29, 1928.	Year to Feb. 28, 1929.	16 Mths. to June 30, 1930.	Same on 12 Months' basis.
Trading profit (incl. transfer fees and interest)	1,680,331	1,301,518	2,634,845	1,976,134
General sales and admin. expenses	215,410	311,308	1,263,539†	947,654
Non-trading charges (royalties, excise, &c.)	424,196	324,145	...	...
Debt and mortgage interest	161,887	301,703	382,595	286,946
Debt and mortgage redemption	11,675	34,021	46,056	34,542
Depreciation on Equipment	2,275	3,431	...	...
Research and advertising expenditure written off	...	...	161,454	121,090
Amount shown as net profit	864,889	326,910	781,201	585,901
Directors' appropriations—				
Commutation of royalties	57,265	23,754	266,666	200,000
Depreciation	378,261	200,000	...	...
Distributable surplus	429,363	103,156	514,535	385,901
Dividend on 7% First Pref.	17,797	166,250†	166,250†	112,000
Dividend on 7½% Second Pref.	127,500*	255,000	378,516†	255,000
Increase or decrease in carry-forward +301,863	-169,641	-30,231	+18,901	...

General expenses and non-trading charges have increased to a greater extent than is explained by the amount declared to have been set aside for writing-down values, though the directors may claim that the rise is no more than proportionate to the increase in trading profits. A new item makes its appearance under the heading "Research and Advertising Expenditure, 1928-30, proportion written-off: £161,454." Was any provision made in previous reports for this expenditure, avowedly incurred over the last three years, and if so at what rate? The balance sheet shows that a further £145,822 is outstanding under this heading. Depreciation, again, has been charged at a rate equivalent to the reduced figure of 1928-29. Although the directors decided, at the beginning of 1930, to curtail intended capital expenditure, as part of a policy of conserving the company's cash resources, expenditure on capital account during the sixteen months' period nevertheless amounted to the considerable sum of £896,982. The directors rightly take credit for the fact that the net liquid assets at June 30th last amounted to £2,691,010, but of this figure £1,765,226 is represented by stock-in-trade, and only £548,933 by cash, though the latter had been raised to £800,000 at the beginning of this month. The company has no investments outside the artificial silk business. Intangible assets such as goodwill, commutation of royalties and new issue expenses still stand at a total of £3,153,544. The investor, in short, cannot claim to understand all the ramifications of British Celanese finances from the figures presented in the last report. That the latest results are an improvement on their predecessors is, however, undoubted, and as they have been earned on a yarn production representing less than 40 per cent. of the company's available capacity, they are the more noteworthy. The report claims, indeed, that the output of the last sixteen months could be increased fourfold, if a relatively small additional capital expenditure were incurred, and the requisite demand were forthcoming. As the company, however, under these conditions would have a capacity equal to the maximum artificial silk consumption for the whole of Great Britain in the recent past, demand must obviously expand very considerably before such a plant-capacity can be fully employed, and the ordinary shareholders can receive the handsome dividends which for so many years have been waiting just round the corner. The first and second preference shares have risen to 12s. 6d. and 8s. 9d. respectively on the report, while the ordinary stand at 9s., against a maximum of 136s. 3d. in 1928 and a low point of 6s. 10½d. this year.

Pease and Partners.—The directors of Pease and Partners, the colliery owners and iron and steel founders, of Darlington, have for some time been considering the question of financial reorganisation. The last occasion on which any profits were earned on the ordinary share capital (which totals £3,000,000), after deduction of all charges, was in 1923-24. Since that year the company has accumulated a total debit balance to profit and loss of £1,155,782, and although the results for the twelve months to March 31, 1930, were the least unfavourable for some years past, the directors have decided that nothing is to be gained by further postponement of reorganisation. Accordingly, a strong independent Advisory Committee has been appointed to report on the necessary measures. It includes Mr. George Balfour (chairman of Balfour, Beatty and Company), Mr. John Ferguson (who is a member of the famous civil engineering firm of Sir Alexander Gibb and Partners and is associated with the Armstrong Whitworth interests), and Sir Gilbert Garnsey (of Price, Waterhouse and Company), whose experience of the salvage of depressed British concerns grows more and more extensive. The committee's report can scarcely fail to involve heavy sacrifices for shareholders. The company's fixed plant and assets, at March 31st last, totalled £4,115,424, and its interest in subsidiary companies £1,082,844, out of a balance-sheet total of £8,065,631. For the last four years an item, "Maintenance of Idle Establishments," has regularly appeared in the profit and loss account. The co-operation of Barclays Bank will be called for in the reconstruction. Six months ago the company was indebted to this bank to a total of £1,414,805 (of which £73,600 only was secured by an issue of debenture stock). Pending the receipt of the committee's report, business is being carried on as usual.

Rover Results.—The report of the Rover Company for the eleven months ended June 30, 1930, is disappointing. The results for 1928-29 suggested that this old-established motor concern, after its reconstruction in January, 1929, was making rapid progress under the managing directorship of Colonel Frank Searle. The period of extensive annual losses was brought to an end, and the company earned over 35 per cent. on its reduced capital, though only 5 per cent. was paid in dividends. This year's results suggest, not that the company has substantially lost ground, but that the prevailing economic depression has definitely checked its progress for the time being. Profits are sharply reduced and the dividend, prudently, is passed:—

	Year to Aug. 31, 1928.	Year to Aug. 31, 1929.	11 Months to July 31, 1930.
Total paid-up capital	1,050,000	420,000	420,000
Trading profits and interest	*	219,450	146,584
Depreciation and other charges	*	99,206	112,553
Net profit	501,799	120,244	34,031
Earned—per cent.	...	35.7	10.5
Dividend paid—Per cent. ...	...	5.0	Nil
Amount	...	16,800	Nil
Increase in carry-forward ...	†	102,393	34,031
* Not stated. † £630,000 debit written off by reduction of £1 shares to 8s.			

The reorganisation and development policy, initiated by the present board, has been continued, the company's programme for next year having been favourably received by the trade, where it is generally admitted that the new Rover models have a distinction which was not enjoyed by those turned out before the reconstruction. The balance sheet is reasonably liquid, and the company has avoided the tendency to pile up a large stock-in-trade. The 8s. ordinary shares, which reached 11s. last year, were dealt in this week at 5s. 6d.

Gillette and Auto-Strop.—The announcement that a merger has been concluded in the United States between the Gillette and Auto-Strop companies brings to a precipitate end the legal difficulties in which the Gillette Company had found itself involved. Early last spring the Gillette Company launched a gigantic advertising campaign to introduce its new razor and blade. On April 30th, Auto-Strop formally filed a suit against Gillette in the Federal Court at Wilmington alleging infringement of patents. A month later the Gillette Company filed its answer, in which it claimed that Mr. Henry J. Gaisman, chairman of the Auto-Strop Company and inventor of the Auto-Strop and Probak safety razors, to whom a re-issue patent on the Probak blade was granted last January, was not the original and first inventor. Auto-Strop's chances of winning the suit were considered good. The Probak blade is covered by three patents; whereas the new Gillette has not been and is not likely to be patented. A merger offered a convenient solution of the difficulty. Though Auto-Strop's assets are much smaller than those of Gillette it is not expected that when the terms of the merger are announced it will be found to be the underdog in a combination which will be dominant in its field. The razor industry all over the world is one in which competition is unusually severe the rise of Auto-Strop to its present commanding position is a monument to well-planned progress and clear-sighted merchandising. Gillette—the "original" safety-razor company, with assets at the end of last year of \$57,115,796—sustained a fall in net income during the first six months of this year (as compared with the same period of 1929) from \$8,407,518 to \$4,806,370. During the same period Auto-Strop increased its profit from \$370,655 to \$722,808. The earnings of the American Safety Razor Company, which until now has ranked second in the industry, rose slightly. Auto-Strop's expansion is the more significant, since it has been achieved solely in the safety-razor and blade field, while both Gillette and American Safety Razor sell a variety of other products. Auto-Strop is said to be producing almost 3,000,000 razor blades a day at present. Last spring the announcement that the Gillette Company would start manufacture of its new blade in Germany roused the entire German razor industry to combined action, and the Gemeinschaft Solinger Rasierklengen-Interessenten was formed at Solingen, the seat of the German razor-blade industry, chiefly in order to protest against the granting of patents to the Gillette company for the manufacture of a blade already in production in Solingen.

A New Telephone Combine.—It is announced that a new company, known as the General Telephone and Electric Corporation, is to be formed in New York. It will have an authorised capital of 5,000,000 shares of common stock. Its object is to develop the business of the Associated Telephone and Telegraph Company in countries outside the United States. The new company will be organised by Messrs. Theodore Gary and Co., and influential British and Canadian telephone companies, together with the Transamerica Corporation. No public issue of shares is at present contemplated, as the Transamerica Companies and the Gary group will take up \$20,000,000 of the stock and British and other interests \$6,000,000. The chairman will be Mr. H. L. Gary, and the president, Mr. A. F. Adams, both of the Gary group, while the British interests will be watched by Sir Alexander Roger. It is proposed to develop telephone systems in various countries where there is a great demand for improvement and extension. The Associated Telephone and Telegraph Company owns, or has holdings in, properties aggregating £15,000,000 in U.S.A., Canada, India, Australia, Belgium and many other countries. At the present time, negotiations are proceeding for the establishment of manufacturing facilities in France. Another company with which the new concern will be associated is the Automatic Telephone Manufacturing Company, Ltd., of Liverpool, which has a contract for the construction and installation of the automatic equipment for Greater London. Nearly 75 per cent. of the world's

automatic telephones are equipped with the Strowger Automatic Dial System, which is owned by the Associated Telephone group. Mr. Elisha Walker, one of the directors of the new enterprise, has stated that whereas in the United States the ratio of population to telephones was 5 to 1, it was approximately 100 to 1 in other countries. It is to exploit the possibilities of this field that the General Telephone and Electric Corporation has been formed.

The Fall in Metals.—The past week has witnessed the descent of the leading non-ferrous base metals to lower levels than witnessed for many a year, writes our mining correspondent. Copper has been cheaper than at any time since 1896, zinc since 1895, tin since 1907, and lead since 1911. The minimum quotations of the periods named and the closing prices at the first session on the London Metal Exchange on Thursday are contrasted below:—

	Lowest.	Oct. 2, 1930.
	£ s. d.	£ s. d.
Copper (1896)	40 10 0	43 5 7½
Tin (1907)	115 0 0	115 15 0
Lead (1911)	12 15 0	15 5 0
Zinc (1895)	13 10 0	13 18 9

The highest points of the recent past were attained by copper in 1929 (£97 11s. 3d.), the others in 1920—tin, £419 10s.; lead, £53 7s. 6d.; zinc, £62 10s. The quotations reached in the post-war boom, and in the industrial activity of 1926-27, stimulated production both in the shape of the exploitation of new properties and of the erection of additional plant at old ones. Moreover, great progress was made in metallurgy—that is, in the extraction of the various metals from their ores. In Australia, especially, great endeavours were made along these lines for the purpose of neutralising the ever-increasing cost of labour. The result has expressed itself in the provision of supplies substantially in excess of consumption. For a long time, in the case of copper, the position was masked by the operations of Copper Exporters Inc., which manipulated the price of the metal to an inflated level and maintained it by the purchase of surplus offerings. After a while this process was found to be too expensive, and prices had to come down. The current level of 10 cents per lb. is one offering only a moderate margin of profit to low-cost producers and entails loss to others. This is emphasised by the fact that—for example—from the seven dollars per annum rate paid in respect of 1929 and the first quarter of this year the Anaconda cut its rate to 87½ cents actual in June and to 62½ cents in September. In declaring an interim dividend of 10s. per share, as against 25s. a year ago, the directors of the Rio Tinto explained that during the first six months there had been a shrinkage of 34 per cent. in the company's gross profits and that a decline of even greater extent was likely to be shown during the second six months. Rio Tinto, of course, turns out pyrites as well as copper. In the case of tin, on the initiative of the Tin Producers' Association output has been restricted to a considerable extent; but this has so far failed to arrest the downward trend of values. As regards zinc, a European cartel was in operation for some years, while a selling agreement was

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arrived at in London with respect to lead. But the tide could not be stemmed. The production of these two metals is now so unprofitable that the North Broken Hill company has closed down one section of its property, and unless the trade unions agree to a reduction in wages, three other concerns will cease work. In Mexico, the San Francisco Mines temporarily discontinued the production of zinc concentrates. Matters will doubtless right themselves in time; but the improvement seems more likely to arise from the elimination of the weak companies than from any early expansion in demand.

New Modderfontein.—In last year's notes, writes our mining correspondent, emphasis was laid upon the point that the main development of the mine was approaching completion. At that time the price of the shares stood at £4 17s. 6d. It is now £3 7s. 6d.—a shrinkage of 30s., less dividends, totalling 18s. 9d. gross. In his report to June 30th, the consulting engineer announces that the development of the main reef leader is now practically completed. Of the total ore reserves (including shaft pillars), amounting to 80,757,000 tons, value 8.3 dwts., this ore body accounts for 5,815,100 tons, value 9.3 dwts.; the remainder comprises the south reef and the various "leaders." The latter have been extensively exposed, and appear likely to provide a large tonnage of payable ore, the values in the western section being better than in the eastern. On the basis of a net extraction value of 34s., with costs at 16s. per ton, the latest ore reserve estimate may be calculated to represent a "profit value" of about £2 per share. The payable reserves actually available are equivalent to little more than three years' supply for the mill, but further considerable quantities of lower-grade material will doubtless be opened up. We contrast the results of the past three years:—

	1927-28.	1928-29.	1929-30.
Ore crushed..... tons	1,626,000	1,713,000	1,811,000
Revenue..... per ton	47/0	44/1	41/0
Costs..... per ton	19/5	17/9	16/10
Profit..... per ton	27/7	26/4	24/2
Total working profit.....£	2,241,760	2,252,430	2,138,180
Dividends.....£	1,890,000	1,960,000	1,925,000
Rate..... per cent.	135	140	137½
Carried forward.....£	317,370	302,060	251,980
Ore reserves..... tons	9,157,000	7,857,600	7,431,900
Value per ton..... dwt.	8.7	8.9	8.6

The additions made to the reduction plant are evidenced in the renewed advance in tonnage crushed: but this factor, with the saving in costs, proved insufficient to counterbalance the decline in grade. Although the dividend in respect of the second half of 1929-30 was reduced to 6s. 9d. per share, the year's disbursements entailed a substantial draft upon the carry-forward. Towards an estimated liability of £841,580 in respect of miners' phthisis, a total of £84,530 has now been provided. At the date of the balance sheet the surplus cash assets stood at £252,000.

Consolidated Main Reef.—The most interesting feature of last year's operations was the modification of the area held. On the one hand, 272 mining claims adjoining the south-eastern boundary were acquired from the Crown Mines for £39,900. This area, it is stated, can be exploited from one of the company's existing shafts. On the other hand, the undermining rights of 248 claims north of the outcrop (valueless from a mining standpoint) were abandoned in order to make the ground available for sale freehold "as opportunity offers." Thanks to some additions to the cyanide plant, an improved extraction was obtained; but the decrease in values shown by the 1929 ore reserve estimate resulted in a decline of 1s. 5d. to 30s. 10d. on the revenue per ton milled. Hence a further shrinkage in the profits, which, for the past three years, have been, respectively: £248,740, £215,930 and £178,800, the dividend rate

being 11½ per cent., 10 per cent. and 8½ per cent. After a period of disappointing values, the principal ore body last year showed improvement. Upon two subsidiary deposits, the South and Bird reef, a considerable tonnage of lower-grade material has been opened up. The net result is that the ore reserve tonnage is 146,600 up at 2,132,300, and the average 0.3 dwt. down at 7.2 dwts. In the current year the effects of the decline in grade should be largely counterbalanced by economies in costs due to the utilisation of electrical power. Moreover, heavy capital expenditure is now approaching completion. In 1929-30, £55,000 was disbursed upon plant and equipment.

CAPITAL ISSUES.

New capital issues to the public this week have reached a cash total of £5,940,150, bringing the figure for the year to £201,383,055, as compared with £199,787,795 for the corresponding period of 1929. The borrowers have been of influential status. The *Ayr County Council's* offer (giving a flat yield of £4 19s. per cent.) was a trustee issue by a borrower whose past finance has been conservative. Coming hard upon the improvement in the Gilt-edged market following the announcement of the redemption of 4 per cent. War Loan, the issue achieved immediate success, the lists being closed owing to over-subscription by 9 o'clock on Monday morning. Other trustee issues were also made by the *London Electric Railway* and the *Central London Railway*, both offering a shade over 5 per cent. The credit of the Underground group to-day stands high, and as the stocks were a first charge on the respective undertakings, and had the benefit of a Treasury guarantee and of the Common Fund of the group, their relatively high return proved attractive, both issues being over-subscribed in a quarter of an hour. The only industrial issue was that of *J. Darnell and Son*, a wholesale boot and shoe business which has grown from small beginnings in 1854. Profits were given for three years only, but the directors estimated that the 1930 results would be equivalent to 20 per cent. on the share capital, thus offering an earnings yield of 12½ per cent. at the issue price. This estimate is naturally dependent on the maintenance of profits, through the trade depression, at not less than their present level. The shares are a reasonable industrial equity, but prevailing conditions are not favourable to this type of issue.

ISSUES OF THE WEEK.

By Prospectus or Offer for Sale.

Net total recorded, January 1 to October 4, 1930, £195,055,440.	
Total, including conversion recorded, January 1 to October 4, 1930, £288,606,671.	
Net sales, 4 days ended October 4, 1930, £100,000.	
Total receipts, April 1, 1930, to October 4, 1930, £3,500,000.	

	Nominal Capital.	Conversion or Repayments.	New Money Cash Subscriptions.	First Payment.	Further Liability.
To the Public.					
Ayr County Council.....	1,250,000	£	1,262,500	£	1,200,000
Darnell (J.) and Son	249,500	£	399,200	£	374,250
London Electric Railway	3,450,000	£	3,432,750	£	3,260,250
Central London Railway	850,000	£	845,700	£	803,200
Total offered to Public, week ended October 11, 1930	5,799,500	£	5,940,150	£	5,637,700
To Shareholders only.					
British Booklet Matches (1928), 1,028,625 new shares of 1s. at 6d.	51,431	£	25,715	£	12,858
Buchanan Estates, £50,000 6½ per cent. 1st Deb. Stk. at 95½ per cent.	50,000	£	48,250	£	45,750
Reynolds (A.) and Co., £2,500 7 per cent. Cum. Pref., £1 at par	62,500	£	62,500	£	15,625
Do., £20,000 New Ord., £1 at 25s.	120,000	£	150,000	£	90,000
Total to Shareholders only, week ended October 11, 1930	283,931	£	286,465	£	195,483

Total Offered for Subscription—	Including Conversions.	Excluding Conversions.
Jan. 1 to date—£	£	£
1930	294,935,286	201,382,055
1929	237,113,395	199,787,795
1928	474,684,817	302,584,194
1927	...	268,710,726
1926	...	162,828,454
1925	...	170,178,313
1924	...	150,791,265
1923	...	228,026,737
1922	...	...

Total Offered for Subscription—	Including Conversions.	Excluding Conversions.
Whole year—£	£	£
1929	488,764,940	285,239,400
1928	693,100,056	269,058,073
1927	...	365,165,970
1926	...	230,782,600
1925	...	232,214,500
1924	...	209,326,101
1923	...	271,399,173
1922	...	573,875,653

By Stock Exchange Introduction.

Amount previously recorded	Amount of Capital Introduced.	Prices at which Dealings Began.	Total Cash Involved.
£	£	£	£
16,467,378	...	...	18,152,707
Total, week ended October 11, 1930	Nil	...	Nil
Total to date, 1930	16,467,378	...	18,152,707
Total to date, 1929	31,007,581	...	42,854,893

Four per Cent. Treasury Bonds, 1934-36.—In response to the offer by tender applications amounted to £116,310,000. Of these applications tenders amounting to £105,000,000 were accepted. Tenders at the minimum price of 100½ per cent. received about 56.8 per cent. of their requirements, while higher tenders were allotted in full. The average price was £100 11s. 6.89d. per cent.

Ayr County Council.—Issue of £1,250,000 in 5 per cent. stock at £101 per cent. Instalments payable £5 per cent. on application, £21 per cent. on October 23, 1930, £30 per cent. on December 4, 1930, and £45 per cent. on January 22, 1931. The stock will be redeemed on March 15, 1957, unless previously cancelled by purchase in the open market, or by agreement with stockholders, but may be redeemed on March 15, 1947, by giving three months' notice by post. This loan is to be applied to the repayment of existing loans of £498,982 and for authorised capital expenditure on water-works, sewage works, schools, county buildings, housing and roads. After deducting sinking and reserve funds, the debt due by the Council on May 15th last was £1,495,725. Interest will be payable on March 15th and September 15th of each year. The stock gives a flat yield of £4 19s. 1d. per cent.

London Electric Railway Company.—Offer of £3,450,000 5 per cent. redeemable debenture stock, 1985-95, at £99 10s. per cent. This stock is to rank *pari passu* with the existing 4 per cent. debenture stock, and will be a first charge on the undertaking of the company. Interest will be payable on January 1st and July 1st of each year. The company may redeem on January 1, 1985, or any half-year interest date thereafter. There already exists £5,000,000 in 5 per cent. redeemable debenture stocks, making a total £8,450,000. The total receipts of the common fund companies aggregated £16,177,595, and after providing for expenditure, interest, preference dividend and reserve allocations, there was a balance of £1,150,426 constituting the common fund. The object is to provide funds for extending present lines and improving present stations. Flat yield, £5 0s. 6d.

Central London Railway Company.—Offer of £850,000 5 per cent. redeemable debenture stock, 1985-95, at £99 10s. This stock is to rank *pari passu* with existing debenture stocks of the company. Interest payable on January 1st and July 1st of each year. The company may redeem, at par, on January 1, 1985, or on any half-yearly interest date thereafter. The loan is to provide funds for extending and improving present traffic facilities. Flat yield, £5 0s. 6d.

[Other Stock Exchange information, including the latest dividend announcements, summary of balance sheets, profit and loss figures and shorter notices will be found on page 686 under the heading "Company News."]

WEEKLY TRAFFIC RETURNS. RAILWAYS OF GREAT BRITAIN AND IRELAND.

(b) Week ended Oct. 2, 1930. (c) Week ended Oct. 3, 1930.	Miles Open.	Week ended Oct. 4, 1930. (000's omitted.)					Aggregate 40 weeks, 1930. (000's omitted.)				
		Passen- gers, &c.	Merchandise, &c.	Coal and Lignite.	Total Goods.	Total for Week.	Passen- gers, &c.	Merchandise, &c.	Coal and Lignite.	Total Goods.	Total Receipts.
Great Western...	3,751	226	220	118	338	564	9,836	8,436	4,704	13,140	22,976
Do. for 1929...	3,751	232	224	127	351	583	10,185	8,919	4,975	13,894	24,007
Lon. & N. Eastn. (c)	6,362	357	394	261	655	1,012	14,547	15,342	10,120	25,462	40,070
Do. for 1929...	6,361	381	439	267	687	1,098	15,140	16,602	10,730	27,332	42,472
Lon., Mid. & Scot. (c)	6,956½	530	528	251	779	1,309	21,540	21,027	9,978	31,006	52,546
Do. for 1929...	6,957½	563	619	274	893	1,456	22,817	22,666	10,769	33,435	56,282
Southern	2,179	303	78	31	109	412	13,210	3,069	1,177	4,246	17,456
Do. for 1929...	2,175	315	80	30	110	425	13,505	3,121	1,304	4,425	17,935
Total of above	19,248½	1,443	1,220	661	1,881	3,324	59,133	47,875	25,979	73,854	132,987
Do. for 1929...	19,244½	1,492	1,362	710	2,072	3,564	61,647	51,308	27,778	79,086	140,733
Metropolitan (c)	59	31.9	4.0	...	...	35.9	1,303.8	158.7	...	...	1,462.5
Do. for 1929...	59	33.4	4.1	...	...	37.5	1,291.8	153.5	...	...	1,445.3
† Undgd. E. R. (c)	...	310.1	...	...	...	...	310.1	12,040	...	...	12,040
Do. for 1929...	...	299.9	...	...	...	...	299.9	11,413	...	...	11,413
Lon. & Sub. Gr. (c)	...	46.1	...	...	...	...	46.1	1,737.7	...	...	1,773.5
Do. for 1929...	...	45.2	...	...	...	...	45.2	1,674.0	...	...	1,674.0
B.† & Co. D. w/c	80	2.4	...	...	...	...	3.2	114.7	29.2	...	143.9
Do. for 1929...	80	2.4	...	...	...	...	3.2	113.9	35.1	...	149.0
* Great Northern	562	14.4	15.5	...	...	...	29.9	...	...	...	1,092.3
Do. for 1929...	562	14.4	18.3	...	...	...	32.7	...	...	...	1,162.8
Great Southern	2,187	32.6	45.2	...	...	...	77.8	...	...	...	2,883.3
Do. for 1929...	2,187	33.6	51.9	...	...	...	85.5	...	...	...	3,011.1

* Aggregate 39 weeks.

† Includes receipts from independent omnibuses during current year.

OVERSEAS RAILWAY RECEIPTS.

Name.	Weeks.	Ending.	Present Mileage.	Gross Receipts for Week.		Total Gross Receipts.	
				1930.	+ or -	1930.	+ or -
INDIAN.							
Assam Bengal ...	36	Sept. 6	1,306	3,53,000	-1,16,119	85,82,343	-2,48,165
Barelly L. Ry.	24	13	202	24,500	...	9,81,200	-2,32,600
Bengal & N. Western	24	13	2,079	4,89,778	-44,221	1,53,77,023	-6,92,676
Bengal-Nagpur ...	23	6	3,139	13,25,000	-1,88,351	3,60,76,852	-31,98,750
Bombay Bar. & O.I.	23	27	3,094	20,57,000	+94,000	4,98,89,000	-36,65,000
Madras & S. Mahr.	35	6	3,229	12,51,000	-46,98,43	3,50,55,573	-70,85,675
† Rohilk. & Kumaon	23	13	561	80,676	...	28,54,984	+1,08,266
South Indian ...	23	6	2,371	12,96,877	-17,396	2,82,59,553	-10,58,965

† Including Lucknow-Bareilly State Railway.

CANADIAN.

Canadian National	39	Sept. 30	20,290	6,454,860	-11,964,21	168,387,065	-34,443,058
Canadian Pacific...	39	Sept. 30	15,242	5,496,000	-250,000	132,119,000	-25,620,000

SOUTH AMERICAN.

Antofagasta (Chili and Bolivia) ...	40	Oct. 5	804	19,580	-24,950	1,078,460	-448,645
Argentine N. R.	14	4	153	14,500	1,800	207,200	15,000
Argentine Trans. d'n.	14	4	111	5,252	+546	41,389	-11,488
B.A. and Pacific ...	14	4	2,806	119,000	-31,000	1,632,000	-497,000
B.A. Central ...	14	5	...	12,222	-126	188,012	-4,175
B.A. C. Southern	14	4	5,009	203,000	-11,000	2,542,000	-583,000
B.A. Western	14	4	1,925	65,000	-10,000	933,000	-240,000
Central Argentine	14	4	3,359	195,000	-77,000	2,700,000	-789,000
Central Uruguayana	14	4	273	31,237	+5,770	380,026	+42,659
O. Urug. (East. Ext.)	14	4	111	5,758	+810	74,769	+5,704
O. Urug. (N. Ext.)	14	4	185	3,374	+318	43,777	+3,508
O. Urug. (W. Ext.)	14	4	211	2,960	+339	38,730	+4,578
Cordoba Central ...	14	4	1,218	67,000	+4,000	911,000	-59,000
Entre Rios ...	14	4	804	25,100	-1,200	336,500	-18,000
G. Westn. of Brazil	39	Sept. 27	1,035	13,700	-8,400	512,200	-135,400
Leopoldina Termal.	40	Oct. 4	1,858	...	...	...	...
Nitrate (monthly)	19	Sept. 30	410	30,300	-18,000	11,456,000	+180,000
San Paulo ...	42	Oct. 5	1,531	45,422	-10,181	1,647,958	-33,175
United of Havana	14	5	1,369	32,382	-16,511	506,968	-210,597

* Traffic interrupted by storms.

† No returns owing to Brazilian situation.

OTHER OVERSEAS.

Gt. Southn. of Spain	39	Sept. 30	104	£84,134	-38,102	3,850,815	-940,014
Mexican Railway	13	28	483	£337,400	-15,800	2,983,300	-107,600
Paraguay Central	14	Oct. 4	274	3,770	-390	55,360	-4,170
Salvador ...	14	4	100	2,367	-1,845	30,240	-20,154

TRAMWAYS WEEKLY GROSS RECEIPTS.

Anglo-Argentine ...	39	Sept. 30	329
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		Oct. 10, 1930.	Sept. 18, 1930.	Sept. 25, 1930.	Oct. 2, 1930.	Oct. 9, 1930.
	RESOURCES.					
	Total gold reserve	3,012,230	2,975,640	2,988,930	2,976,770	2,976,530
	Total bills in circulation	857,310	163,150	167,160	185,920	173,170
	Bills bought in open market	333,150	208,860	197,740	193,110	211,020
	Total U. S. Govt. securities	140,760	610,380	601,810	601,180	600,440
	Total bills and securities	1,345,970	989,410	973,880	986,970	990,900
	Total resources	5,377,750	5,001,380	4,827,300	4,878,980	4,833,100
	LIABILITIES.					
	Federal Reserve notes in actual circulation	1,860,300	1,349,330	1,347,720	1,376,350	1,365,400
	Deposits—Memberbank—reserve account	2,338,980	2,456,280	2,416,150	2,394,320	2,407,760
	Total deposits	2,387,410	2,485,550	2,483,540	2,456,680	2,466,110
	Capital paid in and surplus	421,330	446,810	447,500	447,580	447,490
	Total liabilities	5,377,750	5,001,380	4,827,300	4,878,980	4,833,100
	Ratio of total reserves to deposit and Federal Reserve note liabilities combined	74.4%	81.6%	82.0%	81.6%	81.6%

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

	Oct. 12, 1929	Sept. 18, 1930	Sept. 25, 1930	Oct. 2, 1930	Oct. 9, 1930
Total gold reserves	132,200	121,600	124,140	125,390	125,650
Total bills discounted	102,410	99,600	44,250	48,650	83,840
Bills bought in open market	23,700	195,300	187,540	186,240	116,240
Total U.S. Govt. securities	268,160	281,590	260,680	266,030	299,980
Deposits—Memberbank—					
reserve account	937,460	1,022,200	1,026,320	1,008,710	1,001,690
Ratio of total res. to dep. and Federal Res. note liabilities combined	85.3%	84.5%	86.9%	86.6%	83.7%

BANK FOR INTERNATIONAL SETTLEMENTS.

(In Millions of Swiss Francs.)

	June 30, 1930.	July 31, 1930.	Aug. 31, 1930.	Sept. 30, 1930.
ASSETS.				
Cash	5.1	6.8	3.3	5.6
Sight funds	23.0	80.5	107.6	68.9
Bills and acceptances:—				
Commercial bills	239.3	184.1	152.5	203.7
Treasury bills	261.4	180.5	84.5	100.8
Time funds:—				
Not exceeding 3 months	486.9	298.0	541.7	946.8
Between 3 and 6 months	...	353.7	441.0	154.0
Between 6 and 9 months	...	75.6	75.6	25.2
Sundry investments:—				
Maturing within 2 years	68.4	107.9	150.4	185.8
Over 2 years	...	13.7	1.5	1.0
Other assets	1.6	2.8	5.5	8.7
LIABILITIES.				
Capital paid up	102.5	102.5	102.5	102.5
Special deposits:—				
Annuity trust account	151.2	154.6	154.5	154.3
German Government deposit fund	123.6	87.7	76.5	79.9
French Government guarantee fund	...	68.3	68.3	68.7
Time deposits of Central Banks:—				
For their own account	...	56.8	129.1	193.2
For account of others	...	272.4	393.9	39.2
Not exceeding 3 months:—				
For their own account	...	160.4	262.4	268.9
For account of others	...	77.9	142.2	582.6
Other deposits:—				
Deposits of Central Banks:—				
For their own account	111.1	95.1	74.5	72.5
For account of others	153.7	217.9	146.4	128.0
Other deposits	3.6	...	...	0.1
Undistributed proceeds of Reparations Loan	438.2	...	...	...
Miscellaneous items	1.8	3.7	7.6	10.5

SOUTH AFRICAN RESERVE BANK.—In £'s (000's omitted).

	Sept. 13, 1929.	Aug. 15, 1930.	Aug. 22, 1930.	Aug. 29, 1930.	Sept. 5, 1930.	Sept. 12, 1930.
ASSETS.						
Gold coin and bullion	7,662	6,872	7,007	6,843	6,804	6,556
Subsidiary coin	75	181	184	173	175	182
Bills discounted	8,521	7,271	8,160	8,077	7,832	7,865
Investments	674	1,105	1,405	1,405	1,404	1,404
LIABILITIES.						
Capital	1,000	1,000	1,000	1,000	1,000	1,000
Reserve	600	720	720	720	720	720
Notes in circulation	8,432	7,509	7,214	8,676	8,175	7,528
Government deposits	1,934	1,919	2,379	1,881	1,664	1,955
Bankers' deposits	4,743	5,194	4,948	4,764	4,746	4,536
Ratio of cash reserves to liabilities to public	48.3%	46.5%	46.9%	43.9%	44.7%	45.3%

IMPERIAL BANK OF INDIA.—In rupees (000's omitted).

	Sept. 13, 1929.	Aug. 15, 1930.	Aug. 22, 1930.	Aug. 29, 1930.	Sept. 5, 1930.	Sept. 12, 1930.
ASSETS.						
Total securities	32,772.22	28,712.29	28,456.66	27,935.57	27,015.50	23,785.53
Loans	8,755.23	17,215.00	18,484.41	18,817.72	18,011.45	18,531.49
Gold credits	22,824.48	30,987.73	30,111.46	30,197.77	29,144.40	28,531.41
Inland bills	2,931.27	2,333.34	2,311.45	2,373.44	1,848.68	1,748.86
Foreign bills	19.35	39.39	38.66	43.95	46.90	49.71
Dead stock	2,834.43	2,784.45	2,784.47	2,785.53	2,783.33	2,784.49
Bal. with other banks	13.14	4.20	3.53	7.38	22.41	20.61
Cash	28,044.64	24,111.07	27,213.55	29,756.26	23,092.62	23,396.68
LIABILITIES.						
Capital paid up	5,625.50	5,625.50	5,625.50	5,625.50	5,625.50	5,625.50
Reserve	5,275.50	5,375.50	5,375.50	5,375.50	5,375.50	5,375.50
Total deposits	86,247.20	93,750.00	96,897.87	99,444.32	89,744.26	86,785.54
The above includes:—						
Deposits in London	£ 912	£ 5,873	£ 6,797	£ 6,790	£ 6,885	£ 6,870
Advances in London	881	7,158	8,130	8,042	7,982	7,932
Cash, &c., at other Banks in London	99	29	26	51	168	156

BANK OF FRANCE.—In francs (000's omitted).

	Oct. 4, 1929.	Sept. 12, 1930.	Sept. 19, 1930.	Sept. 26, 1930.	Oct. 3, 1930.
ASSETS.					
Gold	39,784,175	47,542,834	47,671,630	48,431,266	49,100,819
Foreign assets	7,199,817	6,839,305	6,725,892	6,666,845	6,561,853
Bills discounted	18,784,917	18,891,476	18,891,476	19,036,090	19,046,371
Commercial bills discounted at home	8,714,226	4,859,501	4,928,485	6,154,577	5,008,366
Advances against sec.	8,811,552	8,504,399	8,504,399	8,504,399	8,504,399
To the State	2,547,736	2,803,691	2,899,714	2,796,453	2,946,377
Other advances	...	...	...	...	...
Other assets (excluding forward exch.)	2,644,300	3,074,592	3,100,607	3,052,611	3,339,282
LIABILITIES.					
Notes in circulation	67,320,636	72,875,318	72,479,063	73,053,479	74,515,935
Public deposits	13,099,670	10,611,131	10,859,923	10,808,526	9,990,836
Private deposits	5,540,190	5,450,539	5,450,539	5,450,539	5,450,539
Other liabilities	2,526,227	2,496,951	2,496,951	2,496,951	2,496,951

THE REICHSBANK.—In Reichsmarks* (000's omitted).

	Sept. 30, 1929.	Sept. 15, 1930.	Sept. 23, 1930.	Sept. 30, 1930.
ASSETS.				
Reichsbank shares not yet issued	177,212	177,212	177,212	177,212
Gold and bullion	2,212,044	2,618,747	2,583,625	2,478,833
Of which deposited abroad	149,788	149,788	149,788	149,788
Reserve in foreign currencies	335,139	320,473	320,473	320,473
Bills of exchange and cheques	2,641,244	1,366,244	1,351,767	1,351,767
Silver and other coin	103,870	165,034	181,001	181,001
Notes of other German banks	3,999	17,289	22,148	4,611
Advances	188,295	62,637	56,039	290,332
Investments	92,758	102,666	102,666	102,666
Other assets	650,980	665,132	677,492	685,633
LIABILITIES.				
Reduced capital	122,788	122,788	122,788	122,788
Increase of capital (shares not yet issued)	177,212	177,212	177,212	177,212
Reserve	319,608	371,139	371,139	371,139
Notes in circulation	4,914,277	4,245,610	4,032,989	4,744,470
Other daily maturing obligations	501,448	352,244	443,237	472,082
Other liabilities	368,205	226,439	228,334	274,190

* Equal to one billion paper marks or one Rentenmark.
The gold reserve is calculated in accordance with the new legal prescription of one pound of fine gold equals 1,392 Reichsmarks.

NATIONAL BANK OF BELGIUM.—In Belgas (000's omitted).

	Position, May 28, 1914.	Oct. 3, 1929.	Sept. 11, 1930.	Sept. 18, 1930.	Sept. 25, 1930.	Oct. 2, 1930.
ASSETS.						
Gold	232,650	532,166	894,581	892,814	851,842	851,438
Foreign Bills and Balances Abroad	...	1,022,746	1,209,854	1,210,248	1,247,542	1,267,928
Silver and other coin	697,600	776,599	745,451	735,259	743,664	742,647
LIABILITIES.						
Notes in circulation	934,150	2,688,123	3,078,624	3,048,145	3,051,219	3,129,676
Current accounts	112,125	35,937	131,317	141,108	154,430	68,689

(b) In thousand francs.

NETHERLANDS BANK.—In florins (000's omitted).

	Position, May 30, 1914.	Sept. 30, 1929.	Sept. 8, 1930.	Sept. 15, 1930.	Sept. 22, 1930.	Sept. 29, 1930.
ASSETS.						
Gold	163,092	445,038	390,609	390,601	390,595	390,580
Silver	8,436	24,166	24,339	24,339	24,173	23,689
Home Bills discounted	...	86,748	48,797	48,436	48,323	48,702
Foreign Bills	153,504	185,577	234,401	239,785	239,867	242,912
Loans and advances in current acct.	...	100,454	91,517	89,043	83,262	91,134
LIABILITIES.						
Notes in circulation	316,632	852,616	824,505	812,499	800,338	831,437
Deposits	5,016	20,493	12,356	13,078	21,984	21,271

BANK OF JAVA.—In florins (000's omitted).

	Position, May 30, 1914.	Oct. 5, 1929.	Sept. 13, 1930.	Sept. 20, 1930.	Sept. 27, 1930.	Oct. 4, 1930.
ASSETS.						
Gold	22,971	146,526	168,100	168,800	170,300	171,800
Silver	29,785	23,599	...	...	...	...
Discounts, advances and other investments	77,567	199,625	108,600	109,200	107,300	106,100
LIABILITIES.						
Notes in circulation	109,499	312,349	264,600	260,300	257,300	260,500
Deposits and bills payable	11,250	68,394	37,300	39,500	44,000	36,400

SWISS NATIONAL BANK.—In francs (000's omitted).

	Position, May 31, 1914.	Sept. 30, 1929.	Sept. 6, 1930.	Sept. 15, 1930.	Sept. 23, 1930.	Sept. 30, 1930.
ASSETS.						
Gold	171,175	532,650	639,585	639,621	639,632	639,638
Foreign Bills and Balances abroad	...	215,741	342,326	340,542	399,911	334,736
Discounts	...	154,750	70,123	58,703	25,583	29,786
Advances	103,000	71,176	36,501	36,061	38,967	40,635
LIABILITIES.						
Notes in circulation	275,925	943,547	923,983	903,706	895,842	986,677
Deposits	33,750	70,819	229,314	245,997	228,356	156,657

BANK OF NORWAY.—In kroner (000's omitted).

	Position, May 31, 1914.	Sept. 30, 1929.	Sept. 15, 1930.	Sept. 22, 1930.	Sept. 30, 1930.
ASSETS.					
Coin and bullion—Gold	44,224	146,762	146,497	146,495	146,492
Balance abroad and foreign bills	28,533	54,814	23,840	25,007	24,873
Norwegian and Foreign Government securities	...	8,816	21,382	52,949	53,749
Discounts and loans	76,911	250,551	210,642	208,350	216,771
LIABILITIES.					
Notes in circulation	113,484	315,903	301,936	300,125	309,158
Deposits at sight	7,188	90,498	67,942	70,754	70,745

NATIONAL BANK OF DENMARK.—In kroner (000's omitted).

	Position, May 30, 1914.	Sept. 30, 1929.	June 30, 1930.	July 31, 1930.	Aug. 30, 1930.	Sept. 30, 1930.
ASSETS.						
Coin and bullion	76,644	172,513	172,008	172,213	172,203	172,177
Loans & discounts	88,470	92,381	109,884	106,386	108,586	94,875
Debtors abroad	24,102	84,938	55,871	62,618	68,488	77,452
Securities	11,988	33,207	60,001	51,478	51,448	49,914
LIABILITIES.						
Circulation	157,266	352,907	365,613	347,246	349,803	344,513
Deposits	6,698	29,987	39,140	28,377	26,660	28,588

BANK OF SPAIN.—In pesetas (000's omitted).

	Position, May 30, 1914	Oct. 5, 1929.	Sept. 13, 1930.	Sept. 20, 1930.	Sept. 27, 1930.	Oct. 4, 1930.
ASSETS.						
Gold	521,775	2,564,960	2,474,548	2,474,898	2,475,192	2,475,535
Silver	728,600	705,312	710,362	711,633	712,255	706,583
Loans & Discounts	800,725	2,380,277	2,131,633	2,123,464	2,207,205	2,300,783,933
Spanish & ¹ / ₂ stock	344,475	344,475	344,475	344,475	344,475	344,475
U. S. Treasury	150,000	150,000	150,000	150,000	150,000	150,000
LIABILITIES.						
Circulation	901,550	4,482,125	4,530,269	4,500,269	4,508,033	4,639,132
Deposits	477,650	928,622	825,579	811,327	812,608	820,438

RATES OF EXCHANGE.

London on	Usance.	Par.	Oct. 10, 1929.	Oct. 2, 1930.	Oct. 9, 1930.
New York.....	dollars to £1	Cable	4-86½	4-86½	4-85½
Montreal.....	dollars to £1	Cable	4-86½	4-86½	4-85½
Paris.....	francs to £1	T.T.	124-21	123-94-96	123-82-84
Berlin.....	marks to £1	T.T.	20-43	20-39½-40	20-40½-41½
Amsterdam.....	florins to £1	T.T.	12-107	12-09½-09½	12-04½-05
Brussels.....	belgas to £1	T.T.	35-00	34-87-87½	34-83½-84½
Milan.....	lire to £1	T.T.	92-46	92-99-96	92-77-79
Zurich.....	francs to £1	T.T.	25-22	25-17½-18	25-03½-04
Oslo.....	kroner to £1	T.T.	18-159	18-20½-20½	18-15½-16½
Stockholm.....	kroner to £1	T.T.	18-159	18-14-14½	18-08½-09½
Copenhagen.....	kroner to £1	T.T.	18-159	18-20½-21	18-15½-16½
Madrid.....	pesetas to £1	T.T.	25-22½	22-75-76	47-00-05
Lisbon.....	escudos to £1	T.T.	108½-108½	108½	108½
Vienna.....	schillings to £1	T.T.	34-58½	34-59-62	34-41-44
Prague.....	krone to £1	T.T.	164½	164½-164½	163½-164
Belgrade.....	dinars to £1	T.T.	27-82	27-86-90	27-74-77
Budapest.....	pengo to £1	T.T.	813-6	817-819	817-819
Bombay.....	rupees to £1	T.T.	25-22½	670-677	668-673
Calcutta.....	rupees to £1	T.T.	375	375-375½	374½-375½
Constantinople.....	liras to £1	T.T.	110	1012-1015	1025-1025
Moscow.....	roubles to £1	T.T.	9-46	9-43½-45½	9-43½-45½
Warsaw.....	zloty to £1	T.T.	43-38	43½-45½	43½-45½
Helsingfors.....	F. marks to £1	T.T.	193-23	193½-193½	192½-193½
Kyovo.....	lira to £1	T.T.	48-66	48½-49½	48½-49
Reval.....	kroon to £1	T.T.	18-159	18-16-23	18-20-27
Riga.....	lata to £1	T.T.	25-22½	25-15-25	25-15-25
Alexandria.....	piastres to £1	Sight	97½	97½-97½	97½-97½
Buenos Aires.....	pence to peso	T.T.	47-62½	47½-47½	38½-38½
Rio de Janeiro.....	pence to peso	90 days	16	5½-5½	5½-5½
Montevideo.....	pence to peso	T.T.	51	48½-48½	39½-40
Valparaiso.....	pence to peso	90 days	40	35-48	35-96
Lima.....	Peru. P. to £1	par	19½	19½-19½	15-20
Calcutta.....	pence	T.T.	18	1/5½-1/5½	1/5½-1/5½
Bombay.....	rupee	T.T.	18	1/5½-1/5½	1/5½-1/5½
Madras.....	ster. to dollar	T.T.	...	1/5½-1/5½	1/5½-1/5½
Hong Kong.....	ster. to dollar	T.T.	...	1/5½-1/5½	1/5½-1/5½
Shanghai.....	ster. to dollar	T.T.	26-4d.	2/3½-2/4	2/3½-2/4
Singapore.....	ster. to dollar	T.T.	24-58d.	1/11½-1/11½	2/0½-2/0½
Manila.....	ster. to peso	T.T.	24-06d.	1/20-1/20	2/0½-2/0½
Mexico.....	pesos to £1	T.T.	21-818d.	1/9½	10-20-40
Siam.....	ster. to baht	T.T.	21-818d.	1/9½	1/9½

† Rate for previous day.

OVERSEAS BANK RATES.

Changed.	From To	Changed.	From To
Amsterdam.....	Mar. 24, 1930 3½	Oslo.....	Mar. 20, 1930 5½
Athens.....	Dec. 2, 1929 10	Paris.....	May 1, 1930 4
Batavia.....	Mar. 10, 1930 5½	Prague.....	June 24, 1930 4½
Belgrade.....	May 28, 1930 6½	Reval.....	Sep. 29, 1930 6½
Berlin.....	Oct. 9, 1930 4	Riga.....	Oct. 4, 1930 8
Brussels.....	July 31, 1930 3½	Rome.....	May 20, 1930 6½
Bucharest.....	Nov. 23, 1929 9½	Sofia.....	July 2, 1929 9
Budapest.....	May 28, 1930 6½	Stockholm.....	Apr. 2, 1930 4½
Calcutta.....	July 10, 1930 6	Swiss Bank	...
Copenhagen.....	May 1, 1930 4½	places.....	...
Danish.....	Aug. 18, 1930 4½	Tokio.....	July 10, 1930 3
Helsingfors.....	Aug. 26, 1930 6½	Vienna.....	Oct. 6, 1930 5-48
Kyovo.....	Apr. 1, 1930 6½	Warsaw.....	Sep. 9, 1930 5½
Lisbon.....	June 2, 1930 8	...	...
New York Fed.....	June 19, 1930 3½	...	...
Madrid.....	July 17, 1930 5½	...	...

Central Bank of Chile.—Discount rate for member banks, 7%; discount rate for the public, 8%.

a 6% applied to banks and credit institutions.

b 7% applied to private persons and firms.

CURRENT PRICES IN NEW YORK.

The Irving Trust Company cable the following money and exchange rates in New York:—

	Oct. 9, 1929.	Sept. 10, 1930.	Sept. 17, 1930.	Sept. 24, 1930.	Oct. 1, 1930.	Oct. 8, 1930.
Call money.....	9	2½	2½	2½	2½	2½
Time money (90 days' mixed coll.).....	9	2½	2½	2½	2½	2½
Bank acceptances:—						
Members—eligible, 90 days.....	5½	2	2	2	2	2
Non-mem.—eligible, 90 days.....	5½	2½	2½	2½	2½	2½
Ineligible, 90 days.....	5½	2½	2½	2½	2½	2½
Commercial accept., 90 days.....	6	3	3	3	3	3

Rates of Exchange, New York on—	Par Level.	Oct. 9, 1929.	Sept. 24, 1930.	Oct. 1, 1930.	Oct. 8, 1930.
London.....					
60 days.....		4-86½	4-86½	4-85½	4-85½
Cable.....		4-86½	4-86½	4-85½	4-85½
Oslo.....		3-918	3-92½	3-92½	3-92½
Paris.....		13-90	13-94	13-94	13-95
Brussels.....		35-00	34-87	34-83½	34-83½
Switzerland.....		19-30	19-30	19-40	19-43
Italy.....		6-263	5-23½	5-23½	5-23½
Berlin.....		23-31	23-32	23-80	23-79
Vienna.....		14-07	14-11	14-11	14-11
Madrid.....		19-30	14-825	10-75	10-02
Amsterdam.....		40-195	40-16	40-31	40-31
Copenhagen.....		26-69	26-74	26-75	26-74
Oslo.....		26-80	26-85	26-85	26-84
Stockholm.....		26-80	26-85	26-85	26-84
Athens.....		1-297	1-297	1-297	1-297
Montreal.....		100	1½ dis.	49-47	49-52
Yokohama.....		49-85	47-80	47-80	47-80
Hong Kong.....		...	43-60	32-60	32-05
Shanghai.....		...	54-50	40-37½	39-25
Calcutta.....		36-50	36-12	35-98	36-00
Bombay.....		103-65	104-90	122-50	126-80
Rio de Janeiro.....		32-42	11-85	10-35	10-40
Valparaiso.....		12-125	12-03	12-10	12-05

CENTRAL AND SOUTH AMERICAN EXCHANGE RATES.

The Anglo-South American Bank, Ltd., quotes the following rates of exchange:—

Country.	Method of Quoting.	Par Value.	Usance.	Rate.
Ecuador.....	Sucres to \$	24-325	Sight London	24-60
Venezuela.....	Bolivares to \$	25-25	"	25-30
Colombia (Bogota).....	Pesos to \$	5	"	5-04½
Nicaragua.....	Cordobas to \$	4-8665	"	4-92
Salvador.....	Colonos to \$	9-73	"	10-14
Bolivia.....	Pence to Boliviano	18d.	"	13-41

SOUTH AFRICAN EXCHANGE RATES.

The South African Banks quote the following rates:—

	Union of South Africa.	Union of South Africa.
	From August 27, 1929.	From November 25, 1929.
	London on South Africa.	South Africa on London.
	Buying.	Selling.
T.T.	1½ dis.	1½ dis.
Demand	1½ dis.	1½ dis.
30 days	1½ dis.	1½ dis.
60 days	1½ dis.	1½ dis.
90 days	1½ dis.	1½ dis.
120 days	1½ dis.	1½ dis.

OVERSEAS DOMINION RATES.
COMMONWEALTH OF AUSTRALIA AND DOMINION OF NEW ZEALAND.

	London on Australia and New Zealand.	Australia and New Zealand on London.
	Buying.	Selling.
T.T.	93½	95½
Demand	93½	95½
30 days	93½	95½
60 days	93½	95½
90 days	93½	95½

BULLION.

The following statistics of imports and exports of gold for week ended Oct. 9, 1930, are issued by the Statistical Department of H.M. Customs and Excise:—

Imported into Great Britain and Northern Ireland.	Exported from Great Britain and Northern Ireland.
From—	To—
France.....	Netherlands.....
Brazil.....	Germany.....
British South Africa.....	France.....
Australia.....	Switzerland.....
	Italy.....
	Austria.....
	British India.....
	Ceylon.....
	Other countries.....
Total declared value of imports.....	Total declared value of exports.....

GOLD MOVEMENTS.

The arrivals and withdrawals of gold during the past week, as announced by the Bank of England, have been as follows:—

1930.	ARRIVALS.	1930.	WITHDRAWALS.
Oct. 3	Sovs. from abroad ... 1,070,000	Oct. 3	Bars sold ... 17,349
Oct. 4	Bars bought ... 37	Oct. 4	Sovs. for export ... 6,000
Oct. 6	Sovs. from abroad ... 1,000,000	Oct. 6	Bars sold ... 8,747
Oct. 7	...	Oct. 7	Sovs. for export ... 10,000
Oct. 8	Foreign coin bought ... 8	Oct. 8	Bars sold ... 15,483
Oct. 9	...	Oct. 8	Bars sold ... 5,180
		Oct. 9	Sovs. for export ... 138,062
		Oct. 9	Bars sold ... 34,842
		Oct. 9	Sovs. for export ... 8,000
Total.....	2,070,045	Total.....	251,663
Net arrivals, £1,818,382.			

Messrs Samuel Montagu and Company write on October 8, 1930, as follows:—

GOLD.

The Bank of England gold reserve against notes amounted to £155,618,965 on the 1st instant (as compared with £156,304,901 on the previous Wednesday), and represents an increase of £9,658,881 since January 1st last. In the open market yesterday bar gold from South Africa to the value of £958,000 was available. France was again the principal buyer, securing £890,000 at the fixed price of 84s. 11½d. per fine ounce. The home trade took £23,000, the Continental trade £30,000, and India £15,000. Movements of gold at the Bank of England during the week show a net influx of £1,856,051. Receipts totalled £2,070,045, of which £2,070,000 was in sovereigns from Australia, and withdrawals consisted of £189,994 in bar gold and £24,000 in sovereigns.

SILVER.

Prices recovered slightly from the level touched at the end of last week, sellers being disinclined to follow the market down. The Shanghai exchange at first showed a tendency to improve, and in response to demand from China quotations rose to 16½d., the quotation of the 3rd instant. Although subject to slight fluctuations, prices subsequently tended to ease, China selling and the Continent and America providing supplies too, although the two latter quarters also made purchases during the week. The Indian bazaars have given support, buying silver for shipment as well as to cover bear sales. At the moment the market shows no decided tendency.

The following were the United Kingdom imports and exports of silver registered from mid-day on the 29th ultimo to mid-day on the 6th instant:—

IMPORTS.	£	EXPORTS.	£
Mexico.....	107,065	France.....	9,225
Canada.....	13,992	Other countries.....	8,150
Other countries.....	311		
	121,368		17,375

INDIAN CURRENCY RETURNS (in lacs of rupees).

	Sept. 30, 1929.	Sept. 22, 1930.	Sept. 15, 1930.
Notes in circulation.....	17,147	17,083	17,022
Silver coin and bullion in India.....	12,176	12,111	12,050
Silver coin and bullion out of India.....	...	...	...
Gold coin and bullion in India.....	3,228	3,228	3,228
Gold coin and bullion out of India.....	...	...	...
Securities (Indian Government).....	1,559	1,560	1,560
Securities (British Government).....	184	184	184

The stocks in Shanghai on the 4th instant consisted of about 97,800,000 ounces in sycee, 147,000,000 dollars and 4,100 silver bars, as compared with about 99,800,000 ounces in sycee, 144,000,000 dollars and 3,980 silver bars on the 27th ultimo.

GOLD AND SILVER PRICES.

	Gold Per Ounce.	Silver—Per Ounce.	Date.	Silver.
		Cash	Forward	Cash.
1930.	s. d.	d.	d.	d.
Oct. 3.....	84 11½	16½	16½	35½
" 4.....	84 11½	16½	16½	32½
" 6.....	84 11½	16½	16½	25½
" 7.....	84 11½	16½	16½	25½
" 8.....	84 11½	16½	16½	26½
" 9.....	84 11½	16½	16½	22½

NOTICES.

The directors of Westminster Bank, Ltd., announce the appointment of Mr. Charles Lidbury as chief general manager of the bank in succession to Mr. John Rae. Mr. Walter Bentley, an assistant general manager of the bank, has been appointed a joint general manager.

Barclays Bank Ltd. announce the opening of a new sub-branch at Shipdham, Norfolk, attached to 34 Market Place, East Dereham branch, and at Newton Road, Great Barr, Birmingham, and at 37 Kenton Park Parade, Kenton, and at Fulbourn, Cambs. New branches have also been opened at 62 Pitshanger Lane, Ealing, W.5, 1073 London Road, Thornton Heath, and at 26 Borough Road, Burton-on-Trent.

The sub-branch of Barclays Bank (Dominion, Colonial and Overseas) at Hospital Hill (Transvaal) has been converted into a full branch.

A branch of the National City Bank of New York has been opened at 220 East 42nd Street, Manhattan, thus making seven new branches opened within Greater New York since January 1, 1930. The bank is ready to open six more branches and arrangements are also being made respecting sites in three other sections of the city; by the end of the year, we are informed, fifty branches of the bank will be in operation in New York. The National City Bank of New York also maintains 99 branches situated in 24 foreign countries.

Lloyds Bank, Ltd., announce that a branch of the bank is now open at 17 Highbury Corner, N.5. Sub-branches of the bank are now open at Bosham and East Wittering.

The Midland Bank have opened a new branch at 28 The Broadway, Southall, Middlesex, and at Eyre Court, 1 Finchley Road, London, N.W.8. The office at Queen's Hall Buildings, Station Road, Hayes, Middlesex, has been converted into a full branch.

The National Provincial Bank Limited announce that new offices of the bank are now open at 9 Warwick Road, Kenilworth, and at 39a High Street, King's Langley, Herts.

The Royal Bank of Canada regrets to announce the death, on October 2nd, of Sir George H. Gamblin, manager of their branch at Nassau, British West Indies.

Barclays Bank, Ltd., announce the opening of a new office of their Trustee Department at 61 Old Christchurch Road, Bournemouth.

Company News.

SUMMARY OF BALANCE SHEETS.

BRITISH CELANESE LIMITED.

June 30, 1930.

LIABILITIES.		Compared with Feb.	ASSETS.		Compared with Feb.
	Amount.	28, 1929.		Amount.	28, 1929.
	£	£		£	
7½% cum. pref. (£1).....	2,000,000	...	Freehold land building, &c....	8,274,376	+ 883,636
7% cum. pref.....	4,250,000	...	Goodwill, &c.....	1,913,118	+ 3,087
Ord. shares, 10s.....	2,211,333	+ 12	Commutation of royalties.....	1,222,846	...
7% deb.....	866,393	+ 47,310	New issues exps.....	17,580	...
7½% bonds.....	3,000,000	+ 50	Adv. exps.....	145,822	+ 62,522
Loan.....	150,000	...	Stocks.....	1,765,226	+ 27,815
Sundry creditors.....	635,588	+ 82,939	Sundry debtors.....	857,437	+ 202,776
General reserve.....	5,129	...	Ins. policy.....	7,428	+ 2,856
Depreciation re- serve acct.	1,466,666	+ 266,666	Investments.....	40,779	...
			British Celanese 7½% bonds at cost	95,723	+ 95,723
Prem. reserve.....	74,669	+ 39,573	Cash.....	548,933	- 966,715
Profit and loss ..	229,490	- 30,230			
Total.....	14,889,268	+ 311,700	Total.....	14,889,268	+ 311,700

UNITED DAIRIES, LIMITED.

June 30, 1930.					
LIABILITIES.		Compared with June 30, 1929.	ASSETS.		Compared with June 30, 1929.
	Amount.	£		Amount.	£
Prof. shares, £1 ...	3,250,000	+	42	Investments in subsidiaries:—	
Ord. shares, £1 ...	2,230,000	+	6,074	Shares	2,472,510 + 2,987
Reserve	500,000	+	11,061	Contracts	179,850 + 100,000
Insurance fund ...	67,008	+		Properties	1,361,561 + 171,087
Employees' benefit society.....	4,220	+	4,220	Furniture	3,851 + 300
Unclaimed divs.....	1,518	+	54	Owing from subsidiaries:—	
Owing to subsidiaries.....	331,782	—	5,631	Debentures...	11,503 + 979
Creditors	147,793	+	10,884	Loans, &c. ...	2,531,680 + 122,641
Profit and loss ...	453,913	+	596	Debtors	51,215 + 30,433
				Other investments:—	
				34% Conversion Loan...	232,359 — 187,016
				In quoted shrs.	6,625 + 1,375
				In unquoted shrs.	80,368 + 13
				Cash.....	74,612 — 11,857
Total	6,986,234	+	27,592	Total	6,986,234 + 27,592

AMERICAN WHEAT MARKETS.

The following table shows wheat quotations in recent weeks, with comparative figures for 1929:—

NEAREST FUTURE.	Jan. 2, 1929.	Oct. 9, 1929.	Jan. 2, 1930.	Sep. 24, 1930.	Oct. 1, 1930.	Oct. 8, 1930.
Winnipeg (No. 1 Manitoba) —Cents per 60 lb.	122	149	148½	74	74½	72½
Chicago (No. 2 Winter) —Cents per 60 lb.	116½	136½	130½	79½	80½	78½

The visible supply of wheat in Canada, at 69,487,000 bushels, shows an increase on the week of 3,573,000 bushels. Supplies a year ago stood at 77,112,000 bushels.

THE COAL TRADE.

Our Sheffield correspondent writes:—The export trade for South Yorkshire coal remains steady, but new business is being checked by the uncertainty as to future subsidies and the effects of the new Act. Best steams are fairly firm at 15s. 3d. to 15s. 6d. f.o.b. Demand for industrial fuel tends to shrink, and prices are weaker, especially for the smaller fuels. House coal demand is quiet for the time of year. The position of blast-furnace coke shows no improvement and consumption is at a low level, but prices are firm at from 11s. 6d. to 12s. 6d. and 13s. for special brands.

Our Glasgow correspondent writes:—It has been a poor week in the coal market, as not only has the home demand been disappointing in view of the return to Greenwich time, but the shipping trade has been very depressed, with the tonnage handled at the ports the lowest this year except for the holiday periods. Easy prices are indicated for most qualities of large coal, exceptions being Lanarkshire prime splints and Hamilton ells, supplies of which are not plentiful, while trebles are the only firm spot among nuts. Shipping prices are approximately as follows (f.o.b. district ports):—LANARKSHIRE: Ell best, 13s. 9d.; splint best, 16s.; splint second, 14s. 3d.; navigation, 15s. 6d.-16s.; navigation second, 14s. 6d.; Hartley, 15s.; steam, 12s. 6d.; trebles, 13s.; doubles, 12s. 6d.-13s.; singles, 10s. 9d.-11s.; pearls, 10s. 3d.-10s. 6d.; dross, 9s. 6d. FIFE: Screened navigation, 16s. 6d.-17s. 6d.; first-class steam, 11s. 9d.; third-class steam, 10s. 6d.-10s. 9d.; trebles, 13s. 6d.-15s.; doubles, 13s.-13s. 6d.; singles, 10s. 9d.-11s.; pearls, 10s. 3d.-10s. 6d. LOTHIAN: Prime steam, 11s.; secondary steam, 10s. 9d.; trebles, 13s.; doubles, 12s. 6d.; singles, 11s. 6d.; pearls, 10s. 6d.-10s. 9d. AYSHIRE: Unscreened navigation, 16s.; jewel, 16s.; steam, 13s.; trebles, 13s. 6d.; doubles, 12s. 9d.; singles, 12s. 3d.; pearls, 11s. 9d.; dross, 10s. 6d.

Our Cardiff correspondent writes:—The general position on the Cardiff coal market remains unimproved. Sized grades, though many shillings per ton lower than they were this time last year, are still commanding prices above the minimum schedule, but for all other descriptions the current quotations are in accordance with the minimum scale of the Marketing Association. It is understood that subject to minor alterations the Board of Trade has approved the new scheme in the form in which it has been adapted to meet the requirements of the Coal Mines Act, and that therefore it will become operative as from the beginning of next month. Consultations are taking place between the Executive Committee of the new Association and the Group Committees concerning future prices and conditions of sale, but while no announcement has been made of any changes in the schedule, colliery owners are prepared to negotiate business over next year on the basis of the present minimum schedule, notwithstanding the certainty of some increase in costs of production as the result of the shortening of the working day. Advances have been received of increasing foreign competition in overseas markets, and offers from Poland and Holland to French consumers at the Bay ports are stated to be considerably lower than those of Welsh coals of corresponding grades. The following are the current approximate quotations: Best Admiralties, 20s.; seconds, 18s. 9d. to 19s. 9d.; best dries, 18s. 6d. to 19s. 3d.; Black Veins, 18s. 3d. to 18s. 6d.; Western Valleys, 18s. to 18s. 3d.; Eastern Valleys, 17s. 6d. to 17s. 9d.; best small steams, 13s. to 13s. 3d.; cargo smalls, 12s. to 12s. 6d.; coking smalls, 13s. 3d. to 13s. 6d.; anthracite, best large, 36s. to 37s. 6d.; Red Vein, large, 22s. to 27s.; machine-made cobbles, 40s. to 45s.; French nuts, 43s. to 46s.; stove nuts, 39s. 6d. to 43s. 6d.; rubble culm, 10s. to 10s. 9d.; foundry coke, 29s. to 35s.; patent fuel, 20s. to 21s. 6d.; pitwood, ex ship, 24s. 9d. to 25s.

IRON AND STEEL.

We extract the following from the weekly report of the London Iron and Steel Exchange:—After a short period of rather brighter trading the iron and steel markets are again passing through a phase of inactivity. Practically all departments of the market are affected. There is, of course, always a certain amount of buying taking place, but for the past week it seems to have consisted almost entirely of small orders for material for immediate use, and this throws the export burden upon manufacturers, who continually have to make plant adjustments to cope with the varying specifications, which largely increase production costs. The amount of business which has passed of late in pig iron has been disappointing, and although production has fallen considerably during the past few months, in some districts stocks are again increasing. On the other hand, there has been a fair demand for certain special sorts of pig iron, which have been exported in small quantities. Little

interest has been shown in semi-finished steel, and most consumers appear to have covered their requirements for the time being. Continental producers seem short of orders for this class of material, and are pressing cheap offers upon the market, but have failed to stimulate business. The demand for finished steel has also been quiet, and the recent improvement in export business has not been maintained. At the same time there is a fair amount of inquiry from some of the principal overseas markets.

Our Middlesbrough correspondent writes:—The market for Cleveland iron is quiet, only a very small business being reported during the past week. Deliveries locally and to inland consumers are maintained on a fair scale, and stocks in the hands of makers are still being reduced. Some consignments of Continental foundry iron are in process of shipment to the Tees, and one cargo of about 900 tons has already arrived here for a large local firm of ironfounders. This is rather a disturbing feature, as the foreign iron is much cheaper than Cleveland, and the use of it may therefore extend, to the disadvantage of the local product. There was not a large attendance at the weekly market on Tuesday, and very little business in Cleveland iron was reported, prices being unchanged, viz.: No. 1, 66s.; No. 3, 63s. 6d.; No. 4 foundry, 62s. 6d.; and No. 4 forge, 62s. per ton f.o.b. or f.o.t. The hematite market is steady in tone and orders are being booked at an improved rate. It is satisfactory to record that a fair demand exists from the Continent, in spite of the fact that prices on the other side are very much lower than East Coast iron. Makers are firm at 71s. for mixed numbers for delivery up to the end of the year, but odd lots for prompt are still changing hands at a trifle less. Shipments of pig iron so far this month are on a poor scale, the total clearances for the first seven days being 3,945 tons, against 4,128 tons for the same period of September. In the finished departments new orders are still scarce, and several plants are working very irregularly. As benefiting the North-East Coast, a cheering announcement was made last week-end by the Newcastle-on-Tyne Electric Supply Co., Ltd., that they had just placed two orders locally of the value of about £365,000 in connection with their new power station at Dunston-on-Tyne. Clarke, Chapman and Co., Ltd., of Gateshead, have secured one order for boiler installations at the value of £275,000, and Richardson, Westgarth and Co., Ltd., of West Hartlepool, the other, for condenser plant and auxiliaries of the value of about £90,000. It is hoped that Tees-side will derive some benefit indirectly from these orders. Prices for steel materials for home consumption under the rebate scheme are unchanged, viz.: Plates, ½ in. upwards, £8 15s.; joists, £8 10s.; angles, etc., £8 7s. 6d. Other materials for home use: Heavy steel rails, £8 10s.; crown iron bars, £10 15s.; 24-gauge galvanised corrugated sheets, £11 12s. 6d.; and 24-gauge black sheets, £9. The ore market continues neglected as far as new buying is concerned; best Bilbao rubio is nominally 18s. c.i.f., and freights to the Tees are round 5s. 6d. Coke of ordinary furnace qualities is quoted at 17s. for delivery up to the end of the year, but odd lots for prompt may be picked up at a trifle less. The number of furnaces in blast in the district is unchanged at 24.

Our Sheffield correspondent writes:—Conditions in the iron and steel branches remain as dull as ever, with some loss of ground at the lighter mills and forges. Producers of basic open-hearth steel are encountering very keen competition from the Continent. Some of the foreign prices are level with the pre-war standard in this country. Production of basic steel is very poor, but the position has not worsened further, and no reductions of price are announced this month. Acid steel is quiet. There is some activity in special light forgings and castings for the motor and engineering trade. Demand for ordinary steel continues to decline, whereas very special alloy steels are selling rather more freely. Home sales of tools, cutlery and plate have expanded during the past few weeks, but trade overseas has never been so bad for years.

Our Glasgow correspondent writes:—At the moment there are no signs that the prolonged period of inactivity in the iron and steel trades in the West of Scotland is nearing an end. There has been a further reduction in the number of furnaces in blast within the past few days, the last of the Coatbridge furnaces having been closed down. Business is very quiet in all branches and there is little buying either of raw steel or of semi-finished material. Makers of sections for the use of structural and other engineers are somewhat better than other departments of the steel trade. Tube makers do not report any improvement. Sheet makers are moderately well employed, but prices are very keenly out. Amongst recent orders placed in the Glasgow area are: An order for eight Garrett locomotives which the North British Locomotive Company, Ltd., of Springburn, have received from the Crown Agents for the Colonies; and an order which Messrs Barclay, Curle and Company, Ltd., are reported to have received for an 1,800-ton vessel for the Gart Line, Ltd., for their Mediterranean trade.

Our Cardiff correspondent writes:—Quiet conditions continue to prevail in the South Wales iron and steel industries. Manufacturers of tinplate are adhering firmly to the new minimum price and are restricting production in order to bring it into closer relation to the current effective demand. Good inquiries are reported to be current and the development of business is expected, particularly for the Far East trades. Galvanised sheets are still weak at the reduced price of £11 12s. 6d. per ton. Foreign tinplate bars have been ruling down to £4 2s. 6d. per ton, but local bars are still quoted at £5 15s. per ton. Tin is a shade easier than last week, and is £74 per ton less than in October, 1929. Notices

served on the employees of the British (Guest, Keen-Baldwins) Iron and Steel Company, Ltd., works at Dowlais are expiring this week-end, and Sir John Field Beale, the chairman, has informed the Mayor of Merthyr that there is little hope of the blast furnaces, steelworks, and various mills being re-opened owing "to the fact that the products of the works cannot now be sold to pay for the cost of operating them," and that "to meet modern conditions the re-opened works must operate on the seaboard so as to cut out the heavy transport charges which in past years have been such a handicap on the Dowlais works."

OTHER METALS.

TIN.—A firm tone prevailed at the week's commencement, and the market gained strength on a good general demand. This induced sellers to offer more freely, but buyers failed to respond, and values reacted sharply, while influenced by lower Eastern cables. Dealings were attended by a good deal of irregularity, comprising cash at £125 10s., £118 15s., £119 5s., and £116 5s.; three months £127, £120 to £120 15s. and £117 5s. Sales in the East were reported at £128 15s. to £125 2s. 6d. per ton c.i.f. Shipments from the Straits during September amounted to £5,324 tons compared with 7,905 tons in the preceding month. Total supply, 7,396 against 11,361 in August; total deliveries, 10,770 against 9,946; visible supply, 40,251 against 43,625; carry-over, 4,006 against 3,917 tons. Imports of tin ore for September totalled 4,310 tons.

COPPER.—Market irregular and easier, offerings being in excess of consumers' requirements despite a fair demand. Standard cash sold at £44 12s. 6d. to £43 5s.; three months, £44-£44 12s. 6d. and £43 6s. 3d. per ton.

LEAD.—Easier on selling pressure. Good soft foreign pig, October, sold £16 6s. 3d. to £15 5s.; November, £16 7s. 6d. to £15 7s. 6d.; December, also January, £16 7s. 6d. to £15 5s. per ton.

SPELTER.—In moderate demand, and, with sellers prominent, a weaker market resulted. October, sold £14 13s. 9d. to £14 5s.; November, £14 13s. 9d. to £14 2s. 6d.; December, £14 17s. 6d. to £14 6s. 3d.; January, £15 6s. 3d. to £14 7s. 6d. and £14 10s. per ton.

ALUMINIUM maintained. Home trade and export, £95.

QUICKSILVER steady. Spot, £22 2s. 6d. per bottle.

TIN PLATES quiet. I.C. coke, prompt and forward, 17s. per box, f.o.b. Swansea.

ANTIMONY easier. English regulus, £38 to £45; Chinese ditto, spot, £26 10s.; October-November, £24 10s.; crude, October-November, £15 per ton c.i.f.

ANTIMONY OXIDE.—October-November, £27 per ton c.i.f.

ANTIMONY ORE.—60 per cent., October-November, 3s.; 50 per cent., 2s. 6d. per unit c.i.f.

WOLFRAM.—Firm and sellers reserved. Chinese, November-December, sellers 21s., buyers 19s. per unit, c.i.f. terms.

THE COTTON TRADE.

LIVERPOOL: October 8th.

Values show a fall on those of Wednesday last, but in the interim have touched a new low level for the season, quotations being: January, 5-51; March, 5-61; and May, 5-71. The markets have been very dull and inactive, with continued sagging of prices due to increased hedge selling and little offtake. The U.S.A. Bureau Report was published late this afternoon, showing an estimated crop of 14,486,000 bales. Condition, 53-5; yield per acre, 154-7; and ginned 6,305,000 bales. Prices immediately before this had touched the new low levels, but as the figures of production were about as expected, there was little change in prices. During the week, too much rain has fallen in the belt, and this will probably have the effect of lowering the grade of the cotton still to be picked. Some reports have come to hand that leaf worm in the Western and Central belts is reducing prospects of the top crop in these areas. Investment buying was noticeable to-day at the decline. Spot sales for the week 1st to 8th (inclusive) are: 39,000 bales, of which 15,750 are American, 5,000 Brazilian, 550 Argentine, 6,500 Peru, 2,900 Egyptian, 4,600 African, 3,400 East Indian, and 300 sundries. Imports for the same period are 34,034 bales, of which 19,494 are American, 1,403 Brazilian, 1,052 Argentine, 4,530 Peru, 5,302 Egyptian, 1,052 African, 922 East Indian, and 279 sundries. Quotations to-day are: American Middling, 5-46; Egyptian Sakel, 9-45; Uppers, 7-05; Brazil Fair, 5-61; Peru G.F. Smooth, 6-16; West African Middling, 5-56, and East African G.F., 6-61.

MANCHESTER: October 8th.

Favourable trade developments in the market continue to be checked by the falling tendency of prices, and buyers are afraid to operate with any freedom. Inquiry has continued fairly extensive, and a moderate business has been done in small lots. In sive, and a moderate business has been done for Madras, piece goods for India, most of the demand has been put through in light bleaching and some moderate lines have been put through in light bleaching and descriptions. Some support has also come from Karachi, but workable offers for Calcutta remain scarce. Some advices from China have been rather better, and a few more contracts have been arranged for Shanghai and Hong Kong in white shirtings and fancies. Very little has been done for Egypt, and reports from the other side have not been satisfactory. Further operations have occurred in printed and dyed goods for the Continent. Home trade

OVER ONE HUNDRED YEARS OF SERVICE.

SCOTTISH UNION & NATIONAL
INSURANCE COMPANY.

ASSETS EXCEED - £15,500,000

FIRE. LIFE. ACCIDENT. MARINE.

Edinburgh: 35, St. Andrew Square.
London: 5, Walbrook, E.C.4, and 4, St. James's Street, S.W.1

buyers remain cautious. In the yarn market there has been a good deal of irregularity in quotations. Although inquiry in American and Egyptian counts has been rather larger, the sales have not been at all important.

Statement of the Cotton Trade.

	1930.				Corresponding Date.	
	Sept. 17.	Sept. 24.	Oct. 1.	Oct. 8.	1928.	1929.
Raw Cotton—Mid. American	d. 6-30	d. 5-98	d. 5-70	d. 5-56	d. 10-65	d. 10-23
" Sakellaridis Fully Good Fair Egyptian	10-50	10-20	9-75	9-45	17-55	15-90
Yarns—32's twist	10½	10½	10	9½	16	15½
" 40's twist	10½	10½	10½	10½	16½	15½
" 60's twist (Egyptian)	19	18½	18	17½	28½	25
32-in. Printers, 116 yds., 16 by 16, 32's and 50's	a. d. 19 9	a. d. 19 7	a. d. 19 5	a. d. 19 0	a. d. 25 0	a. d. 24 9
36-in. Shirtings, 75 yds., 19 by 19, 32's and 40's	22 3	22 0	21 9	21 4	28 3	27 9
38-in. ditto, 38 yds., 18 by 18, 10 lb.	12 ½	12 3	12 1½	11 10½	14 10½	15 1½
39-in. ditto, 37½ yds., 16 by 15, 8½ lb.	11 1½	11 0	10 10½	10 7½	13 9	13 4½

THE WOOL TRADE.

Our Bradford correspondent writes:—The fifth series of London sales for this year closed last Tuesday, and it can hardly be said that they have been as successful as importers and sellers would have liked, notwithstanding that 128,000 bales have been disposed of. The Continent took 70,500 bales, the home trade 58,500 bales, and America 1,000 bales, the quantity carried forward to the next series being 77,000 bales, including 53,000 not offered. The declines have been rather pronounced, the best merinos falling 5 per cent., medium greasy and scoured merinos 10 per cent., and faulty even more. Most greasy crossbreds declined 5 to 10 per cent., and shipes mostly 15 per cent. Such declines as these are very soon reflected in consuming centres, but wool having come down so much, should encourage consumption. The competition of the home trade and the Continent has been fairly good, though at no time has there been that confident tone which one likes to see. Many buyers have quite frankly stated that they were disposed to go slowly, their impression being that it will be possible to obtain plenty of cheap wool in Australia and South Africa. The result of all this is that wool values are not likely to recover much just yet, and the quantity carried forward means that there will be a large offering for the last series of the year, which will begin on November 25th. Topmakers report considerable sales, but at low figures. There is no real basis for tops, quotations being more or less nominal. Cables from Perth state that wool is selling on a basis of 25d. for good 64's tops, and 23d. for 60's. This shows that prices for the raw material overseas are very reasonable. Users feel that there is no need to rush to buy on forward account, though a steady demand may be expected. There is some talk of Australian pastoralists reducing production, but this could easily be brought about by six months of very dry weather, and it is very doubtful whether pastoralists would benefit by deliberately producing less wool for sale. After all, a good sized clip at a reasonable price is just as likely to be profitable as a small one sold at a big price. Current values will certainly encourage consumption.

HIDE, LEATHER AND ALLIED TRADES.

Prices for market hides and skins are rather weaker, and although no sales have been held at Leeds and Manchester this week the feeling seems to be gaining ground that lower values for raw material must be looked forward to. A similar state of affairs is to be noticed in regard to foreign hides; as compared with a few weeks ago business is difficult to transact, and although shippers and sellers are endeavouring to maintain the present level of values, the lack of interest on the part of tanners is such as to cause a feeling of uneasiness in most directions. In the South American market business in most classes of hides on account of the home trade has been small, with sales of Argentine ox on the basis of 6½d., with 6½d. realised for light ox; while Montevideo ox have sold up to 6½d. Dry River Plates have been sold at fractionally lower figures, B.A. Americanos making 7½d., and M.V. Americanos 8d. Business in African hides has only been possible at slightly lower quotations, the firsts and seconds in dry Capes making 8½d. and 7½d., while drysalted 20/30 lbs. have sold at 7½d. and 6½d. Australians are quiet, although offers are made at a shade under last prices. Trade in most descriptions of sole leather has been steady, with values generally maintained. English and wetsalted bends for repairing purposes still account for quite a respectable turnover, in addition to which there has been an improvement in the call for dry hide bends on account of the manufacturing trade. Orders come to hand regularly, and with no accumulations in the hands of either buyers or sellers there appears every prospect that the present firm tone of the market will be maintained for some time. This week the annual Shoe and Leather Fair is being held at Islington; so far no large deals have been negotiated, but buying has been

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

going on steadily in slightly larger quantities than usual. Upper leather producers and distributors have experienced little change in the inquiry, the bulk of which is still in connection with box and willow calf in the better grades.

SUGAR.—Demand, both on grocery and manufacturing account, marked a sharp recovery and liberal quantities were absorbed, in which home-grown granulated figured prominently. The undertone of the commodity is less depressed, particularly in view of the fact that steps contemplated to reduce production become better defined. The releasing of "hedged" contracts against the

20,000 tons Cuban destroyed by fire gave the New York market a fallip. Messrs Tate and Lyle, Ltd., advanced quotations by 3d., with a similar rise registered for Anglo-Scottish granulated. Terminal sections higher but attended by slight irregularity at times, while business in raw proceeded with freedom. Sales include: December, 4s. 6d.; January, 5s. 6d.; March, 5s. 8½d. to 5s. 9½d., 5s. 9d. and 5s. 9½d.; May, 5s. 11½d. to 6s.; August, 6s. 2½d. to 6s. 3½d., 6s. 3d. and 6s. 3½d. Peruvian, 96 per cent., October shipment, sold 5s. 3½d.; November, 5s. 1½d.; 500 tons British West Indies, 96 per cent., October-November, at 8s. 9d. and 3,500 tons Mauritius refining crystals, 99 per cent., November-December, at 9s. 4½d. to 9s. 5½d. c.i.f. United Kingdom. The bulk apparently for outport refineries. Cuban receipts last week cabled 27,720 tons, 1,138,949, against 465,536. Messrs Willett estimate stock on plantations and in transit to ports of shipment at 1,251,000, against 495,302 in 1929. Stocks of raw sugar in the three chief ports of the United Kingdom for week ending October 4th totalled 114,090 tons, compared with 137,604 last year.

COFFEE.—Demand, both on home and export account, continues good, and with more representative quantities, chiefly from East Africa, quite a firm market was experienced. Some bold mountain-grown Jamaica sold 20s. Brazilian varieties for shipment rendered more or less nominal owing to absence of definite offers, the outcome of political unrest.

COCOA.—Market, though irregular at times, is dearer on balance. Spot trade proceeded on quiet lines. Accra, F.F., October-December, London contract, quoted 27s. 6d. f.o.b.; and G.F. to Continent sold 28s. 6d. to 29s. 3d. November-January, 28s. 6d. to 29s. 3d. c.i.f. Terminal in fair demand at firmer prices. December sold 28s. 7d.; January, 28s. 3d. to 28s. 6d.; March, 28s. 6d. to 28s. 10d.

TEA.—Indian auctions during the week totalled 60,443 packages. These came to an irregular and somewhat weaker market. Fine and tippy teas were decidedly easier, with common and medium

sorts only just about maintained. Quite an active and well-distributed demand prevailed for the 21,576 packages auctioned. Full rates were realised, with the finer sorts frequently dearer. Export requirements were on a good scale. Java and Sumatra sales met a fair reception at steady prices.

RICE.—Market remains without new feature and there are only small inquiries on European account. Spanish weak on rate of exchange.

BEANS AND PEAS.—In beans there has been no material change in the position of butter or haricots, but business partakes of retail proportions. Peas: Buyers are more prominent with respect to Japanese and with sellers reserved, dearer prices were required in forward positions. There was a better movement with regard to spot. Current crop 18s. 6d.; sales in 1928 at 15s. 4½d.; September-October quoted 15s. 6d.

POTATOES.—Although the market in potatoes has been quiet, prices have been maintained at last week's level.

SPICE.—A subdued tone pervaded the pepper market and with sellers more in evidence, prices ruled weaker regarding forward positions. Lampong, August-October, sellers 6½d.; October-December, 6½d.; Muntok white, August-October, 9½d.; October-December, 9½d. Cloves very firm. Zanzibar, spot, ls. 4½d.; October steamer, sold ls. 1½d. October-December, ls. 2d. Madagascar spot held for ls. 4½d. Sago flour, October-November, sellers 8s. 7½d. c.i.f. United Kingdom. Ginger, tapioca and pimento quiet unaltered. London stocks of black reduced by 60 tons on the week to 726 tons, against 1,457 last year; white unaltered at 320, against 1,092.

FRUIT (Dried).—Currants: Interest is chiefly centred on new crop Greeks, of which larger quantities are arriving. Gulf, 38s.; Patras, 34s.-35s. Sultanias steady. Smyrna, 34s.-50s. Raisins firm for best quality. Dates and figs quiet. Evaporated fruits: Market quiet. Californian peaches, 40s.-47s. 6d.

CANNED GOODS.—Fruit: Californian varieties move off quietly despite reasonable offers of new pack for shipment. Apples, however, are attracting more attention both spot and forward. English fruits were in fair request at steady rates, but Australian met with limited support. Fish: The market in sardines is steady; demand being chiefly for best quality. Salmon in fair request. Meat: Market remains quiet, but late rates were generally maintained. Condensed milk and milk powders: Market dull. Quotations—Dutch condensed milk, full cream sweetened, 5-cwt. casks 33s. 6d.; machine-skimmed ditto, 21s. 6d. English condensed milk, full cream sweetened, 5-cwt. casks, 37s. 6d. Honey: Market steady with a fair demand for all the better grades. Jamaica white, 47s. 6d.-50s.; good amber to fine pale, 40s.-45s.; Californian 48s.; light amber, 40s. per cwt.

MEAT.—According to the Smithfield Market official report, supplies of meat during last week amounted to 9,236 tons, as compared with 9,145 tons in the corresponding week last year. Imported beef, principally Argentine, formed 81·7 per cent. of the supplies, as against 78·6 per cent. a year ago, and imported mutton, mainly New Zealand, formed 75·4 per cent. of the total supply, as against 75·2 per cent. last year. Prices are scarcely changed on the week.

RUBBER.—A fair business was arranged and market ruled steady on balance, while assisted by more firmness in American centres. Standard sheet, spot, sold 3½d. to 4d. and 3½d.; November, 3½d. to 4d.; December, 3½d. to 4½d.; January-March, 4d. to 4½d.; April-June, 4½d. to 4½d.; July-September, 4½d. to 4½d.; January-December, 1931, at 4½d. to 4½d. London stocks declined 1,592 tons on the week, landings being 1,865, deliveries 3,457, stocks 81,544 against 43,478 last year. Liverpool stocks, 1,520 tons higher, landings 2,280, deliveries 760, stocks 36,387 against 10,795 same time last year.

HEMP.—Manila steadily held, but buyers as a rule were less frequent. J2, December-February, quoted £23 5s.; K sellers, £21 15s.; L1, £21 10s.; L2, £19; M1, £19 10s.; M2, £18 c.i.f. African sisal dull. No. 1, f.a.q., October-December, sellers, £21 10s. c.i.f. Receipts last week cabled 19,000 bales against 33,000 last year and 30,000 in 1928. Estimate for next week 21,000, and week after 20,000 bales. Manila shipments last week: 4,000 to the U.K., 1,000 Continent, 9,000 U.S.A., 8,000 Japan, 1,000 other countries, and 1,000 local consumption, making stocks 118,000 bales.

VEGETABLE OILS AND OILSEEDS.—Markets are irregular and generally there is a lack of confidence. Linseed is easy, in sympathy with lower Argentine options, current value of Plate on spot and passage being £12 10s., while new crop, December-January loading, has declined to £11 17s. 6d. Consumers, however, are still reserved. A considerable quantity of the unsold old crop is pressing on the market, supplies for October and November from Argentina being around a quarter of a million tons and much in excess of the shipments in the same period of last year. Favourable reports continue to come to hand regarding the new crop. Cotton seed is slow and low values do not seem to tempt buyers. New crop Egyptian (black) on passage and for shipment to January offers freely at £5 10s. without attracting trade. Linseed oil in near positions is fairly steady, current value of raw oil on spot being £27 6s. and for October delivery £26, with later positions at a discount of 25s. to 50s. Cotton oil is steady, crude Egyptian on spot being held for £22 and common edible for £25 ex Hull. Other seed oils are quiet and quotations difficult to maintain. The market for copra has been quiet, with prices in buyers' favour. Straits S.D., November to Rotterdam, sold £15 1s. 3d.; December also at £15 1s. 3d.; Dutch East Indies, November and December buyers, £15; Ceylon quoted £15 15s. Palm kernels dull.

(Incorporated in the Union of South Africa.)

Extracted from the Annual Report for the Year ended 30th June, 1930.

Capital, £1,247,602 in 1,247,602 Shares of £1 each (all issued).
 Note.—Of the above Issued Capital 35,267 ex-Enemy Shares are held by the Company.

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SIR ABE BAILEY, Bart., K.C.M.G., C.B.E. J. H. L. MANISTY

Tonnage Milled, 710,000.

					Per ton milled.
Total Working Revenue	...	...	£1,086,178	8 6	£1 10 10.
Total Working Costs	...	...	929,980	11 11	1 8 2
Working Profit	...	...	£186,195	16 7	£0 4 8
Total Profit for the year	...	...	...	...	£178,303 9 10
Balance unappropriated at 30th June, 1929	...	...	...	...	183,609 14 0
Forfeited Dividends Account	...	...	...	...	223 17 7

This amount has been dealt with as follows :—

Net Expenditure on Capital Account for the Year—Equipment	255,008 6 4	
Property	234,084 4 4	289,102 10 8
Miners' Pensions—Provision ...		
on account of Outstanding Liability as at 31st July, 1929		10,201 0 0
Government and Provincial Taxes		16,783 16 10

	116,067	7	8
	<u>£248,069</u>	<u>13</u>	<u>11</u>

Dividends declared during the year :—
No. 40 of 5 per cent. and **No. 41** of 3½ per cent. ... 106,079 6 3

Leaving a balance unappropriated of	...	...	...	£139,990	7	8
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The available **Ore Reserve** as re-estimated at 30th June, 1930, is as follows:—

					Tons.	Value, Dwts.	Width, Inches.
Main Reef Leader	...	...	...	...	1,548,830	7 9	40 0
South Reef	...	...	...	...	88,100	6 0	39 3
Bird Reef ...	...	...	...	...	495,370	5 1	59 2
Total	...	...	...	...	2,132,300	7 2	43 3

The Full Report and Accounts (with Plans of Workings) may be obtained from the London Secretaries, A. MOIR AND CO., No. 1 London Wall Buildings, London, E.C.2.

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NEW MODDERFONTEIN.

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A STOCKBROKER'S NOTEBOOK.

By AUSTIN FRIARS,

SEE

100

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Vol. CXI.

SATURDAY, OCTOBER 18, 1930.

No. 4,547.

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THE MONEY MARKET.

THE heavy over-subscription of the new India loan on Wednesday took a certain amount of money, estimated unofficially at £4,000,000 off the market and diverted it to the Bank of England, and consequently a firmer tone was in evidence on Wednesday afternoon. Renewals continued to command 1½ per cent. outside the clearing banks, but

1½ per cent. had frequently to be paid for new money, and there was a general feeling that for the moment short loans were in better demand. This, however, is a purely passing phase, for so soon as the India Loan allotments are out, the bulk of this money will return to the market. In any case, the week's Bank return, made up after the receipt of these funds, shows practically no change in market resources. This suggests that in reality the diversion of the India Loan money did no more than offset counter-movements which had previously taken place.

* * * *

Thus the general tone of the market remains one of pronounced ease. Discount rates are practically unchanged. The banks are still buying November and December bills at 2 per cent., while the working rate for three months' bills is no better than 2½ per cent. Even long bills, of four and six months' maturity, have this week been dealt in at the low rate, for this class of paper, of 2½ per cent. More significant still, the clearing banks are now prepared to lend money up to the end of the year at their current rate for weekly fixtures of 2 per cent. This illustrates the extent to which the banks are now supplied with surplus funds for which they cannot readily find employment, and also shows that no change in Bank rate is expected before the end of the year.

* * * *

Several interesting gold movements occurred during the past week. On Tuesday, £750,000 of the new Cape gold arrived in the form of sovereigns and so went into the Bank. The bar gold on offer amounted to £859,000. Of this £255,000 had already been sold forward to France, while of the remaining £604,000 France took £294,000, the trade £105,000, and an "unknown buyer" £205,000. To the latter's identity no clue is available. As a result of sales by the Reichsbank authorities of part of the French balances acquired through their recent gold sales to Paris, the French exchange has recently risen to above the "normal" gold point of 123.90 francs, in force when the Bank of England was still delivering fine gold. Consequently Tuesday's Cape gold sold at only 84s. 11½d. per ounce, or below the fine gold equivalent of the Bank of England's statutory selling price for standard gold. On Monday, £370,536 of bar gold was withdrawn from the Bank. It is generally believed that this gold has been shipped to Switzerland, but as the Swiss National Bank is now refusing to buy gold, the shipment must have represented some special movement.

	Sep. 25, 1930.	Oct. 2, 1930.	Oct. 9, 1930.	Oct. 16, 1930.	Previous Rate and Date Changed.
Bank Rate	3	3	3	3	5½ (May 1, '30)
Banks' Deposit Rate	1	1	1	1	1½ (May 1, '30)
Discount / Call	1	1	1	1	1½ (May 1, '30)
Houses / Notice	1½	1½	1½	1½	1½ (May 1, '30)
Market rate (3 months' bills)	2	2 1/16-1/8	2 3/32	2 3/32	...

The September statements of the nine English clearing banks reveal a further contraction in their activities. Deposits have fallen by £3.3 millions, and acceptances by £3.9 millions.

	September, 1929.	June, 1930.	July, 1930.	August, 1930.	September, 1930.
Capital and reserves	130.8	131.8	131.8	131.8	132.1
Acceptances	188.7	130.7	124.5	121.7	117.8
Deposits (including undivided profits, &c.)	1,754.0	1,788.3	1,794.2	1,767.4	1,764.1
Total liabilities	2,073.5	2,050.8	2,050.5	2,020.9	2,014.0
Coin, notes, balance at bank, and cheques in course of collection	242.3	249.8	242.6	235.4	232.6
Money at call	145.5	142.3	141.7	133.7	132.9
Investments	266.4	259.1	267.0	276.5	281.3
Discounts	221.7	273.1	284.5	279.3	283.8
Loans and advances	971.9	956.2	950.4	934.3	925.4
Cover for accept., premises, &c.	225.8	170.3	164.3	161.7	158.0
Total assets	2,073.5	2,050.8	2,050.5	2,020.9	2,014.0

Among their assets, cash has shrunk by £2.8 millions and call money by £0.8 millions. The principal decline, how-

ever, is one of £8.9 millions in advances. This has left surplus resources in the hands of the banks, and, consequently, they have added £4.5 millions to their holdings of bills, and £4.8 millions to their investments.

NEW YORK.

Money remains extremely easy. Prime commercial paper is quoted at 2¼-3 per cent., and 90-day bankers' acceptances at 2-1½ per cent. Call money remains at 2 per cent. The September overseas trade figures are now available. Exports amounted to \$318.0 millions, as against \$300.0 millions in August last and \$442.0 millions in September, 1929. Imports were only \$227.0 millions, as against \$217.0 millions in August and \$392.0 millions in September of last year.

THE STOCK MARKETS.

After a fresh bout of liquidation, during which London acted as a shock absorber for New York, Paris and South America, a firmer tone obtained in mid-week. Mr Snowden's speech was well received, and gave opportunity to consolidate the limited, but welcome, recovery of prices. Gilt-edged again showed to advantage, and India stocks were firm on the success of the Government's new £12,000,000 issue. Selling of South American bonds gradually became less extensive, and slight support was perceptible for German loans. Industrial shares rallied partially after early liquidation. Rubber and tea shares were dull. Oils were affected, early in the week, by distress selling from Paris. Mining shares recovered, to some extent, after a discouraging start.

THE COMMODITY MARKETS.

The general situation remains depressed and uncertain. There is no improvement in the coal trade, and some districts find it difficult to dispose of their current output. Activity in the iron and steel industries is on a low level, and new orders are extremely scarce. Although outlets for Manchester goods are still difficult to find, there is evidence of an increasing demand from India. Steadier prices of raw wool have resulted in increased buying, but there is as yet no evidence of an improvement in the trade in manufactured goods. The jute trade continues depressed. Hides are weaker, but business in leather, although on a moderate scale, continues satisfactory. Wheat prices are scarcely changed on the week.

THE FOREIGN EXCHANGES.

Although the market was quiet during the past week, movements were distinctly more favourable towards sterling. The New York rate was steady, closing at 4.85½, as against 4.85½ last week. Montreal was also steady at last week's level of 4.85½. The Paris rate closed at 123.94, or 12 centimes higher than a week ago. Belgium also moved up to 34.85½. There was no change in Italy at 92.80, but the Dutch rate rose to 12.06. Switzerland remained unchanged. The Spanish Exchange underwent a further violent and rapid depreciation, this week's rate of 51.00 being a new low record. Reichsmarks touched 20.45 on Monday last, but rallied slightly at the close to 20.43. Among the Eastern exchanges the rupee improved to 1s. 5½d. as did the yen to 2s. 0½d. South American exchanges displayed a very heavy tendency, Buenos Aires falling rapidly to 36½d. on Tuesday, compared with 38½d. a week ago. The close was somewhat better at 38d. Rio was nominal at 4½d. In the forward market one month's dollars moved to par, and three months' to 1½ cent premium. Paris forwards were 4 and 7 cents premium. Forward Belgas were unchanged. Milan forwards were freely offered at discounts of 17 cents for one and 46 cents for three months respectively. Forward guilders moved to a premium of 1½ cents for both periods. Spanish forwards were erratic at a slight discount. Higher margins again ruled for forward Reichsmarks, one month being quoted 4 pfennigs, and three months 12 pfennigs discount. Silver rose steadily on Chinese buying to 1s. 6½d. per oz. for both spot and forward positions. Hong Kong was 1s. 3½d. and Shanghai 1s. 7½d.

MR BALDWIN'S PROGRAMME.

WITH every week that passes new aspects are opening up in the field of fiscal policy. Mr Bennett, the Canadian Prime Minister, whose proposals were discussed in these columns last week, has now explained that his offer meant even less than we had supposed. Not only is the tariff of Canada to remain at its new high level against Great Britain, but the extra parapet against the rest of the world is not to be 10 per cent. *ad valorem*, but 10 per cent. of the tariff. That is to say, if a duty against Great Britain is 30 per cent., the duty against foreign goods is to be not 40 per cent., but 33 per cent. It is little wonder that the directors of the Manchester Chamber of Commerce remark that "the Canadian proposals seem to the Board to call for sacrifices by Great Britain out of all proportion to the contributions proposed by Canada." Nevertheless, Mr Baldwin, without waiting for this explanation, promptly committed the British Conservative Party to approval of the principles put forward by Mr Bennett.

He has, however, followed this up by an important statement which is a summary of the policy on which the Conservative Party will go to the country. On its Imperial side, this statement is considerably less in accord with Mr Bennett's views than his first pronouncement seemed to imply. The features of this manifesto are (1) an emergency tariff on manufactured goods "which would preserve the home market while the necessary investigations and negotiations with other countries, incidental to the preparation of a more scientific scheme, were pursued"; (2) a guaranteed price for wheat accompanied by a quota system under which a definite proportion of the flour used for bread shall be from home-grown wheat. There is also to be a tax on malting barley; a preference is to be given to home-produced wheat and meat for the Army and Navy; and the dumping of foreign fruit and vegetables and foreign bounty-fed oats is to be prevented. Further, (3) negotiations are to be pursued with the Dominions for the development of a preference system, but, in the case of wheat, co-operation is apparently to take the form of a quota for Empire wheat, though, as distinguished from the scheme for British agriculture, there will be no guaranteed price. There are other important items in the manifesto dealing with economy, taxation and the need for reform of unemployment insurance, but from the political point of view perhaps the most important feature in the statement is that so far as the fiscal recommendations are concerned, Mr Baldwin now regards the matter of such urgency that he throws overboard any suggestion of a referendum or a second general election, and will go to the polls on this programme and ask for an immediate mandate to put it into effect.

The historian will recall with interest that it was in very similar circumstances seven years ago, when Mr Bruce had come to this country with a definite suggestion that we should tax wheat and meat, that Mr Baldwin, then in power, burned his boats and went to the country for a mandate to impose a general tariff. In the present manifesto Mr Baldwin asks for even more latitude in certain respects, but he is more wary with regard to the issue of food taxes. Not only Lord Beaverbrook, but the country, will require to know much more definitely whether Mr Baldwin is or is not prepared to put taxes on the chief articles of food, or whether this proposal for an Empire quota is all that he is prepared to offer the Dominions. Clearly a quota on Empire wheat may do little to help the Empire wheat grower. The figures which we quote in a "Note of the Week" show that the Empire is on balance a large seller of wheat to foreign countries; if the quota is fixed in such a way that the proportion of Empire wheat to be sold in Great Britain is larger than at present, the sale of Empire wheat in other markets will be subject to much keener competition. There is, in fact, no device that can overcome the old dilemma. If the Canadian farmer is to benefit, it must be at the expense of the British consumer, and the raising of the selling price in Britain above world prices is bound to accentuate the over-production of wheat. In any case, however,

whether the quota is used to divert the wheat trade or not, it is clear that Mr Baldwin intends the food bill of the country to be increased, at all events in respect of the home-produced supply; and whether the price is paid in the cost of the loaf or out of the Exchequer, we are to consume a larger, and presumably steadily increasing, proportion of wheat produced at a cost of, say, 50s. a quarter, when it could be available at a considerably lower figure.

We venture to doubt whether, in spite of his subtlety, Mr Baldwin will be able to stand on the ground which he has adroitly chosen. Mr Bennett will doubtless press for a solution giving him a better assurance of higher prices, while strong forces at home will push him in the direction of a more thorough-going protection for British agriculture. Lord Brentford has, for example, in disparaging terms already referred to the quota system as "founded upon thousands of inspectors, hundreds of committees and the general spread of a State system (thinly disguised Socialism) over the land." He cannot conceive that the quota of itself would meet the wishes of the farmer, and the fact that the present Prime Minister is friendly disposed towards the system makes him very dubious.

Mr Baldwin will also be pressed to take the country a little more into his confidence with regard to his emergency tariff on manufactures. Our own experience of the tendency of "temporary" tariffs to become permanent can be paralleled in many a foreign country. When Germany, for example, regained her fiscal freedom in 1925, she put into effect a provisional "Minor Tariff," which was to expire in twenty-two months, while a new, scientific tariff was devised. Only small modifications of this "provisional" arrangement have ever been made. Again, is Mr Baldwin thinking in terms of high protection of, say, 33 per cent., or an all-round revenue duty of 5 or 10 per cent.? Is he, like many of those who are bitten with the idea of a revenue duty on imports, concerned with raising indirect taxation, or is he aiming at a definite trade restriction forthwith? His words seem to suggest the latter, for, in spite of the fact that foreign imports of manufactured goods clearly touch only a fringe of our unemployment, which is predominantly in the exporting industries (where nothing that Mr Baldwin proposes can help), and to a very large extent in home industries which are not touched by foreign competition, he is confident that by his proposal "we should at once stem the advance of unemployment."

Thus, in all probability, Mr Baldwin will go into the electoral fight at the head of all the forces of Protection, horse, foot and artillery. But compared with the situation in 1923 there is undoubtedly this important difference, that after seven lean years there is a more widespread disposition to seek any refuge from our present troubles, and he may be able to rally to his banner—though with many misgivings—a great many who find it difficult to act upon the motto of Mr Monagu Newman at the Mansion House dinner on Wednesday evening: "Be patient, hold fast." A fresh indication of the tendency of our industrial and commercial leaders to incline to the idea that the only remedy for their troubles is State assistance in the form of shelter from the competition of foreign imports is given in the result of the canvass of the Federation of British Industries. It is, of course, easy to read too much into the result of this canvass. Of the total members 28 per cent. did not vote, and quite conceivably a large proportion of those who voted for "a change in our fiscal system" were either thinking fondly in terms of exclusive protection for their own particular industry, or intended little more than to seize an opportunity of expressing general dissatisfaction with the present state of industry. When such allowances are made, it becomes clear that the F.B.I. canvass cannot be taken, as in some quarters it has been taken, as an almost unanimous declaration in favour of Protection. Nevertheless, following the Bankers' manifesto and the declarations of Sir William Morris and his group of industrialists, it does afford fresh significant proof of a

substantial growth of opinion in the business world against our present fiscal system.

This swing is a perfectly natural phenomenon. It is the old familiar case of a sick man sending out for a bottle of a well-advertised patent medicine. Mr Joseph Chamberlain used to pray for two bad winters. We have had more than half-a-dozen. It is impossible to move in business circles without meeting men who want "a little dose of Protection (or inflation) to provide a stimulant and tide us over this period of depression." The argument—so reminiscent of the first stages of the career of the drug-addict—seems to us wholly fallacious. No one has seriously attempted to show that tariffs could permanently raise the level of employment in this country, or that we could maintain, still less raise, the standard of living if we reduced our foreign commerce. Protection is bound to increase the difficulties of our export trades and our international activities generally. As Mr Keynes has forcefully indicated in an article in last week's *Nation*, we are in an era of unexampled economic change, and it is generally recognised that one of the major causes of our troubles is that, whereas we have as great or even greater changes to make than other nations, we have been slower in adaptation. Our traditional methods of organisation and individualism in management, our rigid wage system and the lack of mobility of labour—fostered as they have been by our insurance system—are serious handicaps. Protection will inevitably accentuate these serious defects. The history of those of our industries which have been protected in recent years gives no ground whatever for supposing that British industries are only waiting for the protection of a tariff to rationalise themselves. On the contrary, Protection will give them the opportunity to avoid change a little longer. For a country dependent on international trade, the trend of world prices is of exceptional importance, and makes it essential that we face internationally the problems posed by the Gold Committee of the League. But if the price decline is not arrested, a national attempt to maintain prices in Great Britain by Protection must exaggerate the difficulties of our international trade.

It is worse than useless to minimise the difficulties of the times, and we propose to give next week an instructive study from an authoritative source of recent trends in British trade. But it is equally useless to ride off on false issues. It is idle to imagine that any Government can cure a world depression or that the present depression looks like passing quickly. What is wanted is not a fiscal "cure-all," but that the Government should do something to restore confidence. And one of the most effective steps it could take in this direction would be a Cabinet declaration giving an explicit promise, following Mr Snowden's speech at the Guildhall, that no additional taxation would be imposed in the next Budget, because the Government was going to cut its coat in accordance with its cloth. The Government can also assist industry in its internal organisation and reconsider very carefully the effect of its regulations concerning social services on the processes of adaptation. It must also play its rôle in tackling the difficulties in the international sphere with which Governments alone can deal, and use its powers to secure the greatest possible openings in markets overseas whether in the Empire or in foreign countries.

But behind this lies the effort which industry itself must make. We agree with the defeatists to this extent, that this country cannot go on indefinitely supporting two million unemployed. But we part company with them when they say or think that Britain is incapable of pulling herself through this sea of troubles on to the firm ground beyond. A big national effort is required. But if once confidence in the ultimate future were restored, we believe the country would prove itself as capable of such effort as in days past. The country will respond to any Government which gives it the lead. One thing is perfectly clear: no country—least of all a country like Britain, susceptible to every turn of world economic fortunes—can hope to cling with impunity to the otiose life in the midst of one of the deepest depressions the modern world has seen.

THE SWISS DISCOUNT MARKET.

CURIOSLY, it is a matter of common belief that the Swiss financial market is more international than any other. The origin of this belief is the general international character of the country with its population speaking four different languages; the hospitality with which international institutions are received on Swiss territory; the favourable geographic situation of the country; the great extent to which it has been used as a refuge of foreign funds during and after the war; and the large number of international bankers, arbitrageurs and foreign exchange dealers of Swiss origin who have established themselves in foreign banking centres. In spite of appearances, however, the Swiss financial market is essentially national in character. In this respect, it is in sharp contrast with Amsterdam which, if possible, is even more international than London. While in Holland the subsidiaries of foreign banks and foreign finance companies are welcome, in Switzerland they are discouraged by restrictions in law and in practice. While in Holland the issue of foreign loans meets with no opposition, in Switzerland there is a hostile public opinion against foreign loans, which often discourages Swiss banks from making public issues on foreign account. While in the Dutch discount market the authorities do not discourage bills financing trade between two foreign countries—provided they are genuine commercial bills—in Switzerland the central bank has adopted measures of discrimination against such bills.

We pointed out in an article on the Amsterdam Discount Market, which appeared in our issue of October 4, that an excessive expansion of the use of guilder acceptances is prevented by the discipline prevailing among Dutch banks, who are willing to submit every transaction to the preliminary approval of the Netherlands Bank. In Switzerland, the same end has been attained by a totally different method. The Swiss National Bank has laid down the rule that only bills financing Swiss trade are eligible for rediscount. As the volume of Swiss import and export trade is not very large, the amount of prime bills that may come to the Swiss market is thereby confined within comparatively narrow limits. The National Bank can thus discourage the flooding of the Swiss market by bills financing trade between two foreign countries. At the same time, it effectively prevents finance bills from benefiting by rediscount facilities. For it is easier to verify the genuine character of a bill that claims to represent the value of goods bought or sold by a Swiss firm than that of a bill financing alleged commercial transactions between two foreign countries. According to the experience of the London market, such bills are, as often as not, finance bills pure and simple. Thus, in addition to keeping the volume of bills down, the restriction adopted by the Swiss National Bank tends to improve their quality.

The policy of discrimination against bills financing trade between foreign countries does not, however, altogether prevent Swiss banks from accepting or acquiring such bills. While in Amsterdam bills that are not eligible are practically unmarketable, in the Swiss discount market there is active dealing in such bills. There is a keen demand for bills not only by the commercial banks, but also by the "Kantonalbanks," which control considerable liquid resources, and, not least, by foreign holders of Swiss balances. The volume of eligible bills is inadequate to satisfy this demand, and ineligible bills are, therefore, easily marketable—at a higher rate than that for prime bills. Those who acquire them usually intend to keep them till maturity; if they change their mind they can always find buyers for the bills, especially as the discrepancy between the rates of eligible and ineligible bills tends to be smaller for short-dated bills.

Normally, there is a discrepancy of at least one-half per cent. between the rates of a three-months' eligible bill and a three-months' ineligible bill. This has the advantage of preventing foreign borrowers from taking advantage of the low money rates prevailing in Switzerland. It is, thanks to this system, that the National

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Bank was able to maintain a low bank rate throughout the upward trend of international money rates during the Wall Street boom. As a result of this system, Swiss home trade benefited by low rates of interest, while foreign borrowers, so far as they availed themselves of Swiss credits, had to pay a higher rate, and thus contributed towards keeping up banking profits.

During the last few months, the discrepancy between the rates of eligible and ineligible bills has narrowed considerably. At present it is only about $\frac{1}{2}$ per cent., the three-months' eligible bills being quoted at $1\frac{1}{2}$ per cent., while the ineligible bills of the same maturity change hands at $1\frac{1}{4}$ per cent. This is the result of the world-wide increase of the demand for short-term investment, from which the Swiss market has not remained immune. At the same time, the very factors which resulted in the contraction of the volume of bills in every centre have operated also in Switzerland. Thus, the volume of eligible bills is less adequate than ever to meet the increased demand, and there is, in consequence, a keen demand for ineligible bills. The demand has become accentuated by the fresh inflow of German funds taking refuge in Switzerland. It appears that the discrepancy tends to be wide when it is important from the point of view of the Swiss home trade that foreign borrowing should not raise domestic money rates, while it tends to be narrow when there are ample resources available for foreign credits—an ideal system from a Swiss point of view, as the Swiss authorities do not attempt to develop a discount market of great international importance. If the decline of the rate of ineligible bills to $1\frac{1}{2}$ per cent. results in an excessive expansion of the volume of such bills this need not necessarily affect the rates paid by Swiss trade. All that would happen is that the discrepancy would become once more wider through a rise in the rate of ineligible bills, which need not affect the rate of eligible bills.

At present, there are no signs of an excessive expansion of the volume of ineligible bills. Although the rates are lower than in any other discount market Swiss banks are not extending their acceptance credits to any great extent. Conceivably, this is due to discouragement by the National Bank, which is in a position to influence the banks even in regard to bills which are ineligible for rediscount. There is no rigid rule preventing the National Bank from rediscounting bills financing trade between foreign countries. If its rediscounts decline to too great an extent it may, if it chooses to do so, rediscount such bills. In practice, it has given preference on such occasions to short-dated bills. If, at any time, it wants to increase the international rôle of the Swiss financial market all it has to do is to relax the self-imposed restriction. For the present, however, there is no intention to embark upon any ambitious expansion.

The Swiss discount market is essentially decentralised, owing to the existence of four financial centres of importance, viz., Zurich, which is considered the chief banking centre; Bern, where the headquarters of the National Bank are located; Basle, whose importance has been greatly increased by the establishment of the Bank

for International Settlements; and Geneva, with its French and Italian connections. This decentralisation may be detrimental to the development of an important Stock Exchange, but does not in any way handicap the development of the discount market. Owing to the proximity of the four centres, and to their excellent telephone connections, their banks can deal with each other almost with the same ease as if they were situated in the same centre. From an international point of view, the decentralisation of the discount market makes no difference, for the foreign banks desirous of buying or selling Swiss bills may get in touch with any of the four centres and find no difficulty in receiving a quotation of rates. As the market is active, it is comparatively easy to buy or sell fairly large amounts. In this respect, the Swiss discount market is decidedly at an advantage as compared with Paris. French banks can think only in terms of very small amounts, and are usually unwilling to grant an acceptance credit of a few hundreds of thousands of pounds, or to acquire a parcel of bills of the same magnitude unless they can form a syndicate to spread the risk. Swiss banks are much more enterprising, and do not hesitate to deal in large figures. But for the extreme conservatism of the authorities, the Swiss discount market could, therefore, develop into a strong rival of Paris as well as of other centres.

ECONOMICS OF THE MOTOR INDUSTRY.

(BY A CORRESPONDENT.)

THE Annual Show ushers in a new year for the motor industry and is, therefore, an appropriate time to consider what is the objective at which British manufacturers are aiming. A year ago there were great hopes of a development of the export trade—inspired by the drafting of a scheme by Mr J. H. Thomas and a few of the leading motor manufacturers to organise a strong export sales organisation through Rootes, Ltd., with the backing of the Prudential Assurance Company. The partial disappointment of these hopes is reflected in a reduction of British exports of private vehicles and chassis from 24,471 units, valued at £3,844,325, for the first nine months of 1929, to 17,067 units, valued at £2,907,305, for the corresponding period of 1930. This reduction, however, is mainly due to a general contraction in the world export trade in cars, partly accounted for by the economic position, and partly by the growing reluctance of the nationals of manufacturing countries to purchase any but the products of their own factories. The percentage of the world export trade held by British manufacturers is definitely, if slowly, increasing.

The considerable anxiety felt by the motor trade about the fate of the McKenna Duties a year ago was relieved by their retention in Mr Snowden's first Budget, while at a later date the fear that the American slump would be followed by the wholesale dumping of cars in Britain proved—as in the case of other products also—to be

unfounded. This had seemed a possibility in the winter, as new British registrations were still keeping fairly high, and the Continental manufacturers were discussing the feasibility of fixing a quota for American car exports to the Continent, while one or two countries, notably France, increased the tariff on imported cars to an almost prohibitive level. As things turned out, the continuing trade depression was felt particularly in the demand for large cars, and imports of American cars fell accordingly. Indeed, total imports of private cars for the first nine months of the year amounted only to 7,763 units, valued at £1,310,083, compared with 17,378 units, value £2,629,118, last year.

The total output of British cars for the "production year" which is just ending will certainly be below the figure for 1929, a record year, but seems likely to be not less than 150,000, or within a few thousands of the 1928 production. Under the circumstances this may be considered a very satisfactory achievement, although the outlook for the coming year is less promising owing to the slump in new registrations; these showed a decrease of 19 per cent. for June, 17 per cent. for July, and 24 per cent. for August, the last month for which figures have been published. More serious in the long run, however, than the fall in output, which is only temporary, is the complete failure of the British industry during the past year to make any move in the direction of rationalisation. There are exactly the same number of separate concerns genuinely engaged in manufacture this year as there were a year ago, while the number of models to be turned out for 1931 shows an increase. Last spring there were strong rumours of a merger to comprise two of the largest Midlands manufacturers and one other firm (a scheme with which the name of the British, Foreign and Colonial Corporation was associated), but the negotiations apparently fell through, and from the point of view of concentrating production into larger units, the industry is precisely where it was last year. And, with the present highly individualistic temper of the trade, there are no grounds for confidence that any progress in this direction will have been registered at the end of another year.

Not only has the tendency towards amalgamation in the motor trade received a setback, but the failure of British manufacturers to reduce the number of models they are putting on to a restricted market is a serious feature of the present situation. Of the 160 concerns in this country registered as motor manufacturers, 44 are actually producing either private cars or a considerable portion of cars. Of these only 14, controlled by eleven groups, are of any real importance from the point of view of output. Ignoring types between which there is no substantial difference, the total number of models to be produced by these groups for the 1930/31 season is 46, compared with 41 last year. The only important maker who has effected any reduction is Humber, who will manufacture only three models, against five last year. This is nearly half as many models again as are made by the eight large American groups, which among them have a capacity more than twenty times as great as the British group. The total output of many of these 46 models will be well under 1,000 units, a figure on which it is quite impossible to make use of mass production methods of manufacture.

British manufacturers other than the three biggest are thus placing themselves in a very exposed position, in view both of the Ford plans at Dagenham, with which we deal in a leading article in our Stock Exchange pages, and of the possibility of the repeal of the McKenna Duties or of any change in the horse-power system of taxation, either of which possibilities would involve serious price-cutting on the British market on a scale which they could not undertake. The McKenna Duties, which should be looked upon by the beneficiaries as a shield behind which the industry can shelter while effecting the amalgamations necessary to establish itself as a fully efficient unit capable of holding its own, are being regarded by a section of the manufacturers as a godsend which exempts them from the need of rationalisation. This section

intend on the eve of every budget to raise the cry that the removal of the McKenna Duties will spell ruin for them; and some measure of compulsion may be necessary before they will consent to put their houses in order. It is quite conceivable, nevertheless, that the ultimate effect of the repeal of the McKenna Duties would be to benefit the larger British manufacturers through the postponement of saturation point for cars by means of heavy reductions in prices which are still too high. It is difficult to see why, for instance, the largest British manufacturer of baby cars should be able to manufacture through his subsidiary company for the American market at \$450 when he charges £130 for his corresponding British model. The postponement of saturation point ought to occupy the attention of the industry to a growing extent during the next few years. Already total registrations of cars have passed the million mark, while incomes of £400 and upwards number fewer than 800,000.

There still seems to be a feeling of uncertainty among British manufacturers as to their proper policy with regard to the type of vehicle to be produced. The system of taxation puts a premium on cars of low horse-power capacity, while the comparatively small incomes of the newer car owners and most of the further potential owners suggest concentration on the cheaper vehicles. These two factors have contributed to make Britain the home of the baby car. Austin was well established in this field when Morris began to manufacture baby cars in 1928, and the rapidly increasing percentage of new registrations formed by baby cars during 1929 certainly seemed to justify the attention which was being paid to them. Recent experience, however, suggests that the boom in baby cars, at any rate on its recent scale, may be nearing its end.

NEW REGISTRATIONS.					
Nov., 1929-April, 1930.			May-August, 1930.		
	Number	% Inc. (+) or Dec. (-) over 1929.	Number	% Inc. (+) or Dec. (-) over 1929.	
8 h.p.	20,820	+ 16.8	12,721	- 20.2	
12 h.p.	13,455	- 22.2	8,569	- 9.9	
15 h.p.	11,179	+ 143.3	7,613	+ 121.3	
16 h.p.	10,337	+ 6.8	5,141	- 17.5	
Others	27,245	- 28.3	17,515	- 34.7	
Total	83,036	- 5.0	51,559	- 16.8	

There is evidence here of diminished demand in recent months for the baby car, although the Morris Cowley at 12 h.p. has itself been adversely affected by the New Ford and Morris Light Six at 15 h.p. It is still too early to prophesy whether the drift away from the baby car is going to be permanent, but it is quite possible that the relatively high initial cost of baby cars and their rather fragile construction, with the consequent risk of heavy expenditure on maintenance, may under existing conditions militate against their popularity continuing on the scale attained last year.

Price reductions this year are general and fairly evenly spread over the different categories; at any rate they are not such as to create any particular trend to or away from the various types of car. The Ford Company are introducing the novel idea of a £5 differential in favour of their 22 h.p. model as against the 15 h.p. New Ford, but it is doubtful whether this will have the desired result, as experience has proved that the great majority of British motorists are very shy about buying cars of more than 15 or 16 h.p. on account of the heavy annual tax.

During the last two years there has been a desire on the part of a group of British manufacturers, led by Sir William Morris, to educate the public away from the 12-14 h.p. car up to slightly larger models, which it was hoped would be big enough to compete successfully against American cars in the Dominion markets, and at the same time small enough to enable the manufacturers to catch the British market. This led to the production of "Light Six" models by many of the leading firms. These have neither been an outstanding success nor a complete failure; they have found a definite, albeit more limited market than had been hoped, in this country,

and they are also providing the Dominions with a possible alternative to the ordinary American car. For British motorists, however, their initial and annual costs are still too high to appeal to any but the minority who are prepared to pay for "power," and it remains to be seen whether in the export market they can effectively challenge the mass-produced 24-27 h.p. American models. In any event, it is clear that the future prosperity of British manufacturers will depend on the ruthless elimination of all non-paying models, on the amalgamation of firms making competitive vehicles and on the allocation of the models finally deemed necessary to separate factories. The present indication is that it will be necessary to wait a long time before these facts are realised by the trade.

BRITISH CAPITAL ABROAD.—I.

EARLIER this year we published two articles* on the capital invested in British companies operating abroad. The analysis showed that approximately £1,050 millions of British long-term capital is now invested overseas through the medium of such companies. Obviously that sum is only a part of the total commercial debt which the rest of the world owes to Great Britain; and had the inquiry stopped short at that point it would have been far from fulfilling its purpose of discovering the amount and distribution of all British capital abroad, and of elucidating certain items in the national balance of payments. We have, therefore, next endeavoured to estimate British participation in the capital of companies registered outside this country. The inquiry has been limited to securities officially dealt in on the London Stock Exchange, with the minor addition of the shares and bonds of some South African mining companies, and a few others, which are not accorded official recognition, but which are known to be largely held in this country.

Unfortunately, in this section of capital abroad much greater difficulties arise than in that previously examined. In the first place, there is a great deal of untraceable nominee holding; stock of a Canadian public-utility corporation, say, will be registered in the name of an American bank or stockbroking firm, although actually owned by a British investor. Again, many of the stocks and bonds are in bearer form, so that there are no lists of stockholders to analyse. Then, certain bonds, although issued on this market or at any rate dealt in without limitation here, are rendered more readily marketable by the fact that interest may be paid in any of several different currencies at the option of the bondholder. Sometimes the position of the exchanges will make it advantageous for the large investor to draw his interest in some foreign centre and re-invest it there, while no doubt similar action is also taken on occasion in order to avoid taxation. This somewhat vitiates evidence based on income-tax affidavits furnished through paying agents or coupon dealers.

Nevertheless, the evidence actually collected warrants the publication of estimates which, while subject to an appreciable margin of error, are probably about as accurate as it is possible to obtain without some radical and unforeseeable improvement in statistical method. We should like to take this opportunity to thank the companies who have, often at considerable expenditure of labour, furnished us with data; to them and to their officials we are greatly indebted. Reliable evidence has been secured with regard to about 300 different securities, covering an aggregate share and loan capital of over £1,750 millions (nominal). This is a 40 per cent. sample of the whole group, and, with one or two exceptions mentioned below, is well distributed among the various functional and geographical divisions, thus giving some indication of the statistical soundness of the estimates.

* See the *Economist* for March 1 and March 22, 1930.

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CAPITAL OF CORPORATIONS REGISTERED ABROAD. I.—DISTRIBUTION BY FUNCTION.

	SHARE CAPITAL.			LOAN CAPITAL.		
	Total Amount Quoted and Paid up.	Proportion held by British Residents.	Amount held by British Residents.	Total Amount Quoted and Outstanding.	Proportion held by British Residents.	Amount held by British Residents.
Dominion & colonial rails	£'000. 118,390	% 57.3	£'000. 67,900	£'000. 195,931	% 87.5	£'000. 171,500
American rails	962,343	1.6	15,100	808,598	1.6	12,800
Foreign rails	54,846	53.7	29,500	218,344	54.3	118,500
Banks and discount companies	85,369	23.2	19,800	21,925	51.4	11,200
Breweries	3,645	?	?	486	?	?
Canals, docks, waterworks	14,923	?	?	9,548	60.4	5,700
Commercial and Industrial	291,731	21.4	62,400	60,817	53.2	32,300
Electric lighting and power	152,340	5.0	7,600	81,095	62.0	55,200
Financial, land and investment	80,135	48.5	38,800	46,967	38.7	18,200
Gas	1,624	75.2	1,200	11,552	48.4	5,600
Iron, coal and steel	265,353	?	?	47,958	50.1	24,000
Mines	158,108	46.2	73,000	8,260	69.5	5,800
Nitrates	113,946	?	?	4,072	?	?
Oil	859	?	?	125	?	?
Rubber	9,350	98.0	9,200	3,540	93.0	3,300
Shipping	367,441	0.7	2,500	46,696	?	?
Telegraphs and Telephones	35,172	?	?	42,767	16.0	6,800
Tramways and omnibuses	2,715,555	?	?	1,608,681	?	?

It will be seen that estimates have had to be omitted under a few heads, notably the iron, coal and steel, tramways and omnibuses, and oil groups in the share capital column, and in the loan capital column principally the telegraphs and telephones group. The figures actually given show £327 millions out of a total share capital of £2,282 millions, or 14.8 per cent. to be held by British residents, along with £471 millions, or 30.3 per cent., of a total loan capital of £1,557 millions.

What estimates can be made with regard to the remaining groups? One company dominates the iron and steel group—the United States Steel Corporation—followed on a smaller scale by the Lake Superior Corporation; together their quoted capital amounts to \$752 millions. We possess data enough to justify an estimate of about 42 per cent. for the British holding in the remainder, and in the case of the two great American corporations, we should probably not be far wrong in supposing that 1.5 per cent. of their capital is held in this country (a percentage which appears to be applicable to American industrial and utility companies in general). This gives us a total for the group of £49.4 millions held by British residents. The difficulty in the oil group is that most of the important securities are in bearer form, the outstanding concerns being Mexican Eagle, Canadian Eagle, the Royal Dutch Company and the Pan-American Petroleum and Transport Company. Here we can do no better than hazard a guess, and suggest that 15 per cent. on the average is held by British residents; this gives a figure of £17.1 millions. It would probably be safe to apply the same percentage to the tramways group, where Brazilian Traction is the dominant item, and so to obtain an estimate of £5.3 millions.

The capital covered by all the remaining omissions in the share column totals only £19.4 millions, and no great error can be involved if we suppose 20 per cent. of this, or £3.9 millions, to be in British ownership. On the

debenture side, the only important vacancy is in the telegraph group. Some £25 millions of the securities included are dollar bonds, for which a small percentage, say 5 per cent., would be justified. The remainder was issued in terms of sterling, and 50 per cent. would probably be a fair estimate both for this and for the other groups. The outcome of the above sequence of guesses—for they cannot pretend to be much more—is a total estimate of £408 millions for the British holding of shares and £485 millions for the British holding of bonds and debentures. The latter figure, in particular, is probably an underestimate, as the evidence on which the percentage is based in the second largest group, foreign railways, is not really adequate, and general indications lead one to suppose that the figure for that group should be nearer 70 than 50 per cent., which would add a further £30-35 millions.

Allowing for the various qualifications above-mentioned, a number of interesting conclusions can be drawn from the individual items. The small size of the participation in American railroad securities is most conspicuous. The sample information, which covered \$3,166 millions of common and preferred stocks and \$1,022 millions of bonds (roughly 65 per cent. and 25 per cent. of the whole group respectively), showed almost exactly the same percentage of British holdings in each class, namely, 1.6 per cent., and this gives rise to estimates of £15,100,000 for the total of stocks held in this country and £12,800,000 for the total of bonds. When Sir George Paish made his estimates in 1911, he assessed British holding of American railroad stocks and bonds at £576 millions.

The immense drop is, of course, due to the fact that railway securities were made the chief subject of organised liquidation during the War in order to support the sterling-dollar exchange in the face of the enormous credits obtained in the United States. Other American securities were likewise disposed of, and the vast size of many of the companies concerned, and the smallness of the remaining British participation, accounts for the low percentages recorded in several other groups—notably commercial and industrial and telegraphs and telephones. The latter is dominated by the International and American Telephone and Telegraph Corporations, while the former contains a number of large American concerns, such as Victor Talking Machine, General Electric, and International Harvester.

One reason for dissatisfaction with the results presented in the first table is the mixture of securities mainly held in this country with others in which British participation, though in the aggregate considerable, is trivial by comparison. Many of the latter are leading American speculative stocks, which are given a quotation here because of their very volume and because trade in them is so active, not because they ever have been or may be expected to become predominantly British. For this reason, much better statistical groups, and therefore much more reliable results, are contained in the following table showing the geographical distribution of the securities. International companies, for want, really, of any better method, have been entered under their country of registration.

CAPITAL OF CORPORATIONS REGISTERED ABROAD.
II.—GEOGRAPHICAL DISTRIBUTION.

Area.	SHARE CAPITAL.			LOAN CAPITAL.		
	Total Amount Quoted and Paid up.	Proportion held by British Residents.	Amount held by British Residents.	Total Amount Quoted and Outstanding.	Proportion held by British Residents.	Amount held by British Residents.
Canada and Newfoundland	£'000. 313,380	52.6	164,800	£'000. 269,036	80.5	226,600
Australia and New Zealand	57,164	20.9	11,900	6,310	63.8	4,000
South Africa	88,965	51.9	46,200	10,255	74.6	7,600
India and Ceylon	10,371	45.2	4,700	5,762	91.8	5,300
Other British Possessions	41,534	78.4	32,500	12,548	63.2	7,900
Total, Empire	511,414	50.9	260,100	303,911	82.7	251,400
U.S.A.	1,933,200	1.5	28,900	929,866	2.8	66,500
Latin America	112,004	46.3	51,900	135,225	49.1	155,600
Europe	125,781	43.6	54,800	208,917	37.5	30,600
Asia and Africa	33,156	78.6	26,100	30,762	99.6	30,600
World	2,715,555	15.5	421,800	1,608,681	32.9	530,100
World, excluding U.S.A.	782,355	50.3	392,900	678,815	74.3	504,100

The reason why this table has no such blank spaces as appeared in the previous one is that the omissions of data

which were there concentrated are here spread, and thus, while the individual items are correspondingly less reliable, the aggregates are the more trustworthy. They purport to show that about £422 millions of the share capital and £530 millions of the loan capital (always under limitation of official dealings in London) of companies registered outside this country was held in the names of British residents at the date of the inquiry.

It will be seen that these estimates are in excess of those reached by grouping according to type of company, but, as has already been pointed out, there is reason to believe that the totals in the earlier table fell below the truth, and on the whole the estimate of £950 millions for this section of British capital abroad can be put forward with considerable assurance. The percentage which this represents is a low one, but the last line of figures in the table shows that this is principally due to the inclusion of American securities in which British participation is slight. If the U.S.A. is excluded, roughly one-half of the quoted share capital and roughly three-quarters of the quoted loan capital appear to be registered in British names.

One of the most striking facts about the figures in the second table is the comparatively low proportion of British holdings in companies registered in the Dominions and India. It appears that these companies have raised the majority of their share capital (even excluding securities not officially known here) in their own financial centres, and, in the case of Canada, doubtless in the United States. Bond issues, apart from those of the Canadian railways, have been comparatively insignificant, but have been largely retained in Great Britain. It is surprising to find scarcely one half of the capital of South African concerns, which are almost exclusively mining enterprises and finance companies primarily interested in mining, held in this country. Local residents (including a large volume of cross-holding by the companies themselves) no doubt account for a substantial proportion of the remainder, but it is likely that foreign interests are considerable too.

Once more, as in the statistics which we published concerning British companies abroad, a distinctly higher percentage of the debenture securities is still held in this country than applies to share capital. That is, of course, due in part to the greater mobility and greater interest to international investors of securities carrying the equity of a company. But it also illustrates the shortcomings of these figures in that they comprise blocks of securities issued and largely retained over here as well as issues which are primarily foreign or colonial in origin and ownership, but which for one reason or another have been listed on the London Stock Exchange. Apart from certain European and American bonds, the latter description applies mainly to shares. In spite of this defect, the £950 millions figure is probably accurate, subject to the limits of the inquiry, within a margin of £50 millions one way or the other. It excludes, however, a large volume of nominee holding which it is quite impossible to ascertain. Inquiries of the financial firms most intimately in touch with this aspect of international investment lead us to believe that the figure for the U.S.A. should be increased by anything from 50 to 100 per cent. on this account, but there is comparatively insignificant nominee holding in the other groups, and it would be unsafe to increase the grand aggregate by more than £50 millions, which would raise it to just £1,000 millions.

THE CO-OPERATIVE MOVEMENT.

(BY A CORRESPONDENT.)

ONE of the ideals of the working people who founded the modern co-operative movement in the old shop in Toad Lane, Rochdale, in 1844 was the "self-employment" of their members in their own shops and mills. The original premises in Rochdale have been acquired by the co-operative movement and are now being restored to their 1844 appearance with a view to their early opening as a museum and testimony of the co-operative faith. But the realisation of the idea of "self-employment" is not so near, for the 1,234 retail societies in existence in

this country only employ 4.03 per cent. of their membership. At the end of 1925 they employed 4.16 of their membership, so that the number of employees is not keeping pace with the rapid growth of co-operative membership during the last few years.

The returns of the Co-operative Union, which (owing to the delay of many societies in supplying detailed information) are only now available for 1929, are significant of the intense competition which faces the movement. This is being quickened by the merging of multiple shop concerns in close association with the sources of the supply of their stocks. Co-operative societies, too, are amalgamating. In 1903 there were 1,458 retail societies as compared with only 1,051 twenty years before. By 1923 they had fallen to 1,314. Since then a policy of amalgamation has developed and there were, at the end of 1929, only 1,234 retail co-operative societies. But there are now 6,168,904 members, as compared with only 4,509,256 in 1923. The tendency for amalgamation is growing; and although 757 have less than 2,000 members each, the advance of the others is encouraging the smaller units to link with their larger neighbours. Thus seventeen societies have more than 50,000 members; and two in London and the societies in Birmingham, Leeds and Liverpool have an aggregate membership that is as large as the total number of members in the 1,240 societies in existence in 1890. Thus the advance of the movement has been mostly gained in the last forty years; the first fifty years were hard years of struggle with many failures restricting the rate of progress.

The share capital of all types of co-operative societies is now £120,828,038. The total turnover in 1929 was £346,320,683 and there was a net surplus of £29,798,607 before the deduction of interest on share capital. These figures include the operations of the wholesale and productive societies as well as the retail societies. Those of the latter constitute the real position of the movement, as they are the market for the others. Here the share capital is £106,564,889, an average of £17 5s. per member; their loan capital is £21,157,279, or £3 4s. per member. To this can be added £4,817,112, being the amounts deposited in the small savings or penny banks of the societies.

During 1929 lower prices ruled than in 1928 and the increase in the volume of supplies is greater than is revealed in the increase in money value. The total retail sales were £216,967,099, an increase of £7,577,544. This represents an individual purchase per member of £37 4s. in 1929, about the same amount as that to which it fell in 1924 from the highest point of £56 10s. in 1920. Not only have the lower prices conduced to this result but the lower rate of purchase is also a reflect of the decreased spending power of the members. There is a great variation in the purchases in the various districts, ranging from £28 per member in Devon and Cornwall to an average of nearly £52 throughout Scotland, where the dividends on purchases are twice as high as those paid south of the Tweed. The restricted buying capacity of the bulk of the members is shown also in the increase of debts owing to the societies, these having increased to £5,209,469, an average of about 16s. per member—all the more significant when it is remembered that the co-operative movement was started on a ready money basis. The advent of the mutuality club and credit business has shifted the old advocacy of co-operation as a means of thrift and cash payments.

Of the total of 248,726 workers employed in the co-operative movement, 175,666 are working for the retail societies, their wages being £22,944,608 in 1929. The average annual wage of the employees engaged in production—baking, laundry, boot repairs, etc.—by the retail societies was £142 15s. The distributive wages per £ of sales has steadily increased from 1s. 4d. in the £ of sales in 1925 to 1s. 5½d. in the £ last year; on the other hand the average sales per distributive employee has equally steadily decreased from £1,875 in 1925 to £1,737 in 1929. This lessened turnover alongside higher labour costs is one of the overhead charges that the societies cannot reduce because of the need for a fully

comprehensive service and because the vigilance of the trade unions in the distributive trades has obtained concessions from the co-operative societies that they cannot demand from outside firms and retailers with similar success.

Despite these heavy standing commitments the retail societies have been able to charge sufficiently highly to raise the percentage of profit on retail sales from 9.8 to 9.9 in 1928 and 1929. On the share capital employed the surplus has reached 20.28 per cent. In Scotland, where dividends of 3s. and 3s. 6d. in the £ are often paid, the percentage of profit on retail sales is as high as 13.6 per cent.; in North Eastern and North Western England it is 10.8 per cent., while in the South (where the dividends range from 1s. to 1s. 8d.) the profit is 7.28 per cent. on sales. The surplus last year was £26,133,911. From this £4,525,186 was paid as interest on share capital.

Although the membership of the retail co-operative societies is over six millions, the number of families represented is probably less than four millions, owing to the membership of husbands and wives and, in many industrial centres, others of the household. Reckoning four persons to the family the membership of the societies probably reaches about sixteen millions, or a third of the population. The tea trade of the movement, which is the most completely organised of any section, is responsible for one-fifth of the national consumption. It is clear that not all members draw all their supplies from their own co-operative societies; and it is as clear that not many of the societies draw all their stocks from the co-operative factories and works. The dividend is a powerful influence in maintaining the interest of the members; but co-operators are still attracted, as are the public generally, by the commercial firms, companies and retailers whose competitive ways constitute an obstacle to the complete loyalty that co-operative committees expect from their members. In 1927 the membership increased by 7.5 per cent.; in 1928 by 5.4 per cent.; but last year by only 4.8 per cent. Such a slackened rate of progress, together with the steady rise in the debts owing by members are problems to which the leaders of the co-operative movement are likely to give serious attention. Already they have decided on a National Propaganda Campaign next February to quicken the membership and the recent International Co-operative Congress at Vienna discussed the growth of credit in order that it should be earnestly examined in England—the country from which the Continent took its idea of ready-money co-operation and which is now in danger of falling behind its followers by departing from that policy.

REVOLUTIONS.

REVOLUTIONS seem to be part and parcel of this post-war world. At the outbreak of the war it was prophesied that they would be the penalty of defeat. "What has begun here will end there," said a British diplomatist in Berlin, pointing in the direction of the Moabit as he took his leave of the Wilhelmstrasse at the beginning of August, 1914. That prophecy was fulfilled; but it would have demanded still greater insight and greater fortitude—to prophesy that, a dozen years after the end of the war, the post-war revolutions would be with us still. Yet so it is. In this year of grace we have been having half a dozen revolutions in Latin America. We are being told—with an emphasis that protests too much—that there are not going to be fresh revolutions in Germany, Austria and Spain. And we have been broken in to seeing revolutions in permanent session in Italy, Russia and a number of Oriental countries.

A future historian, reading the bare catalogue of these upheavals, may wonder how human life can have gone on at all in such a world. The answer which we contemporaries can leave on record for his benefit is that there are revolutions and revolutions. If revolution in Peru or the Argentine meant as much as it means in China or Turkey or Russia the world would certainly be in a bad way; while if it meant as little in Italy as it means in Latin

America the human race might go on peacefully marrying and giving in marriage without realising that the Flood had come and gone.

Usually—though events in Brazil seem to be a sterner business—your Latin American revolution is the most easy-going kind. It might almost be defined as the cheapest method of changing governments that has been hit upon in the modern world. If the cost per caput of a Latin American revolution were worked out and compared with the income, per caput, of the nation which underwent it, it would often prove to be a much less expensive operation than a general election in Great Britain or a presidential election in the United States. And it effects a further saving in another way. Elections in orderly constitutional countries tend to increase the overhead charges of political life by adding to the number of professional politicians, whereas Latin American revolutions bring welcome relief from this dead weight, since Latin American politicians, like Kilkenny cats, have a convenient habit, for which revolutions give scope, of eliminating one another.

But we will say no more of revolutions which your Russian or Italian or Turk or Persian or Chinese would not recognise as worthy of the name. A revolution in permanent session is a revolution indeed. It gives to private as well as public life the hectic tempo of one of those Babylonish department stores which can only be made to pay if the management keeps the public distracted with perpetual novelties, in and out of season. Such is life nowadays in Turkey or China or the U.S.S.R. One week the citizen has to accommodate himself to a new national head-dress; another week he has to learn to read and write in a new alphabet and make his appointments by a new calendar; another week he has to become an economic pilgrim, progressing towards salvation on a five-years plan. For the unfortunates whose lives have been speeded up to this revolutionary pace, a visit to contemporary Berlin would be a rest-cure. We can picture the Persian visitor, in his compulsory "Pehlevi cap," having the "Nazi cap" pointed out to him in the streets by his German cicerone. "So that is the cap which Herr Hitler is going to make you wear?" "No, he won't go as far as that. He only insists on wearing it himself." The Persian is at a loss to understand why his German friend pulls such a long face over it. "Why, if that is all," he exclaims, "I fail to see your grievance. In Persia, for all I care, the Shah might sport any hat he pleased, if only he would not insist upon making me wear it as well."

We have put our finger here upon a criterion by which revolutions can be classified. There are revolutions (like that at Buenos Ayres the other day) which leave the private lives of ordinary people almost unaffected; and there are other revolutions (like those which are now in full blast all day and everyday in Persia or Turkey or China) which do not leave their victims a soul to call their own. Revolutions of this latter kind have a shattering effect which it is hardly possible for us to conceive. In order to picture to ourselves how the universe is tumbling about the ears of our Turkish and Chinese contemporaries, we must imagine all our national crises of the last four centuries telescoped into the span of a single generation. Try to imagine an England in which the Reformation, the Civil War, the Industrial Revolution and "the economic blizzard" of 1930 are all raging and tearing at the same time. That is the kind of revolutionary tornado in which half mankind to-day is just managing to keep alive.

And there is another way in which revolutions differ. In England we have taken our revolutions one by one—first a religious revolution, then a political revolution, then an economic revolution, and so on, one at a time. We have always behaved like a careful walker who makes sure that one foot is firmly planted on the ground before he lifts the other foot to take the next step. What a much more comfortable form of progress than the fate of the Turks and Chinese, whom the whirlwind of revolution is sweeping across country, over hedges and ditches, head over heels. How is it that we have fared so much better than they? The secret of our success is that, so far, we have always taken our revolutions in good time, and have therefore been free to take them in small and manageable instalments. We have moved with the times,

and we have set the pace, while the Orientals, less wise in their generation, have dug themselves into untenable positions, and refused to budge until it required nothing less than a tornado to blow them into line again with their more provident fellow-travellers.

This suggests another characteristic of revolutions, which is perhaps fundamental. Revolutionary movements are seldom spontaneous or independent. They are nearly always evoked by something that has happened at a previous moment and in another place. The revolutionary spasm is a spurt put on by a runner who has fallen behind his competitors in a race. The revolutionary course is a short-cut by which the laggard hopes to overtake the runners who have kept to the orthodox track. If we survey, once more, the revolutions which happen to be going on round us to-day, we shall see that this formula fits them all. The revolutions in Russia and in the Oriental countries are frantic, because these revolutionaries have set themselves to catch up with the progress of Western civilisation in every sphere of life. These people cannot afford to lift one foot at a time; they must make a flying leap of it if they are to catch up at all. The Fascist revolution in Italy is a less desperate affair, because the Italians have less ground to cover. They are one of the great nations of the Western world, and they are abreast of their sister nations in most of the things that matter. The spur that has driven them into revolution is no more than a feeling that, in spite of the Risorgimento, Italy has not yet fully established her status as a Great Power. In Germany, the goal to which the National Socialists are seeking a short-cut is the restoration of Germany to the position in the world which she occupied before the war, and the removal of the discriminatory burdens and humiliations that have been laid upon her in consequence of her defeat. To many of us who have been contending for the rehabilitation of Germany for the last dozen years, the progress already achieved seems notable. To many Germans, it seems no progress at all. And so the National Socialist movement raises its head to denounce the Stresemann policy at the very moment when in our eyes that policy is being justified by its fruits—the acceptance of the Young Plan and the evacuation of the Rhineland. Finally, the Latin-American revolutions of this year seem, as far as we can divine their meaning, to be attempts at getting back, by short-cuts, to the prosperity which the whole world has lost for the time being.

This aspect of the Latin-American revolutions reveals the *côté faible* of revolutions in general. To the detached observer, it is almost ludicrously obvious that you cannot send up wages and profits by putting out a dictator and putting in a junta. The economic fortunes of South America are bound up with the whole infinitely complicated problem of the economic fortunes of the world. Latin-Americans cannot conjure back prosperity by a local short-cut, and certainly not if they take this short-cut on the political field. The notorious fact is that short-cuts tend to lengthen journeys, and spurts to diminish speeds; and this is why revolutions so very seldom succeed in their objects. Your revolutionary who promises to turn things upside down more often ends by looping the loop—a performance that leaves him where he started. The comedy, or tragedy, of all revolutions is summed-up in their common epitaph: "Plus ça change, plus c'est la même chose!"

Notes of the Week.

The Chancellor in the City.—The present troubled time is not one that a Chancellor, especially a Labour Chancellor, would choose for addressing an audience of bankers and financiers. But it is precisely the moment when the bankers and financiers listen with tense interest to what the Chancellor has to say; and, if they desired food for thought, Mr Snowden gave them a meal in his speech at the Mansion House on Wednesday. His remarks on revenue prospects were in hopeful vein, and a certain amount of relief will be caused by the emphasis which he laid upon

the hope that no new taxation would be necessary in the next Budget. Here is his peroration:—

I stated in my Budget speech that I hoped that probably next year we should be able to avoid any increase in taxation. I think that the psychological effect of any increase in taxation will be very bad indeed, coming, as it would be, upon many of the disappointments which industry and finance have experienced during the last few years. I cannot say, but I shall do everything possible to avoid having to impose new taxation. Possibly I shall have to outrage my strict financial principles, and maybe do things that I could not justify in ordinary circumstances.

Some of his audience may have jumped to the conclusion that Mr Snowden is contemplating a raid on the sinking fund, and it is perhaps a portent that, as our Paris correspondent reports on a later page of this issue, the Caisse d'Amortissement is to be made the means of balancing the French Budget. But without more to go on than this cryptic utterance, criticism would be premature. Whatever transgression Mr Snowden may permit himself, he will be judged on the general performance of his Budget, especially in relation to the observance of strict economy and the fulfilment of his desire that the insurance fund should be put upon an insurance basis. Mr Snowden's passage on economy was unconvincing. Like previous Chancellors, he laid the blame for extravagance upon Parliament. This is disingenuous. It is the Cabinet and not Parliament that controls policy. A strong Government, bent upon true economy, could carry the House of Commons with it. For the rest, the Chancellor's speech was notable for a declaration of his intention "to carry out a large Conversion operation when I think the time is favourable"—which tells us nothing new—and for a sturdy confidence in Britain's ultimate future, which serves as a welcome antidote to the "defeatism" that is too rampant to-day.

The Fighting in Brazil.—News of the Brazilian revolution has given rise to considerable nervousness in some quarters of the City, and there can be no doubt that the situation is sufficiently serious for the marking down of quotations for the Brazilian Government Bonds to be excusable in view of so many factors making for nervousness in the investment markets. It is, however, possible to view the situation without undue alarm. The Parliamentary system, as it exists in this country, is unknown in South America, and, in consequence, any widespread discontent, even though it may be due, as in the present instance, to external economic causes beyond the direct control of the Government, is liable to find an outlet through a political *coup d'état*. Strong action has been taken by the Brazilian Federal Government to suppress the revolutionary movement. Martial law has been declared throughout the country until December 31st next, while, in order to prevent speculation in the exchange or commodity markets, a national holiday for a period of fifteen days was decreed on October 7th, the banks being closed. The intention of the Government to preserve so far as possible the normal movement in trade is evidenced by the fact that exports of coffee from Santos are being permitted through the intervention of the Bank of Brazil, which is operating on the basis of an exchange rate of 5.516d. per milreis. Cables received from the localities directly affected by the revolution have so far been, for the most part, confused and unreliable, whilst official bulletins issued by the Brazilian authorities in London have reflected the usual uncertainty attendant upon the early stages of military operations. Unfortunately, it appears possible that the unsettlement may still continue for a considerable period, any decisive outcome of the present situation being rendered difficult by reason of the extensive nature of Brazilian territories. An underlying cause of the political discontent has no doubt been the difficulty of conciliating the conflicting interests, such as those of coffee producers in rivalling States, and of importers as against exporters in regard to exchange policy. Bearing in mind, however, the great difficulties in regard to the over-production of coffee, which have been surmounted in recent months largely as a result of the successful issue of the Coffee Realisation Loan in April last, it is to be hoped that saner counsels will prevail; and it is perhaps significant that,

immediately upon news of the outbreak, the Brazilian Congress placed at the disposal of President Washington Luis a credit of 100,000 contos of reis, so that the necessary urgent steps to restore public order could be taken forthwith. It is also to be noted that the Brazilian Government has declared closed all ports held by the insurgents, including Pernambuco. Thus, while the present position is obscure, there appears to be evidence that the Federal Government is capable of taking adequate measures to deal with the revolt. Moreover, whatever political results may ensue, there can be no doubt that extravagant rumours regarding the possibility of debt repudiation by any parties which may be called upon to direct the Administration of the Federal Republic should be discredited. The worst feature would be a long drawn-out campaign, and it is therefore to be hoped that whatever the issue, it may come quickly.

The Congress at Grenoble.—At the end of last week the French Socialist-Radical Party—better known, perhaps, in England as the party led by Monsieur Herriot—was in conference at Grenoble. It will be remembered that when Mr Ramsay MacDonald was in office in this country for the first time in 1924, Monsieur Herriot came into power in France a few months later, and that the two statesmen, between them, then secured the acceptance of the Dawes Report and made a spirited attempt to put through the Geneva Protocol. In France, Monsieur Herriot and his followers would still like to see the Protocol brought into force as being the best means yet suggested, in their opinion, for achieving the triple objective of "security, arbitration and disarmament" which was originally propounded by Monsieur Herriot himself at the opening of the fifth session of the League Assembly at Geneva. Their fidelity to the Protocol has been reaffirmed in the resolution on foreign policy which they have voted on the present occasion. The hope is expressed that the French delegates will make concrete proposals, on the lines of the Protocol, next month, at the next—and last—meeting of the Preparatory Commission for the long-heralded League of Nations Conference on Disarmament. The thesis of the French Socialist-Radicals is that the three points in the triple objective ought to be ensued simultaneously and embodied in one and the same diplomatic instrument—either the Protocol itself or some reincarnation of it. Their thesis, unfortunately, is unlikely to be accepted by the parties to the right of them, now in power, which insist that French security must be established before France disarms (another way of saying that foreign nations must disarm before their security, *vis-à-vis* France, may be established). If those who hold this latter view are still in power when the League of Nations Disarmament Conference eventually meets, the outlook for the success of the Conference will be unpromising. Yet, at the moment, it is difficult to see how the present *régime*, or another like-minded *régime*, based on a reshuffling of the same parties of the Right, can be supplanted. The Socialist-Radicals have no chance of defeating Monsieur Tardieu at the general election, eighteen months hence, except in co-operation with the Socialists, and such co-operation seems unlikely in the near future. Though the two parties agree substantially in their foreign policies, they are too far apart in their domestic policies; and they are both bound down, not only by tradition but by positive party rules, not to make marriages of convenience with parties from which they differ in principle. Thus we dare not hope that last week's Socialist-Radical resolution on foreign affairs (even in the watered-down form in which it finally passed) will either directly or indirectly inaugurate any new departure in French foreign policy.

Uneasiness in Spain.—The present situation in Spain is calculated to produce political malaise. Since the snuffing out of the Dictatorship, the best part of a year has passed, during which the country has remained in a kind of political limbo which is neither bare-faced autocracy nor healthy self-government. The sense of dis-

comfort seems to be increasing as the elections approach—nobody knowing whether these will produce a *dénouement* or will leave the situation very much as it is now. If the future depended on the zeal of the Monarchist parties, the prospects of the Dynasty would be poor; for the Monarchists are showing themselves remarkably apathetic. The factor that tells against the probability of any very striking change is the failure of the Republicans and the Socialists to join forces. In Spain, unlike most Continental European countries, the Socialists are the more constructive of these two groups. They intend to take part in the elections, and have been making overtures to the Republicans for co-operation, to which the Republicans, so far, have not responded. Meanwhile, labour disturbances of a semi-political complexion have continued in different parts of Spain; and last week the Prime Minister, General Berenguer, announced his intention of taking a strong line—taking the public into his confidence in a long *communiqué* after the manner of the late General Primo. On Saturday the 11th, a number of arrests were made, both in Madrid and in the larger provincial towns, particularly Barcelona. The persons singled out included not only politicians and editors belonging to the anti-dynastic parties, but several officers. To some extent, the Government's new policy of activity seems to have had the effect intended. A general strike appears to have been averted at Seville by energetic measures on the Civil Governor's part, and nothing seems to have come of a threat of a general strike at Barcelona. On the other hand, the fact that officers were included among the persons arrested, and that the Minister of Justice, in a statement to the Press, spoke of Spain "sitting on a powder mine," has set a rumour circulating that the Government have discovered a definite conspiracy for setting up a new Dictatorship. The rumour has been denied, no doubt with good reason, by the Prime Minister himself; but the sense of political instability (with consequent weakness of the peseta) has been enhanced. To a foreign observer, it looks as if by far the best thing that could happen would be for the Republicans to combine with the Socialists in order to bring into office a coalition government resting on a strong parliamentary majority. The recent Republican Congress at Madrid seemed to show that what the Spanish people really desire is an orderly, constitutional parliamentary government.

The Heimwehr and the Press.—The Heimwehr have lost no time in asserting their claim that they are the leading partners in the new Austrian Government, even though all the Cabinet offices except two are in Christian Socialist hands. On Thursday, October 9th, three bourgeois newspapers—two of them being none other than the *Neue Freie Presse* and the *Neues Wiener Tagblatt*—failed to appear because the entire editions had been confiscated. Their offence was "spreading rumours calculated to cause uneasiness"; and they had committed it by reporting certain charges of treason which had been made against a former "chief of staff" of the Heimwehr by the Agrarian Party. The present Minister of the Interior, the Prince of Starhemberg, has revoked an expulsion order which had been issued against this gentleman; and it is logical enough that he should also suppress the publication of charges against him which might make the expulsion order seem justifiable. At the same time, the action which the Prince has taken is more high-handed than anything that was done, within living memory, under the *ancien régime*. Even during the war, the Hapsburg Government confined its interference with the Press to excising paragraphs and columns which gave indiscreet or discouraging accounts of the military situation. It will be interesting to see whether the Heimwehr element in the Government follows this stroke up with others in the same manner, and whether, if it does, Austrian public opinion will tolerate it. It is hard to believe that, in these days, a minority Fascist element in a coalition government in the Austrian Republic can behave with impunity in a more arbitrary fashion than seemed wise to the Hapsburg régime in the old days before the loss of

the war, and the break-up of the Empire. No doubt the Austrian Fascists are exhilarated by the successes of the "Nazis" in Germany, and are playing the dangerous game of political surf-riding on this rather frothy wave. We doubt whether they will ride into power so easily as they seem to expect.

Nine Months' Overseas Trade.—The salient feature of the foreign trade returns for September alone, shown in the following table, is that they are in every case the worst for any single month of the current year. Compared with September of last year, imports, exports and re-exports, all show a uniform decline in value of as much as 20 per cent.

	MONTH OF SEPTEMBER. (000's omitted).					
	1930.		Increase or Decrease as compared with			
			September 1929.		September, 1928.	
Imports	£	£	£	%	£	%
British exports	78,652	—19,764	—20.1	—	9,027	—10.3
Re-exports	42,741	—12,364	—22.4	—	13,879	—24.5
Total exports	5,393	—1,343	—20.0	—	1,462	—21.4
Excess of imports over total exports	48,134	—13,706	—22.2	—	15,342	—24.2
	30,518	—6,058	—16.8	+	6,315	+25.1

As has been the case throughout all the year, part of this value contraction is accounted for by the simultaneous fall of 19 per cent. in wholesale prices. It must, however, be emphasised that these prices relate mainly to primary products, and that those of finished goods have fallen to a far less extent. Thus, taking our foreign trade in aggregate, including all classes of goods, there must have been a substantial decrease in volume. The nine months' figures are equally disappointing. It is true that the percentage fall in their value since 1929 is less than it was for September alone, but reference to the course of commodity prices during the past two years shows that their average fall between the first nine months of 1929 and 1930 was insufficient to explain entirely the fall in the trade figures. The volume for nine months has unquestionably contracted.

	NINE MONTHS ENDED SEPTEMBER 30TH. (000's omitted.)					
	1930.		Increase or Decrease as compared with			
			1929.		1928.	
Imports	£	£	£	%	£	%
British exports	785,194	—111,960	—12.5	—	100,881	—11.6
Re-exports	441,115	—102,296	—18.9	—	93,839	—17.6
Total exports	67,879	—16,759	—19.9	—	23,873	—26.1
Excess of imports over total exports	508,794	—119,055	—18.9	—	117,712	—18.8
	276,400	+7,090	+2.6	+	16,831	+6.5

How serious this volume contraction has become is shown by the third table, giving volume figures for certain important British exports. Comparing 1929 and 1930 (first nine months in each case), coal shipments have shrunk by 5 per cent., those of iron and steel by 23 per cent., and those of machinery by 12 per cent.

	SOME LEADING EXPORTS. (Quantities.)			
	First Nine Months.			
	1928.	1929.	1930.	
Coal	37,009,534	44,124,337	41,768,603	tons
Pig iron and ferro-alloys	320,345	423,289	251,516	tons
Railway material	486,726	357,805	337,723	tons
Total iron and steel	3,125,733	3,274,285	2,526,092	tons
Textile machinery	83,275	97,786	172,410	tons
Total machinery	426,243	416,441	366,997	tons
Cotton yarns	125,472,300	126,137,300	102,414,100	lbs.
Wool tops	2,910,694,200	2,848,350,500	1,995,959,300	sq. yds.
Woolen tissues	266,258	244,807	208,256	sq. yds.
Worsted tissues	102,881,000	84,771,300	62,701,000	sq. yds.
Linen piece-goods	30,175,800	37,365,000	26,845,700	sq. yds.
Boots and shoes	51,039,900	54,527,400	47,693,954	doz. pairs
Leather	826,031	714,026	194,665	cwt.
Paper and cardboard	317,863	265,727	3,342,107	cwt.
Locomotives	3,423,054	3,692,258	34,981	tons
Motor cars and chassis	32,863	28,746	22,289	number
	22,407	31,383		

The textile trades are still more seriously affected. Exports of cotton yarn have fallen in volume by 19 per cent., and of piece-goods by 30 per cent. Woollen tissues are 26 per cent. lower, and linen piece-goods 12 per cent. lower. The only trade, in fact, which has held its ground is that of locomotives. Here the 1930 results are relatively satisfactory.

Iron and Steel Production in September.—There was no further fall in the number of blast furnaces in operation during September, since the two furnaces that went out of blast were replaced by two blown in; and the production of pig iron (425,000 tons) actually registered a small increase over August. Steel production was exceptionally low in August (451,300 tons) owing partly to the holidays, but the September output (580,600 tons) did not return to the level of July (621,400 tons). As predicted last month, the import figures begin to reflect the increased buying from the Continent consequent on the price declines following the suspension of control by the International Steel Cartel. Imports increased to 223,800 tons, compared with 195,400 tons in August. Exports of iron and steel in September (200,300 tons) not only fell to their lowest level since December, 1926, but were actually less than the imports for the first time since April, 1927, when imports were exceptionally heavy on account of the orders placed during the coal stoppage of the previous year. There were few price changes during the month, and the Board of Trade price index for iron and steel products (1913 = 100) showed only a small decline from 112.0 in August to 111.6 in September. The following table compares the production of pig iron and steel and the import and export figures in each of the first three quarters of 1930 with the corresponding period of 1929:—

	PRODUCTION, IMPORTS AND EXPORTS OF IRON AND STEEL. (In thousands of tons.)							
	Output of				Imports.		Exports.	
	Pig Iron.		Steel Ingots and Castings.					
	1929.	1930.	1929.	1930.	1929.	1930.	1929.	1930.
1st qtr....	1,574.0	1,922.8	2,399.4	2,373.6	586.4	850.0	1,151.4	983.8
2nd qtr....	1,923.9	1,797.3	2,483.3	1,988.1	753.4	683.0	1,089.4	813.7
3rd qtr....	2,018.5	1,327.8	2,406.0	1,653.3	721.5	618.0	1,033.5	722.5
Total	5,516.4	5,047.9	7,288.7	6,015.0	2,061.3	2,151.0	3,274.3	2,520.0

It will be seen that production shows a progressive decline and that while, over the first nine months, production of pig iron was 10 per cent. less than in the corresponding period 1929, the output in the third quarter was 33 per cent. less than in the third quarter of 1929. In the case of steel the decline in production is 18 per cent. over the whole period, but ranges from one per cent. in the first quarter to 31 per cent. in the third quarter. Imports in the first nine months of 1930 are but little higher than in the same period in 1929, and in the second and third quarters this year have been actually less than in the corresponding quarters last year. This is due partly to the fact that imports in the first quarter last year were low on account of the severe weather experienced on the Continent which caused deliveries to be postponed and rendered the figures in the second quarter higher than they otherwise would be, while imports in the last few months were rather low, partly owing to the slackness of demand and partly to the refraining from purchasing in the hope that Continental prices would fall still further. Exports so far this year are 23 per cent. less than last year, and in the third quarter of the year were 30 per cent. less than the third quarter last year.

The Slump in Shipbuilding.—Events, unhappily, have borne out only too fully the correctness of the view which we expressed three months ago that the outlook for the shipbuilding industry was far from encouraging. The latest quarterly return compiled by *Lloyd's Register* brings out the severity of the slump which has occurred. At the end of September the total tonnage under construction in the world was 488,000 tons lower than three

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months ago, and 275,000 tons of the aggregate decline were accounted for by the contraction of work in hand in Great Britain, where the total amounted to 1,116,746 tons, or 332,000 tons less than a year ago. Even in the depression of 1928, work in hand did not fall to a much lower figure; and the fact that only 161,000 tons were commenced during the quarter, against launchings totalling 379,000 tons, indicates that the unemployment of British yards is likely to be progressive. Moreover, it is noteworthy that the tanker tonnage under construction, though 93,000 tons less than at the end of June, still amounts to 540,000 tons, leaving only 576,000 tons for general shipbuilding—a figure which compares very unfavourably with 923,000 tons in the depth of the depression at this time two years ago. Until there are signs of a general revival of world trade there is little in the situation of markets to inspire shipowners with sufficient confidence to place orders for new tonnage except in cases where replacements are essential in order that existing services may be maintained. With this outlook, the problems of co-ordinating capacity with demand which confront National Shipbuilders Security, Ltd., are seriously aggravated.

Idle Shipping.—The latest quarterly return compiled by the Chamber of Shipping of the tonnage laid up idle in the principal ports of Great Britain and Ireland is an eloquent testimony to the depth of the depression which the industry is undergoing. On October 1st the vessels idle numbered 368, totalling 885,418 net tons. Net tonnage declined during the quarter by 33,435 tons, or 3.6 per cent., but this reduction was much less than that normally to be expected at this season, when the shipment of Northern Hemisphere crops usually absorbs a large proportion of the summer "slack." Thus even last year idle tonnage fell between July 1st and October 1st by 115,000 tons. The latest figure is 620,000 tons higher than a year ago.

Preference and Empire Wheat.—A correspondent of the *Manchester Guardian* has raised an important point which is too often overlooked in the discussion of Mr Bennett's proposals to secure the British market for Empire wheat. This is the fact that, when the wheat imports of British countries are set off against the wheat exports of the Empire, there remains a substantial export surplus, which means that the Empire wheat-growing countries are in a very considerable measure dependent upon foreign markets. The extent of this surplus in recent years is shown in the table below:—

Crop year	EMPIRE IMPORTS AND EXPORTS OF WHEAT (Million bushels).			
	Net Exports of		Net Imports of	
	Dominions exporting	countries importing	Export Surplus.	
Aug.-July.				
1923-4	451.8	248.2	203.6	
1924-5	353.8	237.8	116.0	
1925-6	409.3	222.7	186.6	
1926-7	406.7	246.0	160.7	
1927-8	411.7	238.8	172.9	
1928-9	539.6	233.0	306.6	

If, therefore, a tariff were placed on foreign wheat and Dominion wheat left free, the foreign wheat which was no longer able to enter the British market would tend to drive Dominion wheat out of the foreign markets, and

the position of the Dominions exporting would be in no way improved. Since, in fact, Dominion wheat cannot conveniently be used to replace foreign wheat entirely there would also be some rise in price to the consumer in this country. In view of the extreme inelasticity of the British demand for wheat we cannot, however, press very far the further argument of the *Manchester Guardian* correspondent that this would necessarily prevent the demand for Dominion wheat from expanding to the full extent of the curtailment of the consumption of foreign wheat, and so involve a slight net loss of markets to the Dominions. The main point is that there would be no gain. It may perhaps be argued that since the ousting of Dominion wheat from foreign markets could only be achieved by price-cutting, the ultimate effect of such measures would be a curtailment of foreign wheat production to the advantage of the British Empire. In view, however, of the expense and political difficulties involved in cutting down wheat production in countries where it is important, it is certain that any such development would be preceded by years of embittered and destructive economic warfare in which all the combatants would be losers.

Empire Tariff Troubles.—Our Ottawa correspondent writes:—Canadian motor manufacturers and subsidiary establishments are much disturbed at the recent increases of the New Zealand tariff rates on motors and their parts which were avowedly made by way of reprisal for Canada's behaviour in regard to New Zealand's butter exports. New Zealand butter is still coming in in large quantities, and keeping Canadian butter prices low, but the existing trade arrangements terminate next month, and Mr Bennett is faced with the delicate problem of negotiating with Premier Forbes a new commercial treaty which will simultaneously be palatable to the Canadian dairymen, and preserve the New Zealand trade of certain manufacturing interests. But obviously if New Zealand and Canada cannot reach a satisfactory trade arrangement, the prospects of any scheme for ringing the Mother Country and all the Dominions with the same tariff hoop must be exceedingly dim.

Government Cotton Report.—Our Manchester correspondent writes:—It is rather more than three months since the report of the Government Committee on the cotton industry was published. Since then the several organisations in Lancashire connected with the employers and the operatives have discussed the recommendations, and numerous sub-committees are making an exhaustive inquiry as to what action can be taken. So far, however, there has not been any joint conference of representatives of the masters and the workpeople. It is now announced that Mr William Graham, the President of the Board of Trade, and Mr J. R. Clynes, who presided over the closing sitting of the Government inquiry, will be in Manchester next week for the purpose of consultations with the several trade interests. It is understood that before the opening of Parliament the Prime Minister is anxious to ascertain the facts of the situation, and he has asked Mr Graham and Mr Clynes to prepare a report for the Cabinet. Although the arrangements in Manchester are being made by the Joint Committee of Cotton Trade Organisations it is understood that the two members of the Government will have separate conferences with the different sections. The only definite statement which has been made on behalf of Lancashire trade with regard to the Government report is that of the Master Spinners' Federation, and the reply of this organisation was that the Government Committee had ignored certain outside factors which were of vital importance, these being the effect of deflation, the fall in the price of silver, longer working hours in competing countries, the increase of tariffs and the heavy burden of taxation. The leaders of the industry are convinced that any action taken will have to be in the nature of reducing costs of production. On this point some progress has been made this week with

regard to the new system of more looms per weaver. A sub-committee of the Manufacturers' Association has prepared a wage list, and this is now being submitted to the district associations, and if approved will be placed before the trade unions. Of all the attempts which have been made in Lancashire to deal with the depression this proposal of more looms per weaver is likely to give more tangible results than any other scheme, as it is apparent the change proposed will mean a definite decrease in the cost of producing every kind of cloth which can be made under the revised conditions, whilst the operatives employed will receive a higher wage than previously. Such a development will, of course, mean some displacement of labour, but the employers have promised that this side of the question shall receive their careful consideration and everything possible will be done to prevent real hardship.

A Black Crop Season.—The distress suffered by the British farmer in consequence of the unsatisfactory state of the markets for agricultural produce is widely recognised. Less familiar, perhaps, is the fact revealed by a special report in the *Times* that this season the farmer will have pitifully little to bring to those markets. Until June the outlook was considered fair, but the following weeks brought weather which has ruined a very large part of the cereal harvests. Beans, potatoes and roots are in fair condition, but the state of the cereal crops is the worst in the last six years, as the following table shows:—

CONDITION OF PRINCIPAL CROPS ON OCTOBER 1ST.

	Wheat.	Barley.	Oats.	Beans.	Potatoes.	Roots (except Mangolds).
1925	92.48	86.95	87.11	90.18	92.96	77.53
1926	90.23	91.9	96.92	86.3	85.27	91.06
1927	86.87	84.72	84.31	88.87	83.24	85.81
1928	92.36	93.79	93	84.25	94.5	91.25
1929	95	94.89	91.56	78.12	91.45	75.25
1930	84.85	81.62	83.84	90.35	87.6	82.48
Ten years' average ...	91.16	87.32	87.74	84.03	87.38	83.5

Except in Kent, wheat is giving a poor yield; barley has been badly injured, and oats are sprouting in the stook. Individual farmers' reports make very painful reading, and the table of yields given below bears them out:—

ASCERTAINED AND EXPECTED YIELDS PER ACRE OF PRINCIPAL CROPS IN GREAT BRITAIN.

	Wheat. Bushels.	Barley. Bushels.	Oats. Bushels.	Potatoes. Tons.
October 1st:				
1925	32.54	33.6	45.15	6.98
1926	32.35	35.07	48.99	6.07
1927	31.77	33.83	43.21	6.02
1928	34.93	37.67	46.83	7.04
1929	36.25	38.09	47.76	7.15
1930	31.35	32.58	43.36	6.69

Not even the most ingenious devices of politicians will avail to prevent 1930 from going on record as one of the worst seasons British agriculture has experienced.

The Cloth Boycott in India.—Lancashire has been keenly interested this week, writes our Manchester correspondent, in the cables from India with regard to recent developments relating to the boycott of foreign goods. It is announced that the Bombay Native Piece-Goods Merchants' Association passed a resolution at the beginning of this week permitting its members to open their shops for the disposal of stocks of foreign cloth. It was agreed, however, that the members should maintain their previous decision not to buy further supplies. It seems, however, that when the time came for putting the resolution into operation there was considerable resistance from the representatives of the Congress party, who assembled in large numbers outside the bazaars. According to the latest information business has not been resumed and it looks as though the merchants are afraid to reopen their shops. This development, however, indicates that the boycott is weakening and Lan-

cashire manufacturers are looking forward to more business at an early date. In the meantime Manchester merchants are receiving more cables from India generally asking for prices to be wired out. In small lots rather more trade is now being done, but the political situation is still causing uneasiness. It must also be remembered that Lancashire manufacturers are now handicapped by the increase in the import duties, and in coarse goods it is more difficult than ever to compete against the products of the Indian mills.

The Central Collieries Association.—A Leeds correspondent writes:—It was announced after a meeting held in Leeds on Thursday of last week that several District Associations had decided to withdraw from the Central Collieries Commercial Association, the voluntary body which has operated the marketing scheme of the Midland counties since the early part of 1928. The seceding districts are Notts. and Derbyshire, Leicester, Warwickshire and Cannock Chase. This virtually means the closing down of the Association which the Yorkshire owners had hoped would be continued for the purpose of maintaining the subsidy. An essential part of the scheme was the levy on inland coal for the purpose of assisting export by means of a subsidy. The Yorkshire owners, who were the prime movers in the scheme, pointed to the necessity of relieving the home market by resuming an export trade proportionate to that done in pre-war days. In the year ending March, 1928, immediately before the Association started operations, the exports from the Humber totalled only 2,566,733 tons, exclusive of bunker coal. In the first year of the Association's working exports rose to 4,728,534 tons, and in the year ending March, 1930, to 7,018,712 tons. Now that the Coal Mines Act imposes upon districts a marketing scheme containing provisions for regulation of output and price, some of the owners, less concerned with export than those in Yorkshire, do not see the necessity of continuing the Association as a separate body for the sole purpose of continuing the levy. The levy and export subsidy ceased on September 30th, and this is bound to have a considerable effect both on export prices and on the volume of export from this area.

Medical Sickness, Annuity and Life Assurance.—This society, which since 1919 has been incorporated as a mutual society, finds its sphere of usefulness in the medical and dental professions, and the seven directors of the society are drawn entirely from these callings. The society maintains a sickness fund and a life assurance fund, and these now amount to £412,000 and £259,000 respectively. It is understandable that a permanent sickness contract offers particular attractions to doctors and dentists, and the society is in a position to offer these benefits coupled with an ordinary life assurance policy. Naturally the business is of small dimensions. New life policies were issued last year totalling £274,000, and the premium income in both departments amounts to just over £100,000. The weight of overhead charges bears heavily on such a small company, and, in spite of the fact that no commission is payable, the expenses work out at 15.4 per cent. of the combined premium income. The society is of the greatest assistance to doctors and dentists in assisting them to purchase houses by means of mortgages coupled with endowment assurance life policies as collateral security. In another direction the society breaks new ground in granting loans to young medical and dental practitioners for the purpose of the purchase of practices or shares in partnerships. The loans granted of this kind have risen by £27,000 in the last year, and now total £65,000, or nearly 10 per cent. of the total balance-sheet assets. For the rest the society pursues a very conservative investment policy, reflected in the relatively low rate of interest earned on the funds. The sickness fund, which is assessed to income tax on profits, earned last year £3 19s. 11d. per cent. net, and the life assurance fund earned in the same period £4 8s. 2d. per cent. net.

A course of six public lectures on "Newmarch and His Contemporaries" will be given by Professor T. E. Gregory, D.Sc., on Tuesdays, October 21st, 28th, November 4th, 11th, 18th and 25th, at 5.30 p.m., in the Department of Applied Statistics, University College, Gower Street, W.C. 1. The chair at the first lecture will be taken by Sir Basil P. Blackett, K.C.B., K.C.S.I. The lectures are open to the public without fee or ticket.

Overseas Correspondence.

UNITED STATES.

Money — Politics — Stock Exchange — Industry — Prices.

(FROM OUR CORRESPONDENT.)

NEW YORK, October 8.

MODERATELY firmer short-term money is ruffling the otherwise placid surface of the credit market. Month-end dividend and interest payments account for much of it, but the trade expansion which normally reaches its peak in mid-October is partly responsible. Both day-to-day money on the Stock Exchange and funds up to six months' maturities are a trifle firmer, and the latest report of the member banks of the Federal Reserve System shows a substantial increase in commercial loans. However, there is no likelihood of any real tightness, and the seasonal credit demands of the interior will be easily satisfied.

More than usual interest has been attracted to the commercial bank statements of condition published as of September 24th, the first since the June 30th statements. Deposits fell sharply, the New York banks losing upward of \$1,000,000,000 since midsummer, but part of the decline was of a seasonal nature, and much of the remainder was due to a lower "float," that is, clearing house checks and exchanges in transit, the volume of which depends largely on stock market activity. The Stock Exchange was unusually quiet at the time the reports were made up, thereby cutting into gross deposits. There was only a moderate drop in net deposits. Moreover, the banks reported earnings above expectations. Nearly all the important City banks covered their dividend requirements with something to spare, in spite of lower deposits and the lowest interest rates in 15 years.

Low money rates and consequently declining yields on high-grade securities have borne heavily on the savings banks. For a long time the New York banks have maintained a 4½ per cent. deposit interest rate, but recently a number of them have reduced the rate paid to depositors to 4 per cent., and probably the others will fall into line before long. The immediate effect was to stimulate the market for high-class bonds, particularly municipal issues, on the idea that the savings banks could now afford to pay more for them. Savings banks have also been embarrassed by large offerings for deposit of cash which they regard as "business money" looking for employment and not savings cash, strictly speaking. Some have taken steps to cut down such deposits, fearing not only inability to maintain deposit rates if compelled to invest at current terms additional large sums, but also heavy withdrawals of deposits later on when trade improves and business men find other outlets for their surplus money.

Rather unexpectedly the Treasury has announced a fresh bill tender of 62 days to the total amount of \$100,000,000, half of which will be dated October 15th and half October 16th. A bill maturity of \$120,000,000 must be met next month, and, of course, the usual financing around the December tax date must be done, note maturities amounting to \$483,000,000. With the new issue there will be outstanding \$220,000,000 of Treasury bills, the largest volume at any one time since the Treasury began to make use of the non-interest bearing bills.

Concern over the situation in Brazil is considerable, and those who fear the worst are anxious lest the uprising result in cessation of interest on some of the bond issues, regardless of the final outcome. The expense of putting down the revolt will in any event be heavy and will probably hamper any Government in maintaining service on debts, especially in view of the interruption to trade incident to the closing of the banks and foreign exchange markets and the fall in coffee. Conditions in Cuba and elsewhere among our Latin-American neighbours are, on the other hand, improving somewhat.

No great interest in politics is being taken in the country at large. Primary elections late in the summer at which candidates for minor offices were selected were more lively than usual, owing to the multiplicity of office seekers, as usual in a year of business depression, but interest in the final voting to be done in November is milder. The Republicans are more or less reconciled to seeing gains by the Democrats, the party in power invariably losing seats at the Congressional elections held in "off" years—i.e., other than presidential years—when business is poor. The coming elections have not in any manner been a factor in the security markets, nor are the results likely to be.

Stock market prices have been settling down under the reluctant but positive realisation that no trade improvement worth mentioning is likely to be seen during the remainder of this year. Even seasonal gains are lacking in some directions. Steel ingot output in September dropped more than 7 per cent. below that of August, following a modest upturn in the latter month. It was the smallest for any month since December, 1927, and it is probable that the moderate rise in steel mill orders last month merely helped to keep down stocks, which apparently have been accumulating. Pig iron production also fell last month, the decline amounting to nearly 7 per cent., and the rate being lowest since 1924. At the same time, prices for pig iron are barely steady and steel is weakening. Steel scrap has declined 50 cents a ton for the second time in a fortnight. The motor trade is not increasing its orders nor are the railroads. Building is requiring more steel, but the oil industry is taking less, owing to further curtailment of drilling.

While numerous railroad executives as well as other business men are insisting that stocks of manufactured goods in the hands of consumers are low and that shortly the movement of commodities must quicken, no sign of it has come yet. Railroad traffic for the last week in September was the smallest for any corresponding week since 1921, and was below the preceding week. Complete returns of railroad earnings for August show a drop of 32.5 per cent. compared with a year ago, and it is unlikely that much more favourable results were obtained in September. The result has been further liquidation in all classes of railroad shares, which are now selling much lower than their worst prices in the autumn decline of last year. However, dividends for the majority of the strong roads are believed to be quite safe.

Building contracts awarded last month were 5 per cent. under the August total for the States east of the Rocky Mountains. The drop was 25 per cent. under a year ago. An encouraging development was a considerable increase in residential construction, a section of the industry which has been lagging for more than a year. For the first nine months construction undertaken in these States was only three-fourths that of the same period of last year.

The decline in wholesale prices, interrupted in August, was resumed in the following month. Dun's index shows a recession of 1.6 per cent. for the month, lower quotations for foodstuffs being almost entirely responsible. Conditions in cotton are becoming somewhat demoralised, and leaders in the trade as well as Government officials are considering relief measures, which will probably involve further extension of large credits by Federal agencies.

FRANCE.

Radical Socialist Congress — Budget — Industrial Activity — Prices.

(FROM OUR CORRESPONDENT.)

PARIS, October 15.

THE effect of the proceedings in general at the Radical Socialist Congress at Grenoble has been to give the impression that the Party has distinctly veered slightly towards the Right, and that the possibilities of the arrival in power, in the near future, of a strong "Cabinet of Republican Concentration" have been appreciably strengthened. The texts of the resolutions themselves are as obscure and puzzling as usual, but are more eloquent by what they do not express than by the well-worn phrases designed for consumption by the mass of silent militant voters in the Party in the country districts, who still regard anti-clericalism as the main plank in the Party's political platform. As a sop to these unbending members, M. Dumesnil, who had the temerity to flout Party discipline and accept the portfolio of Minister of Marine in the present Cabinet, was formally expelled from the organisation. M. Herriot and the other leaders, however, were careful to refrain from any specific pronouncement that would preclude them from once more participating in a Coalition Cabinet, should the opportunity arise. Above all, care was taken to prevent any repetition of the fatal stampede by the wild men of the Party, at the historic Angers Congress, which brought about the enforced withdrawal of M. Herriot and his three Radical Socialist colleagues from the then Ministry.

The Party declaration of policy, at the same time, was appreciably strengthened in so far as its attitude towards national defence is concerned. Hostility to M. Tardieu in person was undisguised, but in this instance also the barking may be accepted as likely to prove much superior to the intention to bite. A strenuous effort to overthrow the Ministry is practically certain to be made when the Chamber reassembles shortly. There are indications, however, that even if this effort proves successful—which is no more than a bare possibility—M. Tardieu would be quite likely to be called on to succeed himself, either with or without the co-operation of the Radical Socialists. From the international point of view the return of M. Herriot and his friends to power, as members of a Coalition Cabinet, would ensure a continuance of the Briand policy of appeasement and reconciliation, while the presence of M. Tardieu (either as Premier, or as head of one of the principal Ministries) and several of his present Cabinet associates would be a guarantee of French security and of respect for treaty obligations.

The preamble to the Budget Bill for 1931-32 has now been completed and sent to the Chamber's Finance Commission, with a view to beginning the annual finance debate in Parliament towards the end of September. The document shows that since 1920 the national expenditure covered by the Budget has been substantially more than quadrupled (on the basis of the actual respective values of the franc ten years ago and in 1929), the total revenue having risen from 13,814,369,800 francs to 56,922,148,470 francs, which is equivalent to an increase of 312 per cent. The total credit opened for the financial year ending March 31st next was 50,398,167,195 francs, representing (after deducting credits representing reimbursements, etc.) 49,779,384,795 francs net. This total expenditure is distributed as follows:—

Public debt and allowances to war victims.....	23,856,647,917f.
Expenditure on national security	10,921,678,139f.
Cost of administration	6,478,667,475f.
Education and social expenditure.....	5,329,002,139f.
Expenditure on national economic equipment	3,089,325,760f.
Parliamentary and presidential salaries	104,063,365f.

For the coming financial year the Government has determined to limit total revenue from taxation and all other sources to 50,251,000,000 francs, or about 200,000,000 francs less than the sum budgeted for in respect of the current year. The estimated revenue for

the coming year includes the allocation for ordinary Budget purposes of a sum of 1,959,500,000 francs from the payments received from Germany on reparations account. This amount has been fixed, as in the current year, by deducting from the year's total payments from Germany the amount necessary to meet the annuities due to the British and United States Governments in respect of this country's debts to them, "but leaving at the charge of the Treasury the expenditure resulting from cash payments for the reparation of war losses."

Dealing with the manner in which the Government has succeeded in compressing next year's expenditure, without prejudicing necessary requirements, the preamble of the Bill explains that the credits asked for by the various Government departments would have involved, as originally drafted, fresh additional expenditure of slightly over 6,000,000,000 francs. The increased demands were drastically cut down by 4,200,000,000 francs, but this still left to be found 1,800,000,000 francs (representing additional expenditure that could not be avoided). It would have been impossible, the Finance Minister explains, to have arrived at a balance without imposing increased taxation "if we had not found a solution by means of a fresh modification of the distribution of charges between the General Budget on the one hand and the Caisse d'Amortissement on the other." Under a convention signed on September 30th last, the Caisse d'Amortissement undertakes to make itself responsible in future for the payment of 1,800,000,000 francs of annuities in respect of the public debt service that have hitherto been provided for under the General Budget. By this means estimated revenue and expenditure have been made to balance as follows:—

Estimated revenue	50,251,748,329f.
Estimated expenditure	50,145,286,389f.
Estimated surplus	106,461,940f.

The Opposition has already seized on the fact that, in order to balance the Budget, an additional charge of 1,800,000,000 francs a year has been transferred to the Caisse d'Amortissement, and lively attacks on the Government's financial methods are expected both in the Finance Commission and in the Chamber. The device adopted, it is argued, however advantageous it may be to the Government and the taxpayers, must inevitably reduce by 1,800,000,000 francs a year the Caisse's capacity for debt reduction, as furnished under the constitutional law which created it. A great deal was said at the time of the able manner in which M. Poincaré had placed the funds of the Caisse out of the reach of "predatory politicians," but it is practically certain that nobody then realised how easily the new debt extinction organism might yet be utilised, notwithstanding the precautions taken, to come still further to the rescue of the Budget in a time of stress.

The Finance Minister's argument is that the policy adopted is justified by the fact that—notwithstanding his permissible boast that "France, of all the Great Powers, has so far experienced neither unemployment nor a deficit in taxation"—the country's economic position, with decreasing exports and "a slight slowing down of revenue," renders any further increase of taxation imprudent. This view is to some extent supported by the industrial production figures for August, which have been issued this week. The general index figure covering the country's leading nine industries is 139, or a decline of two points on the month and of five since December. Industrial output, which now stands exactly at the average monthly level of 1929 and 12 points higher than the average of 1928, is still 39 per cent. larger than before the war, and there are indications that the bottom of such slump as this country has experienced has now been reached. More than one industry is already reported to be again on the upward grade, and it is expected that the October, if not the September, index figures will confirm this.

Wholesale prices as the end of September, according to the index figure returned by the Statistique Générale, show a drop of eight points on the month and of 75 since

the end of September, 1929. The principal general figures are as follows (base 100 in July, 1914):—

	No. of Articles.	July.	August.	Sept.
General index figure	45	548	543	535
French products.....	29	595	599	595
Imported products	16	460	444	428
Foodstuffs (general figure)	20	538	543	538
Raw Materials (general figure)	25	557	544	534

It will be noticed that while the figure for imported products has dropped 16 points on the month, that for French goods has declined only 4 points. French native products are now 167 points dearer than imported goods, whereas the difference a year ago was only 45 points. The Paris retail prices figure for September is 637, a rise of 11 points on the month, of 35 since September last year, and of 93 since September, 1928.

GERMANY.

Politics — Trade Unions and Young Plan — Reich Loan — Wage Dispute — Capital Market — Reichsbank Situation — Bourse.

(FROM OUR CORRESPONDENT.)

BERLIN, October 14.

CHANCELLOR BRUNING has found it no easy task to hold the groups of the Government bloc together even until the opening of the Reichstag. Last week the German People's Party threatened to break away, and tried to make Herr Curtius, who is a member of the Party, resign his portfolio as Foreign Minister. Herr Curtius' opponents in his own party belong for the most part to the section which would like the Government to take immediate steps to get rid of the Young Plan. They therefore object particularly to having this "colleague" in charge of Germany's foreign relations. The more reasonable wing of the Party was, however, successful in controlling these elements.

A similar attack came, immediately before the first meeting of the Reichstag, from the Economic Party. This curious group, which represents a conglomeration of particular interests, among whom owners of houses are largely represented, should really have been very much pleased with the Brüning Government, for no Cabinet ever before made such promises to house-owners. They were, however, not satisfied with these, and they were, moreover, uneasy because the Government was relying for support—against the vote of no confidence to be brought in by the National Socialists, the Communists and the Nationalists—upon the Social Democratic Party. They therefore determined to make their representative in the Cabinet, Professor Brecht, the Minister of Justice, resign. The President, however, immediately upon hearing this decision, informed the Minister of Justice that "the nomination and dismissal of Ministers belonged to himself and to himself alone," and that he could permit no such interference from fractions. Herr Brecht, therefore, did not resign, and his party accepted the situation for the time being. But even the energy of the President will scarcely be able indefinitely to prevent the desire of a group to destroy the Government Coalition from expressing itself in action.

For a moment there seemed to be a serious danger that the Social Democrats would go back upon their decision to support the Government. The metal trade unions have refused to accept the arbitral award reducing their wages by 6.8 per cent., and have determined, by a general vote, to strike, if necessary. If the Government had at once declared the award binding, it would have aroused the most violent opposition from the Socialists and greatly imperilled the parliamentary situation. The Minister of Labour has, however, announced that he proposes to invite the parties to the dispute to fresh negotiations, and it may be assumed that he will abstain from applying compulsion even if there should be a strike.

The Government has undoubtedly scored a great success with its loan, which is important not only from the point of view of the Treasury, but still more from the

point of view of the credit of the Reich. The loan amounts to 125 million reichsmarks and will cost 6.3 per cent. It is to run for six months in the first place, with renewal at the option of the Government for two years. The conditions include an accelerated redemption of public debt, and this is provided for in the Government programme already published, which includes the repayment of Rm. 420 millions of floating debt in each of the next three years. This means that Rm. 1,260 millions will be redeemed in three years, while the present loan only amounts to Rm. 500 millions for two years. It may be assumed that this redemption represents less a condition imposed by the creditors than the desire of the German Government itself, which may wish for political reasons to have the entire redemption scheme bound up with the granting of the loan.

The attitude of the trade unions to the Reparations question is expressed in such resolutions as this: "In view of the severe economic depression in Germany, the present reparation burden, which has long greatly exceeded what was required to make good the damage occasioned by the war, is imposing the severest strain upon German economic, social and political life." The unions further stress the fact that they only agreed to the Dawes and Young Plans under pressure of necessity. "They have never left room for doubt that the aim of German politics must be the revision of the reparation agreements and the restoration of the full sovereignty of the German people. It is indisputable that the milliards which Germany has to pay to her creditors is one of the causes not only of the immense amount of unemployment in Germany, but also of the disturbances in world economy. . . . The German workers, who have always stood for a just and lasting peace, now feel themselves justified in uttering, indeed morally obliged to utter, this solemn warning. The unions do not, like the Right, wish to force the Government to immediate action; they have, indeed, expressly emphasised the fact that they want not a moratorium but negotiations between the Governments with a view to revision. This decision from the Socialist ranks is, however, a particularly clear sign that the present solution of the Reparations question is not regarded by anybody in Germany as permanently tolerable.

Conditions have become more acute on the security and capital markets in recent weeks. The causes are perfectly clear. Though foreign credits were called in during the months following the elections, they were not very extensive and cannot be held responsible for the present development. The great demand for foreign exchange is explained first and foremost by the flight of capital: more and more Germans are finding it necessary to accumulate property abroad or to provide in advance for their exchange requirements of the future. The drain of gold and exchange from the Reichsbank, the consequence of this flight of capital, is intensifying the political nervousness which already existed.

As the foreign exchange holdings of the Reichsbank have fallen considerably in recent weeks, it has been obliged to export large quantities of bar gold to Paris and Amsterdam. On October 10th, Rm. 87 millions of gold left the Reichsbank, and the total reduction in cover from September 14th to October 14th was about 350 millions gold and 450 millions foreign exchange. The average note circulation is still covered to the extent of about 55 per cent., so that there is no ground for anxiety. The Reichsbank takes the view that it is impossible to begin too soon to take measures for protection of the currency, especially under present conditions, with the future demand for foreign exchange so unpredictable. These considerations explain the rise in the discount rate of October 9th. It makes very little difference to the flight of capital whether the rate is 4 or 5 per cent. The only effective device, and one which has frequently been tested in Germany, is a sort of joint credit restriction by the Reichsbank and the private banks. This requires so severe a tightening of credit that industry and trade have no chance of exporting superfluous funds. The Reichsbank would undoubtedly not hesitate to take this step, but it wished to give a warning first by raising the discount rate. Credit restriction has the advantage over further raising of the rate that legitimate credit is not made

dearer, so that the already difficult economic situation is not burdened by increased interest payments.

It would, of course, greatly ease the situation for the Reichsbank if it received in the near future \$120 millions in foreign exchange, from the new loan, for conversion into marks. But the loan will only become available after the passing of a law, so that it cannot come in time to relieve the foreign exchange difficulties of the moment. Rumours are therefore multiplying that the President of the Reichsbank has raised the question of an international credit in his negotiations in Bale. A credit from the foreign banks of issue to be drawn on if necessary by the Reichsbank no longer seems outside the realm of possibility.

The Bourse has been depressed during the last few days by the gold exports, the internal political difficulties and the threat of a strike in the metal industry. All German loans sagged in sympathy with the movement of the Young Loan in foreign exchanges. First-class 8 per cent. German bonds fell below 90, and the average yield almost touched 10 per cent. The movement of the share market is typified by the fall of A.E.G. from 122 to 106, Salzdettfurth from 280 to 244 and Reichsbank shares from 224 to 200, all in one week.

HOLLAND.

Public Finance — Capital Issues — Foreign Trade — Prices — Shipping.

(FROM OUR CORRESPONDENT.)

AMSTERDAM, October 6.

In the Queen's Speech at the re-opening of Parliament the Government brought the prevailing economic crisis into direct relationship with the state of the Exchequer. The 1931 Budget presented by the Minister of Finance, in fact, closes with an estimated deficit of about 9 million guilders, as compared with surpluses in the preceding three years of 57, 50 and 7 million guilders respectively, and, in comparison with those figures, the 1931 Budget leaves a very unsatisfactory impression. The 1930 fiscal year will close with a surplus too, as was estimated, but for next year a deficit will have to be faced. According to the Minister of Finance, this deficit does not give rise to the necessity for taking any extraordinary measures. If, however, the depression continues, the situation will assume a more serious aspect.

To increase the burden of taxation in a period of declining prosperity would obviously only aggravate the situation, and would very likely impair the sources which provide the revenue. If the opinion expressed in some quarters proves true, that the prevailing world crisis must be regarded as a continuation of the post-war liquidation, and that the balance will only be recovered when a level of prices and wages much nearer the pre-war figures has been reached, an increase in taxation would certainly have the wrong effect. It is obvious that a progressive reduction in taxation would be more in conformity with such a general downward movement than a new increase in the burden of taxation. Further, not forgetting that the strictly cut estimates of revenue and expenditure will tend to make the new Budget far less flexible than many of its predecessors, and in consideration of all the factors of the present situation, the inevitable conclusion is that there are dark clouds hovering over our State finances.

The unsatisfactory general situation is also reflected in the statistics of the new issues floated in the Dutch market. New issues in September were only 18.2 million guilders, which amount hardly differs from the total for the preceding month. It is clear that, apart from the general economic situation, there must also be other factors at work to account for such a lack of activity as has been displayed by our issues market the last few months, especially as the unprecedented liquidity of the money market results in abundance of funds being available for capital investment. The direct influence last

month was undoubtedly the disturbed political situation revealed by the elections in Germany, which struck another severe blow at Germany's credit abroad.

In the Netherlands trade returns a further decline is recorded. According to the official foreign trade statistics, the value of imports in August, 1930, was 199 million guilders, as against 204 millions in July and 247 millions in August, 1929. The exports registered a slight increase, from 145 million guilders in July to 152 millions in August, but they declined 30 million guilders as compared with August, 1929.

SWITZERLAND.

Foreign Trade — Industrial Depression — Capital Market.

(FROM OUR CORRESPONDENT.)

GENEVA, September 21.

Economic conditions in Switzerland have grown worse during the summer, as shown by the unsatisfactory results of foreign trade, the decrease in the receipts of transport undertakings and the growth of unemployment. There was a rise in imports during July and August when the figures were respectively £9,537,153 and £9,611,245, compared with £8,032,728 in June, and with £9,776,499 and £9,446,418 respectively during the corresponding months of 1929. The increase in imports of foodstuffs, minerals, wool, chemicals and precious metals was particularly great. On the other hand, exports have been continuously dwindling, and in June they fell to £5,469,248. They rose slightly in July, when they reached £5,522,276, but they dropped to £5,215,681 in August, the lowest figure recorded for many years. Compared with 1929, the decrease was £1,471,156 in July, and £1,324,417 in August. All the exporting industries are more or less touched by the depression, but the cotton, silk and watchmaking industries, which are among the chief exporting industries of Switzerland, are suffering particularly.

During the summer months there was a rise in imports from Great Britain, mainly due to important gold purchases in England, and a continued fall in imports from the United States. British imports into Switzerland, which reached a monthly average of £526,561 during the first half-year, rose to £1,424,400 in July, and to £1,758,300 in August. There is no doubt that Great Britain has to some extent benefited from the reduction of Swiss purchases from the United States. Swiss exports to Britain totalled respectively £832,447 and £825,593 in July and August, compared with a monthly average of £864,319 during the first half-year. Imports from the United States, which totalled £650,935 in June, rose to £678,817 in July, but they dropped to £565,776 in August. During the first half-year, Switzerland imported motor-cars to a value of £1,664,000, as against £1,584,000 in 1929, but while the importation of European cars increased by 304 cars, that of United States cars fell by 594.

The number of unemployed, which was 9,002 at the end of June, rose to 10,161 at the end of July, and a further increase of a few hundreds was recorded in August. It may be noted that over 50 per cent. of the unemployed belong to the watchmaking and jewellery industry, and about 20 per cent. to the textile industries. There is no improvement in sight, and prospects for the coming winter are therefore very gloomy indeed.

On the other hand, the banking situation is very good, and money is so abundant that the banks have, since July 1, reduced the interest on short-term and long-term deposits. Since the war, Switzerland has acquired a great importance in the capital market. Apart from Great Britain, all the European States affected by the war, especially Germany, borrow from Switzerland, and the overseas countries—such as Brazil and Chile—do so equally. From the end of 1921 to the end of July, 1930, foreign loans subscribed in Switzerland amounted to more than £52 millions. During the first seven months of 1930, twelve loans have been raised on the Swiss market to a value of £9,340,000, four loans to Germany representing

£1,170,000, and four loans to Belgium totalling £1,000,000, while there were substantial loans to Chile, Austria and Italy, and a number of smaller loans to foreign industries, banks and Governments. That money is abundant in Switzerland is shown by the fact that a conversion loan of £600,000, issued by the Federal Government, was subscribed five times within a few days.

JUGOSLAVIA.

Crops — Foreign Trade — Assistance to Agriculture — Money — Stabilisation.

(FROM OUR CORRESPONDENT.)

BELGRADE, September 15.

PRELIMINARY official harvest figures read:—Wheat, 24,200,000 quintals; maize, 35,000,000 quintals; oats, 4,200,000; barley, 3,400,000; and rye, 2,400,000 quintals. On the whole, the yield per hectare is less than in 1929, but the area is sown greater and the quality excellent, wheat containing as much as 39 per cent. of gluten. The total export surplus for the 1930-31 season is consequently smaller, the amount, as judged by the Economic Congress, being 7,040,000,000 dinars, as against an actual export during the 1929-30 season worth 7,800,000,000 dinars. The chief items among goods ready for export are: Live stock and animal products, 2,264,000 dinars; forestry and mineral products, 2,118,150,000; foodstuffs, 970,000,000; industrial products, 646,750,000 dinars; fruit, 276,100,000; and miscellaneous, 745,000,000 dinars.

Thus, with a smaller harvest, a smaller export surplus, and a general European depression which has lowered the purchasing power of industrial countries, the immediate prospects are not very bright. The money obtained by the largest consumer, the peasant, from last year's harvest was altogether disproportionate to the increase in yield, and most of it has already gone for long deferred purchases, repayment of debts, interest and taxes. His purchasing power in the industrial market is therefore crippled, and industry and trade are languishing in consequence. Even foreign trade, which had evinced healthy signs during the first quarter of the year, has much shrunk in volume during the second quarter, as regards both export and import, although the total volume of export is still above that of last year. The figures for the first seven months are: Exports, 3,876 million dinars, against 3,610 million dinars in 1929; imports, 4,055 millions, against 4,334 millions in 1929; deficit, 179 millions, as compared with a deficit of 724 million dinars during the same period in 1929.

On the other hand, serious efforts are being made by the government to assist agriculture, both internally in credit conditions, improved types of produce, and organisation of sale, and abroad. During its ten months' activity the Privileged Agrarian Bank has lent over 600 million dinars to peasants, chiefly through co-operatives, at 9 per cent. and 10 per cent., as against the usual 24 per cent. charged by country banks. Including the last two instalments of shares which are to be paid up by the end of November, the bank possesses another 1,000 million dinars in cash or credit. The Government is doing much for the improvement and standardisation of types of products, and is also distributing better seeds. Finally, the Privileged Export Company is combating speculative depression of corn prices and buying up large quantities for shipment abroad, chiefly to new markets. Abroad, the conferences at Bucharest, Sinaia and Warsaw all point to the desire of Yugoslavia, as well as of other Central and East European agricultural States, to create satisfactory marketing conditions for agricultural goods. Taken as a whole, this work represents the first systematic effort of any Yugoslav Government since the war to help agriculture, and as such, even though not likely to produce quick or showy results, it is undoubtedly favourably affecting the agrarian industry.

During this stagnation of business money continues to be abundant, and the three large municipal loans to Belgrade, Zagreb and Osiek issued by home banks are considered a sign of the growing strength of national

finance. Of these, the Belgrade loan was 125 million dinars, the Zagreb loan 40 millions, and that of Osiek 70 million dinars, the respective rates of interest being 9 per cent., 10½ per cent., and 9.6 per cent. The first two are short-term and the last a long-term loan for 30 years.

The legal stabilisation of the dinar is generally considered a question of the nearest future, and this is confirmed by a recent declaration of the Minister of Finance. The time, he says, is very favourable, as the stocks of the National Bank amount to over one and a half milliard dinars (£5.5 millions), and the total cover is 2,764,000,000 dinars, or 48.49 per cent. of the note issue, which is 5,500,000,000 dinars. Stabilisation, according to his declaration, would not imply a return to the gold standard, but simply a legalisation of the state which has existed for the last four years. At the time of stabilisation the State will repay half its debt of four milliard dinars to the National Bank. One of these two milliards will be repaid from the State's share in the gain during stabilisation, and the other by payment in cash. The remainder will be paid off in annual instalments over a number of years. The purpose of the stabilisation, the Minister concludes, is to strengthen the financial credit of the country and to help the accumulation of the capital necessary for a fuller exploitation of the country's natural riches.

CANADA.

Business Conditions — Tariff Increase — Imperial Conference — Western Wheat Crop — Foreign Trade — Census.

(FROM OUR CORRESPONDENT.)

OTTAWA, October 7.

AMONG intelligent Canadians there is no denial of an apprehension that the Dominion is facing a very difficult winter, and also that a period of lean years probably lies ahead. The whole country is at present in the grip of a serious economic depression, which affects practically every branch of industry and agriculture, and which at the moment shows no sign of lifting. With wheat selling on a basis of little more than 70 cents per bushel No. 1 Northern at Fort William, the average western farmer is receiving something between 45 and 55 cents per bushel for his crop, and this means that the purchasing power of the three prairie provinces has been reduced by at least 30 per cent., compared with the level prevailing a year ago, when it was lower than it had been for some years. The inevitable curtailment of orders from the West has been responsible for a marked slowing down of industrial activities in the Eastern provinces and the earnings of the transportation companies have suffered severely. Again the mining industry is for the time being almost flat upon its back; practically every silver and low-grade copper mine will be closed down this winter, and only the gold mines, which have substantial bodies of ore to work, are likely to show any profit. The difficulties of the newsprint industry have become aggravated during the summer months, as the depression in the United States has been forcing a steady reduction in the size of American newspapers, and, during August, the Canadian newsprint mills were only able to operate at 66.4 per cent. of their capacity, as compared with a ratio of 71.3 per cent. in July and 83.6 per cent. in August, 1929; the total output of the Canadian mills for August was 202,043 tons, as compared with 216,798 tons in July. The lumbering industry is also suffering from the diminished building construction, and the winter's cut is likely to be small.

The serious unemployment which prevailed everywhere was a large factor in causing the decisive defeat of the King Ministry in July, and the country is now awaiting evidence of the success or failure of the measures which the new Conservative administration formed by Mr R. B. Bennett took at the special emergency session of Parliament in September. Two separate methods were adopted for the alleviation of unemployment—the expenditure of money upon public works and the application of a higher tariff as stimulus to industries. In default of a system of unemployment insurance the Federal Govern-

ment could not, in view of its campaign pledges, avoid devoting a substantial sum to unemployment relief, and it will be supplemented from provincial and municipal funds. The new duties came into operation at once, and it is claimed that they have already created a substantial volume of new employment, particularly in the woollen and cotton mills, and they have had a psychological influence in stimulating confidence in business circles.

The increase of the level of protection is very unpalatable to the farming community in the West, who claim that it is bound to increase their costs of production and diminish still further whatever meagre margin of profit now exists in wheat growing; but the Government is getting some credit for living up to a pledge given by Mr Bennett that if manufacturers took advantage of the heightening of the tariff to raise their prices to the consumer, action of a punitive character would be taken at once. When it was demonstrated to the satisfaction of the Department of Finance that since the tariff on glass imports was raised the price of glass had also risen, the duty was at once restored to its former level.

The tariff changes will be useless if they do not provide more business for the Canadian manufacturers, but it is obvious equally that if imports are cut down, it will become even more difficult to market Canada's grain and other farm produce in Europe, and in some quarters it is being argued that, even if Canadian manufacturing plants secure a certain spurt from the higher duties, they will in the end find themselves no better off than before, as their western orders will continue to shrink. For the moment, however, industrial protectionist interests are in the saddle at Ottawa, for no less than 15 of the 19 members of the Bennett Ministry represent industrial constituencies, and this fact largely accounts for Mr Bennett's inability to offer at the Imperial Conference as the price of the acceptance of food taxes by Britain anything more than a comparatively modest increment of that general tariff which is applicable to goods imported from the United States and countries not possessing treaty arrangements with Canada. He was careful to avoid pledging himself to any inroad upon the preserves which the Canadian manufacturers have marked out for themselves, and, as a result, while the Conservative Press of Canada is warmly applauding his policy, the Liberal and agrarian papers are exceedingly critical of it. The *Ottawa Citizen* writes of "the fraud of first raising the Canadian tariff sufficiently high to keep out British goods under a policy of 'Canada First' and then adding another ten per cent. against other countries and calling it Empire preference," while the *Manitoba Free Press* thinks that Mr Bennett's offer will be summarily rejected, and that no sense of grievance will develop in Canada at such an outcome. However, the value of a high protectionist policy for Canada is now to be put to a clear test, and it is by no means certain that it will prove suitable to the economic needs of a country which in recent years has become increasingly dependent upon external markets and has met with some success in selling its manufactured goods in them.

The western harvest was completed under very favourable conditions, and the grading returns show that the wheat of 1930 is of very high quality, about two-thirds of the samples received in Winnipeg securing a grade above No. 2. But the price for October wheat has sagged to a point lower than has ever been known since the Winnipeg Grain Exchange opened for business, and with the export demand continuing very feeble, wheat is piling up in the elevators both at the lake ports and in the countries. The volume of the wheat crop of 1930 is estimated to be in the neighbourhood of 380 million bushels, and when the large carry-over from 1929 is taken into account, Canada will have more than 300 million bushels to dispose of during the present crop year. The co-operative wheat pools are still involved in great difficulties, but it is difficult for the private grain traders to hold them up to obloquy as one of the largest private grain traders operating in Winnipeg has lately come to grave disaster. Not only are his personal liabilities heavy but it is an open secret that as the result of his speculative operations the reserves of both a well-known milling corporation and a

leading grain company have been practically wiped out. The foreign trade returns show a steadily declining trend. For the month of August exports were only valued at \$69,290,228, as compared with \$96,264,517 in August, 1929, and imports were \$77,906,294, as compared with \$111,630,924, which means that the total foreign trade for August has shrunk from 208 to 147 million dollars. For the first five months of the present fiscal year the total value of the foreign trade is estimated at 779 million dollars, as compared with a total of 1,045 millions for the parallel period of 1929. In this five months' period there has been little change in the adverse balance which has only fallen from 77 to 74 million dollars.

Preparations are now going ahead for the taking of the decennial census of the Canadian people, and the actual work will be undertaken next June. At the last census the population of Canada was estimated at 8,788,483, and at the end of last June the Bureau of Statistics placed the provisional population figure at 9,934,500. One feature of the population returns in the last decade has been the steady decline in the natural increase; for the year 1921 it was placed at 156,573, but in 1929 it was only 121,465, the chief factor in the decrease being a fall in the birth-rate. It is now forecast that the forthcoming census will show a total population of roughly 10,250,000.

HONG KONG.

Imports of Cotton Goods — Woollen Goods — New Currency Regulations.

(FROM OUR CORRESPONDENT.)

HONG KONG, September 1.

THE feature of an otherwise dull month has been considerable activity in the fancy cotton piece-goods market. Normally the buying season for the following spring requirements opens in April, but this year dealers have been holding off in the hopes of exchange returning to a more reasonable level. These hopes have not been realised, and as soon as it appeared evident that further postponement of purchasing would mean missing the usual time for shipment, viz., December-January, dealers began to put forward firm offers. These offers, which in accordance with the custom of this market are in local currency, were a long way below the equivalent of Manchester prices, and at one time there seemed to be little prospect of business resulting. Eventually the offers were slightly improved, whereupon some importers, who had favourable exchange in hand, expressed a willingness to sacrifice their profit on exchange by fixing the business on the dealers' terms. As a result a substantial amount of business was booked, principally in shadow striped poplins, but barely half of what the market required.

After a short lull Manchester showed signs of coming down in price in sympathy with the fall in raw cotton. Simultaneously the exchange improved to 1s. 4d., and these two factors enabled further business to be booked on dealers' terms without the necessity for employing exchange higher than current rates. The total quantity of business booked is estimated at not far below 6,000 cases, the c.i.f. value being between £300,000 and £400,000. This business must be very welcome to Lancashire, but it is doubtful whether any of the parties to the transactions have made much profit, except perhaps the dealers, who appear to have bought very cheaply indeed. There is still some business to be done in other lines, such as mercerised cotton brocades and limbrics, but negotiations are more or less at a deadlock, the dealers being unwilling to improve their offers, while Manchester is unable to go below the very cheap prices which they have been asking.

Generally speaking, the piece-goods market here is in a healthy condition. Clearances during the past season were extremely good, and practically all old stocks from previous years have now gone into consumption. Woollen piece-goods for winter wear are now arriving, and clearances of these have already started. Here again dealers have bought well, for although exchange had fallen to

1s. 6d. at the time the buying season opened in January last it was offset by the big drop in raw wool. The further fall in exchange has, of course, sent up replacement costs, and no doubt dealers will take advantage of this in fixing their current prices. Piece-goods are reaching interior points of distribution quite freely, and although lines of communication are menaced by bandits and pirates, safe passage is secured on payment of "protection" fees to the various outlaw chiefs en route. The cost of the goods on arrival at a distributing centre is, of course, greatly enhanced by these levies, and naturally the volume of business with the interior is affected. It seems extremely improbable that the near future will bring any relief from illegal imposts, but the Chinese trader has adapted himself to what is now a normal state of affairs, and he can carry on provided no serious outbreak of civil war occurs. The Economic Mission, which sets out for the Far East in September, would find a trip to a big distributing centre such as Wuchow an experience both interesting and illuminating. They would see for themselves the insuperable obstacles which lie between the wholesale dealer and the ultimate consumer of Lancashire piece-goods, and they would probably realise that the Japanese selling organisations, adjusted to Oriental methods of business, have other advantages besides low cost of production. As, however, the Economic Mission proposes to confine its inquiries in the South to Canton and its immediate neighbourhood, it is probable that they will miss the opportunity (possibly carrying with it risk of capture and detention) of acquiring valuable information at first hand.

It is reported that, following the recommendations of the recent Currency Commission, steps are being taken to allow the authorised banks here to increase their note issues against cover of bar silver deposited in London instead of against minted dollars held here. With this in view large purchases of silver, stated to be at least 15 million ounces, have recently been made from the Indian Government at a price below the London market rate. It is expected that the further increase in note circulation, which will be made possible by this transaction, should bring the Hong Kong dollar down to the parity of its silver content. Despite efforts on the part of the banks here, Hong Kong notes are still at a high premium over the minted dollars which they represent, and it is hoped that the increase in note circulation will remove an anomaly which is a handicap to trade between Hong Kong and the coast ports of China.

Letters to the Editor.

THE FUTURE OF THE RATE OF INTEREST.

TO THE EDITOR OF THE ECONOMIST.

SIR,—There are one or two comments I should like to make on the interesting article which you published last Saturday about my views on the rate of interest.

Taking British first-class securities as the test, you show that I should have been more accurate if, instead of saying that the yields to-day are nearly 50 per cent. higher than twenty years ago, I had said that they were more than 40 per cent. higher. But I was speaking in round figures.

I also accept the point that the fall in the yield of those bonds which are much affected by political considerations must lag behind. For I was dealing with the rate of interest after allowing for any unusual risk. But if many borrowers are ineligible in the opinion of lenders, this may accelerate the rate at which the yield on really prime securities will fall.

My main point relates, however, to the figures you adduce to show that there has not recently been any falling off in investment. I cannot accept the figures of new capital issues which you quote as having any direct bearing on the question. For by "investment" I meant, as perhaps I should have explained more clearly, "physical investment," that is to say the net increment of capital goods. It would be convenient if new issues were a satisfactory guide to this; but, unluckily, so many corrections have to be made, that they are, in my judgment, nearly useless for this purpose.

In the United States other, more direct, evidence is available as to the rate of physical investment. This shows that

such investment began to decline in 1929, some months before the Wall Street slump, and is now at least 20 per cent., and perhaps a good deal more, below the level of 1928. In other countries comparable statistics are not available. I only wish they were. But from indirect indications my judgment is that, taking the world as a whole, the rate of physical investment, in the broadest sense of the term, began to fall away earlier than in the United States.

Behind all this lies, of course, my general view (which you quote) that "the slump is due to a retardation of new real investment so that it is falling seriously behind the level of current saving." But it would need a long argument to justify this statement. I have done my best to do so in my forthcoming "Treatise on Money."—Yours, etc.,

46, Gordon Square, W.C. 1.

J. M. KEYNES.

October 14, 1930.

[If we have misunderstood Mr Keynes, we are sorry. Our readers will await his forthcoming book with interest.—Ed., Econ.]

GOLD AND THE PRICE LEVEL.

TO THE EDITOR OF THE ECONOMIST.

SIR,—The memorandum by Sir Henry Strakosch on Gold and the Price Level, in the Supplement to the *Economist* of July 5th, makes many valuable contributions toward a better understanding of cyclical depressions. Yet certain studies on similar lines made in the United States would indicate that the recent swift plunge of world prices is connected more with currency deflation than with basic gold distribution—although both have played an important part.

Briefly, Sir Henry Strakosch obscures an otherwise clear analysis of business cycles, first, by minimising the effects of currency inflation and deflation as distinct from gold inflation or deflation, and, secondly, by confusing currency with credit. He assumes that since 60 per cent. of the world's population live under the blessings of the gold standard, it follows that "the money they handle will buy either at home or abroad, what the weight of gold into which it is exchangeable will buy." He adds that "the purchasing power of all the currencies of the gold standard world is determined, within a slight margin, by what gold will buy." He refers in only one important passage to the need of maintaining a proportionate ratio of "currency and credit" to gold reserves. But this and other occasional references to the "currency and credit" structure built upon a given gold base make the confusion rather worse—by implying that currency and credit belong to the same monetary family.

In point of fact, they are quite dissimilar. Credit is the great world paradox—in the sense that it only exists on the assumption that it can be wiped out. If it cannot be wiped out, it becomes a "bad debt." Currency, on the other hand, is a clearance medium. To have a constructive value, it must relate to a standard—the present one being a given weight of gold. Currency (at least in its most important function in gold standard countries) is a measure of credit and a medium for clearing the balance of credit transactions. But it is distinctly not to be grouped with the thing it measures and clears, any more than a yard stick is to be grouped with a strip of the cloth it measures.

The liability created by the issue of currency redeemable on demand in gold differs radically from other banking liabilities. It cannot be balanced by general resources, but only by the specific resource of gold metal. As of July 1st of this year, for example, the combined currencies of the U.S.A. and the banks of England, France and Germany amounted to more than \$9,993,000,000, whereas the total gold stocks held to offset this liability were only about \$7,636,000,000. In other words, we had a banking demand liability without an equivalent assets, either actual or available within a reasonably short period. The facts of record seem to indicate that such excess of currency over gold reserves represents merely so much "flat" currency, and that, as it varies in extent, it brings about a minor inflation or deflation in the general price levels as inexorably as the historic price movements brought about by French assignats, American "green-backs" after 1864, or German paper marks after 1918.

Single facts are stronger than theory, an examination of prices over the eighteen months from January 1, 1929, to July 1, 1930, in relation to currency inflation may be useful. It may help to establish the point that uneven gold distribution alone does not adequately account for collapsing prices, and that the changing ratio of currency to gold is of vastly more importance in establishing an increased buying power for each currency unit.

Taking first the combined currency and gold figures for the U.S.A. and the banks of England, France and Germany during the above period, we find that the currency to gold ratio stood at 155 on January 1, 1929, at 146.9 on January 1, 1930, and at

130.9 on July 1, 1930. This represents a deflation of 5.22 per cent. in the first twelve months and of 10.8 per cent. in the last six months, with a total drop for the period of 15.5 per cent. It is an amazing coincidence, to say the least, that the drop in the wholesale price level of all commodities (U.S. Bureau of Labour Statistics) during this same period was exactly 13.58 per cent., and the drop in raw material prices exactly 17.84 per cent. In other words, the percentage of currency deflation was almost exactly the mean between the percentage price drop in raw materials and that in "all commodities." Moreover, there is the added coincidence that the raw material drop in the first twelve months was 4.76 per cent. and the "all commodity" drop 3.9 per cent.—compared to the currency drop of 5.22 per cent., indicating that currency deflation began to accelerate slightly before commodity prices, and that the steepest drop in commodities coincided with the last six months' down sweep in currency deflation.

Possibly the most striking phenomenon connected with this whole relation of prices to currency deflation is the fact that gold resources increased during the period by more than 12 per cent. In other words, the lowering of the ratio of currency to gold came about more because of gold increases than because of currency declines. Circulating currency, as a matter of fact, decreased only 4.47 per cent.

Nor can this general movement be ascribed to the gold accumulation of any one country. Composite figures are sometimes misleading, but in the present case Bank of England gold resources increased 2.94 per cent., those of the U.S.A. 9.49 per cent., and those of France 37.8 per cent. The Reichsbank was the only one to show a decline in gold—amounting to 4.08 per cent. On the other hand, Reichsbank notes declined 18.5 per cent., Bank of England notes 5.32 per cent. and U.S.A. currency 9.08 per cent. French currency was the only one to increase in volume—but at a rate less than half as great as the rate of increase in gold reserves.

It cannot be said, then, that declining gold reserves in the four major countries have accounted for recent heavy price declines—nor (on the quantity theory of money) that the decline in volume of circulating currencies showed even an approximate relation to price declines. But the declining ratio of currency to gold did bear an almost exact and mathematical relation to the percentage drop in world prices—a drop in currency to gold ratio of 8.02 per cent. in England, of 18.9 per cent. in France, of 15 per cent. in Germany, of 16.6 per cent. in the U.S.A. and of 15.5 per cent. for the composite of the four countries.

These striking facts make one pause to consider whether, after all, more thought should not be given to currency deflation than in Sir Henry Strakosch's otherwise excellent memorandum. It seems more than possible that the legal provision of gold redemption does not, of itself, bestow on paper currency a purchasing power equal to gold, and distinctly probable that the actual buying power of the currency unit depends chiefly on the degree to which it is backed by gold reserves. Gold itself may change over long periods in relative value—but hardly with the dramatic suddenness of the recent world-wide price collapse. Currency, on the other hand, may change, and has recently changed, its intrinsic value (in terms of gold backing) with just such suddenness. Redeemable currency can be a sound and stable measure for prices and for the clearance of credits only so long as it maintains a fairly stable quantitative ratio to the world's common denominator—gold.—Yours faithfully,

39, Broadway, New York, N.Y.

October 1, 1930.

JAMES C. WILLSON.

IMPORT BOARDS.

TO THE EDITOR OF THE ECONOMIST.

SIR,—Every time a member of the Government appears in public nowadays, he almost bursts into tears at the bare idea of anybody paying more for food.

But what would be the effect of their Wheat Imports Board? In Sweden, wheat imports are regulated by the Government as strictly as they are anywhere in the world. And there, according to the Board of Trade reply to a recent question in the House of Commons, the average price of the 4-lb. loaf is 1s. 7½d., compared with an average price of 9½d. in this country.

Tariffs, on the other hand, in my view, even if increasing the price of food at all, would do so only temporarily, and would very soon repay the increase by the stimulus they afford to home production and the check they put on unemployment.—Yours faithfully,

8, Wellington Court, Knightsbridge, S.W.

October 13, 1930.

A. C. N. DIXIE.

[We agree with Mr Dixie that if an Import Board for wheat were established there would be a grave danger of an increase in the price of breadstuffs. But does the thermal efficiency of the frying-pan make the fire less hot?—Ed., Econ.]

TRUSTEE SECURITIES.

TO THE EDITOR OF THE ECONOMIST.

SIR,—Arising out of the article in your issue of September 27th on the present unsatisfactory state of the law regarding trustee investment, it occurs to me that the criticism contained therein, whilst perfectly valid so far as it goes, by no means covers the whole ground.

The unsatisfactory nature of the Trustee Act arises not only from the fact that it confines trustee investment to an arbitrary and unnecessarily restricted field, thus reducing the average rate of interest obtainable thereon, but that it almost entirely ignores the fundamental need of this class of investment, which may be defined as the greatest possible security of capital and interest accompanied by the highest rate of interest compatible with such requirements.

The varying yields now obtainable on trustee stocks are some indication that not all satisfy this need for greatest security of capital and interest, and in fact it is obvious that losses of trustee capital on occasions of realisation do take place to some considerable extent.

It appears, therefore, that more fundamental changes than a mere extension of the field of investment (which incidentally would complicate the task of the trustee), and an avoidance of semi-political considerations in its delimitation, are required if the main needs of this class of investment are to be secured, and I would suggest that this is obviously a field for the application of the principles of insurance and of the investment trust.

Briefly, I would propose, therefore, that a corporate body should be constituted either by Parliament, or voluntarily, consisting of leaders of the banking and investment world. If formed voluntarily, statutory approval of its activities would be required. At the option of testators, their funds would be diverted into a common pool, which would be invested under the direction of this corporate body. The income derived from such investment would be distributed to the actual trustees in proportion to the amount contributed to the common pool.

The effect of such a scheme would be that all trustee funds so invested would receive the same rate of interest, which, considering that their requirements are the same, is theoretically justifiable. At the same time, the actual investments could be spread over a much wider field than at present (though probably there would still be a need to restrict them to high-grade prior charges), thus yielding a higher average rate of interest than that now obtainable.

It would be out of place to consider here the detailed working of such a scheme, but there do not appear to be any insuperable difficulties inherent therein. The most obvious difficulty, namely, that involved in the withdrawal of funds, could be overcome by an arrangement whereby funds withdrawn would be payable at a discount or premium proportionate to the difference between the aggregate market value of the pool's investments at the date of withdrawal and their book value, thus reflecting changes in what might be termed the "pure rate of interest."

The costs of operation of such a scheme would be negligible in comparison with the sums involved, and with the benefits which would accrue, both directly in a monetary form and indirectly from the reduction in economic effort, resulting from the specialisation in a few expert hands of the vast amount of investment work which is now performed, conscientiously no doubt, but none too well, by trustees whose duties are often thrust upon them, and who have neither the time nor the specialised knowledge required for the execution of their investment functions in the most efficient manner.—Yours, etc.,

24, Old Broad Street, London, E.C. 2.

October 15, 1930.

S. HAMBURGER.

[This suggestion involves a change in the legal conception of the duties of a trustee, since it would divest him of his present responsibility for exercising care and judgment in the selection of securities, despite the existence of the Trustee List.—Ed., Econ.]

SOUTH AFRICA AND SECESSION.

TO THE EDITOR OF THE ECONOMIST.

SIR,—I should like to express my appreciation of the Note of the Week about secession in your issue of August 30th. You will understand that there are here two sides. Secession under anything like present circumstances would mean civil war, being intolerable to all our English people and some of the Dutch. On the other hand, Imperialism, in the sense of dominance by England, is no less intolerable to the Dutch and some of the English. Campbell-Bannerman showed us a path in which we can walk together. This was confirmed in 1926,

when Balfour fell into line. If he had done so in 1907 there would have been no trouble, and he did enormous injury to England by forcing the Dutch to feel that the Empire means ascendancy, while it does not. Some of the harm he did he undid in 1926, but with a mettlesome people in a majority (not counting non-Europeans) it is easier to inject poison into the blood than to take it out again. The hankerings after secession here are a nuisance. The failure of England to respond to Campbell-Bannerman's appeal to make the grant of self-government here the grant of a nation, rather than of a party, resulted in our Conservative English here following suit, and is more responsible than anything else for the present nuisance, which is more serious than is generally supposed.—Yours, etc.,

Cape Town,

September 24.

Books and Publications.

SPECULATION AND INTEREST RATES.

IT HAS long been an accepted principle of City finance that Stock Exchange speculation is, to a large extent, governed by interest rates. According to the prevailing theory, low interest rates bring about increased borrowing for Stock Exchange speculation, and a consequent rise in stock values, while high interest rates check speculation and produce a fall in stock prices. It is the endeavour of *Interest Rates and Stock Speculation** to prove by an historical statistical analysis that there is no justification for this theory, and that it is impossible to correlate from available evidence either high rates and low stock prices or low rates and high stock prices with any certainty. The authors do not contend, however, that there is no relation between the money and stock markets, but feel that interest rates are only one of many factors which determine the course of stock prices, and that purchases of speculative securities made in order to obtain a margin of profit between the dividend yield and interest cost are of no importance whatever in determining the course of speculation. The data on which they base their argument are compiled from official American publications and various semi-official indices of New York interest rates and stock movements from 1866 onwards. With the help of a series of tables and graphs, the reader is asked to consider the historical relation between call loan rates and stock prices from the seasonal and cyclical aspect; between call loan rates and the volume of stock sales; between day to day variations in call loan rates and speculation activities; between short time loan rates and speculation; and between interest rates in general and speculative and non-speculative security prices. Only in the single case of high-grade preferred stocks is there found to be any satisfactory correlation between low interest rates and increased share market activity, and this the authors attribute rather to the investment of floating supplies of capital than to the utilisation of cheap money for speculation. The authors have been at pains to study the question of correlation from every aspect, and have certainly made a *prima facie* case by inductive methods against any consistent movements on the lines of the accepted theory. Concluding their argument, they bring deductive reasoning to bear in an endeavour to explain why it is unlikely that low interest rates should increase speculative activity. By hypothetical examples, they indicate that the possible earnings due to the difference between the call loan rate and the dividend rate are, in fact, negligible, in view of the costs of the transaction to the speculator who endeavoured to borrow cheaply and invest the proceeds in industrial securities, and in view of the fact that the spread between the bid and the asked prices would usually wipe out any possible gains from low call loan rates. They also contend that speculation based on the difference between a dividend yield and call loan rates would be fraught with more danger than any speculator would care to face. Moreover, since it is always possible to find stocks whose current dividend yields exceed the short-term interest rate, the authors maintain

* "Interest Rates and Stock Speculation." By Richard N. Owens and Charles O. Hardy, of the Brookings Institution, Washington. George Allen & Unwin. 10s. pp. 219.

that if the theory were sound, speculators would always be borrowing funds in unlimited amounts with which to purchase such securities. To those who have hitherto based their financial principles on orthodox tenets, this book should have considerable value if only as a stimulating influence.

BOOKS RECEIVED.

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

(It would be a convenience to our readers if publishers would make a point of notifying us of the prices of books sent for inclusion in this column.)

The Economic War. By George Peel. (London) Macmillan and Company, Ltd., St. Martin's Street. 10s. 6d. net.

This very interesting discussion of the war "on two fronts"—the war of Capital against Labour and the war of the combined Capital and Labour of one country against the combined Capital and Labour of another—leads to a plea for the closest international co-operation.

A Searchlight on America. By James Truslow Adams. (London) George Routledge and Sons, Ltd., 68-74, Carter Lane. 12s. 6d. net.

An extremely critical essay by an American on the less desirable aspects of modern Americanism.

The Evolution of Industrial Organization. By B. F. Shields. Second Edition. (London) Sir Isaac Pitman and Sons, Ltd., Parker Street, Kingsway. 10s. 6d. net.

A useful textbook which deals with industrial combinations, scientific management, trade unionism, methods of remuneration, vocational guidance, welfare work, etc.

The Structure of Modern Industry. By G. M. Colman. (London) Longmans, Green and Co., Ltd., 39, Paternoster Row. 6d.

This W.E.A. booklet of about sixty pages is an excellent descriptive introduction to economics for the complete beginner.

The Theory of Collective Bargaining. By W. H. Hutt. (London) P. S. King and Son, Ltd., Orchard House, Westminster. 5s. net.

A critical account of the principal theories of the effects of collective bargaining upon distribution.

La Critica della Economia Liberale. By Ugo Spirito. (Milan) Fratelli Treves Editori.

A critique of classical economic theory. The principal economists discussed are Pareto and Croce, and there are also reproduced two discussions, with Umberto Ricci and Arrigo Serpieri respectively.

La Scienza Economica. By Achille Loria. (Padova) Casa Editrice Dott. Antonio Milani.

Two chapters on the history of economic theory, from Adam Smith to Marshall.

Sinon, or the Future of Politics. By E. A. Mowrer. (London) Kegan Paul, Trench, Trubner and Co., Ltd., 68-74, Carter Lane. 2s. 6d. net.

The thesis of this little book is that the alternative to war and revolution is more and better politics.

Bankers and the Property Statutes of 1925 and 1926. By R. W. Jones. (London) Sir Isaac Pitman and Sons, Ltd., Parker Street, Kingsway. 6s. net.

Sets forth those principles in the Acts which particularly affect bankers in dealing with land as security.

Statistics in Social Studies. Edited by Stuart A. Rice, American Statistical Association. (London) Oxford University Press, Warwick Square, E.C.4. 12s. 6d. net.

A collection of papers on different statistical subjects, intended to show the nature of the problems encountered when statistical methods are applied to sociology.

Business Charts. By T. G. Rose. With a Foreword by Sir Francis W. Goodenough. (London) Sir Isaac Pitman and Sons, Ltd., Parker Street, Kingsway. 10s. 6d. net.

A handbook on the various types of chart which are suitable for the graphic presentation of business statistics.

Questioni Economiche Politiche e Sociali nella organizzazione int. de Lavoro. By Giuseppe de Michelis. (Roma) Stabilimento Tipografico ditta Carlo Colombo. Reprint of three short speeches.

I Progetti di Unione Doganale Europea e l'Italia. By Prof. Jacopo Mazzei. (Firenze) Stab. G. Carnesecchi e Figli.

Employee Stock Purchase Plans and the Stock Market Crisis of 1929. (New York) National Industrial Conference Board, Inc., 247, Park Avenue.

Atti dell'Istituto Nazionale delle Assicurazioni. Vol. II. (Roma) Istituto Nazionale delle Assicurazioni.

Reprint of a number of lectures on various problems connected with insurance.

New York Insurance Report. Part I. Fire and Marine. (Albany) Insurance Department.

The Banker, October, 1930. (London) Financial Newspaper Proprietors, Ltd., 20, Bishopsgate. 2s. 6d. Includes an article by Mr Parker Willis on "The Federal Reserve System and its new Governor."

The Bankers' Magazine, September, 1930. (Cambridge, Mass.) Bankers' Publishing Company, 465, Main Street. 50 cents.

Includes an article on "The Problem of Banking Concentration," by Joseph Stagg Lawrence.

International Labour Review, September, 1930. (London) George Allen and Unwin, Ltd., 40, Museum Street. 2s. 6d. net.

Includes an article on freedom of combination in Austria.

Interim Report of the Gold Delegation of the Financial Committee of the League of Nations. (Geneva) League of Nations.

Fully discussed in the *Economist* of September 27.

The Canada Year Book, 1930. (London) Canadian High Commissioner, Trafalgar Square.

An exhaustive collection of official statistics which no reference library can afford to be without.

Journal of the Royal Statistical Society. Part IV., 1930. (London) Royal Statistical Society, 9, Adelphi Terrace. 7s. 6d.

Contains Mr Flux's presidential address on "Our Food Supply, Before and After the War."

The Hibbert Journal, October, 1930. (London) Constable and Company, Ltd., Orange Street. 2s. 6d. net.

Jahrbuch 1929 des Allgemeinen Deutschen Gewerkschaftsbundes. (Berlin) 14, Inselstrasse, 6A.

An exceedingly comprehensive German year book of labour matters.

Indian Affairs. (London) Edson (Printers), Ltd., 8-9, Essex Street, Strand. 5s. net.

Contains a number of articles which are of particular interest in view of the forthcoming Conference.

Lettlands Wirtschaft und Wirtschaftspolitik. By Albert Saets. (Riga) Typografie des lettischen Bauernbundes, Elisabethstr., 14A.

An account of the economic and financial structure and activity of Latvia.

Statistical Year Book of the Kingdom of Siam (1928-29). (Bangkok) Department of Statistics, Ministry of Finance.

Tea Facts and Figures, September, 1930. (London) Fredc. C. Mathieson and Sons, 16, Copthall Avenue. 2s.

OFFICIAL PUBLICATIONS RECEIVED.

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

Report to the Minister of Transport upon the Accidents that occurred on the Railways of Great Britain during the year 1929. Cmd. 3682. 4d. net.

List of Mines in Great Britain and the Isle of Man, 1929. 5s. 6d. net.

Department of Overseas Trade: Report on the Conditions and Prospects of British Trade in India, 1929-30. 3s. 6d. net.

Colonial Reports: No. 1486, *Uganda*, 1929. 2s. net; No. 1489, *Nyasaland*, 1929. 1s. net; No. 1490, *Basutoland*, 1929. 1s. net; No. 1491, *Bechuanaland Protectorate*, 1929. 1s. 3d. net; *State of Brunei*, 1929. 1s. 6d. net; No. 1494, 1929. 1s. 6d. net.

The Stock Exchange.

BRITISH MOTOR SHARES.

THE effort to talk up British motor company shares at the period of the Olympia Show has this year fallen flat, partly because the stock markets in general are in no mood to hear the voice of the charmer, and partly because the prospects of the trade itself are not clearly defined. The general trend of recent economic developments in the motor trade is discussed in a leading article on page 697. Broadly speaking, the industry has yet to make up its mind on such questions as whether there shall be many or few producing firms or many or few different models turned out. The problem of evolving a car which will be a winning proposition in the export as well as the home market has still to be solved. Over the whole future hangs the shadow of the new Ford works at Dagenham, which are to come into production in twelve months' time, with a capacity equal to the current output of the whole British private car industry. In view of these factors, what is the outlook for holders of motor shares?

Though the twelve months which have elapsed since last year's Motor Show have resolved few of the industry's major problems, they have tended to throw their main features into bolder relief. When the ding-dong competitive "battle" is joined between the existing British concerns and the new Ford Company, one can confidently predict which concerns will represent Great Britain in the lists. Leaving on one side companies like Rolls-Royce, which have a steady market for a specialised product, the really profitable British producing firms can be counted on one hand. Some 50 per cent. of the total output of private cars is produced by the two largest and 88 per cent. by the seven largest companies, excluding the Ford Company. In the equity of the biggest concern, Morris Motors, the public has no interest. The ordinary shares of the second largest, Austin, have had a spectacular rise in recent months, following the paying-off of preferential arrears and the resumption of dividends on a heavily written-down ordinary capital. A third concern, Singer and Company, after building up an extended business from small beginnings, has recently suffered a check in its programme of rapid development. Among the smaller companies are some, like Rover and Humber-Hillman, which, having been recently reconstructed or amalgamated, may have indubitable future prospects, though these cannot be assessed with confidence on the basis of recent results. The residue, however, includes a number of companies whose output is noticeably on a smaller scale than their capitalisation. From time to time, certain of them may evolve a successful model, with favourable results on their contemporary receipts; but, taking the group as a whole, it is generally agreed that under a "rationalisation" scheme on a substantial scale most of these companies would deservedly lose their separate identity.

Company.	Paid-up Capital (Preference and Ordinary).	Date of Last Balance Sheet.	Net Profits Earned for Dividend Last Three Years.		
			Year I.	Year II.	Year III.
Morris Motors* ...	£ 5,000,000	Dec. 31, 1929	£ 1,143,923	£ 1,054,823	£ 1,039,118
Austin*	2,150,000	July 31, 1930	243,025 (15 Mths.)	559,788 (12 Mths.)	384,342 (7 Mths.)
Singer	1,095,184	July 31, 1930	161,223	157,662	116,613
Ford (of Great Britain)	7,000,000	Dec. 31, 1929	...	...	908,995*
Rolls-Royce	818,962	Dec. 31, 1929	156,789	185,769	203,456 (14 Mths.)
S.T.D.	2,294,669(a)	Sept. 30, 1929	145,052	163,483	135,436
Standard	300,000	Aug. 31, 1929	Dr. 133,248	Dr. 191,362	Dr. 17,789
Swift	207,141	July 31, 1929	Dr. 27,045	1,033	3,299
Rover	420,000(b)	July 31, 1930	Dr. 501,799	120,244	34,031 (11 Mths.)
Alvis	200,000	Dec. 31, 1929	13,807	21,267	9,949
Willis, Overland, Crossley	650,000	Dec. 31, 1929	75,998	50,330	21,585
Humber	924,376	July 31, 1929	51,813	Dr. 36,806	Dr. 79,344 (11 Mths.)

* After tax. (a) After reorganisation scheme of 1930. (b) After reorganisation scheme of January, 1929.

The table in the preceding column, which shows the earnings of 12 companies, suggests that while individual concerns may have recently increased their profits, earning power in the industry as a whole has been stationary rather than progressive.

Unless the numerous small-output companies show greater readiness than they have yet evinced to come under the wing of a big "rationalised" concern, the investor's future interests are likely to be concentrated chiefly on the four companies at the head of the table, though possibly the shares of a few reorganised companies like Rover, which have more than a chance of "making good," may possess a speculative appeal for some investors. The position of the ordinary shares of the four large-scale producers merits close attention. The relevant facts are set out in the next table. All the figures shown are subject to tax, except where otherwise indicated :—

	Morris* £2,000,000	Austin† 150,000	Singer 666,760	Ford 7,000,000
Proportion of total capital in ord. shares	40	7	61	100
Earnings on ord. shares in last three years. Amount				
Year I.	918,923	5,212	161,223	...
Year II.	829,853	461,922	136,481	...
Year III.	814,118	606,474	93,291	908,995(a)
Per cent.				
Year I.	46.0	3.5	25.2	...
Year II.	41.5	308	21.1	...
Year III.	40.7	404	18.0	13.0
Last ordinary dividend.....	10% (Tax free)	102.8%†	18.43%§	10%
Present price ord. shares ..	**	32s. 6d.	20s. 9d.	65s.
Yield at present price—				
On last dividend	**	17.4%	17.8%	3.2%
On last earnings.....	**	68.5%	17.4%	4.1%

* Earnings shown after tax. † Earnings shown throughout on a twelve months' basis, at equivalent rate if no preferential dividend arrears had existed. ** Shares privately held. § Distributed in preference shares. ¶ 60% actual for seven months.

(a) After deducting profits of affiliated companies earned prior to their re-organisation.

Preference shareholders in Morris Motors, whose dividends require £225,000 each year, are comparatively well covered by earnings. The equity shares of the other three companies, which are available to the public, represent strikingly different proportions of total paid-up capital. They account for the whole of Ford's capital, more than half that of Singer, but less than one-tenth that of Austin. Fluctuations in trading profits will therefore have least effect in "moving" Ford ordinary earnings and dividends, and most in "moving" those of Austin. This fact partly accounts for the high yield shown by Austin ordinary shares, despite their sensational rise and the decidedly progressive trend of the company's recent earnings. The low yield on Ford shares represents a lively sense of benefits to come, when the new Dagenham works are in operation. The drop in Singer ordinary (despite the declaration by the directors, who hold one-third of the total capital, that "intrinsic values" justify a quotation nearly 70 per cent. higher) is due partly to general market depression, partly to the setback in profits, and partly to the directors' decision to pay the last dividend in scrip instead of cash.

What is likely to happen when the Ford works at Dagenham come into production? An intensification of the manufacturers' present policy of price-cutting would appear inevitable. Mr Ford's plans are understood to envisage more or less free competition between the Detroit and the Dagenham works for the European market. If it be reasonable to suppose that the average

price of a Ford car will then stand little above the current selling level in America—roughly £100—Dagenham will have only a £10 margin for Transatlantic freight as between its manufacturing costs and those of the Detroit plant. If the cost of production in America be put at about £75, the British Ford car may have to be turned out at a prime cost not exceeding £85. According to an estimate furnished to us by an outside observer, the present sale price of a Ford car in England (taking £200 as an average price for models ranging from £180 to £225) may be analysed somewhat on these lines: Material bought in England, £80; material imported from America, £15; English labour, £40; advertising (7½ per cent.), £15; agents' commission (15 per cent.), £80; company's profit (10 per cent.), £20. The largest British producers can show current figures at least as economical as these. As last year's Ford production at the Manchester factory has been put, however, at about 25,000 cars, while the Dagenham output may be 200,000 units a year, the enormous increase in output, plus the economies of self-contained production, may quite possibly bring down costs to something like the following basis: Total manufacturing costs, approximately £85; advertising, £7 10s.; agents' commission, £15; company's profit, £10—giving a total of £117 10s.

The total British private car output last year was about 170,000 to 180,000 cars. The potential Dagenham production itself exceeds this figure, but whereas existing British producers sell the lion's share of their output in the home market, there is reason to believe that only about one-quarter of the Dagenham output (say 50,000 cars) will be marketed in Great Britain, the remaining three-quarters being designed for the Continent. The ability of the largest British concerns to make the significant reductions in average selling prices inevitable under the new régime may demand not inconsiderable adjustments in their organisation, including, probably, concentration of their activities on fewer models. They are, however, generally speaking, much stronger financially to-day than they were three or four years ago. By the end of 1931, when the issue will be fairly and squarely joined, economic depression in this country may have been sensibly alleviated. For the present, however, even the largest British motor companies will best serve their shareholders' interests by paying moderate rather than generous dividends, and conserving their resources to the utmost extent. For many of the smaller companies, other than the "specialists," the future must remain obscure, so long as the present order, or lack of order, subsists.

THE WEEK IN THE MARKETS.

THE LONDON STOCK EXCHANGE.

SETTLING DAYS.

TICKET.	ACCOUNT.
October 21.	October 23.

The London Stock Exchange continued to function as an international shock-absorber this week. All markets had a dull, and some a decidedly depressed aspect on Monday and Tuesday, attributable to uncertainty regarding the Wall Street position, forced selling from Paris, and unfavourable South American developments. At one time it was reported that some of the selling was coming from "special" quarters nearer home. The pace of the movement, however, slackened perceptibly in mid-week, when the market, in a mood to be grateful for good news from any quarter, was pleasantly surprised by Mr Snowden's hope that increased taxation might be avoided. Gilt-edged led the recovery on Thursday, but measurable gains were recorded in industrials and "speculative" stocks, though these were frequently insufficient to cancel the losses of the earlier days of the week.

Generally, faith in a speedy revival of activity in equity stocks is lacking at the moment. In the absence of any indications of an early end to trade depression attention is rather being given to sound prior-charge stocks, for reasons described in a Note on a later page.

Five per Cent. War Loan was the most important exception to the generally weaker tendency of Gilt-edged stocks early in the week. After initial selling on Mr Snowden's intimation of the possibility of an early conversion operation, the stock came into demand from wealthy short-term quarters and reached a new "record" level. The remainder of the Gilt-edged list was firm on the speech. The first announcement of the India Government's £12,000,000 Loan caused a marking down of prices of India stocks, but the excellent response to the issue produced an immediate recovery. Dealings in Australian loans were on a small scale. Home corporation stocks continued to attract attention, the new Ayr Fives maintaining a premium from the outset.

The Foreign Bond market was puzzled by conflicting reports of the Brazilian situation, but after further substantial markings-down a better tone ensued on the carrying out of the week's sinking fund requirements and a slackening of American selling. Argentines were steady after early liquidation on the recession in the peso, but Chileans remained a bad market. German issues remained out of favour, but slight support was noticeable before the end of the week.

Though the traffic figures of the Home Railways generally maintained last week's "improvement," the market was inclined to put a bearish construction on the possibilities of next month's wage negotiations. Some demand was in evidence for prior-charges, but further liquidation occurred of ordinary stocks, particularly of London, Midland and Scottish, which reached a new low level. Some improvement, however, was manifested towards the close of the week. Further buying of Under-grounds followed the publication of a good week's traffic returns. Among foreign rails, a slump occurred in Argentines, the effect of favourable crop developments being entirely swamped by the decline in the peso. After a fairly severe shake-out on Monday and Tuesday, however, a rally ensued. Among Brazilians, San Paulos showed an advance and Canadian Pacifics were better after early selling.

The bears had matters much their own way in the Industrial markets at the beginning of the week. International stocks were particularly heavy on American tendencies, while distress selling from Paris affected other counters. Mr Snowden, however, came opportunely to strengthen a firmer, though nebulous, tendency in the middle of the week, the beneficial effect extending through the greater part of the list. Among the worst sufferers in the early liquidation were Cables and Wireless, United Molasses, and Turner and Newall, which were all pressed on an unwilling market. In the subsequent recovery, textile shares obtained support with the exception of British Celanese. The position of this company, in the light of the chairman's speech, is discussed on page 724. Electrical manufacturing and supply shares regained favour after showing signs of lassitude. The opening of the Motor Show coincided with a better, though selective movement in the share market, after fair selling. Tobacco shares also improved after showing signs of weakness in the absence of any declaration of policy by the large companies. The position is dealt with in a Note on page 723. Demand, for the present, has veered away from brewery shares. The publication of the Gramophone Company's balance sheet (examined on page 724) added little to the preliminary dividend announcement, but the shares hardened under American influences. Bank shares were generally firm, and a steady, though limited demand was forthcoming for insurance shares.

Rubber shares were mainly unchanged, only small parcels coming on to the market, whence all immediate interest departed with the cessation of sensational movements in the commodity. Tea was inclined to be easier in Mincing Lane, and the shares were dull. The oil market was affected by heavy liquidations early in the week, Paris proving a particularly disturbing influence, though the declines in some of the best shares were disproportionate to the real volume of sell-

ing. The passing of the Trinidad Leaseholds final dividend (referred to on page 725) was badly received. As in other cases, the oil share market became noticeably firmer before the week ended, though professional operations played a larger part than public support.

The mining share markets made a poor showing at the outset, on liquidation from Paris and the Cape. In the Kaffir section, Crown Mines were better than the average, but Central Mining, Gold Fields and "Johnnies" were appreciably lower, while Union Corporation relapsed on the cut in the dividend. Northern Rhodesian issues were practically lifeless at first, but developed strength later and "Chartered" led a rally on professional buying. De Beers came on offer and receded sharply after the new capital announcement. Tin fell to £107½, the lowest since 1902, with a subsequent upward reaction. Tintos were sold in mid-week, but recovered substantially on Thursday.

"FINANCIAL NEWS" DAILY BARGAIN INDEX.

(Approximate number of Bargains recorded in Stock Exchange Lists.)

	Oct. 9, 1930.	Oct. 10, 1930.	Oct. 13, 1930.	Oct. 14, 1930.	Oct. 15, 1930.	Oct. 16, 1930.
Government and Municipal Loans.....	1,515	1,378	1,821	1,391	1,341	1,463
Transport, Communications, and Public Utilities.....	1,004	952	1,289	1,030	952	1,002
Commercial and Industrial Banks, Insurance and Financial.....	1,641	1,902	1,943	1,762	1,810	1,839
Mines (including Nitrate).....	445	527	628	501	535	590
Oil.....	433	424	445	450	462	473
Rubber, Tea and Coffee.....	158	172	202	181	162	199
Total.....	143	152	149	108	111	88

* Including iron and steel and breweries.

"FINANCIAL NEWS" DAILY AVERAGE OF 30 INDUSTRIAL ORDINARY STOCKS. (1928 = 100.)

Highest of 1930 (Apr. 17).	Lowest of 1930 (Aug. 26).	Oct. 9, 1930.	Oct. 10, 1930.	Oct. 13, 1930.	Oct. 14, 1930.	Oct. 15, 1930.	Oct. 16, 1930.
90.6	72.6	74.8	74.0	73.6	72.7	72.8	73.5

We are officially informed that Messrs Henry Thomas Munro, Sydney Rowland Savill, Donald Connaughton Munro, Richard John Edward Daintree, trading as H. T. Munro and Company, and Mr Douglas Roy Dunn, were declared defaulters upon the Stock Exchange on October 10, 1930.

FOREIGN STOCK EXCHANGES.

NEW YORK.

Events at the end of last week left nearly half the issues on the New York Stock Exchange selling considerably below the bottom point reached in the liquidation of last November. Many shares can now be bought to give yields, on the last dividends, of 10 per cent. or more. After Columbus Day, an accumulation of selling orders was worked off at the opening on Tuesday, but its completion was followed by short covering and a demand from a limited number of investors seeking bargains, which initiated a rally, particularly in high-grade utilities and rails. Over the whole market, a cautious policy still prevailed, and though prices continued gradually to move up in mid-week, intermittent periods of reaction were always liable to occur. Some of the soundest stocks like U.S. Steel, American Telephone and International Telephone, were over-sold, and showed at one time an appreciable recovery, but much disappointment remained at the absence of any indication of an autumn revival. The steel industry is now operating at only 50 per cent. of capacity, and car loadings are nearly one-fifth lower than a year ago. Broadly, the recent selling wave has left the market in an improved technical condition, but security loans at the bank provide the uncertain element in the situation.

A satisfactory feature of the week has been the stronger tone of Brazilian bonds.

	Oct. 2, 1930.	Oct. 9, 1930.	Oct. 16, 1930.		Oct. 2, 1930.	Oct. 9, 1930.	Oct. 16, 1930.
U.S. 3½% T. Bds.	106½	106½	106½	Phelps Dodge	28½	28	27
Do. 4½% T. Bds.	113	113	112½	Pollman	61½	57	59
Do. 4½% T. Bds.	101½	101½	101½	Sears Roebuck	61½	55½	53½
Do. 4½% T. Bds.	102½	102½	102½	Studebaker	27½	26½	25½
Do. 4½% T. Bds.	103½	103½	103½	Un. Fruit	75	72½	72
Atchafalpa	209	202½	201	U.S. Leather	7	6½	6½
Ches. & Ohio	46½	43½	42½	U.S. Rubber	16	13	13½
Erie	38	35½	36½	U.S. Steel	157½	146½	150½
Illinois Central	110½	105½	102½	Westinghouse	131	112½	114
N.Y. Central	132	105½	102½	Woolworth	63½	60½	63½
Pennsylvania	70½	66	67½	Worthington Pump	95½	78	83
Southern Pacific	109½	107	106½	Am. Pow. & Light	73½	67	63½
Southern Ry.	76	71	74	Am. Tel. & Tlg.	205½	196	199
Union Pacific	207	200	199	Electric P. & L.	63½	50	52½
Am. Can.	122½	114	119	Int. Tel. Teleg.	30½	25½	29½
Allegany Corp.	18½	15½	15½	Nat. Pow. & Lt.	39½	34½	34
Amer. Smelting	53½	53½	56	Radio Corp.	28½	22½	23½
Anacosta	38	35	37½	Utilities P. & L.	32	28½	26½
Bethlehem Steel	81½	71½	75½	W. Union Tlg.	152½	136	14½
Chrysler Motor	21½	17½	17½	Associated Gas "A" ..	30	25	26½
Corn Producers	83½	78½	78	Mid-Cont. Pet.	51	17½	19½
Eastman Kodak	203	186	192	Pan Amer. B.	22	49½	47½
Gen. Electric (New) ..	63½	54½	54½	Shucraft Oil	17½	16	14½
Gen. Motors	39½	36½	35½	Sid. California	55½	53½	53½
Int. Harvester	64½	61½	63½	Do. N.J.	60½	56½	57½
Montg. Ward	28½	22½	24½				
Natl. Biscuit	81	77½	78½				

By courtesy of the Standard Statistics Company, Inc., of New York and 13, Copthall Avenue, London, we print the following index figures of American values calculated on closing prices (1926 = 100):—

	1928.		1929.		1930.		
	Lowest.	Highest.	Lowest.	Highest.	Beginning of Year.	Oct. 8.	Oct. 15.
335 Industrials ...	132.5	186.4	134.5	218.9	146.0	120.4	118.3
33 Rails	120.5	139.7	127.8	173.5	134.3	112.0	110.9
34 Utilities	128.3	180.6	177.6	330.4	202.2	190.6	187.6
Total, 402 Stocks ..	130.3	178.9	140.3	228.1	153.0	130.1	128.0

Average yield of 50 Industrial Common Stocks..	3.32%	4.42%	3.10%	5.23%	4.83%	5.32%	5.37%
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DAILY AVERAGE OF 50 INDUSTRIAL COMMON STOCKS (1926 = 100).

Highest of 1930 (Apr. 10.)	Lowest of 1930 (Oct. 11.)	Oct. 8, 1930.	Oct. 9, 1930.	Oct. 10, 1930.	Oct. 11, 1930.	Oct. 13, 1930.	Oct. 14, 1930.	Oct. 15, 1930.
202.4	135.7	141.5	135.9	139.7	135.7	*	138.2	140.3

* Holiday.

TOTAL DEALINGS IN NEW YORK.

	Oct. 9, 1930.	Oct. 10, 1930.	Oct. 11, 1930.	Oct. 13, 1930.	Oct. 14, 1930.	Oct. 15, 1930.	Oct. 16, 1930.
Stock Exchange—Shares (Thous.)	5,041	6,286	1,725	†	3,382	2,375	1,850
Bonds (Value—Thous. \$).....	17,067	19,633	6,572	†	11,979	11,811	10,511
Over-the-Counter—Shares (Thous.)	1,100	1,601	453	†	775	637	515

* 2-hour session.

† Holiday.

AMSTERDAM.

Last month, attention on the Amsterdam market was chiefly focussed on the bonds section. German loans, in particular, under the lead of the 1930 Reparations Loan, underwent severe fluctuations. A pronounced decline was also registered by Brazilian bonds. The political difficulties with which both countries are having to contend, were, of course, responsible for the downward movement. For first class Dutch bonds, however, there was a satisfactory demand, and prices advanced. The Stock Exchange itself was more or less neglected. Trading was insignificant in extent, and the drop in quotations was fairly limited, considering the weak tendency on Wall Street. At the present very low level which most stocks have reached, holders are little inclined to consider selling, and offerings are, therefore, light, except for occasional short selling by bear operators, which causes a further depression of quotations. Reports coming in from industrial enterprises are in some cases quite satisfactory. The directors of Philips Works, for instance, announce that, owing to the good demand for their new

(Continued on page 722.)

Year 1929.		1930 (to date).		Name of Security.		Oct. 8, 1930.	Oct. 15, 1930.	Rise or Fall.	Present Yield.	Year 1929.		1930 (to date).		Name of Security.		Oct. 8, 1930.	Oct. 15, 1930.	Rise or Fall.	Present Yield.
High.	Low.	High.	Low.						£ s. d.	High.	Low.	High.	Low.						£ s. d.
12/3	6 1/4	7 1/4	2/9	Coal, Iron and Steel	4/-	3/9	-3d	NH		26/3	65/-	70/-	55/6	Tea & Rubber—cont.					
16/9	12/-	16/-	11/6	Amal. Anthracite £1	13/9	13/9	...	NH		122/6	40/1	51/3	38/-	Johannau Tea £1	62/6	65/-	-2/6	5 17 0	
1/3	70	104 1/4	64	Do. % Orea Pref.	6 1	6d	...	NH		38/1 1/2	22/6	27/-	13/9	Shanghai Tea £1	48/9	45/-	-3/9	6 13 3	
73/6	55/6	63/-	49/-	Babcock Wilcox £1	53/9	52/6	-1/3	5 15 0†		6/3	37/1	5/-	2/4	Plant. Plantations £1	13/9	13/9	...	7 6 9	
5/6	2 9/8	4/10	1/10	Baldwins 4/-	2/3	2/3	...	NH		47/6	23/9	34/3	12/6	London Asiatic 2/-	2/7 1/2	2/7 1/2	...	12 0 0	
24/3	16 1/2	13/-	6/3	Benger Iron £1	7/-	6/3	-9d	8 0 0		46/9	33/6	39 1/2	19/5	Malacca Rubber £1	13/9	12/6	-1/3	NH	
15/6	13/-	13/7 1/2	10/3	Beyer Peacock £1	12/6	12/6	...	4 15 0		6 11 1/2	3/3	4/6	2/0 1/2	Robt Trust £1	23/3	23/-	-3d	10 10 0	
		3/-	2/6	Brown (Jno) Ord. 6/-	3/1	3/1	...	NH						United Serching 2/-	2/4 1/2	2/3	-13d	6 13 3	
7/9	2 1/11	3/7 1/2	11 1/4	Cammell Laird £1	6/6	5/6	-1/-	NH		26/3	15/7 1/2	20/7 1/2	11/3	Anglo-Ecuadorian £1	12/9	11/9	-1/-	6 0 0	
14/6	8 7/8	10/3	5/6	Consett Iron £1	58/9	58/9	...	5 19 0		55/-	42/6	53/5 1/2	39/4	Anglo-Egyptian B £1	41 6 1/2	39 1/4	-2/2	11 10 0	
68/9	56/10 1/2	63/3	54/6	Cort, William £1	4/6	4/-	-6d	NH		48/9	73 1/2	95/-	58/9	Anglo-Persian £1	65/-	59/3	-5/9	4 1 0	
11/9	6/6	7/3	3 1/4	Cornwall, Long £1	7 1/2	7 1/2	...	NH		33 1/2	22/-	28/9	11/9	Atex (Trinidad) 5/-	15/-	12 1/4	-2/4	20 15 0	
37/10 1/2	34 1/2	36 1/2	30	Qwest Keen & Co. £1	33/6	31/-	-2/6	6 11 0†		67/9 1/2	20/7 1/2	40/7 1/2	16/3	Attok £1	22/7	21/3	-1/4	NH	
18 1/4	8/9	10/-	5/9	Haddfield £1	7/-	7/-	...	7 2 9		7/6	3/9	4/10	1/3	Brit. Cont. Oils Ord. \$5	1/7 1/2	1/6	-1 1/2	NH	
16/3	10/-	12/3 1/2	47/10 1/2	Har. & W. 5% Om. Pr	5/3	5/3	...	NH		95/10 1/2	74 1/4	95/7 1/2	71 1/2	Burnham Oil £1	80/-	76/3	-3/9	7 19 0	
24/10 1/2	20/3	23/7 1/2	17/3	Horden Collieries £1	16 1/2	17/6	-7 1/2	NH		13/10 1/2	9/7 1/2	14/-	7/3	Canadian Explorer par	8/-	7/6	-6d	NH	
13/9	6 7/8	9 1/4	5/1	Milom & Askan £1	10/-	10/-	...	10 0 0		8/10 1/2	5/1 1/2	6/6	2/6	Kern River Oil 10/-	2/6	2/6	...	9 10 0	
18 1/4	12/-	14/9	8 1/4	Ocean Coal & Partners £1	1/6	1/6	...	NH		18/3	12 1/2	15/10 1/2	7/3	Mexican Engr (£1/0/6)	9/7 1/2	8/6	-1 1/2	NH	
6 7/8	3/9	4 1/4	1 1/2	Pearce & Williams	7/6	6/9	-9d	NH		15/3	8/9	14/1	7/6	Phenix Oil £1	8/-	7/9	-3d	11 9 0	
20/9	11/6	12/9	18 7/8	S. Durham Steel £1	20/-	18/9	-1/3	6 0 0		38 1/2	31	35 1/2	27 1/2	Royal Dutch (£8 1/2)	28 1/2	27 1/2	-1/2	7 5 0	
39 1/4	22/9	23/6	17 1/2	Do. B. Ord. £1	6/3	6/3	...	NH		118/-	88/9	99 1/4	78/9	Shell £1	83/9	80/6	-3/6	6 2 0†	
17 1/2	9 1/4	10/6	5/9	Staveley Coal & Ice £1	20/6 1/2	20/6	...	5 15 0†		95/3 1/2	75/-	78/9	18/9	Trinidad Leaseholds £1	26/10 1/2	24 1/4	-2/6	6 3 3	
27/9	20/2	22/-	18/6	Stewartry & Lloyds £1	23/-	22/6	-6d	6 13 3											
35/9	24/3	28/-	20 1/4	Swan, Hunter £1	20 1/2	20 1/2	...	7 5 6											
26/6	21/-	24/-	19/-	Thames (Richard) £1	17/7	17/7	...	NH		30/-	15/4 1/2	21/3	16/6	Aerated Brs £1	17/6	17/6	...	NH	
4/10 1/4	1/9	3/1	1 1/2	Do. 6 1/2% Om. Pref. £1	7/6	7/6	...	NH		85/-	62/6	62/6	42/9	Agar Cross £1	52/6	47/6	-5/-	6 15 0†	
12/6	6 1/2	11/-	6/1	Do. 6 1/2% Om. Pref. £1	48/9	45/-	-3/9	7 15 0		57 1/2	23/9	33/9	18/-	Allied Newspapers £1	21/3	20/-	-1/3	7 19 0	
100/-	54 1/4	78/9	42/9	Do. 6 1/2% Om. Pref. £1	158 1/2	155 1/2	-3/6	4 16 0		6/3	3/9	4/6	3/3	Amal. Dental Def. 5/-	3/6	3/6	...	7 2 9	
265 1/2	155	209	149	Do. 6 1/2% Om. Pref. £1	7/6	7/6	...	6 13 3		28/-	19/6	24 1/2	18/6	Amal. Press (10/-)	20/-	18/9	-1/3	8 0 0	
13 1/2	7 1/4	9/3	6/3	Victoria 6 1/2% Om. Pref. £1	13/9	13/9	...	9 8 0		44/6	36/-	41/6	36/-	Army & Navy 10/-	38/9	38/9	...	6 9 0	
18 1/2	15/3	16/9	13/9	Wick (Thos. W.) £1	13/9	13/9	...	9 8 0		50/-	28/9	35 1/2	19/6	Assod. Nwsp. Def. 5/-	21/3	20/-	-1/3	10 0 0	
										32/2	23/9	27/6	22/-	Assoc. P. Cement £1	25/-	24/-	-1/2	6 13 0	
										16/-	52/10 1/2	67/9	52/6	Darker (John) £1	53/9	57/6	-1/3	6 19 3	
										11 1/2	17/5	17/5	17/5	Berry & Staines £1	46/6	46/6	...	NH	
										8 12 0	22/-	11/10 1/2	16/3	Borcia Deferral £1	11/3	10/6	-9d	6 14 3	
										NH	43/6	34/3	40/9	Borria Deferral £1	38/9	38/9	...	6 14 3	
										NH	52/-	43/-	48/9	British Aluminium £1	40/-	38/9	-1/3	5 3 3	
										NH	34 1/4	24/-	27/3	British Match £1	24/6	24/3	-3d	4 17 0†	
										NH	135/-	108/9	119/3	94/4	Brit. Am. Tobacco £1	103/9	100/-	-3/9	5 0 0†
										NH	43/-	32/6	37/6	28/3	Carlton Hotel £1	30/-	30/-	...	8 0 0
										18 1/2	12 1/2	13 1/2	5	Carver's "A" Ord £1	6 1/2	5 1/2	-1/2	9 10 0	
										70 1/4	54/3	57/6	27/6	China Eng'g £1	37/-	37/-	...	10 13 3	
										360/-	62/6	147/-	44 1/4	Columbia Graph. 10/-	56/3	48/9	-17/6	8 4 0	
										55/3	23/9	31 7/8	22/6	Coleman Manufg. £1	23/9	23/9	...	8 8 6	
										16/7	11/9	11/2	5/3	Dobson's Gas. (5/-)	5/-	5/6	-6d	11 6 9	
										23/9	13/6	13/6	9/6	Dunlop 6 1/2	11/3	10/6 1/2	-1/2	9 10 0	
										33/9	17/3	21/6	15/9	Ever Ready Co. 5/-	17/-	17/9	-9d	10 0 0	
										117/6	78/9	96/6	66/3	Finlay (James) & Co. £1	78/9	78/9	...	6 6 6	
										14/9	12/-	12/7 1/2	9/-	Frederick Hines 7/6	11/-	9/6	-1/6	5 19 0	
										26/9	10/3	19/-	10/3	Gaumont-Brit. (10/-)	12/-	10/6 1/2	-1 1/2	5 14 0	
										372/6	88/9	103/6	43/5 1/2	Gramophone Co. £1	56/3	46/3	-10/-	8 14 0	
										163/-	122/6	138/-	67/6	Harrisons & Cros. Def.	77/6	77/6	...	6 3 3	
										79/-	66/3	74/6	53/9	Harrods £1	58/9	57/6	-1/3	6 19 3	
										33/-	20/-	30/-	18/9	Imperial Airways £1	20/9	18/9 1/2	-1/3	5 6 9	
										45/6	25/3	29/-	17/9	Imperial £1	20/9	18/9 1/2	-1/3	5 6 9	
										17 1/2	12/10	12/10	8/4	Imperial Def. 5/-	9/6	5/6	-5d	5 10 0	
										138/9	91/3	101/6	89/4	Imperial Tobacco £1	95/-	90/-	-5/-	5 2 0†	
														International Holdings	4 1/2	3 1/2	-1 1/2	...	
										74 1/2	52 1/2	54 1/2	51 1/2	Inter. Nickel of Can.	52/0	51 1/2	-1 1/2	...	
										33/-	20/-	27 1/2	17/9 1/2	International Tea 5/-	18/9	18/-	-9d	8 6 9	
										42 1/2	22/-	33 1/2	23	Kreuger & Toll (Kr100)	42 1/2	42 1/2	...	5 9 0	
										6/6	3/6	7/6	3/9	Liptons Ord. 1/...	5/6	5/6	...	2 10 0	
										45/3	34 1/4	44 1/4	35/3	London B. £1	41/3	38/9	-2/6	7 19 0†	
										108/9	90/-	102/6	51/6	Lyons (J.) £1	96/3	97/6	+1/3	4 14 0	
										46/6	33 1/2	42/6	34/6	Manbre and Garton's £1	38/9	37/6	-1/3	9 6 0	
														Marks & Spencer 10/-	93/9	93/9	...	2 2 0	
										6/3	4/10 1/4	5/10 1/4	4/3	Maypole Dairy 2/-	4/9	4/7 1/2	-1 1/2	7 0 0	
										18/-	7/4 1/2	8/6	3/-	Milars Timber £1	5/-	5/-	...	NH	
										150/1	5/6	9/3	3/3	Platt Brothers £1	3/9	3/9	...	NH	
										20/-	4/16	52/4	38/9	Reichman's 10/-	43/9	38/9	-4/9	7 14 9	
										22/-	24/6	29/6	20/6	Rosell £1	30/6	30/6	...	6 16 3	
										48/9	34/6	39/9	27/6	Salt Union £1	32/6	32/6	...	6 13 3	
										42/6	33/6	38/9	28/9	Savory Hotel £1	30/-	30/-	...	5 16 0	
										41/3	32/-	38/6	32 1/4	Schwepes Def. £1	35/-	35/-	...	5 16 0	
										37/9	27/6	31/9	27/9	Sears (J.) Ord. 5/-	21/3	20/-	-1/3	5 10 0†	
										29/6	23/9	27/9	25/-	Slaters & Bodega £1	27/-	27/-	...	8 15 0	
										32/6	20/9	26 1/4	16/10	Spillers Ord. £1	21/3	20/6	-9d	NH	
										23 1/2	16 1/2	17 1/2	13 1/2	Swed. Match. (Dr100)	14 1/4	14 1/4	...	6 12 0	
										123/2	35/-	44/-	33/6	Tan & Lyle £1	39/3	39/3	...	7 13 0	
										115/6	12/6	105/6	90/6	Turner & Newall £1	95 1/2	95 1/2	...	4 5 0	
										129/6	58/9	76/3	40/6	Turner & Newall £1	46/3	43/9	-2/6	6 10 0	
										36/3	29/3	33/6	30/-	Unilever £1	32/6	32/-	-6d	6 3 3	
										170/-	75/-	123/-	16/-	United Dairies £1	20/-	17/6	-2/6	28 11 0	
										92/6	80/-	83/9	71/3	Utd. Tob. (South) £1	80/-	80/-	...	5 0 6†	
										76/3									

NEW ISSUE PRICES.

Stock or Share.	Issue price.	Amt. paid.	Price, Oct. 9, 1930.	Price, Oct. 16, 1930.
Ayr 5% 1947-57	101	5	...	1 1/2-1 3/4 pm
Central London Rly. 5% debts.	99 1/2	25	...	1 1/2-2 pm
Ceylon 4 1/2%	95	5	1-1 pm	1 1/2-1 3/4 pm
Edmundson's Electricity 5% debts.	93 1/2	68 1/2	3-3 1/2 pm	4 1/2-5 1/2 pm
Ferranti 7% cum. pref.	20/-	20/-	20/0-20/6	20/0-20/6
General Electric 5% debts.	98	25	1-1 1/2 pm	1 1/2-1 3/4 pm
Grosvenor House (Park Lane) 7 1/2% cum. pref. £1	par	10/-	3/0-2/0 dis	3/6-2/6 dis
Kelly's Directories 6 1/2% debts.	98 1/2	fy. pd.	102-103	103 1/2-104 1/2
London Electric Railway 5% debts.	99 1/2	25	...	1 1/2-2 pm
Tamplyn & Sons, Brewery	95	fy. pd.	99-100	99 1/2-100 1/2
Treasury Bonds 4% 1936-46	100 1/2	10	...	1 1/2 dis-par

(Continued from page 719.)

wireless set, they are again working double shifts. There is talk of a 30 million guilder loan in 5 per cent. convertible debentures, to provide for their requirements of additional funds. The Holland Beton Mij. (Holland Concrete Company) has just paid an extra dividend of 50 per cent., while the Internationale Gewapend Beton Bouwmij. (International Reinforced Concrete Company) has declared an interim dividend for the first time, with a distribution of 6 per cent. Fluctuations continue in the plantations section. Sugar shares have benefited by reports of additional sales by the V.I.S.P. and satisfactory crop reports, although the V.I.S.P. has had to cut prices further. About 1,700,000 tons of sugar are still unsold, and within a few weeks the grinding season will be at an end. There has been practically no trading in tobacco shares, while oils fluctuated at around the lowest levels.

	Aug. 15, 1930.	Sept. 15, 1930.	Oct. 15, 1930.		Aug. 15, 1930.	Sept. 15, 1930.	Oct. 15, 1930.
4 1/2% Gov. Bds., 1916	102 1/2	102 1/2	102 1/2	Algem. Explorat.	163	131	109 1/2
4 1/2% Bonds, 1916	99 1/2	100 1/2	101 1/2	Aniem.	283	280	265
4 1/2% Bonds East Indies	99 1/2	99 1/2	98 1/2	Ned. Ind. Gas.	206	215	210 1/2
4 1/2% Amsterdam, 1913/1914	101	100 1/2	101 1/2	Royal Dutch	387 1/2	364	333 1/2
4 1/2% Rotterdam, 1930	100 1/2	100 1/2	100 1/2	Amsterdam Rub'r	104 1/2	86 1/2	97
Amsterdam Bank	181 1/2	173 1/2	175 1/2	Del. Batavia	63	48 1/2	50
Koloniale Bank	157	151 1/2	160	East Java	150 1/2	131	130
Ned. Ind. Handelsbank	135 1/2	126 1/2	129 1/2	Hessa Rubber	83	65	74 1/2
Neth. Trading Soc.	152 1/2	150 1/2	147	Serbadiadi Sumatra	71 1/2	57 1/2	56 1/2
Rotterdam Bank	107 1/2	106 1/2	104 1/2	Allied Sumatra	48 1/2	44 1/2	39 1/2
Van Berkels Pat.	71 1/2	73 1/2	71 1/2	Holland Amer. Line	23 1/2	23 1/2	19
Central Sugar	58	55 1/2	47	Royal Packet	178	165	160
Shipbuilding Will.	...	57 1/2	50 1/2	Neth. Shipping U. Navigation "Neder-land"	137 1/2	144 1/2	135
Dutch Art. Silk	91	80 1/2	72 1/2	Royal Steamship	68	62	60
Margarine Unie	242 1/2	245 1/2	227	Java China Japan Line	71	71	70 1/2
Kuechenmeister Acc.	96 1/2	101 1/2	82	Vorstenlanden	120	114 1/2	112
General Art. Silk	85 1/2	81	62 1/2	Trading Co. Amsterd.	408	365 1/2	384 1/2
Dutch Ford	260	258 1/2	233	Java Plantations	320	285	285
Philips Elect. Lamp	333 1/2	322	291	Neth. India Sugar	188	176	179 1/2
Swedish Match	259	269	255 1/2	Besock	310	314 1/2	290
Kreuger & Toll	486	492	455	Del. Batavia	308	289 1/2	286 1/2
Intern. Cred. Trad.	207	191	200	Del.	317	288 1/2	279
Redjang Lebong	73	70 1/2	64 1/2	Senembah	317	319 1/2	316 1/2
Singkep Tin	94	95 1/2	92				
Bolton	81 1/2	71 1/2	73				

x Ex dividend.

INVESTMENT NOTES.

Industrial Prior Charges.—In our leading article last week on "The Future of the Rate of Interest" we observed that industrial fixed interest securities did not appear to have appreciated in market value as the result of the lowering of interest rates this year. A closer examination reveals the fact that the yields obtainable on the prior charges of industrial companies are in many cases higher to-day than in 1929. For example, in the case of home railway prior charges it will be found that the debenture stocks, the intrinsic security of which is not in question, even in a deep trade depression, have appreciated as a result of the lowering of interest rates, while the preference stocks, whose dividend cover has been seriously attacked by the decline in railway earnings, have depreciated in market value. This is shown by the

following table giving the yields at 1929 mean prices as compared with the yields at present prices:—

HOME RAILWAY DEBENTURE STOCKS.				
	1929.		1930.	
	Mean Price.	Yield. %	Present Price.	Yield. %
L.M. & S. 4% Deb.	79 1/2	5.05	82 1/2	4.85
L. & N.E. 4% Deb.	75 1/2	5.30	78	5.13
G. Western 4% Deb.	82	4.88	84 1/2	4.73
Southern 4% Deb.	79	5.06	84 1/2	4.73

HOME RAILWAY PREFERENCE STOCKS.				
	1923	1929	1930	per cent.
L.M. & S. 4% Pref.	70	5.71	55 1/2	7.25
L. & N.E. 4% 1st Pref.	64 1/2	6.20	55	7.27
L. & N.E. 4% 2nd Pref.	55	7.27	39 1/2	10.6
G. Western 5% Pref.	94	5.32	94	5.32
Southern 5% Pref.	89	5.62	87 1/2	5.71
Southern 5% Pref. Ord.	73	6.85	64	7.81

The characteristics of the market in home railway fixed interest securities are to be observed also in other industrial prior charges. Well-covered debentures have bettered their prices, but have not benefited strikingly from the lowering of interest rates, while preference shares which have suffered a deterioration in security have declined in market value. The next table gives some selections which further illustrate our argument:—

INDUSTRIAL DEBENTURE STOCKS.				
	Mean, 1929.	Yield. %	Present Price.	Yield. %
Niger 5 1/2% Deb.	100 1/2	5.47	104 1/2	5.32
North Metropolitan Electric 5 1/2% Deb.	101 1/2	5.42	106	5.25
London Power 5% Deb.	99 1/2	5.03	102 1/2	4.87
Dunlop Rubber 5 1/2% 1st M. Deb.	100 1/2	5.47	104	5.36
Associated Portland Cement 4 1/2% 1st M. Deb.	84	5.00	87 1/2	4.8

INDUSTRIAL PREFERENCE SHARES.				
	Mean, 1929.	Yield. %	Present Price.	Yield. %
United Molasses 6% Pref. £1.	21/10 1/2	5.5	18/-	6.6
Imperial Chemical 7% Pref. £1.	24/7 1/2	5.75	22/6	6.23
Vickers' 5% tax-free Pref. £1.	19/4 1/2	6.4 gross	17/9	7.25 gross
Imperial Smelting 6 1/2% Pref. £1.	20/6	6.37	19/-	6.84
John Lewis 7% Pref. £1	22/-	6.37	17/9	7.87
International Nickel 7% Pref. (\$5)	25/1 1/2	5.52	24/9	5.82

In the case of the investment trusts, it will be found that the debentures of even the strongest companies have not improved greatly in market value, while the preference stocks in some cases are returning higher yields than a year ago:—

INVESTMENT TRUSTS PRIOR CHARGES.				
	Mean 1929.	Yield. %	Present Price.	Yield. %
General Investors and Trustees 4% Deb., 1975	76 1/2	5.23	77	5.2
Investment Trust Corporation 4% Deb.	77	5.19	78 1/2	5.09
U.S. Debenture Corp. 4% Deb.	76 1/2	5.23	76	5.25
Independent Investment 5% Pref.	85 1/2	5.85	80	6.25
Nineteen Twenty Eight 5% Pref.	87	5.75	85 1/2	5.86
Anglo Celtic 5% Pref.	88 1/2	5.66	85	5.87

When the revival in trade comes it may be found that the prior charges of industrial companies, whose earnings have been depressed, will improve in price concurrently with a rise in the equity shares. This movement may continue even after a rise in short-term interest rates. For the investor who finds equity shares too uncertain a holding at the present time, the prior charges of depressed industrial companies, which are themselves sound by reason of their ample cover, may invite some attention.

Brazilian Bonds.—The Brazilian revolution shows few signs of an early settlement. Reports have been conflicting, Buenos Aires and New York declaring that the rebels are marching on Rio de Janeiro and Sao Paulo, while Rio declares that the Federal Government is more than holding its own. With the exception of San Paulo Railway, which recovered 12 points, all Brazilian stocks showed further falls this week, though a partial recovery occurred on Thursday. Exceptions to the rule were the Brazilian 5 per cent. 1908's, which dropped a further 10 points to 80, and San Paulo 6 per cents., which, after an initial decline of 7 points, showed a further loss of 10 points. The San Paulo Railway, on the other hand, gained

				Fall since	Fall
	Oct. 3.	Oct. 8.	Oct. 15.	Oct. 3.	per cent.
Brazil 4½%, 1888.....	68	57	48½	19½	29.04
Brazil 5%, 1895	61	53½	52	9	14.75
Brazil 4% Rescn.....	58½	48½	41½	16½	28.75
Brazil 5%, 1903	81½	72½	69½	12½	15.29
Brazil 5%, 1908	98½	90	80	18½	18.78
Brazil 4%, 1910	47	41	40	7	14.89
Brazil 4%, 1911	75½	57½	54	21½	28.47
Brazil 5%, 1913	58½	50	49	9½	15.95
Brazil 5%, 1914	75½	67	65	10½	13.62
Brazil 6½%	80½	68½	59	21½	26.71
Rio State 5½%	77½	72½	67	10½	13.55
San Paulo 7½%	82½	71½	65	17½	21.45
San Paulo 7%	91½	83½	73	18½	20.43
San Paulo 6%	62	55	45	17	27.42
Leopoldina Railway...	29½	25	22	7½	25.42
San Paulo Railway....	163	142	150	13	7.98
Brazil Traction	35½	29½	24½	10½	30.28

13 points. The falling off in market values was generally held in check by the news that coupon payments would be made on the due date, November 1st next. This affects two loans, the Brazil 5 per cent., 1908, and the 5 per cent. Funding Loan of 1914. It was reported on Wednesday that a Bill had been passed whereby the right to deal in foreign exchange was confined to the Bank of Brazil. This not only restricts the activities of foreign banks, but enables the Government to control the remittance of funds abroad to legitimate commercial operations, payment of loan interest and dividends of foreign companies. All bonds on loans contracted before October 1, 1930, are automatically postponed for thirty days, as from October 5th last, and bonds due between October 5th and October 30th next are also affected.

The Tobacco Situation.—The decision of Messrs. Godfrey Phillips, Ltd., to make a "trial" reduction in the price of their "Army Club" cigarettes has had an immediate repercussion on the price of the shares of several leading tobacco manufacturers. Some investors, perhaps prematurely, interpreted the cut as the first move in a new "price war," and a fair amount of selling ensued, which was, however, checked on Thursday last:—

	Highest, 1930.	Price, Oct. 8.	Price, Oct. 13.	Price, Oct. 16.
British American Tobacco £1 ..	119/3	103/9	98/9	103/1 1/2
Imperial Tobacco £1	101/7	95/-	90/7 1/2	92/6
Carreras £1 "A"	13 1/2	6 1/2	5 1/2	5 1/2
Godfrey Phillips £1 pref.	17/3	15/7 1/2	15/6	20/-

In a statement to the Press Mr Arthur Phillips affirmed that the "cut" in "Army Club" prices was due entirely to the fact that wholesale prices of raw tobacco had declined, a view which certainly appears to be borne out by the available data. In the following table are shown the quantities of raw tobacco imported into the United Kingdom since 1924, the total retained for home consumption, the average value per lb. c.i.f. of all imported tobacco, and the aggregate net profits of the above four companies:

	Net imports (Million lbs.)	Total retained for home consumption (Million lbs.)	Average price per lb. of imports.	Net profit (four companies).
1924	163	128	1/9 1/2	13,792,805
1925	176	133	1/7 1/2	14,959,753
1926	186	135	1/8 1/2	16,393,871
1927	212	138	1/7 1/2	17,370,421
1928	206	141	1/6	17,463,116
1929	220	147	1/5 1/2	17,813,174
1930 (Jan.-Sept.)	...	...	1/3 1/2	...

Whereas net imports have increased in six years by about 35 per cent. and home consumption by about 15 per cent., wholesale prices have declined by roughly thirty per cent. On this showing, there is at least a *prima facie* case for a lower retail price. Hitherto, some manufacturers have preferred to adopt the "gift coupon" system as a means of passing on a portion of the reduction in wholesale prices to the consumer without interfering with retail prices which custom and trade practice have made almost sacrosanct. Experience has shown, however, that "gift coupons" are a two-edged weapon, favoured neither by the sellers of the articles "given away," nor by the retail tobacco distributors. If there is ground for giving something more to the consumer, a straight cut in price would seem to be the most desirable method.

Tube Manufacturing Agreement.—For some time past negotiations have been proceeding between Stewarts and Lloyds, Limited, and Tube Investments, Limited, with a view to achieving closer co-operation. Stewarts and Lloyds is one of the oldest-established companies in the business, with extensive international connections, while Tube Investments is a holding concern controlling the activities of numerous manufacturers in the Midlands, in which Babcock and Wilcox hold an important interest. Both companies have been successful dividend-payers, although the earnings of Stewarts and Lloyds were temporarily reduced during the coal stoppage of 1926. To some extent, their activities are complementary, Stewarts and Lloyds being concerned with bulk production while the activities of Tube Investments are directed rather to the finishing end of the business—the production of precision or highly-manipulated tubes. In some sections, however, their work is coincident, and co-ordination of effort offers a prospect of substantial economies. This particularly applies to the research and technical activities of the two companies. The *modus operandi* of the fusion of interest now proposed leaves the separate identity of the two companies unaffected but provides for permanent liaison without unduly swelling the issued capital. Stewarts and Lloyds will create 625 and Tube Investments 500 "liaison" shares, having the same denomination, but one thousand times the rights—as to voting power, dividends and surplus assets in a winding-up—as in the existing equity shares. Stewarts and Lloyds will subscribe for Tube Investments' liaison shares at £1 per share, and Tube Investments for Stewarts and Lloyds' liaison deferred shares at 25s. per share. The new shares will, in fact, be "privileged" securities in a class already existing. Such shares are not common among British companies, though they have been widely used on the Continent, where a good deal of attention has been given to their potential abuses. So long as the two companies hold the whole of each other's liaison shares, existing shareholders—who may naturally be reluctant to create a security with a

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thousand times their own rights, pound for pound—will obtain a *quid pro quo*, since dividends received will approximately balance dividends paid out on liaison shares. If, however, any change of ownership of the whole or part of these shares were ever to take place a more equivocal position would be created. It has therefore been suggested that the directors might agree to an amendment to the proposed changes in the respective companies' articles of association, restricting changes in the ownership of the proposed liaison shares.

Gramophone Company.—It is natural to compare the results of the Gramophone Company for the year ended June 30th last with those of its greatest trade rival, Columbia Graphophone. Both companies increased their capital on the eve of the trade depression, and both found it difficult to put the whole of the new resources to immediate employment. While Columbia, however, has declared increased earnings, the trading profits of H.M.V. have fallen by 28 per cent., and only £648,000 is distributed in dividends against nearly £820,000 last year.

	(Years ended June 30)		
	1928.	1929.	1930.
	£	£	£
Ordinary paid-up capital	1,260,000	1,600,000	3,340,000
Trading profits	1,132,414	1,200,912	870,741
Deduct deb. int. and sinking fund	22,800	22,800	22,800
Directors' fees	5,515	5,369	6,010
Preference dividend	5,000	5,000	5,000
Balance available for ord. shares	1,099,099	1,167,743	836,931
Percentage earned	87.23%	85.5%*	25.1%
Percentage paid (subject to tax)	55%	60%	20%
Percentage paid (free of tax)	44%	48%	15½%
Amount of dividend	659,279	819,715	648,000
Expenses of increase of capital and depreciation of investments	...	21,235	...
Balance forward	1,033,647	1,285,439	1,399,371

* On capital paid up.



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The balance sheet position remains extremely liquid, gilt-edged securities and cash having increased from £983,000 to £1,584,000. The company now has £1,419,000 outstanding with subsidiary companies, £847,000 of this representing accounts current. There has been an important extension of the company's outside interests, whose nature is not referred to in the report. Shares and undistributed profit of wholly owned subsidiary companies, and sundry trade investments total £530,000—an expansion of £140,000, so far as can be ascertained from the figures of the rearranged balance-sheet. The company last year enjoyed the benefit of an agreement with Marconi's Wireless Telegraph Company, whereby it acquired the factories and wireless business of the Sterling Telephone and Electric Company and the Marconiphone Company, with the right to use Marconi patents in all fields of public entertainment. The 20,000 ordinary shares authorised in March, 1929, have been issued to Marconi's in accordance with the contract. The company's connection with British and Dominions Film Corporation has been severed, but the company still associates itself with the making of talking pictures. How far these potentially important fields of activity have been productive of tangible earnings in the last twelve months may be made clear at the forthcoming meeting. Mr A. Clark has replaced Mr Trevor Williams, though the latter retains his seat on the board, while the appointment of Sir Landon Ronald to the board is an interesting example of the successful liaison between art and industry which has always been a feature of the company's policy. The shares, which became a popular counter during the Stock Exchange boom, have fallen heavily this year, and stand at 49s. 3d. against a maximum for 1930 of 109s. 6d. On the basis of last year's results the yield is 8½ per cent. on dividends, and over 10½ per cent. on earnings.

British Celanese Prospects.—The British Celanese meeting on Wednesday was not an over-cheerful affair, the chairman having reserved for it the announcement of a postponement of the second preference dividend, for the half-year to October 31st, which might have clouded the sunshine of the report, issued a fortnight ago. The speech of Dr. Henry Dreyfus left, indeed, a strong impression that while the chairman and managing director stands in the front rank as an artificial silk manufacturer and technician (as is shown by the real achievements of the company under his direction) he is temperamentally less interested in questions of salesmanship, or of finance. The company has made great progress in cheapening the production costs of the cellulose product, and the news that further economies, which are in prospect, will be passed on, is encouraging to the consumer. Unfortunately, the company's productive capacity is greater than the current consuming power of the market. Three-fifths of its yarn plant was idle last year, and a relatively small capital expenditure would bring the capacity up to four times last year's output. Unfortunately, a speedy expansion of demand, sufficient to bring anything like the full capacity of the plant into operation, can scarcely be looked for, in cold blood. Meanwhile, the company is called on to "bear the brunt of all the financial charges of the capital provided during the last two or three years." The time, indeed, would seem to have come for British Celanese to concentrate its main energies on marketing rather than production problems. On the financial side, the chairman gave no convincing answer to the criticisms which have been made of the company's policy as regards depreciation. Briefly, it is allowing depreciation, at the present time, at the rate of £200,000 a year on fixed assets (exclusive of goodwill and patents valued at £1,913,000), of £8,274,000. This depreciation ratio of approximately 2½ per cent. appears to many observers inadequate, in an industry where the obsolescence factor looms so largely. That the total of the depreciation reserve, including past allocations, now amounts to nearly 18 per cent. of the balance-sheet value of plant and buildings is reassuring so far as it goes, but shareholders would be more satisfied if the company's contemporary policy in this respect were more generous. All things considered, the decision to postpone the second preference dividend will be generally approved.

The Rubber and Tea Outlook.—The speeches of Mr Eric Miller at the annual meetings of Harrisons and Crosfield are widely read as expressing the considered views of an authority on the plantation industry. This year, with due deference to Mr Miller's wide experience, it may be suggested that he is unduly pre-occupied with restriction questions. Most producers regard organised restriction, at the moment, as an academic issue, and are concerned rather with the concrete problem of adjusting their production policy to a *régime* under which low prices are a very effective restricting agent. Mr Miller still thinks, however, in terms of co-operative effort with the object of keeping every British-owned acre under rubber in a position to produce, if not now, sometime or other. He goes so far as to suggest that the Governments of rubber-producing countries should offer "financial assistance on easy terms to growers who discontinue production." A much more promising line of approach to the industry's admittedly formidable problems is suggested by his reference to the concrete suggestions of the Rubber Growers' Association for furthering the campaign to popularise the use of rubber for road paving. Any development which tends to reduce the dependence of the trade on demand from a single quarter—the tyre-producing industry—will strengthen its tactical position in the long run. Mr Miller's review of the tea trade is, naturally, more optimistic. He does not look for a repetition in 1930 of the appreciable increase in tea consumption recorded last year, but expects a substantial reduction in the amount of tea coming to market in the next few months, as a result of the policy of "finer plucking" now being practised, under an agreement between the producers of India, Ceylon, and the Dutch East Indies. He rightly attributes, however, the relatively satisfactory outlook in the market, not merely to the quantitative factor but to the enhanced quality of the tea now available to the consumer as a result of scientific study of factory processes and the greater pains taken in the handling of the leaf in estate factories.

Uruguayan Railway Results.—In view of the decreased revenues of the Argentine railways the rise in the receipts of the Central Uruguayan Railway Company of Monte Video by £60,233 to £1,621,291 is eminently satisfactory. There was an increase of 3 per cent. in passenger receipts, but the revenue from freights was slightly lower, owing mainly to competition of road transport. The company's loss on remittances, however, rose by no less than £80,703. The results for the past three years are shown:—

	(Years ended June 30.)		
	1928.	1929.	1930.
	£	£	£
Gross receipts	1,563,691	1,561,058	1,621,291
Working expenses	1,118,094	1,123,627	1,192,561
Percentage of expenses to receipts	71.5	71.9	73.4
Working profit	445,597	437,431	428,730
Debt, etc., interest	116,202	91,348	95,594
Net profit*	309,915	289,665	187,565
Preference dividend	44,000	44,000	44,000
No. of times covered	7.04	6.58	4.26
Ordinary dividend { Amount	140,000	140,000	120,000
	Paid	7%	6%
	Earned	13.30%	12.28%
Guarantee fund†	1,370	15,419	387
Bonus to employees in Uruguay	61,058	63,995	54,619
Inc. or dec. in carry-forward	+ 35,212	+ 7,993	- 31,440

* After adding interest received and deducting debenture and other interest paid by the company and £56,000 being rent paid, and accrued, on account of the North Eastern Railway.

† Amount returnable to Uruguayan Government for the year, on account of past advances.

In his report, the general manager states that the heavy loss on remittances was due to the Uruguayan exchange rate being affected by the financial situation in local

countries which "dominate River Plate quotations." He considered that the country's condition and resources did not justify the Hallgarten loan of \$17,000,000, which was raised to finance the immediate completion of certain public works. During the twelve months ended January 31st last, the number of motor lorries running in competition with the railways almost doubled. A successful year was also experienced by the Central Uruguay Eastern Extension Railway Company, Ltd., and the Central Uruguay Northern Extension Railway Company, Ltd. The Eastern Extension showed an increase of £19,973 to £382,556 in gross receipts, while the working profit was £10,985 greater at £210,406. The percentage of expenditure to receipts at 44.9 per cent. was the same as in 1929. The net profit was £10,998 higher at £151,346, but the ordinary dividend was reduced from 11 per cent. to 10½ per cent. Passenger traffic rose by 2 per cent., but the goods revenue drop of £5,133 or 3 per cent. was offset by the increase of £27,811 (28 per cent.) in livestock traffic. The Northern Extension's receipts rose by £2,329 to £19,563, the working profit being £1,881 greater at £105,964. The percentage of expenditure to receipts rose from 36.09 per cent. to 46.16 per cent. The net profit showed a slight increase of £578 to £68,604, and the ordinary dividend was reduced from 7 per cent. to 6½ per cent. At the time of writing the Central Uruguay Railway shows an increase of 12.4 per cent. in traffic receipts for the first 15 weeks of the current year, and the figures of the Eastern and Northern Extensions, both show increases of 8.7 per cent. At their present price of 74, Central Uruguay Railway's ordinary shares yield £8 2s. 2d. per cent.

Trinidad Leaseholds.—The directors of Trinidad Leaseholds, to the surprise of the oil share market, have decided to pass the final dividend (which last year was 17½ per cent., making 30 per cent. for the year), in view of "the conditions obtaining in the oil industry and the necessity for conserving the cash resources of the company." The company's financial year ends in June and the report should be published by the middle of next month. The only indications of an unfavourable report were the reduction in the interim dividend from 12½ per cent. to 7½ per cent. in May, the decline in production from 431,584 tons to 394,950 tons, and the increase in the oil purchased from 449,950 tons to 557,650 tons. It must be assumed that the company has been making less profit on oil purchased than on oil it produces in its own fields, while its sales revenue must have been reduced by the fact that its selling contracts are mainly on a sliding scale depending on market prices in America. Moreover, the company has made some additional investments during the year which may have depleted its cash resources. For example, in conjunction with Venezuelan Consolidated Oilfields, it has established a company to develop certain properties in the Palo Seco and other districts in Trinidad. It also purchased the petrol distributing business in Great Britain of Burt, Boulton and Haywood. Its interest in Tocuyo Oilfields of Venezuela is not yet revenue-producing. Whether the judgment of the management in thus ex-

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tending the company's interests will be vindicated, time will show. As far as the market is aware the company continues to hold its valuable contracts with the British Admiralty for fuel oil. The ordinary shares have declined this year from a high level of about 76s. to the present price of 21s. 6d., the fall last week being 10s. Meanwhile, the Apex (Trinidad) Oilfields has published a circular stating that its deliveries of oil to Trinidad Leaseholds are being fully maintained and that there is no reason to anticipate any decrease, either as regards the output or deliveries, from the present annual aggregate of round about 400,000 tons. Apex (Trinidad) also declares that though it has suffered a decrease in revenue, "substantial profits" have been earned, and the rate of its final dividend will be announced towards the latter part of December.

Sub Nigel.—Our mining correspondent writes:—The fears expressed in these columns, a year ago, lest the company should find it necessary to reduce its dividend, have, unfortunately, proved well-founded. The distribution this year totals 40 per cent. against 50 per cent. Thanks to the operation of an additional tube mill, a substantially increased tonnage of ore was crushed in the twelve months ended June 30th last; but the effect was more than counterbalanced by decline in grade, accompanied by a moderate expansion in costs. The former arose chiefly from the reduction in the percentage of ore taken from the estimated reserves (58 in place of 70 per cent.); the growth in costs was largely attributable to an advance of 1s. 1d. per ton in the development charge. We contrast the results of the past three years:—

	1928.	June 30 1929.	1930.
Ore crushed tons	251,300	291,400	323,800
Yield per ton	83/6	76/-	69/10
Cost per ton	41/8	42/3	44/-
Profit per ton	41/10	33/9	25/10
Total working profit ...£	525,580	491,160	418,760
Dividends, per cent.....	65	50	40
Development footage ...	22,560	42,367	45,290
Ore reserves tons	986,000	891,000	965,000
Average value ... dwts.	19.7	18.2	18.0

The carry-forward is now £53,600, or £36,700 less than was brought in; but £91,650 was absorbed by capital expenditure, which did not figure in the 1928-29 appropriation account. The balance sheet shows only a small cash surplus. For months past a steady and appreciable expansion in the monthly profits has been observable, giving warrant for the expectation of larger dividends, although it should not be overlooked that the Union Government is entitled to an increased percentage by reason of the extraction of ore from the "Lease" area. Highly encouraging developments here constituted the outstanding feature of last year's operations.

CAPITAL ISSUES.

A single borrower, the Government of India, raised the substantial amount of £12 millions in the market this week. One half of the proceeds are to be utilised to redeem Treasury bills maturing during December, the balance being required for capital expenditure on railways. The issue, which took the market by surprise, offered a generous yield, and was quickly over-subscribed. This is India's third offer of 6 per cent. stock in London this year, the earlier issues, made in February and May respectively, being made at a slight discount, against par in the present instance. Whereas these issues (having a maximum currency of three and five years respectively), were regarded definitely as short-term stocks, this week's offer falls rather into the medium-dated class and has been held in some quarters to suggest that what the market had previously interpreted as

a "stop-gap" rate of interest, may have a slightly longer currency in the view of the Government of India. In the absence of outstanding constitutional questions, it is probable that India would be borrowing to-day at nearer 5 than 6 per cent.

ISSUES OF THE WEEK.

By Prospectus or Offer for Sale.

Net total recorded, January 1 to October 11, 1930, £201,382,055.
Total, including conversion recorded, January 1 to October 11, 1930, £294,933,286.

National Savings Certificates.

Net sales, week ended October 11, 1930, £100,000.
Total receipts, April 1, 1930, to October 11, 1930, £3,700,000.

To the Public.	Nominal Capital.	Conversion or Repayment.	New Money Cash Subscriptions.	First Payment.	Further Liability.
4% Treasury Bonds	105,000,000	85,000,000	...	£	£
Government of India	12,000,000	...	12,000,000	600,000	11,400,000
Total offered to public week ended October 18, 1930	117,000,000	85,000,000	12,000,000	600,000	11,400,000

To Shareholders only.	Nominal Capital.	Conversion or Repayment.	New Money Cash Subscriptions.	First Payment.	Further Liability.
Buenos Ayres Great Southern Railway, £2,000,000 4% deb. stk. at 74%	2,000,000	...	1,480,000	80,000	1,400,000
Midland Counties Electric Supply, £50,000 ord. £1 at 24s.	450,000	...	540,000	540,000	...
Yorkshire Electric Power, £550,000 5% red. deb. stk. at 98½% (issued to repay 5½% deb. stk.)	...	550,000	...	...	...
Total offered to shareholders only week ended Oct. 18, 1930	2,450,000	550,000	2,020,000	620,000	1,400,000

Total Offered for Subscription—	Including Conversions.	Excluding Conversions.	Total Offered for Subscription—	Including Conversions.	Excluding Conversions.
Jan. 1 to date	£	£	Whole year	£	£
1929	395,693,286	215,502,055	1929	488,764,940	285,239,400
1928	238,035,495	200,707,895	1928	693,100,056	269,058,073
1927	490,052,417	317,951,794	1927	...	365,165,970
1926	...	277,980,211	1926	...	230,782,600
1925	...	181,636,326	1925	...	232,214,500
1924	...	183,230,147	1924	...	209,326,101
1923	...	165,257,309	1923	...	271,399,173
1922	...	245,928,421	1922	...	573,675,653

By Stock Exchange Introduction.

	Amount of Capital Introduced.	Prices at which Dealings Began.	Total Cash Involved.
Amount previously recorded	16,467,378	...	18,152,707
Total, week ended October 18, 1930	Nil	...	Nil
Total to date, 1930	16,467,378	...	18,152,707
Total to date, 1929	31,007,581	...	42,854,893

Government of India 6 per cent. Bonds, 1935-37.—Issue of £12,000,000 6 per cent. Government of India bonds 1935-37 at £100 per cent. Trustees are authorised to invest in these bonds. If not previously redeemed, the bonds will be repaid at par on October 15, 1937, but the Secretary of State for India reserves to himself the right, on three months' notice, to redeem the bonds at par on or after October 15, 1935. The issue is made under the provisions of the East India Loans Act, 1923, and previous acts. The proceeds of the issue will be used for repayment of £6,000,000 India Bills due December 20, 1930, to provide funds for capital expenditure on railways, and for general purposes.

Colchester Gas Company.—Offer for sale by tender of £10,000 6 per cent. preference stock, minimum price par. The net revenue of the company for the year ended December 31, 1929, was £9,152, covering dividend on the preference stock, including the present issue, 2.8 times. The company was established in 1826 and incorporated by Act of Parliament in 1866.

Particulars of the following has been issued "for information only," with a view to Stock Exchange introduction:—**Scottish Mortgage and Trust Company, Ltd.** Issued capital £1,500,000, in £750,000 5½ per cent. cumulative preference stock and £750,000 ordinary stock. Particulars of an issue of £239,140 5 per cent. redeemable debenture stock, 1980-85. **Monte Video Waterworks Company, Ltd.** Issued capital £1,300,000 ordinary stock. Particulars of an issue of £250,000 of 6 per cent. five-year notes, to provide for the cost of extensions and improvements.

[Other Stock Exchange information, including the latest dividend announcements, profit and loss figures, shorter notices and weekly traffic returns, will be found on page 737 under the heading "Company News."]

BRAZIL—STATE OF SAO PAULO.

SUMMARY OF THE MESSAGE BY DR HEITOR TEIXEIRA PENTEADO, VICE-PRESIDENT OF THE STATE OF SAO PAULO PRESENTED TO CONGRESS ON JULY 14, 1930.

FINANCE.

In the latter half of 1929 our State felt the effects of the growing disequilibrium in the world's financial markets, which culminated in the violent crash which occurred on the New York Stock Exchange in October last.

At the same time that, in a few days, the fortunes of America diminished by about fifteen hundred millions of contos, England was going through the most serious crisis in her history with the £ down to below 4.85, compared with the parity of 4.86½.

France, Holland, Greece, Germany, Italy, and the Argentine, in their turn, were passing through a crisis not less accentuated, the gold money in the last-named country going down to 21 per cent. The Bank of England, according to the report of reputed authority on the matter, lost from June 20th to July 4th £9,125,000 of gold. As a result of these difficulties, which, with the passing of months, became more acute, the position in our State inevitably reached a climax. The banks withdrew, and, by raising their rates of interest, prevented the exodus of capital. The consequence was a sudden and unexpected shortage in the credits necessary for the financing of stocks, regularly made, with the approval of all the interested parties, by the State Bank. Coffee in particular, was affected by these unforeseen factors. A great shock might have been avoided if the said crash had not created, as it did, immovable barriers, and had not resulted in an immediate and sudden fall in the prices of all consumable goods. We must, in the meantime, point out that of all the products, coffee was the one that suffered the least depreciation, and it is also necessary to note that the effects of the world crisis were less noticeable in Brazil than in any other country.

The first tremors caused by the great upheaval which shook the American capital gave rise to apprehensions, particularly in the minds of those who were more easily dominated by the panic. This situation, however, lasted only for a very short time, because the Government took it in hand with its usual prudence, patriotism, energy and solicitude, and succeeded, by the means it adopted, in re-establishing confidence and thus enabling business to resume its normal course. The State Bank, with its own resources, and with those which were placed at its disposal by the Treasury, and the Bank of Brazil, with the balances it had available, commenced to take action in the same month—October; while the National Credit Institutions used their experience and resources to support agriculture. By these means the crisis was resisted. The efficacy of these measures is shown by the latest report of the President of the Bank of Brazil, in which he declares that during the period of the crisis, there were only two failures and ten arrangements with creditors registered in the coffee industry of Santos.

Exports, in their turn, in spite of the restricted conditions prevailing in consuming markets, which had been depressed by the crash, did not suffer any decrease, but, on the contrary, increased, as is shown by the following figures, which relate to the second half-year of the last two years:—

	1928.	1929.
Santos	Sacks 3,181,929	4,100,287
Stations and Railways	66,847	165,849
	3,248,776	4,266,136

The above figures show that from July to December, 1929, the period not long before the crisis, the exports of coffee amounted to 1,017,380 bags more than during the same period of the previous year, which was not affected by the crisis suffered in the financial markets.

Although the situation had become virtually re-established, the Government, which never overlooks the interests of agriculture, did not remain inactive. It continued its watchful and defensive attitude as devotedly as ever. Pledged as it was, and as it is, to defend production, and to procure for producers a quiet outlet, without disturbing stocks, it carried out a huge financial operation for which it had obtained authority by the Law of December 27, 1929, and which the Legislative Congress wisely confirmed, increasing the amount of the loan in May last from 12 to 20 million sterling. The success of this operation showed once again the confidence which the State of Sao Paulo inspires in the money markets of the world.

In spite of the depressing consequences of the great difficulties to which we have referred, the Government was able to punctually meet all its engagements.

REVENUE.—The general revenue of the State, which in 1928 amounted to Reis 404,607,350\$927, increased to 438,459,515\$879 Reis, showing therefore an increase of Reis 33,852,164\$952 in comparison with the previous financial year.

Of the revenue collected, the biggest item was, as it always is, that arising from the export duties, which provided Reis 146,457,251\$553. Next to this came the duty on the transfer of property *inter vivos* and through death, which amounted to Reis 45,907,700\$827. The tax on buildings in the capital and the drainage tax together yielded Reis 37,603,720\$990.

The official value of the goods produced by the State and exported abroad and to other parts of the Federation amounted to Reis 2,418,080,219\$700, namely:—

Coffee	1,616,191,682\$700
Other goods	801,888,528\$000

On these exports the Treasury collected by way of taxes the sum of Reis 152,389,513\$224, made up as follows:—

Export tax	146,974,082\$053
Office dues	5,415,431\$171

A comparison of the export tax receipts during the last five years, with the total revenue collected during the same period, shows:—

Year.	Export Tax.	Total collected.	Percentage.
1925	118,754,608\$617	353,270,978\$407	33.618
1926	129,653,363\$443	352,584,393\$452	36.800
1927	148,305,839\$368	404,044,404\$571	36.952
1928	120,952,435\$595	408,424,343\$700	29.614
1929	146,974,082\$053	438,459,515\$879	33.520

EXPENSES.

The Budget expenses amounted to Reis 457,564,939\$492, and the Extra-Budget expenses to Reis 160,870,690\$630. This latter was caused by the following charges and services to which the Government had to attend by virtue of laws and imperative contracts and the unavoidable necessities of administration:—

Service of the 1921 Loan (insufficiency of the super tax of 5 francs)	16,953,620\$541
Loan to the Benevolent Funds for Public Employees in accordance with Law No. 2038 of 1924	1,000,000\$000
Work at the Leper Settlement of St. Angelo	49,112\$100
Work at the Judicial Lunatic Asylum of the State	474,584\$100
Construction of the Building for the Animal Industry Board and the Biological Institute	7,991,427\$838
Construction of the Law Courts	2,953,887\$000
Supplementary works relating to the Water and Drainage Service of the Capital	36,314,905\$927
Construction of Roadways and Public Buildings	7,708,482\$079
Subsidy to the Electro-Metallurgical Company of Brazil	2,456,773\$116
Loan to the Sao Paulo Goods Exchange for the building of a Commercial Hall	1,270,000\$000
Subsidy to the Morro-Agudo Railway Co.	913,690\$410
Disappropriation and acquisition of land for the construction of the Congress Hall	2,006,250\$000
Construction of the Marrink Santos Line	80,776,959\$719
Total	160,870,690\$630

If we compare the Budget expenses paid with the revenue actually collected, it will be seen that there was a deficiency of revenue of Reis 19,105,423\$613; this was due, on the one hand, to the fact that revenue fell short of Budget estimates to the extent of Reis 15,147,464\$121, and, on the other, to the expenditure necessarily incurred by the sanitary works of the State in order to prevent the spreading of the yellow fever which had broken out in an epidemic form in other parts of the country.

The payment of these expenses compelled the Executive Power to open supplementary credits to the amount of Reis 9,500,000\$000 under the heading of "Public Assistance."

In addition, it should be borne in mind that in accordance with the Law No. 2344 of 1928 the Treasury was obliged to pay, in addition to the Budget amount provided for, the sum of Reis 8,611,053\$252 for the general increase in salaries granted to State employes.

Summing up what we have above stated, we arrive at the following figures:—

Budget Expenses paid	457,564,939\$492
Budget Expenses as fixed	453,606,980\$000
Excess Expenditure over Estimates.....	3,957,959\$492
Budget Revenue	453,606,980\$000
Revenue collected	438,459,515\$879
Revenue shortage	15,147,464\$121
Budget expenses paid	457,564,939\$492
Budget Revenues collected	438,459,515\$879
Actual Deficit.....	19,105,423\$613

The fixed debt of the State as at December 31, 1929, was Reis 1,252,947,219\$804, made up as follows:—

Foreign Funded debt	649,228,570\$661
Internal Funded debt	349,969,000\$000
Floating debt	253,749,649\$145

Total 1,252,947,219\$804

At December 31, 1928, the total debt amounted to Reis 1,278,077,430\$312, so that during 1929 there was a decrease of Reis 25,130,210\$508.

In order to lessen the disastrous effects of the shock to the economic and financial life of the State, during the last months of the year, the Government succeeded in obtaining from the banking house of Messrs. J. Henry Schroeder and Company, of London, a credit of two million pounds, the proceeds of which were applied to the financing of coffee.

THE STATE BANK.

Although the State Bank suffered the inevitable counter-shock of the great financial crisis, it was, nevertheless, supported, and continues to be supported, by the Government and by the Coffee Institute, and it was able, with the resources at its disposal, to come to the aid of the productive classes. As a result, the situation not only did not become worse, but gradually improved, and an undisturbed atmosphere of work, of resistance and confidence was restored. A valuable stimulus was the presence of the worthy president of the Bank of Brazil, Dr. Guilherme da Silveira, who, working harmoniously with the chief banks of this State, succeeded in devising measures for the alleviation of the effects of the crisis and of finding the most convenient means to deal with it. Consequently—and thanks to the new resources which were given to it—the Bank was able to carry on, although on a reduced scale, in its useful task; reforming the credits which it had granted to its clients, substituting its bills of lading for coffee, which had been given to it by way of guarantee; carrying out commercial operations, and making commercial and agricultural advances, protected by the necessary guarantees. It continued regularly to finance the coffee bills of lading, with the object of finding the necessary pecuniary resources for the coffee planters and the commission agents, to the extent of 604,396,391\$040—the value of advances carried out by our bank, guaranteed by 13,346,076 bags of coffee. The volume of mortgage loans amounted to 207,025,107\$270, namely, 163,869,906\$000 in rural loans and 43,155,201\$270 in city loans. At the close of the financial year 44,466,781\$400 had been laid out on agricultural securities. The balance-sheet total as at December 31st amounted to 3,612,554,179\$357, and the banking department showed payments in amounting to no less than 4,494,782,219\$275, and of 4,501,643,724\$653 of money paid out. The net profit of the Bank was 27,344,196\$820, which, added to the balance of 1928, gave a total of 49,732,494\$860 available. Of this sum, after deducting the usual appropriations, there remains the high balance of 41,177,749\$256, which is carried forward to 1930.

THE COFFEE INSTITUTE.

The Coffee Institute worked steadily and carried out faithfully the obligations assumed by it at the convention of the coffee-producing States.

On December 31st coffee stocks in the State of Sao Paulo, retained in the control depots or in transit in the hands of the various railway companies, amounted to 18,357,334 bags, which had been consigned to Santos. The transport to the export ports was carried

out without interruption and according to plan, and the Institute took the necessary measures to provide the ports, in the best possible manner, with the quantities required for the various consuming countries.

The revenue of the Institute was 13,152,587\$906, derived from the interest on their deposits in the banks, dividends on the shares of the State Bank of Sao Paulo, and the proportionate contributions from the other coffee-producing States towards the coffee propaganda.

With this sum, increased by the balance brought forward from the previous year to the value of 8,786,155\$413, the ordinary expenses for the financial year were duly met to the amount of 17,595,345\$420, the balance carried forward to the current year being 4,343,397\$899.

The total balance in cash at the Bank of the State of Sao Paulo and other banks on December 31st amounted to 232,251,916\$640, as is shown by the balance sheet made up to that date.

Foreign propaganda continued successfully, having for its object the stimulation of demand, the increase in knowledge of the qualities of our coffee, and the acquisition of new markets.

The shipping service into the interior was altered, the crop having been divided into 12 series designated by the 12 first letters of the alphabet. This new system proved itself very advantageous, and made it possible for the whole of the very large crops to be dispatched in the normal manner before April 30th.

The same system, with a few alterations as to the order of the dispatch of the various services, will be adopted in this year's crop. The new regulation, issued so as to operate as from July 1st, will obviate some of the shortages which occurred during the first year's working of the scheme, and will also do away with the abuses which unfortunately took place in spite of all the control which had been exercised. The Institute took measures to punish those none-too-scrupulous shippers who made use of unlawful means in order to obtain an advantage with regard to their shipments.

The port of Santos exported 9,311,508 bags of coffee valued, at 1,965,936,868\$000, as against 8,956,041 bags in 1928, with a value of 1,994,308,461\$000. Thus, although exports were larger in quantity by 355,467 bags than in the previous year, their value was 28,371,593\$000 lower. This was due to the fall in prices which took place during the last months of the year. If we reduce this value to £ sterling we arrive at, for 1928, £48,936,896, and for the following year £48,509,312, a decrease of £427,584. The Control Service of the Coffee, which is destined for consumption in the State, was intensified. The competent section carried out 9,946 inspections in the Roasting, Grinding and Tasting Factories.

THE BANKING TURNOVER.

The Banking turnover kept a high level, amounting to 10,004,596,880\$256, which is slightly lower than that of the preceding year. The proportion of the transactions carried out between the National and the Foreign Banks was practically the same as in 1928.

ASSETS.

With the incorporation of new Real Estate and with the investments in new works of the sums referred to in the various parts of this message, the assets of the State amount, as regards Real Estate, to 1,137,624,068\$571. If we add to this amount the sum which the State possesses in Bonds and other securities to the amount of 35,123,075\$855, we see that the total value of its assets amounted at the close of the Financial year to 1,172,747,144\$426.

TRAFFIC AND PUBLIC WORKS.

Railroads in general: Inauguration of new tracks.—The number of kilometres of new railway track laid down in the territory of the State and opened for public traffic showed an increase over the figure for the preceding year. The actual total was 138,628 kilometres, against 104,193 kilometres in 1928. The distribution, according to the various lines, was as follows:—

- 15,454 kilometres connecting Santo Antonio to the Itarare branch of the Sorocabana Railway;
- 36,029 kms. from "Alberto Moreira" to Colombia, in the Barretos extension of the main line of the Paulista Railway Company;
- 28,145 kms. from Aracatuba to Guararapes in the North Eastern Railway Company of Brazil;
- 40,900 kms. from Pontal to Morro Agudo, the complete line of the Morro Agudo Railway Company; and
- 18,100 kms. from "Campos Salles" to Barrerrinho, representing the whole of the line belonging to the Barra Bonita Railway Company.

Increase in Traffic.—The increase in the traffic on the Paulista Railway system reached, on December 31st last, a total length of 7,079,165 kilometres, including the above new tracks.

New Concessions.—In 1929 only one concession was granted—that sanctioned by Decree No. 4601 of May 5th to Giro Infant Marot for the construction, under the provisions of Law No. 30 of June 13, 1892, of the line between Ibitinga and Nova Horizonte.

Lines in Course of Construction.—The works of construction of the new railway lines on the Sorocabana Railway, on the Sao Paulo-Goyaz, on the north-east of Brazil, and the improvements in the Paulista and Mogyana Railways are progressing rapidly.

Suburban Railway Lines and Railroads subject to special privileges.—The road debts outstanding amounted, at the close of the financial year, to the sum of 12,041,707\$338, thus classified:—

S. Paulo Railway Company: (Campo Limpo to Braganca) for guarantee of interest	2,048,907\$758
Municipal Chamber of Piraju: Subsidy to the tramways from Sarutaya to Piraju	250,000\$000
Brazilian Electro-Metallurgical Company: Assistance referred to under the letters A and B of Clause 24 of Decree No. 4020 of March 4, 1926...	6,938,439\$916
Monte Alto Improvement Company: Suburban line from Ibitirama to Vista Alegre	592,938\$385
Morro Aguda Railway Company: Suburban line from Pontal to Morro Agudo.....	2,211,421\$279

Inspection of Railway Lines.—The competent department carried out inspections on those railway lines which had been granted a State concession, which included 12,188 kilometres of lines.

Accounts, Finances of the Lines.—The Government agreed during the year to the increase of 47,485,870\$579 in the construction account of the lines belonging to the Paulista, Itatibese e Dourado, and the Morro Agudo companies; the initial amount sanctioned was 4,961,693\$000.

The total receipts and payments of the railway lines of the State (excluding the Sao Vicente tramways) for November and December showed that there was no stoppage in the ever-increasing development of the State production. The figures were as follows:—

Receipts	410,834,043\$364
Expenses	294,814,155\$595
Balance	116,019,887\$769

THE SOROCABANA RAILWAY.

FINANCIAL MOVEMENT.

The Sorocabana Railway, owing to the excellent results it obtained in 1928, was able to carry out several improvements, the most notable of which were, in view of their effect on the revenue of the railway, the following:—

- 1.—Increase of salaries to an average monthly value of Rs.380,000,000\$000.
- 2.—The running of suburban trains between Sao Paulo and Sao Joao with a reduction of 50 per cent. on the fares.
- 3.—A reduction of 25 per cent. on the fares on the mixed trains, and on goods trains carrying passenger coaches, as well as on the trains P.3, P.4, and P.5 between S. Paulo and Sorocaba.
- 4.—The running of daily trains de luxe between Sao Paulo and Ourinhos carrying sleeping and saloon cars of the Pullman type.

Though fully justified by the net receipts earned in 1928, these measures inevitably affected, to some extent, the earning capacity of the railway line. Had it not been for the heavy storms and of the railway line. Had it not been for the heavy storms and, unprecedented floods in the zone served by the Sorocabana Co., which seriously disorganised the service, the above measures would have not greatly affected the ultimate balances.

The floods took place just at the place where the double line was inaugurated, the track of which in the Serr de Sao Joao was the one which suffered most severely from the rains, which were the most violent which have yet been registered, as is shown by the charts of the Meteorological Office of the State.

The tracks that suffered most were those of Fernao Dias to Maylasky, the damage to which took six months to repair and entailed very heavy work; and those from Rodovalho to Piragibu and from Sorocaba to Lopes de Oliveira, which took three months, and necessitated the use for several months of tracks of old lines which had been abandoned, and the construction of some side lines. As a result of these measures it was possible to resume the service of passenger trains.

Between Sao Paulo and Santo Antonio alone more than 1,000 workmen were employed in the repair work on the line.

At the Itarare branch, the waters of the river Tatuhy invaded the line at kilometre 189, flooding up to 180 metres, to a height of more than 60 centimetres. Several embankments between Santo

Antonio and Tatuhy, and between Boituva and Itapetininga, collapsed, compelling the railway to suspend its train service between those two stations.

On the Ituauna line the services between Mayrink-Itaicy and Itaicy-Jundiary were interrupted. A great number of railway level-crossings between Mayrink and Pirapitinguy were carried away. Between kilometres 18 and 83 about 20 level-crossings, some of them very large, collapsed, several embankments having crumbled away. The waters invaded the railway lines at several points, necessitating a suspension of the train service between Jundiary and Itupeva and between Monte Serrat and Quilombo. Between Pimenta and Itaicy the line was entirely under water.

On the Tronco Line, at kilometre 272, an embankment fell down, and at kilometre 256 another one crumbled away from a height of about 10 metres along a stretch of 50 metres, thereby blocking the line between Botucatu and Boituva. Traffic at this point was resumed in three days by the construction of two side lines.

In the vicinity of Sao Paulo, between Osasco and Quitauna, the line was entirely submerged for a length of 1,000 metres; for some days passengers had to be transferred from the trains by means of boats.

The waters of the River Sorocaba also invaded the station yard at Sorocaba, and it was necessary to remove all the locomotives which were lying in the local sheds.

In consequence of this damage, the management of the railway was compelled to employ on the repair work of the line a great number of locomotives and trucks, and the withdrawal of these from ordinary traffic caused a corresponding diminution in the receipts, on the one hand, and an increase in expenses on the other, during nearly the whole of the first half-year.

Thanks, however, to the efforts of the whole staff, who acted with the greatest solicitude, the services were soon restored to their normal running, and between the months of March and June small surpluses were shown, amounting, in the course of the second half of the year, to a considerable sum. The net results for September, October, and November placed the Sorocabana on a level with the most important railway lines of the State.

As a result of the above difficulties, the net balance, at 23,019,488\$392, was smaller than that in 1928, when the figure was 26,295,081\$141, there was thus a decrease of 12.45 per cent.

The gross revenue, including the accessory taxes of 10 per cent. for the "Special Fund" and 2 per cent. for the "Pensions Fund" was 92,410,915\$103, which represented an increase of 2,324,435\$899, as compared with that of the previous year.

GENERAL BUDGET OF THE RAILWAYS.

The State Law No. 2,343 of December 31, 1928, fixed the expenses of the upkeep of the line for 1929 at 60,437,000\$000, and estimated the receipts at 84,000,000\$000. Owing, however, to the reduction in expenses—despite the increase in salaries—the financial year closed with a sum of 360,076\$519 less than the fixed expenses.

The Management persevered firmly in its efforts to eliminate all factors that might tend to reduce receipts, as, for example, the granting of passes, evasions of rent, irregularities in the control of the stations, in the trains, &c., with the result that, although the annual receipts during the first months of the year were considerably lower, as has been seen, as compared with the estimated revenue, which was calculated at 84,000,000\$000, they showed a reduction of only 903,588\$127.

TRAFFIC.

In spite of the interruptions caused by the rains, a considerable traffic was carried, as can be seen from the table given below, in which will be found statistics of the carriage of passengers, tonnage of luggage and of goods, number of animals, tonnage of coffee, and other merchandise carried.

The following figures of the total tonnage carried by both the passenger service and the goods service during the last five years show a progressive increase of the traffic of this railway line:—

Year.	Traffic.
1925	375,294,536
1926	411,977,937
1927	480,529,214
1928	534,864,221
1929	547,237,838

There was thus an increase of 45.82 per cent. in general traffic in comparison with 1925. As regards goods traffic, the traffic which yielded the greatest receipts was coffee, the freight on which amounted to 12,455,240\$140; and, in the second place, timber, with freight receipts of 10,444,352\$550. Timber contributed 380,998 tons—more than double the tonnage of coffee carried (173,388 tons).

That is how we stand. We have shown a net profit this year of over 5 per cent. on our ordinary shares, and have, in addition, a substantial

Mr Nigel Bond seconded the resolution, which was carried. The retiring directors were re-elected, and the auditors reappointed, and a vote of thanks to the chairman terminated the proceedings.

Referring to new uses for rubber, Mr Miller urged the desirability of laying rubber surfaced blocks in City streets where traffic is heavy and excessive noise and vibration are almost intolerable. The price at which a dependable rubber roadway can be laid has now been reduced to approximately £2 10s. per square yard.

Total	808,657,983	949
Balance for the Financial Year of 1930—		
In Cash	764,640	836
At the Bank	90,988,728	050
At the National Treasury. Part of the profits on the sum of Rs. 15,000,000 the proportion paid by the State for the Service of the Coffee Protection Association in 1922.....	5,630,453	355
At the National Treasury. A/c for the transport of Troops on the Sorocabana Railway	1,084,122	873
At the State Bank. A/c of Deposits at the Savings Bank In the hands of the Railway Companies.....	20,654,251	820
	921,481	803
	120,043,677	172
Total	928,701,661	121

Compensating accounts in the Assets—	
Hypothecary guarantees.....	2,310,438\$385
Deposits and guarantees	8,840,196\$886
Holders of Bearer Warrants	2,785,000\$000
Holders of Debenture Warrants.....	42,759,500\$000
State Stamps	212,251,067\$269
Endorsements on hypothecary bills.....	42,613,500\$000
Guarantee for the Institute	384,984,000\$000
	696,571,702\$540
Total	2,139,345,942\$593

EXTERNAL FUNDED DEBT at the close of the FINANCIAL YEAR of 1929.														
LOANS.		DATA.		Nominal value.		SINKING FUND.		FUND.		NET AMOUNT OUTSTANDING.				
		Date of Issue.	Maturity Date.	£ sterling.		Up to 1928.		In 1929.		Total.		Foreign currency. National money.		
				£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.	£
1904	Bank of London and South America, Ltd.	10/12/1904	1/4/1935	1,000,000	0 0	674,840	0 0	51,480	0 0	726,320	0 0	273,580	0 0	
1905	Dresden Bank of Berlin	4/4/1905	1/10/1943	3,800,000	12 6	1,391,200	0 0	111,600	0 0	1,502,800	0 0	2,297,200	12 6	2,432,711\$471
1907	Soc. Générale de Paris et Banque de Paris et des Pays Bas	21/10/1907	1/6/1957	2,000,000	0 0	319,647	2 0	28,568	0 0	348,215	2 0	1,651,784	18 0	20,413,561\$29
1921	Baring Bros. & Co., Ltd., N. M. Rothschild & Sons, and J. Henry Schroder and Company	9/3/1921	9/3/1951	2,000,000	0 0	128,480	0 0	37,380	0 0	165,860	0 0	1,834,140	0 0	14,682,545\$815
1926	Baring Bros. & Co., N. M. Rothschild & Sons, and J. Henry Schroder & Co.	18/3/1926	1/9/1956	2,500,000	0 0	52,900	0 0	29,900	0 0	82,800	0 0	2,417,200	0 0	42,945,599\$980
1928	Baring Bros. & Co., N. M. Rothschild & Sons, and J. Henry Schroder & Co.	19/7/1928	1/7/1968	3,500,000	0 0	10,900	0 0	25,600	0 0	36,500	0 0	3,463,500	0 0	74,933,200\$300
				14,800,000	12 6	2,577,967	2 0	284,528	0 0	2,862,495	2 0	11,937,505	10 6	138,359,843\$350
				\$		\$		\$		\$		\$		293,773,462\$095
1921	Speyer & Co., New York	14/3/1921	14/3/1936	10,000,000-00		3,070,000-00		990,000-00		4,060,000-00		5,940,000-00		
1925		15/4/1925	1/6/1950	15,000,000-00		---		---		---		15,000,000-00		38,168,361\$566
1926		18/3/1926	1/9/1956	7,500,000-00		252,500-00		47,000-00		299,500-00		124,660,425\$000		
1928	and J. Henry Schroder Banking Corp....	19/7/1928	1/7/1968	15,000,000-00		48,500-00		48,000-00		96,500-00		7,200,500-00		46,165,154\$800
				47,500,000-00		3,371,000-00		1,085,000-00		4,456,000-00		14,903,500-00		122,879,357\$500
				Florins.		Florins.		Florins.		Florins.		Florins.		331,873,298\$866
1921	Lippmann Rosenthal & Co., Rotterdamse Bankvereeniging	9/3/1921	9/3/1936	18,000,000-00		5,540,000-00		1,780,000-00		7,320,000-00		10,680,000-00		23,581,809\$700
				£s.		£s.		£s.		£s.		£s.		293,773,462\$095
				843,044,000-00		---		---		---		---		331,873,298\$866
				Fls.		Fls.		Fls.		Fls.		Fls.		23,581,809\$700
				Total.....										649,228,570\$621

1st Section of the Accountant General's Office.
Chief of the Department, F. MAGALHAES.

Director, C. MAGANO.

5th May, 1930.
Office: Jose Lisboa Dias.

MID-EUROPEAN CORPORATION, LIMITED.

DIVIDEND OF 8 PER CENT.

INVESTMENT TRUSTS AND INCOME TAX.

The sixth annual ordinary general meeting of the Mid-European Corporation, Limited, was held, on the 14th instant, at Winchester House, Old Broad Street, London, E.C.

Mr H. C. Hambro (chairman of the company), presided.

The Secretary (Mr Reginald J. Godfrey, F.C.I.S.) having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, said: As compared with a year ago the present accounts show several important changes, and in order that you shall be under no misapprehension as to what has taken place I propose to explain in some detail the nature of these changes and the motives of the board in adopting them. You are all aware that the business of investment trust companies is conducted in accordance with certain generally-accepted principles, and that they differ from finance companies in a number of respects. For instance, the revenue of a trust company consists solely of interest and dividends from investments and, in certain circumstances, underwriting commission, and excludes all realised appreciation made by the sale or redemption of investments, which is utilised only for capital purposes. The distinction between these two classes of companies is recognised by the Inland Revenue and investment trusts are not liable to income tax on their realised capital appreciation. Since the inception of the corporation its business has been conducted in accordance with investment trust company principles, and the greater part of our funds—over 80 per cent. indeed—has been invested in Stock Exchange investments such as are held by any trust company. A certain amount of our capital has, however, been invested in secured loans to Continental governments, municipalities, and a few of the more important industrial undertakings. These loans were arranged for periods extending from a minimum of five years to a maximum of twenty years and, in the view of your board, the only essential differences between these loans and similar loans raised by the public offering of bonds were that they had no Stock Exchange quotation and gave a rather higher rate of interest.

QUESTION OF INCOME TAX.

During the year which has elapsed since we last met the question of the corporation's liability for income tax has come before the tribunal specially appointed to deal with such cases. This tribunal decided that the corporation was liable for income tax on its realised capital appreciation, and, so far as can be gathered, based its decision to a large extent on its own view that the making of the secured loans, to which I have referred, constituted the business of a finance company and not a trust company. While your board does not by any means concur in this view, it was bound to recognise that as a result of the decision, so long as investments of this character were included in its holdings, the corporation would be hampered in the conduct of its business as a trust company. After having obtained the best possible advice it was clear to the board that in order to preserve the character of the corporation it would be necessary to abandon certain powers contained in the memorandum of association, to modify the articles to some extent, and to cease to hold these secured loans.

GENERAL TRADE DEPRESSION.

The accounts presented to you on this occasion cover a period of general trade depression which is by no means confined to this country. The whole world has its problems of unemployment, lower prices, and the restriction or cheapening of output to meet the lessened demands of consumers, and it is only to be expected that this should be reflected in the current prices of some of our investments. Your directors during this period have sold certain securities where the prospects of better conditions appeared rather remote, and have replaced them with investments for which the outlook is more promising.

I have now pleasure in formally moving that the directors' report and accounts for the year ended July 31, 1930, submitted to this meeting be and they are hereby adopted, and that the final dividend of 5 per cent. on the ordinary stock, making 8 per cent. for the year, recommended by the directors in their report, be and is hereby declared.

Mr. P. C. Crump seconded the motion, which was unanimously approved.

An extraordinary general meeting was subsequently held, when certain alterations in the articles of association were unanimously approved.

BUENOS AYRES AND PACIFIC RAILWAY COMPANY, LIMITED.

The ordinary general meeting of the Buenos Ayres and Pacific Railway Company, Ltd., was held, on the 10th instant, at Winchester House, London.

The Viscount St. Davids (the chairman) said that a year ago he gave the shareholders a report on the final of three consecutive years of record receipts, and he made a forecast for the then coming twelve months, and it was not a sanguine one. He told them that wheat had been affected by drought, and that there was a smaller acreage under wheat. He ventured to forecast that during the year they might have a decrease in receipts of £600,000, but that, in spite of that, he felt confident they could earn 7 per cent. They had actually not earned 7 per cent., although they were paying it. They had actually suffered a traffic decrease of £1,279,000, and, in addition to that, exchange had "gone wrong." As to the reasons for the further loss, the gross production of wheat showed a decrease of 563,000 tons, or 58 per cent. That was bad enough, but on the top of that more than half the maize crop was lost. He could find only one bright spot in the reports of the general manager and traffic manager, and that was that from their district exports of fresh fruit had gone up. He anticipated that that trade would be immensely valuable to the company in future years.

As to the outlook for the current year, there were some cheering signs. There was a larger area under fine cereals, and the area sown with wheat contained a larger amount sown with pedigree wheat. Last year he had to tell them that part of the wheat crop had been lost, and that more was in jeopardy. On the present occasion he was delighted to say that up to date the wheat crop throughout looked exceedingly good. There were also minor bright spots; irrigation was increasing steadily, and the population of Argentina was growing.

There were some bad points with regard to the outlook for the current year. They had started with a traffic decrease since July 1st of £478,000, and they could not disguise from themselves the fact that, unless things turned for the better very quickly, their losses on exchange during the current year were likely to be more than they were in the year under review. There was, however, a good point. The general manager wrote in his report that he thought that the gross traffic of the whole year would equal that of last year. That was written two months ago, but shareholders would be interested to hear that he had confirmed that statement only last night over the telephone. He hoped that the general manager was not over-sanguine.

In times like the present it was almost folly to prophesy, but he always told the shareholders things as he saw them, and he told them frankly that he did not believe that the company's next balance sheet could be as good as the one under consideration. On the other hand, if they looked at the amount carried forward, they would see that they still had there something very substantial to help them.

The report and accounts were adopted.

Orders for the publication in these columns of the reports of Company Meetings should be addressed to the Reporting Manager of THE ECONOMIST, 8, Bouverie Street, Fleet Street, London, E.C.4.

Government Returns, &c.

NATIONAL ACCOUNTS.

As is shown from the Treasury Return printed below, the total ordinary revenue for the week ended Oct. 11, 1930, amounted to £8,065,900 against ordinary expenditure of £10,313,900. After allocating £843,300 to the Sinking Fund, and having allowed for an increase in Exchequer Balances of £28,700, the week's operations, as shown below, increased the National Debt by £3,120,000 to £7,675,000,000—

(000's omitted.)

Public Department Advances ..	£ 450	Treasury Bills ..	£ 7,430
National Savings Certificates ..	100	Post Office and Tel. Money ..	400
4% Treasury Bonds ..	10,400		
	+ 10,950		7,830

A complete analysis of the National Debt at the end of last quarter was printed in the *Economist* of October 4.

REVENUE.	Estimate for the year 1930-31.	Total Receipts into the Exchequer.			
		April 1, 1930, to Oct. 11, 1930.	April 1, 1929, to Oct. 12, 1929.	Week ended Oct. 11, 1930.	Week ended Oct. 12, 1929.
ORDINARY REVENUE.					
Inland Revenue—					
Income Tax	260,000,000	65,200,000	62,696,000	1,979,000	1,343,000
Sur-tax, including Arrears of Super-Tax	64,500,000	14,220,000	12,030,000	380,000	200,000
Estate, &c., Duties	83,000,000	44,430,000	43,560,000	980,000	900,000
Stamps	27,000,000	8,670,000	12,400,000	650,000	680,000
Excess Profits Duty and Corporation Profits Tax ..	1,700,000	...	10,000	...	...
Land Tax and Mineral Rights Duty	800,000	150,000	160,000	...	...
Total Inland Revenue ..	437,000,000	132,670,000	130,856,000	3,989,000	3,123,000
Customs and Excise—					
Customs	122,710,000	63,903,000	65,523,000	2,215,000	2,319,000
Excise	129,860,000	62,100,000	64,000,000	1,623,000	1,700,000
Total Customs and Excise ..	252,570,000	126,003,000	129,523,000	3,838,000	4,019,000
Motor Vehicle Duties (Exchequer Share)	4,950,000	2,054,298	2,157,687	539,000	333,687
Post Office (Net Receipt) ..	10,125,000	4,950,000	5,450,000	Dr. 450,000	Dr. 200,000
Crown Lands	1,300,000	610,000	610,000	...	...
Receipts from Sundry Loans ..	33,000,000	19,927,897	20,628,611	24,439	173,562
Miscellaneous Receipts	34,500,000	12,376,351	16,257,388	125,483	4,648
Appropriation from Rating Relief Suspense Account ..	16,000,000	16,000,000	...	...	...
Total Ordinary Revenue ..	789,445,000	314,591,546	305,492,686	8,065,922	7,453,897
SELF-BALANCING REVENUE.					
Post Office	60,275,000	30,400,000	29,650,000	1,200,000	1,300,000
Motor Vehicle Duties apportioned to Road Fund	23,560,000	6,776,702	6,292,313	...	175,313
Total Self-Balancing Revenue ..	83,835,000	37,176,702	35,942,313	1,200,000	1,475,313
Total		351,768,248	341,434,999	9,265,922	8,929,210

EXPENDITURE.	Estimate for the year 1930-31 (including Supplementary Grants).	Total Issues out of the Exchequer to meet payments.			
		April 1, 1930, to Oct. 11, 1930.	April 1, 1929, to Oct. 12, 1929.	Week ended Oct. 11, 1930.	Week ended Oct. 12, 1929.
ORDINARY EXPENDITURE.					
Interest and Management of National Debt	304,600,000	160,911,397	174,445,365	2,897,911	1,619,909
Payments to Northern Ireland ..	6,000,000	2,765,880	2,402,215	202,464	409,200
Payments to Local Taxation ..	3,300,000	1,492,890	1,951,424	183,529	187,688
Accounts					
Other Consolidated Fund ..					
Services (excluding Post Office)	418,933,000	218,835,467	181,781,428	7,030,000	4,950,000
Total Ordinary Expenditure ..	732,833,000	384,005,634	364,230,112	10,313,904	7,166,797
Sinking Fund	55,400,000	23,968,107	22,445,977	843,269	578,947
SELF-BALANCING EXPENDITURE.					
Post Office	60,275,000	30,400,000	29,650,000	1,200,000	1,300,000
Road Fund	23,560,000	6,776,702	6,292,313	...	175,313
Total Self-Balancing Expenditure ..	83,835,000	37,176,702	35,942,313	1,200,000	1,475,313
Total		445,150,443	422,618,402	12,357,173	9,221,057

The aggregate revenue and expenditure to Oct. 11, 1930, is shown below:—

FINANCIAL YEAR, 1930-31, APRIL 1 TO OCTOBER 11.

(000's omitted.)

Expenditure	£ 381,006	Revenue	£ 314,592
Sinking Fund	23,968	Decreases in balances	3,354
		Net Amount borrowed	90,028
	407,974		407,974

POSITION OF THE FLOATING DEBT.

Ways and Means Advances Outstanding—	Oct. 12, '29.	Mar. 31, '30.	Oct. 11, '30.	Oct. 11, '30.
Advances by Bank of England ..	1,500,000	48,530,000	35,700,000	+ 450,000
Advances by Public Departments ..	34,446,000	588,885,000	655,550,000	+ 7,430,000
Treasury Bills outstanding	787,145,000	637,415,000	691,250,000	+ 6,980,000
Total Floating Debt	823,091,000	637,415,000	691,250,000	+ 6,980,000

* Includes £7,000, the proceeds of which were not carried to the Exchequer within the period of the account.

TREASURY BILLS BY PUBLIC TENDER.

Tenders for £40,000,000 in Treasury Bills were opened on October 10, 1930, and the total amount applied for was £55,505,000. Tenders were accepted for bills at three months, dated Monday at Friday at £99 9s. 2d., about 12 per cent., and Saturday at £99 9s. 4d., and above in full. The amount allotted was £40,000,000.

Date.	Amount Offered.	Amount Applied For.	Treasury Bills at 3 Months. Average Rate.
1930.			
Sept. 19	40,000,000	55,740,000	2 10 10.5
Sept. 26	45,000,000	45,705,000	2 0 2.84
Oct. 3	40,000,000	57,820,000	2 4 2.98
Oct. 10	40,000,000	55,505,000	2 2 6.62

The Bankers' Gazette.

BANK OF ENGLAND.

Return for Week ended Wednesday, October 15, 1930.

ISSUE DEPARTMENT.

Notes Issued—	£	Government Debt	£ 11,015,100
In Circulation	357,060,692	Other Government Securities ..	232,897,327
In Banking Department ..	60,762,975	Other Securities	11,627,104
		Silver Coin	4,460,469
		Amount of Fiduciary Issue ..	260,000,000
		Gold Coin and Bullion	157,823,667
	£417,823,667		£417,823,667

BANKING DEPARTMENT.

Proprietors' Capital	£ 14,553,000	Government Securities	£ 42,301,247
Reserve	3,088,790	Other Securities	11,627,104
Public Deposits	12,397,382	Discounts and Advances	£5,128,036
Other Deposits	£66,163,417	Securities	22,881,956
Other Accounts	35,067,255	Notes	28,009,992
7-Day and other Bills	1,973	Gold and Silver Coin	60,762,975
	£132,271,817		£132,271,817

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

Both Departments.		Amount, Oct. 15, 1930.	Inc. or Dec. on Last Week.	Inc. or Dec. on Last Year.
Notes circulation	£	357,060,692	— 2,498,938	— 3,184,120
Public deposits	£	12,397,382	— 463,919	— 2,846,576
Bankers' deposits	£	66,163,417	— 283,597	— 3,612,486
Other deposits	£	36,067,255	+ 1,816,063	— 1,058,485
Seven-day bills	£	1,973	+ 106	— 203
Total, outside liabilities	£	471,690,719	+ 1,430,285	— 5,108,718
Capital and rest	£	17,641,790	+ 4,346	— 28,697
Government debt and securities ..	£	286,213,674	— 2,355,903	— 36,621,234
Discounts and advances	£	5,128,036	+ 248,551	— 191,563
Other securities	£	34,509,060	+ 351,787	+ 5,579,063
Silver coin in issue department ..	£	4,460,469	+ 1,336	— 375,188
Coin and bullion (bank's reserve) ..	£	159,021,270	+ 338,290	+ 26,088,381
Reserve of notes and coin in banking department	£	61,960,578	+ 2,837,228	+ 29,272,501
Proportion of reserve to outside liabilities ..				
(a) Banking department only ("proportion")		54%	+ 2%	+ 26%
(b) Gold stocks to deposits and notes ("reserve ratio")		33½%	+ ½%	+ 5½%

(000's omitted.)

Date.	Issue Department.		Banking Department.			Gold in or out of Bank.	Bank Rate.
	Notes Issued.	Circulation.	Public Deposits.	Bankers' Deposits.	Other Deposits.		
1930.							
Aug. 27	£ 414,840	£ 360,868	£ 18,173	£ 62,600	£ 33,799	£ 504 in	4½
Sept. 3	414,460	362,983	7,917	67,428	34,616	381 out	3
10	415,546	361,326	9,013	67,166	34,137	267 in	3
17	416,420	357,768	8,934	65,308	33,798	653 in	3
24	416,305	355,769	13,310	64,174	34,195	155 out	3
Oct. 1	415,619	359,386	21,645	61,318	34,789	748 out	3
8	417,477	359,560	12,861	66,447	34,251	1,856 in	3
15	417,824	357,061	12,397	66,163	36,067	290 in	3

(000's omitted.)

Date.	Issue Department.		Both Depts.		Banking Department.			Reserve & the "Proportion."
	Govt. Debt and Securities.	Other Securities.	Gold Coin and Bullion and Reserve Ratio.	Govt. Securities.	Discounts & Advances.	Other Securities.		
1930.								
Aug. 27	£ 243,908	£ 11,629	£ 155,888	£ 32½	£ 49,141	£ 6,160	£ 2,187	55,020 4½
Sept. 3	243,910	11,629	155,522	32½	47,891	6,229	21,559	52,539 4½
10	243,910	11,629	156,574	33½	45,911	5,770	21,641	55,247 50
17	243,904	11,629	157,511	33½	38,766	5,377	22,409	59,743 55½
24	243,906	11,629	157,427	33½	41,056	5,672	21,586	61,658 55½
Oct. 1	243,910	11,627	156,803	33½	44,536	11,917	22,158	57,417 48½
8	243,913	11,628	156,683	33½	44,666	4,879	22,530	59,123 52
15	243,912	11,627	159,021	33½	42,301	5,128	22,882	61,961 54

BANKERS' CLEARING RETURNS (000's omitted.)

	Town.	Metropolitan.	Country.	Total.
1930.	£	£	£	£
January 1 to October 1.....	29,767 591	1,370,904	2,242,710	33,381,205
Week ended October 8.....	792,457	41,371	70,172	904,001
Week ended October 15.....	702,880	34,336	56,793	793,599
Total to date, 1930.....	31,262,428	1,446,611	2,369,675	35,078,714
Total to date, 1929.....	31,690,879	1,497,978	2,447,991	35,626,848
Increase or decrease in 1930.....	{ 418,451 = 1·3%	= 51,367 = 3·4%	= 78,316 = 3·2%	= 548,134 = 1·6%
Total for year, 1929.....	39,935,924	1,881,789	3,078,764	44,895,477
Do. 1928.....	39,311,117	1,854,190	3,039,422	44,204,729
Increase or decrease in 1929.....	{ + 624,807 = 1·6%	+ = 27,599 = 1·5%	+ 39,342 = 1·3%	+ 691,751 = 1·6%

PROVINCIAL CLEARING RETURNS.
(000's omitted).

	Week ended Oct. 11.		Month of September.		Inc. or Dec.	Aggregate Weekly Totals Jan. 1 to Oct. 11.	
	1929.	1930.	1929.	1930.		1929.	1930.
Number of working days	25	26	25	26			
BIRMINGHAM	2,100	1,956	9,340	8,484	-17.0	105,246	96,953
BRADFORD	866	681	4,011	3,203	-26.6	47,118	34,887
BRISTOL	1,037	936	4,472	4,461	-5.0	47,726	45,056
DUBLIN	765	733	3,215	3,212	-1.7	34,625	32,215
HULL	701	660	3,451	2,784	-19.7	39,923	27,196
LEEDS	777	629	2,935	2,628	-10.7	32,329	28,334
LEICESTER	1,171	5,552	30,361	23,561	-25.3	320,290	260,177
LIVERPOOL	12,245	8,978	48,837	38,131	-17.6	509,216	428,747
MANCHESTER	1,282	1,152	5,841	5,196	-19.0	60,509	56,716
NEWCASTLE	642	544	2,359	2,249	-28.0	25,554	23,773
NOTTINGHAM	845	716	4,114	3,151	-13.2	41,126	36,160
SHEFFIELD							
Total	29,431	22,537	118,936	96,860	-18.4	1,264,662	1,080,214

OVERSEAS BANK RETURNS.

NOTE.—The latest Return of the Bank of Portugal appeared in the *Economist* of August 30; Egypt on September 20; Canada on September 27; Russia on October 4; Denmark, Norway, Danzig, Lithuania, Java and Finland on October 11.

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

	Oct. 17, 1929.		Sept. 25, 1930.		Oct. 2, 1930.		Oct. 9, 1930.		Oct. 16, 1930.	
	1929.	1930.	1929.	1930.	1929.	1930.	1929.	1930.	1929.	1930.
RESOURCES.										
Total gold reserve	3,158,360	2,988,930	2,976,770	2,976,530	2,979,340	2,979,340				
Total bills discounted	848,940	167,160	185,920	173,170	210,440	210,440				
Bills bought in open market	360,110	197,740	193,110	211,020	185,490	185,490				
Total U.S. Govt. securities	137,630	601,810	601,180	600,440	601,610	601,610				
Total bills and securities	1,370,430	975,480	986,970	990,900	1,003,820	1,003,820				
Total resources	5,718,120	4,827,300	4,878,980	4,833,100	5,104,780	5,104,780				
LIABILITIES.										
Federal Reserve notes in actual circulation	1,859,620	1,347,720	1,376,350	1,365,400	1,372,210	1,372,210				
Deposits—Memberbank—reserve account	2,408,480	2,416,150	2,394,320	2,407,760	2,440,360	2,440,360				
Total deposits	2,460,630	2,483,540	2,456,680	2,466,110	2,491,870	2,491,870				
Capital paid in and surplus	421,400	447,500	447,580	447,490	447,430	447,430				
Total liabilities	5,718,120	4,827,300	4,878,980	4,833,100	5,104,780	5,104,780				
Ratio of total resources to deposit and Federal Reserve note liabilities combined	73.1%	82.0%	81.6%	81.6%	80.9%	80.9%				

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

	Oct. 17, 1929.		Sept. 25, 1930.		Oct. 2, 1930.		Oct. 9, 1930.		Oct. 16, 1930.	
	1929.	1930.	1929.	1930.	1929.	1930.	1929.	1930.	1929.	1930.
Total gold reserves	129,700	1,045,450	986,010	986,010	986,010	986,010				
Total bills discounted	112,270	44,250	48,650	83,840	56,770	56,770				
Bills bought in open market	19,980	187,540	186,240	116,240	187,340	187,340				
Total U.S. Govt. securities	276,800	260,680	266,030	299,980	306,110	306,110				
Total bills and securities	969,010	1,026,320	1,008,710	1,001,690	1,006,610	1,006,610				
Deposits—Memberbank—reserve account	969,010	1,026,320	1,008,710	1,001,690	1,006,610	1,006,610				
Ratio of total res. to dep. and Federal Res. note liabilities combined	83.0%	86.9%	86.6%	83.7%	82.6%	82.6%				

SOUTH AFRICAN RESERVE BANK.—In £'s (000's omitted).

	Sept. 20, 1929.		Aug. 22, 1930.		Aug. 29, 1930.		Sept. 5, 1930.		Sept. 12, 1930.		Sept. 19, 1930.	
	1929.	1930.	1929.	1930.	1929.	1930.	1929.	1930.	1929.	1930.	1929.	1930.
ASSETS.												
Gold coin and bullion	7,645	7,007	6,843	6,604	6,556	6,435						
Subsidiary coin	83	184	173	173	182	187						
Bills discounted	9,122	8,160	8,077	7,832	7,595	7,667						
Investments	489	1,405	1,405	1,404	1,404	1,398						
LIABILITIES.												
Capital	1,000	1,000	1,000	1,000	1,000	1,000						
Reserve	600	720	720	720	720	720						
Notes in circulation	8,107	7,214	8,676	8,175	7,528	7,149						
Government deposits	2,219	2,379	1,881	1,664	1,955	2,036						
Bankers' deposits	4,755	4,948	4,764	4,746	4,536	4,840						
Ratio of cash reserves to liabilities to public	50.0%	46.9%	43.9%	44.7%	45.3%	45.7%						

IMPERIAL BANK OF INDIA.—In rupees (000's omitted).

	Sept. 20, 1929.		Aug. 22, 1930.		Aug. 29, 1930.		Sept. 5, 1930.		Sept. 12, 1930.		Sept. 19, 1930.	
	1929.	1930.	1929.	1930.	1929.	1930.	1929.	1930.	1929.	1930.	1929.	1930.
ASSETS.												
Total securities	32,75,98	28,45,66	27,53,57	27,01,50	23,76,53	23,73,11						
Loans	8,63,54	18,48,41	18,61,72	18,01,45	18,53,49	18,46,09						
Cash credits	22,80,04	30,11,46	30,19,77	29,14,40	28,63,41	28,75,41						
Inland bills	3,06,55	2,31,45	2,37,34	1,84,68	1,74,86	1,72,53						
Foreign bills	28,55	38,66	43,95	46,90	49,71	43,06						
Dead stock	2,83,58	2,78,47	2,78,55	2,78,33	2,78,49	2,78,55						
Bal. with other banks	3,49	5,53	7,38	22,41	20,61	26,22						
Cash	29,13,06	27,21,55	29,75,26	23,09,62	23,39,68	24,55,09						
LIABILITIES.												
Capital paid up	5,62,50	5,62,50	5,62,50	5,62,50	5,62,50	5,62,50						
Reserve	5,27,50	5,37,50	5,37,50	5,37,50	5,37,50	5,37,50						
Total deposits	87,74,04	96,89,87	99,44,92	89,74,26	86,78,54	87,78,02						
The above includes—												
Deposits in London	842	6,797	6,790	6,885	6,870	6,915						
Advances in London	856	8,130	8,042	7,982	7,932	7,878						
Cash, &c., at other Banks in London	18	26	51	168	156	200						

BANK OF FRANCE.—In francs (000's omitted).

	Oct. 11, 1929.		Sept. 19, 1930.		Sept. 26, 1930.		Oct. 3, 1930.		Oct. 10, 1930.	
	1929.	1930.	1929.	1930.	1929.	1930.	1929.	1930.	1929.	1930.
ASSETS.										
Gold	39,776,492	47,671,630	48,431,266	49,100,819	49,448,031	49,448,031				
Foreign assets	7,188,831	8,725,892	6,566,843	6,561,853	6,567,842	6,567,842				
Bills discounted	18,765,124	18,691,042	19,046,090	19,046,371	19,074,550	19,074,550				
Commercial bills discounted at home	8,041,594	4,928,485	6,154,577	5,008,366	...	...				
Advances against sec.	8,811,552	8,504,399	8,504,399	8,504,399	8,504,399	8,504,399				
To the State	2,469,146	2,789,714	2,796,453	2,946,377	2,886,498	2,886,498				
Other advances	2,698,136	3,100,607	3,052,611	3,339,282	...	...				
LIABILITIES.										
Notes in circulation	66,900,761	72,479,063	73,063,479	74,515,935	73,968,455	73,968,455				
Public deposits	13,463,013	10,859,923	10,508,326	9,990,836	10,905,666	10,905,666				
Private deposits	4,931,013	6,723,817	8,270,433	7,075,504	7,202,726	7,202,726				
Other liabilities	2,466,088	2,548,968	2,709,805	2,925,202	...	...				

THE REICHSBANK.—In Reichsmarks* (000's omitted).

	Oct. 7, 1929.		Sept. 23, 1930.		Sept. 30, 1930.		Oct. 7, 1930.	
	1929.	1930.	1929.	1930.	1929.	1930.	1929.	1930.
ASSETS.								
Reichsbank shares not yet issued	177,212	177,212	177,212	177,212	177,212	177,212		
Gold and bullion	2,211,960	2,583,625	2,478,833	2,443,003	2,443,003	2,443,003		
Of which deposited abroad	149,788	149,788	149,788	149,788	149,788	149,788		
Reserve in foreign currencies	349,556	223,749	170,913	136,215	136,215	136,215		
Bills of exchange and cheques	2,510,861	1,551,767	2,102,830	2,038,743	2,038,743	2,038,743		
Silver and other coin	95,909	181,001	148,852	146,528	146,528	146,528		
Notes of other German banks	13,446	22,148	290,332	60,123	60,123	60,123		
Advances	76,681	56,039	102,666	102,666	102,666	102,666		
Investments	92,583	102,666	102,666	102,666	102,666	102,666		
Other assets	590,571	677,492	685,632	639,452	639,452	639,452		
LIABILITIES.								
Reduced capital	122,788	122,788	122,788	122,788	122,788	122,788		
Increase of capital (shares not yet issued)	177,212	177,212	177,212	177,212	177,212	177,212		
Reserve	319,608	371,159	371,159	371,159	371,159	371,159		
Notes in circulation	4,686,802	4,032,989	4,744,470	4,501,352	4,501,352	4,501,352		
Other daily maturing obligations	444,678	443,237	472,082	471,359	471,359	471,359		
Other liabilities	367,701	228,334	274,190	239,472	239,472	239,472		

NATIONAL BANK OF BELGIUM.—In Belgas (000's omitted).

		Position, May 28, 1914.	Oct. 10, 1929.	Sept. 18, 1930.	Sept. 25, 1930.	Oct. 2, 1930.	Oct. 9, 1930.
ASSETS.		(b)	1,025,929	1,210,248	1,247,542	1,267,928	1,292,277
Gold	}		543,628	892,814	851,842	851,438	863,615
Foreign bills and Balances Abroad		232,650	1,904	4,707	4,324	4,094	3,451
Silver and other coin			818,229	735,259	743,664	742,647	745,383
Securities		697,600					
LIABILITIES.							
Notes in circulation...		934,150	2,697,832	3,048,145	3,051,219	3,129,676	3,141,616
Current accounts		112,125	75,868	141,108	159,430	68,689	111,634

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

	Oct. 7, 1929.	Sept. 15, 1930.	Sept. 23, 1930.	Sept. 30, 1930.	Oct. 7, 1930.
ASSETS					
Gold coin and bullion	6,352	6,539	6,542	6,546	6,546
Net foreign exchange	20,508	16,219	17,077	16,958	17,012
Subsidiary Estonian coin	438	1,644	1,488	1,520	1,541
Home bills discounted	13,735	13,334	13,809	14,057	13,676
Loans and advances	11,965	9,996	10,524	10,886	10,098*
LIABILITIES					
Notes in circulation	34,470	31,126	34,292	33,638	32,468
Right deposits and current accounts	15,827	14,707	12,644	13,615	13,836
Ratio of reserve to current liabilities	54.19%	49.65%	50.32%	49.74%	50.88%

* Includes Ekr. 6,420,302.74 guaranteed by the Government.

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

	Oct. 9, 1929.	Sept. 10, 1930.	Sept. 17, 1930.	Sept. 24, 1930.	Oct. 1, 1930.	Oct. 8, 1930.
ASSETS						
Gold bullion and coins	23,906	24,058	24,060	24,059	24,062	24,065
Silver coin	4,294	7,035	6,926	6,795	6,653	6,557
Balance abroad	49,421	46,959	46,992	47,010	45,775	44,408
Treas. notes and sm. change	8,805	13,784	13,905	12,096	9,508	10,045
Short term bills	92,515	88,289	87,431	86,588	86,893	86,903
Loans against securities	56,022	54,435	55,315	56,612	56,969	56,958
Other assets	19,544	17,391	17,718	17,472	17,352	18,121
LIABILITIES						
Notes in circulation	47,579	46,011	35,849	48,073	48,748	48,964
Capital paid up	15,581	18,735	18,735	18,735	18,735	18,735
Reserve	3,091	4,352	4,352	4,352	4,352	4,352
Special reserve	2,500	3,500	3,500	3,500	3,500	3,500
Deposits	13,929	18,935	19,040	19,109	19,127	19,191
Current accounts	63,887	57,997	57,649	55,682	56,711	56,209
Government accounts	88,097	92,405	92,890	90,511	87,069	86,615
Other liabilities	19,845	10,047	10,333	10,669	8,970	9,491

CENTRAL BANK OF CHILE.—In \$'s (000's omitted).

	Sept. 13, 1929.	Aug. 22, 1930.	Sept. 5, 1930.	Sept. 12, 1930.
ASSETS				
Gold at home	63,021	63,045	63,050	63,031
Gold abroad	484,190	309,528	317,038	342,041
Discounts and advances	62,997	75,137	77,167	54,624
LIABILITIES				
Notes of the bank in circulation	341,621	313,827	321,184	326,386
Deposits	210,547	61,918	65,119	70,216
Paid-up capital	90,778	90,832	90,832	90,832

LONDON RATES.

	Oct. 9, 1930.	Oct. 10, 1930.	Oct. 11, 1930.	Oct. 13, 1930.	Oct. 14, 1930.	Oct. 15, 1930.	Oct. 16, 1930.
Bank rate (changed from 3 1/2% May 3, 1930)	3	3	3	3	3	3	3
Market rates of discount							
60 days' bankers' drafts	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2
3 months' do.	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2
4 months' do.	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2
6 months' do.	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2
Discount (Treasury Bills)							
2 months	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2
3 months	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2
Loans—Day to day	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
Short	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
Deposit allowances: Bank	1	1	1	1	1	1	1
Discount houses at call	1	1	1	1	1	1	1
At notice	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2

Additional to those offered by tender in the preceding week.

Comparison with previous week—

		Bank Bills.			Trade Bills.			
		Short Loans.						
			3 Months.	4 Months.	6 Months.	3 Months.	4 Months.	6 Months.
1930.	%		%		%	%	%	%
Sept. 25	2	2 1/2	2 1/2	2 1/2	3	3 1/2	3 1/2	
Oct. 2	2	2 1/2	2 1/2	2 1/2	3	3 1/2	3 1/2	
" 9	2 1/2	2 1/2	2 1/2	2 1/2	3	3 1/2	3 1/2	
" 16	2 1/2	2 1/2	2 1/2	2 1/2	3	3 1/2	3 1/2	

RATES OF EXCHANGE

	London on	Usance.	Par.	Oct. 17, 1929.	Oct. 9, 1930.	Oct. 16, 1930.
New York.....	dollars to £1	Cable	4.86 1/2	4.86 1/2-87 1/2	4.85 1/2-86 1/2	4.85 1/2-86 1/2
Montreal.....	dollars to £1	Cable	4.86 1/2	4.86 1/2-87 1/2	4.85 1/2-86 1/2	4.85 1/2-86 1/2
Paris.....	francs to £1	T.T.	124.21	123.85-87 1/2	123.82-84	123.90-92
Berlin.....	marks to £1	T.T.	20.43	20.39-40 1/2	20.42-41	20.43-43 1/2
Amsterdam.....	guilder to £1	T.T.	12.107	12.09-09 1/2	12.04 1/2	12.05 1/2-06 1/2
Brussels.....	franc to £1	T.T.	35.00	35.87-87 1/2	34.82-83	34.85 1/2
Milan.....	lire to £1	T.T.	92.46	93.00-03	92.79-81	92.80-82
Zurich.....	franc to £1	T.T.	25.22	25.17-18	25.00-1	24.99-25.00 1/2
Oso.....	kroner to £1	T.T.	18.159	18.20-21	18.15-16 1/2	18.15-16 1/2
Stockholm.....	kroner to £1	T.T.	18.159	18.14-14 1/2	18.08-09 1/2	18.09-1
Copenhagen.....	kroner to £1	T.T.	18.159	18.20-21	18.15-16 1/2	18.15-16 1/2
Madrid.....	pesetas to £1	T.T.	25.22 1/2	33.95-98	48.20-30	50.40-45
Lisbon.....	escudo to £1	T.T.	34.58 1/2	108-108 1/2	108 1/2	108 1/2
Vienna.....	schilling to £1	T.T.	164 1/2	34.61-65	34.42-45	34.43-45
Prague.....	kroner to £1	T.T.	25.22 1/2	164 1/2-164 1/2	163 1/2-164	163 1/2-164
Belgrade.....	dinars to £1	T.T.	27.82	275-276	273 1/2-274	273 1/2-274
Budapest.....	pengo to £1	T.T.	813.6	27.88-90	27.74-77	27.75-77
Bukarest.....	lei to £1	T.T.	813.6	816-818	817-819	817-818
Sofia.....	leva to £1	T.T.	25.22 1/2	668-675	668-673	668-673
Athens.....	drachmas to £1	T.T.	375	374-375 1/2	374-375 1/2	374-375 1/2
Constantinople.....	piastres to £1	T.T.	9.46	194-194 1/2	194-194 1/2	194-194 1/2
Moscow.....	roubles to £1	T.T.	43.38	43 1/2-44 1/2	43 1/2-44	43 1/2-44
Warsaw.....	zlotys to £1	T.T.	193.23	193 1/2-193 1/2	192 1/2-193 1/2	192 1/2-193 1/2
Helsingfors.....	markka to £1	T.T.	48.66	48 1/2-49 1/2	48 1/2-49	48 1/2-49
Kovno.....	lita to £1	T.T.	18.159	18.16-23	18.20-27	18.20-27
Reval.....	kroon to £1	T.T.	25.22 1/2	25.17-27	25.15-25	25.17-27
Riga.....	lata to £1	T.T.	97 1/2	97 1/2-97 1/2	97 1/2	97 1/2
Alexandria.....	piastres to £1	Sight	47.62 1/2	46 1/2-46 1/2	46 1/2	46 1/2
Buenos Aires.....	pence to peso	T.T.	16	53 1/2-54 1/2	53 1/2	53 1/2
Rio de Janeiro.....	pence to mils.	90 days	40	39-53	39 1/2	39 1/2
Montevideo.....	pence to mils.	90 days	40	39-53	39 1/2	39 1/2
Valparaiso.....	pence to mils.	90 days	40	39-53	39 1/2	39 1/2
Lima.....	Eng. to Per. £1	90 days	par	194 prem.	15.20	16.37 1/2
Calcutta.....	pence to rupee	T.T.	18	1 1/2-1 1/2	1 1/2-1 1/2	1 1/2-1 1/2
Bombay.....	pence to rupee	T.T.	18	1 1/2-1 1/2	1 1/2-1 1/2	1 1/2-1 1/2
Madras.....	pence to rupee	T.T.	18	1 1/2-1 1/2	1 1/2-1 1/2	1 1/2-1 1/2
Hong Kong.....	ster. to dollar	T.T.	...	2.91-1 1/2	2.91-1 1/2	2.91-1 1/2
Shanghai.....	ster. to dollar	T.T.	...	2.91-1 1/2	2.91-1 1/2	2.91-1 1/2
Singapore.....	ster. to dollar	T.T.	...	2.91-1 1/2	2.91-1 1/2	2.91-1 1/2
Kobe.....	ster. to yen	T.T.	24.58 1/2	1.11 1/2-1.11 1/2	2.04-2 1/2	2.04-2 1/2
Manila.....	ster. to peso	T.T.	24.06 1/2	2.04-2 1/2	2.04-2 1/2	2.04-2 1/2
Mexico.....	pence to \$	T.T.	9.76	9.95-10.15	10.20-20	10.20-20
Siam.....	ster. to baht.	T.T.	21.81 1/2	1.98	1.98	1.98

† Rate for previous day.

OVERSEAS BANK RATES.

	Changed.	From To		Changed.	From To
Amsterdam.....	Mar. 24, 1930	3 1/2	Oso.....	Mar. 20, 1930	3 1/2
Athens.....	Dec. 2, 1928	10	Paris.....	May 1, 1930	3 1/2
Batavia.....	Mar. 10, 1930	5 1/2	Prague.....	June 24, 1930	4 1/2
Belgrade.....	May 28, 1930	6 1/2	Reval.....	Sept. 29, 1930	6 1/2
Berlin.....	Oct. 9, 1930	4 1/2	Riga.....	Oct. 4, 1930	8 1/2
Bucharest.....	July 31, 1930	3 1/2	Rome.....	Oct. 1, 1930	7 1/2
Budapest.....	Nov. 23, 1929	9 1/2	Sofia.....	May 28, 1930	6 1/2
Calcutta.....	July 10, 1930	6 1/2	Stockholm.....	July 2, 1929	9 1/2
Copenhagen.....	May 1, 1930	4 1/2	Swiss Bank	Apr. 2, 1930	4 1/2
Danzig.....	Aug. 18, 1930	4 1/2	Tokyo.....	July 10, 1930	3 1/2
Helsingfors.....	Aug. 26, 1930	6 1/2	Vienna.....	Oct. 6, 1930	5 1/2
Kovno.....	Apr. 1, 1930	7 1/2	Warsaw.....	Sept. 9, 1930	5 1/2
Lisbon.....	June 2, 1930	8 1/2	Irish.....	June 13, 1930	7 1/2
New York Federal Reserve.....	June 19, 1930	3 1/2	Madrid.....	July 17, 1930	4 1/2

Central Bank of Chile.—Discount rate for member banks, 7%; discount rate for the public, 8%.
a 6% applied to banks and credit institutions.
b 7% applied to private persons and firms.

CURRENT PRICES IN NEW YORK.

The Irving Trust Company cable the following money and exchange rates in New York:—

	Oct. 16, 1929.	Sept. 17, 1930.	Sept. 24, 1930.	Oct. 1, 1930.	Oct. 8, 1930.	Oct. 15, 1930.
Call money.....	7 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2
Time money (90 days' mixed coll.)	7 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2
Bank acceptances.....	5 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2
Members—eligible, 90 days.....	5 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2
Non-mem.—eligible, 90 days.....	5 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2
Ineligible, 90 days.....	5 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2
Commercial accept., 90 days.....	6	3	3	3	3	3

Rates of Exchange, New York on—

	Par Level.	Oct. 16, 1929.	Oct. 1, 1930.	Oct. 8, 1930.	Oct. 15, 1930.
London—					
60 days.....	4.8666	4.81	4.83 1/2	4.83 1/2	4.83 1/2
Cable.....	4.8666	4.86 1/2	4.85 1/2	4.85 1/2	4.85 1/2
Cheques.....	4.8666	4.86 1/2	4.85 1/2	4.85 1/2	4.85 1/2
Paris.....	Cents for 1 franc	3.918	3.923	3.924	3.924
Brussels.....	Cents for 1 franc	13.90	13.955	13.94	13.94
Switzerland.....	Cents for 1 franc	19.30	19.33	19.40	19.43
Italy.....	Cents for 1 lire	6.263	5.23 1/2	5.23 1/2	5.23 1/2
Berlin.....	Cents for 1 mark	23.31	23.04	23.80	23.79
Vienna.....	Cents for 1 schilling	14.07	14.08	14.11	14.11
Madrid.....	Cents for 1 peseta	19.30	14.35	14.11	14.11
Amsterdam.....	Cents for 1 guilder	40.195	40.20	40.31	40.31
Copenhagen.....	Cents for 1 kroner	26.80	26.75	26.75	26.75
Oso.....	Cents for 1 krona	26.80	26.75	26.75	26.75
Stockholm.....	Cents for 1 krona	26.80	26.75	26.75	26.75
Athens.....	Cents for 1 drachma	1.297	1.295	1.295	1.295
Can. Cents for \$1	100	47.85	49.47	49.52	49.52
Yokohama.....	Cents for 1 yen	49.85	47.85	47.85	47.85
Hong Kong.....	Cents for 1 dollar	43.80	43.80	43.80	43.80
Shanghai.....	Cents for 1 shanghai	54.87	54.87	54.87	54.87
Calcutta.....	Cents for 1 rupee	36.50	36.25	35.98	35.98
Buenos Aires.....	Gold Pesos for \$100	103.65	104.90	104.50	104.50
Rio de Janeiro.....	Cents for 1 milreis	32.42	11.85	10.40	10.40
Valparaiso.....	Cents for 1 peso	12.125	12.03	12.10	12.00

CENTRAL AND SOUTH AMERICAN EXCHANGE RATES.

The Anglo-South American Bank, Ltd., quotes the following rates of exchange:—

Country.	Method of Quoting.	Par Value.	Usance.	Rate.</
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REPORTS AND NOTICES.

RAILWAYS.

CORDOBA CENTRAL RAILWAY COMPANY, LIMITED.—Converting Argentine currency into sterling at par, the results of the year's working to June 30, 1930, as compared with those of the previous year, were as under:—

	1928-29.	£	s.	d.	1929-30.	£	s.	d.
Gross Traffic Receipts	1	2	3,597,419	2,936,368	14	10		
Working Expenses	3	4	2,676,013	2,570,047	4	4		
Net Receipts	9	11	£921,405	£366,321	10	6		

74.39% Percentage of Working Exps. 87.52%

To £366,321 has to be added £10,549 credit balance from June 30, 1929, also interest, &c., £16,872, making £393,742, from which has to be deducted loss on exchange £41,793. Years 4 per cent. debenture interest paid £320,000, also six months interest paid on 5 per cent. second debentures £302,671, which leaves a debit balance of £270,722 to carry forward. The resolution to be proposed for increasing the directors' borrowing powers by £300,000 is for the purpose of covering temporary advances, and it is not the intention to utilise these powers for the purpose of creating any permanent loan. The report adds that during the past three months the company's traffic receipts have improved on the low standard of the preceding months, and the outlook for the coming cereal crops is promising.

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS.

Company.	Period Ending	Balance from Last Account.	Net Profit After Payment of Debenture Interest.	Amount Available for Distribution.	Appropriation.					Corresponding Period Last Year.	
					Dividend.			Carried to Reserve, Depreciation, &c.	Balance Forward.	Net Profit.	Dividend.
					Prefce.	Ordinary.	Rate.				
		£	£	£	£	£	%	£	£	£	%
Banks.											
Anglo-South American Bank	June 30	507,901	491,409	999,310	...	385,417	10A 10B	406,743	207,150	480,716	10
Northern Bank, Ltd.	Aug. 30	46,001	129,107	175,108	...	86,706	17A 8A	40,000	48,402	128,729	17A 8A
Breweries.											
Longmorn - Glenlivet Distilleries	July 31	15,358	6,564	21,922	750	2,250	15†	2,100	16,822	6,784	15†
Financial Land, &c.											
Daily Chronicle Investment	June 30	25,124	230	25,354	22,400	...	...	...	2,954	168,904	5
Tecka (Argentina) Land Co.	June 30	21,392	9,552	30,944	...	16,000	8	...	14,944	25,179	10
Hotels, Restaurants, &c.											
Honywood Hotels	April 30	6,103	14,527	20,630	12,600	2,325	6†	...	5,705	18,283	10
Iron, Coal and Steel.											
Hurst, Nelson and Co.	July 19	10,917	81,138	92,055	9,300	61,850	17A	10,000	10,905	68,888	20
Rubber, &c.											
Ceylon Para Plantations	June 30	5,074	12,457	17,531	...	4,600	5	5,500	7,431	...	...
Indian Peninsula Rubber and Tea	June 30	2,619	2,329	4,948	...	...	...	...	4,948	4,578	5
Morib Plantations	June 30	1,748	5,396	7,144	...	3,500	5	1,000	2,644	8,294	10
Pahang Para Rubber	Apr. 30	633	Dr. 2,294	Dr. 1,661	...	...	...	...	Dr. 1,661	2,598	5
Sengat Rubber Estate	June 30	4,531	3,245	7,776	...	...	...	...	7,776	...	...
Strathisla (Perak) Rubber	June 30	11,354	4,020	15,374	...	...	...	4,000	11,374	13,422	15
Tanjong Malim Rubber	June 30	12,406	30,107	42,513	...	25,000	5†	...	17,513	53,560	10†
Tea.											
Associated Tea Estates of Ceylon	June 30	1,488	3,879	5,367	3,600	...	...	...	1,767	9,590	5
Carolina Tea Co. of Ceylon	June 30	9,365	28,639	38,004	3,456	12,825	15	12,000	9,723	38,134	30
Kintyre Tea Estates	June 30	12,256	27,702	39,958	3,000	18,150	15	6,000	12,808	43,875	25
Tramways and Omnibuses.											
Norwich Electric Tramways	June 30	3,440	11,967	15,407	1,000	7,181	15	3,000	4,226	15,688	20
Trusts.											
Atlas Electric and General Trust	Mar. 31	39,428	283,819	323,247	165,375	117,750	5	5,000	35,122	314,683	5
British Canadian Trust	Aug. 31	8,962	21,630	30,592	4,500	8,984	9	10,000	7,108	21,293	9
Second Broadmount Trust	Sep. 14	2,067	10,357	12,424	7,088	1,938	5	1,250	2,148	10,509	4
Second Edinburgh Investment Trust	Sep. 30	51,095	75,247	126,342	21,263	34,875	15	...	70,204	70,816	15
Other Companies.											
Balkis, Ltd.	Aug. 31	7,540	5,185	12,725	...	4,534	5	...	8,191	3,540	Nil
Brown, Hopwood & Gilbert	June 30	13,818	24,773	38,591	1,300	19,000	20†	5,000	13,291	...	...
Burt, Boulton and Haywood	June 30	14,956	73,445	88,401	10,500	47,831	9	15,000	15,070	70,326	10
Cambury Coffee and Cotton Estates	Dec. 31	67,431	Dr. 19,345	48,086	...	...	...	...	48,086	2,826	...
Erinoid, Ltd.	July 31	5,113	(t) 16,695	21,808	...	...	...	4,519	17,289	20,464	7
Ferranti, Ltd.	June 30	39,572	68,749	108,321	9,579	18,000	6	40,000	40,742	66,976	12†
Gainsborough Pictures (1928)	June 30	227	Dr. 42,034	Dr. 41,807	...	8,000	8	...	Dr. 49,807	227	...
Gramophone Co.	June 30	1,210,440	841,931	2,052,371	5,000	648,000	20	...	1,399,371	1,172,747	30
Hirst (Geo. H.) and Co.	Aug. 31	Dr. 52,751	Dr. 6,042	Dr. 58,793	...	...	...	8,490	Dr. 67,283	Dr. 4,530	...
International Brick Co.	Apr. 30	1,325	Dr. 8,959	Dr. 7,634	4,400	...	...	...	4,229	65,295	10
London Express Newspaper	June 30	2,418	67,032	69,450	34,826	30,395	10	...	2,813	61,308	3†
Murray (D. and W.)	July 19	12,604	209	12,813	70,000	...	...	Dr. 60,000	2,813	...	...
Premier Oil and Finance Co.	Mar. 31	7,937	Dr. 10,420	Dr. 2,483	...	...	...	...	Dr. 2,483	5,581	...
Rosario Drainage	June 30	64,238	66,075	130,313	7,200	44,304	8†	10,000	68,809	69,660	8†
Sadler and Co.	June 30	6,882	3,080	9,962	...	6,551	5	...	3,411	17,070	7
Simons and Co.	June 30	4,282	15,174	19,456	8,859	7,750	5	...	2,847	34,252	7†
S. and M. (1928)	July 19	8,130	18,286	26,416	10,000	...	...	9,500	6,916	25,875	8
Trade Properties	June 30	...	1,977	...	...	960	6†	359	658	...	...
Tuck (Raphael) and Sons	Apr. 30	8,899	36,160	45,059	13,750	17,500	7	1,303	12,506	40,200	8

(t) Eleven months.

† Free of income tax.

MISCELLANEOUS

ATLAS ELECTRIC AND GENERAL TRUST, LIMITED.—The investments of this trust, apart from its holdings in the Montevideo Tramways, number 405. The market value at the date of the balance sheet (March 31, 1930) of the investments of the company which are quoted, and the estimated values of the remaining investments is in excess of £6,276,562, the total at which they stand in the balance sheet. Total assets are £9,497,295. Cash is at £319,888, and Indian Government Treasury bills (since paid off) are £198,722. Industrial securities form 39.03 per cent. of the company's investments, and Government securities and municipal loans comprise 34.20 per cent., thus forming 73.23 per cent. out of 100 per cent. Credit balance for the year is £283,819 comparing with £314,683 for previous year. Ordinary shareholders receive 5 per cent as before. The carry-forward is reduced from £39,428 to £35,123. Meeting November 6th (Winchester House, London), at 2.30 p.m.

QUICKTHO (1928) LIMITED.—The progress report dated September 24, 1930, deals with the position since January 31, 1930, when the financial year terminated. The increase in sales has been maintained and the directors report that output during current financial year has greatly exceeded that for any period in history of company. It has been necessary to increase staff to cope with demand for the company's products. The value of orders and contracts in hand assures a continuance of profit-earning activities for some months to come. The liquid resources continue to be adequate for current requirements, and the directors have paid an interim dividend 4½ per cent., less tax, on share capital.

WEEKLY TRAFFIC RETURNS.

RAILWAYS OF GREAT BRITAIN AND IRELAND.

(b) Week ended Oct. 9, 1930.	(c) Week ended Oct. 10, 1930.	Miles Open.	Week ended Oct. 11, 1930. (000's omitted.)					Aggregate 41 weeks, 1930. (000's omitted.)				
			Passen-gers, &c.	Merchandise, &c.	Coal and Coke	Total Goods.	Total for Week.	Passen-gers, &c.	Merchandise, &c.	Coal and Coke	Total Goods.	Total Receipts.
Great Western...	3,751	215	214	116	330	545	10051	8,650	4,820	13,470	23,521	
Do. for 1929...	3,751	223	231	121	352	575	10408	9,150	5,096	14,246	24,654	
Lon. & N. Eastn. (c)	6,362	335	393	252	645	980	14882	15,735	10,372	26,107	40,989	
Do. for 1929...	6,361	345	440	266	706	1,051	15485	17,042	10,996	28,038	45,523	
Lon. & Mid. & Scot.	6,956	509	542	259	801	1,310	22049	21,570	10,237	31,807	53,807	
Do. for 1929...	6,957	529	614	270	884	1,413	23346	23,280	11,039	34,319	57,665	
Southern	2,179	292	77	31	108	400	13502	3,146	1,208	4,354	17,856	
Do. for 1929...	2,175	301	81	30	111	412	13806	3,202	1,334	4,536	18,342	
Total of above	19248	1351	1326	658	1984	3,335	60484	49,101	26,637	75,738	136,222	
Do. for 1929...	19244	1398	1366	787	2153	3,551	63045	52,674	28,465	81,139	144,184	
Metropolitan (c)	59	31.9	4.0	...	...	35.9	1335.7	162.7	...	...	1498.4	
Do. for 1929...	59	32.8	4.1	...	...	36.9	1324.6	157.6	...	...	1482.2	
† Undgd. E. R. (c)	...	301.4	...	...	...	301.4	12351	...	...	...	12,351	
Do. for 1929...	...	293.4	...	...	...	293.4	11706	...	...	...	11,706	
Lon. & Sub. Gr. up	...	45.8	...	...	...	45.8	1819.5	...	...	...	1819.5	
Do. for 1929...	...	44.0	...	...	...	44.0	1718	...	...	...	1718	
B'ham & Co. D'w'ce	80	2.5	...	...	...	3.1	116.0	36.1	...	...	152.1	
Do. for 1929...	80	2.2	...	...	...	2.9	117.0	30.1	...	...	147.1	
† Great Northern	562	11.3	16.9	...	...	28.2	...	...	...	...	112.5	
Do. for 1929...	562	11.8	17.1	...	...	28.9	...	...	...	...	1191.7	
Great Southern	2,187	25.3	47.2	...	...	72.5	...	...	...	...	2955.8	
Do. for 1929...	2,187	26.9	51.2	...	...	78.1	...	...	...	...	3089.2	

* Aggregate 39 weeks.

† Includes receipts from independent omnibuses during current year.

OVERSEAS RAILWAY RECEIPTS.

Name.	Weeks.	Ending.	Present Mileage.	Gross Receipts for Week.		Total Gross Receipts.	
				1930.	+ or -	1930.	+ or -
INDIAN.							
Assam Bengal ...	37	Sept. 13	1,306	Rs. 3,87,000	- 41,929	Rs. 89,69,343	- 2,30,094
Barsi Lk. By.	25	20	202	26,300	- 1,100	10,07,500	- 2,33,770
Bengal & N. Western	25	20	2,079	4,70,443	- 90,871	1,57,56,927	- 10,74,086
Bengal-Nagpur ...	23	6	3,139	13,25,000	- 1,88,351	3,60,76,852	- 31,98,750
Bombay, Bar., & C.I.	24	Oct. 4	3,094	18,95,000	- 106,000	5,17,84,000	- 37,71,000
Madras & S. Mahr.	36	Sept. 13	3,229	13,05,000	- 40,22.56	3,63,60,573	- 74,87,931
†Rohilk'd&Kumaon	24	20	561	78,099	- 2,920	29,70,094	- 1,42,357
South Indian	25	20	2,371	12,91,947	- 26,468	3,08,48,881	- 11,71,138

† Including Lucknow-Bareilly State Railway.

CANADIAN.

Canadian National	Canadian Pacific	Weeks.	Ending.	Gross Receipts for Week.		Total Gross Receipts.	
				1930.	+ or -	1930.	+ or -
40	40	Oct. 7	20290	\$ 4,427,882	- 893,644	\$ 172,814,947	- 35,336,702
		7	15470	4,001,000	- 451,000	136,120,000	- 26,271,000

SOUTH AMERICAN.

Name.

been centred on the news from India. It is quite evident that dealers in Bombay are tired of the trade restrictions, and an effort has been made to reopen the market. There has been strong resistance, however, from the Congress party. Rather more cloth orders continue to be booked from Madras and Karachi. Manufacturers, however, cannot secure any definite relief until there is freer buying for Calcutta, and so far offers for that outlet remain very poor. The demand from China continues rather more promising. Scattered sales have been put through for Shanghai and Hong Kong in grey and white shirtings and printed and dyed goods. Rather unfavourable reports have been received from Egypt, and the disturbances in South America cause anxiety. Further operations have occurred in printing and finishing styles for the Continent. Isolated cases are mentioned of manufacturers being enabled to restart idle looms without any definite increase in employment. Rates in American and Egyptian yarns have been rather steadier. Contracts of importance have been scarce, but the total sales rather tend to improve.

Statement of the Cotton Trade.

	1930.				Corresponding Date.	
	Sept. 24.	Oct. 1.	Oct. 8.	Oct. 15.	1929.	1929.
Raw Cotton—Mid. American..... per lb.	5-98	5-70	5-56	5-75	10-97	10-08
" Sakellaridis Fully Good Fair Egyptian..... per lb.	10-20	9-75	9-45	9-50	18-20	15-65
Yarns—32's twist..... per lb.	10-10	10-10	9-90	9-90	16-10	15-15
" 40's twist..... per lb.	10-10	10-10	10-10	10-10	16-10	15-15
" 60's twist (Egyptian)..... per lb.	18-10	17-10	17-10	17-10	29-10	25-10
32-in. Printers, 116 yds., 16 by 16, 32's and 50's.....	19-7	19-5	19-0	19-0	25-3	24-9
36-in. Shirtings, 75 yds., 19 by 19, 32's and 40's.....	22-0	21-9	21-4	21-2	28-6	27-9
38-in. ditto, 38 yds., 18 by 16, 10 lb.....	12-3	12-1	11-10	11-10	15-0	15-10
39-in. ditto, 37½ yds., 16 by 15, 8½ lb.....	11-0	10-10	10-7½	10-7½	13-10	13-4½

THE WOOL TRADE.

Our Bradford correspondent writes:—Cable information indicates the continuance of satisfactory selling conditions for wool in overseas markets, no further decline being reported. This is quite encouraging, and is probably one reason why the opinion has developed among certain members of the trade that prices have at last touched the bottom. This steadiness of values is all the more pleasing because it has been accompanied by somewhat more general buying interest. The quantity of wool in sight is not in itself too large for it all to be absorbed without any further fall. Dalgety and Company, Ltd., state that 116,000 bales were held over from last season in New Zealand, 28,000 bales being in the Wellington district. The owners will find that they made a mistake in not selling when they had the chance, for it will be a very creditable accomplishment indeed if there is no further fall in crossbreds when the new clip begins to be offered. Merino tops are steadier in Bradford than crossbreds. Business in the latter is very disappointing, though all round there is not the turnover in tops and yarns which is really necessary. Merino tops are being delivered fairly well out of contracts to spinners, but they are not at all keen to be placing new orders, and there is not the slightest improvement in the employment of machinery. Prices for merino tops seem to be stabilised around 25d. for warp 64's, but it is almost impossible to state the price for crossbreds. Export returns of piece goods show another serious decline, but that this is only part of a world retrenchment in trade is shown in the fact that our imports of fully-manufactured goods are also less.

THE JUTE TRADE.

DUNDEE, October 15th.

There is a great deal of irregularity and uncertainty prevailing in the jute trade. Attempts are being made in Calcutta to elicit Government support for the industry. It is understood, however,

that the Government of Bengal has stated that there will be no interference with the natural laws of supply and demand. Speculators in Calcutta are doing their best to keep up the prices for raw jute, while there is also a great reluctance on the part of the growers to forward supplies to Calcutta, with the result that arrivals at that centre are smaller than usual at this time of the year and shippers are experiencing difficulty in fulfilling their contracts. There is such a large crop in view, however, combined with a large carry-forward of old crop from last season, that members of the trade in general have little faith in higher prices for the fibre. Consumers of jute goods have lost all confidence, and the fluctuating tendency of the fibre prices, combined with a marked weakness on the part of Calcutta goods, in no way help to restore that confidence to operate in larger quantities for delivery some distance ahead. Sellers of raw jute are rather reserved and few offers are being made. The value of Daisee assortment has gone up to £15 15s. and come back to £15 10s., with threes at £15 and fours at £14, October-November. The lowest point previously touched for Daisee assortment was £14, and fours were sold down to £11 10s., same shipment. Tossa assortment rules at £17 15s. and First Marks from £20 10s., while Lightnings vary from £17 15s. to £18 5s., according to mark, October-November. Spinners here are buying very little jute, as they have not the slightest incentive owing to the dull state of trade. The production of jute yarns is very much curtailed, and it is quite a common occurrence to find works running only on alternate weeks, while some are working three and four days per fortnight. Spinners are adhering to their rates of 1s. 11d. for common 8-lb. cops and 2s. for 8-lb. spools, but 3-ply 8-lb. twist has been sold at 3½d. to 4d., 24-lb. sacking weft of good quality at 2½d. and 8-lb. chains are lowest at 3½d. Rove is easier at £26 for 48 lb. and £17 10s. for 200 lb., but fine yarns are steady, unchanged, though quiet. Carpet qualities are more or less nominal in the absence of business. Jute cloth business was slightly improved last week, but this week conditions are again quiet. There have been more numerous small orders placed, but manufacturers have not always been able to obtain their quoted terms of 3d. for 10½ oz. 40-in. and 2d. for 8 oz. Linoleum hessians have received some support, but not much, while heavy goods are slow in general. Occasionally, a good order is placed for quick delivery. Calcutta goods have failed to improve, and the position is even quieter at 18s. 6d. for 10 oz. and 15s. for 8 oz., October-December, with spot goods obtainable at 19s. 6d. and 16s. respectively.

HIDE, LEATHER AND ALLIED TRADES.

Prices for cattle hides were lower at the auctions held in the North during the early part of this week, several weights in ox and heifers making from ½d. to ¾d. per lb. less money. The market for sheepskins is poor. Foreign hides are quiet, with only a restricted amount of business passing at figures which, for the most part, show reductions. In the South American market business has been put through in connection with Argentine ox on the basis of 6½d., while second ox have changed hands at 5½d. Rather more interest has been taken in dry River Plates, and sales have been made of B.A. Americanos at down to 7½d., and M.M. Americanos at 7½d. Business in certain sorts of African hides has been very limited on account of the prices being asked by shippers, but in spite of this a moderate turnover has been done in dry and dry salted Capes. Prices for the first and second selection of the former are 7½d. and 6½d., while the same descriptions of dry salted are on offer at 7d. and 6d. for 20 to 30 lbs. A moderate trade has passed in connection with Australian hides, with a slightly easier tendency in regard to values. Although business at the Shoe and Leather Fair at Islington did not come up to the expectation of every exhibitor, quite a respectable turnover was done in sole leather by most firms. The market generally was very firm in regard to values. The strength of the position of sellers was, if anything, the feature of the fair, and the general opinion seems to be that although trade at the moment may not be up to expectations there is little to be feared in the way of losses by falling values. English and wetsalted bends have been a satisfactory market on account of the repairing trade, while shoe manufacturers have been interesting themselves more in the lighter dry hide bends. Upper leather business at the Shoe and Leather Fair was moderate.

OVERSEAS PRODUCE.

SUGAR.—The market gathered renewed strength, prices responding to a good trade, demand with sellers showing more reserve. Messrs. Tate and Lyle's standards advanced 6d., and home grown 3d. per cwt. T.L. granulated spot, London, 19s. Foreign and raw refining descriptions maintained. Terminal sections firmer, and a fair business transpired. Raw, December, sold 5s. 0½d. to 5s. 3¼d.; March, 6s. 4½d. to 6s. 6½d.; May, 6s. 7½d. to 6s. 10½d.; August, 6s. 10½d. to 7s. 0½d. per cwt. Cuban receipts for past week totalled 27,011 tons against 19,568; exports, 56,550 against 40,548; stock, 1,088,938 against 443,404 tons at same time last year. Factories estimates of 15 countries place European production at 5,496,000 tons, against an output last year of 5,510,000 tons. Stocks of raw sugar in the three chief ports of the United Kingdom for week ending October 11th totalled 116,729 tons, against 162,393 last year. Imports into the United Kingdom during September were: 140,495 tons, against 119,163 at same time last year; consumption, 174,389, against 161,127; exports of home refined 45,183, against 7,521. Stocks of home grown 2,050, against 3,900; ditto, other kinds, 171,800, against 243,200 in 1929.

COFFEE.—Spot market firm on sustained inquiries, especially for fine grades.

OVERSEAS TRADE RETURNS.

IMPORTS (Value C.I.F.).

	Month ended September 30.		9 Months ended September 30.	
	1929.	1930.	1929.	1930.
I.—Food, Drink, and Tobacco—				
A. Grain and flour.....	10,752,936	6,957,898	69,999,034	52,991,080
B. Feeding stuffs for animals.....	814,903	357,262	7,118,187	4,464,131
C. Meat.....	9,093,523	7,990,710	86,614,739	85,654,306
D. Animals, living, for food.....	1,604,818	1,889,175	10,741,410	12,406,996
E. Other food and drink, non-dutiable.....	16,051,503	14,060,981	156,109,939	139,462,748
F. Other food and drink, dutiable.....	5,044,437	4,070,328	49,641,188	42,727,039
G. Tobacco.....	1,767,327	1,376,905	10,125,096	9,040,874
Total, Class I.....	45,129,447	36,703,259	390,349,593	346,747,174
II.—Raw Materials and Articles Mainly Unmanufactured—				
A. Coal.....	3,183	2,965	25,724	21,403
B. Other non-metallic mining and quarry products and the like.....	515,300	376,869	4,382,079	4,180,706
C. Iron ore and scrap.....	598,826	288,222	4,679,676	4,310,108
D. Non-ferrous metalliferous ores and scrap.....	1,415,577	726,567	13,040,841	9,884,947
E. Wood and timber.....	5,995,036	4,400,635	31,739,531	31,680,749
F. Raw cotton and cotton waste.....	3,222,792	1,844,397	53,125,124	32,516,225
G. Wool, raw and waste, and woollen rags.....	1,573,384	1,530,203	51,931,048	37,858,580
H. Silk, raw, knits and noils.....	163,724	119,867	1,327,763	1,166,992
I. Other textile materials.....	727,069	363,184	10,895,180	8,032,485
J. Oleseeds, nuts, oils, fats, resins and gums.....	3,564,306	2,437,400	33,680,292	26,784,555
K. Hides and skins, undressed.....	1,913,068	1,176,316	15,461,954	12,855,512
L. Paper-making materials.....	1,140,567	967,556	9,405,344	9,092,349
M. Rubber.....	2,041,186	866,139	12,624,917	8,712,870
N. Miscellaneous raw materials and articles mainly unmanufactured.....	1,305,332	1,377,591	8,785,241	8,450,177
Total, Class II.....	24,179,350	16,477,911	251,104,714	195,577,658
III.—Articles Wholly or Mainly Manufactured—				
A. Coke and manufactured fuel.....	1,682	230	10,608	7,098
B. Earthenware, glass, abrasives, &c.....	924,166	828,327	8,160,942	8,006,417
C. Iron and steel and manufactures thereof.....	2,004,063	1,770,846	18,194,059	17,664,257
D. Non-ferrous metals and manufactures thereof.....	2,744,331	2,238,191	27,104,206	23,266,472
E. Cutlery, hardware, implements, and instruments.....	640,458	589,097	6,215,317	5,752,473
F. Electrical goods and apparatus.....	645,064	571,391	4,235,460	5,035,404
G. Machinery.....	1,460,309	1,214,122	14,253,414	13,809,309
H. Manufactures of wood and timber.....	798,238	708,613	7,085,846	6,631,748
I. Cotton yarns and manufactures of cotton.....	996,393	806,305	7,896,984	7,149,151
J. Woollen and worsted yarns and manufactures.....	1,289,159	1,170,440	12,282,055	10,951,927
K. Silk and silk manufactures.....	1,265,068	1,013,267	10,249,271	8,730,468
L. Manufactures of other textile materials.....	1,502,612	1,319,340	12,793,335	11,812,001
M. Apparel.....	1,958,417	1,726,300	15,045,625	14,802,895
N. Chemicals, drugs, dyes and colours.....	1,261,035	1,053,461	12,169,759	10,318,639
O. Oils, fats, and resins, manufactured.....	3,714,479	3,714,864	33,186,102	37,433,874
P. Leather and manufactures thereof.....	1,374,223	1,071,756	11,442,839	11,175,202
Q. Paper and cardboard.....	1,675,369	1,548,467	13,283,432	13,360,005
R. Vehicles (including locomotives, ships, and aircraft).....	1,024,866	429,364	8,578,432	5,379,771
S. Rubber manufactures.....	322,736	252,172	2,795,617	2,929,383
T. Miscellaneous articles, mainly or wholly manufactured.....	2,806,781	2,563,543	23,285,914	20,469,528
Total, Class III.....	28,409,449	24,590,096	248,269,217	234,386,022
IV.—Animals, not for food.....	397,913	431,843	2,556,625	2,813,983
V.—Parcel Post, non-dutiable articles.....	300,063	448,617	4,873,111	5,668,673
Total.....	98,416,222	78,651,726	897,153,260	785,193,510

COCOA.—Spot market steady, but business proceeded on quiet lines. Forward positions quiet and easier. Accra F.F., London contract, November-January, 26s.; January-March, sold 26s. 6d.; Liverpool sellers, 26s. 6d. f.o.b. G. F. to Continent, November-January, sold 28s. 3d. c.i.f. Terminal opened steady, but later assumed a quiet and easier tone. December sold 28s. 6d. to 28s.; March, 28s. 1½d. to 28s. per cwt.

TEA.—Indian offerings during the week totalled 55,658 packages, and encountered a quieter demand. Invoices of stand-out quality were readily taken at full rates, but common and medium grades displayed irregularity and weakness. 22,852 packages Ceylon brought forward also met a quieter reception. All finest liquoring was kinds realised steady prices, but considerable irregularity was noticeable amongst other descriptions, with frequent declines of ½d. to 1½d. per lb. Leaf teas, suitable for export, sold steadily. Java and Sumatra offerings moved off quietly, and prices tended in buyers' favour.

RICE.—A quiet tone prevailed for most descriptions. Rangoon, two stars, spot, London, 12s. 6d.; October-November, 10s.; new crop, January-February, 10s. 1½d. c.i.f. U.K.

BEANS AND PEAS.—Beans are dull of sale. Madagascar butters, October-November, 25s. 3d. Peas are quiet. Japanese, afloat, 16s. to 16s. 6d.; September-October, 14s. 6d. c.i.f.

POTATOES.—The market in potatoes has been firm and prices have been maintained.

SPICE.—Pepper quieter and trend of prices in buyers' favour, with sellers more in evidence. Lampong, black, August-October, sold 7½d.; October-December, 7d.; Muntok, white, August-October, done 10½d. to 10½d.; October-December, 10½d. to 10½d.

EXPORTS OF PRODUCE AND MANUFACTURES OF THE UNITED KINGDOM (Value F.O.B.).

	Month ended September 30.		9 Months ended September 30.	
	1929.	1930.	1929.	1930.
I.—Food, Drink, and Tobacco—				
A. Grain and flour.....	383,064	338,485	3,626,398	3,337,732
B. Feeding stuffs for animals.....	214,319	179,977	2,386,853	1,603,708
C. Meat.....	116,258	118,773	1,201,186	1,062,883
D. Animals, living, for food.....	21,905	23,983	148,276	132,638
E. & F. Other food and drink.....	3,376,823	2,883,530	25,237,308	22,753,420
G. Tobacco.....	706,924	701,975	7,028,652	6,688,348
Total, Class I.....	4,819,293	4,246,723	39,628,673	35,578,729
II.—Raw Materials and Articles Mainly Unmanufactured—				
A. Coal.....	4,212,043	3,844,381	35,247,684	34,930,017
B. Other non-metallic mining and quarry products and the like.....	162,876	124,047	1,507,337	1,260,689
C. Iron ore and scrap.....	83,998	44,062	1,218,239	413,404
D. Non-ferrous metalliferous ores and scrap.....	112,012	37,042	1,422,184	624,133
E. Wood and timber.....	29,821	19,795	298,079	226,934
F. Raw cotton and cotton waste.....	60,860	28,076	896,723	495,374
G. Wool, raw and waste and woollen rags.....	702,896	288,002	7,503,809	3,749,154
H. Silk, raw, knits and noils.....	5,039	141	22,749	11,264
I. Other textile materials.....	49,121	11,079	329,029	226,701
J. Oilseeds, nuts, oils, fats, resins and gums.....	315,635	249,005	3,853,891	2,806,313
K. Hides and skins, undressed.....	87,949	88,713	2,120,681	1,964,699
L. Paper-making materials.....	108,530	60,532	1,166,848	815,406
M. Rubber.....	18,932	11,029	211,266	137,965
N. Miscellaneous raw materials and articles mainly unmanufactured.....	544,885	173,362	3,069,101	2,202,509
Total, Class II.....	6,492,417	4,979,266	58,866,620	49,064,562
III.—Articles Wholly or Mainly Manufactured—				
A. Coke and manufactured fuel.....	440,337	364,140	3,045,990	2,580,184
B. Earthenware, glass, abrasives, &c.....	1,034,954	864,725	10,329,309	9,274,627
C. Iron and steel and manufactures thereof.....	4,720,379	3,349,193	50,420,639	40,508,659
D. Non-ferrous metals and manufactures thereof.....	1,521,727	1,221,350	13,641,462	9,383,801
E. Cutlery, hardware, implements, and instruments.....	674,661	558,364	6,814,812	5,669,041
F. Electrical goods and apparatus.....	897,992	1,349,372	9,375,851	9,261,805
G. Machinery.....	3,768,413	3,060,881	40,068,547	35,947,680
H. Manufactures of wood and timber.....	223,205	188,605	2,132,721	1,671,443
I. Cotton yarns and manufactures of cotton.....	8,957,975	5,474,829	104,556,896	71,352,429
J. Woollen and worsted yarns and manufactures.....	4,118,049	3,032,745	41,238,254	29,118,215
K. Silk and silk manufactures.....	167,229	113,515	1,586,717	1,221,399
L. Manufactures of other textile materials.....	2,081,915	1,416,806	20,219,813	15,441,830
M. Apparel.....	2,431,083	1,972,462	18,867,208	15,394,145
N. Chemicals, drugs, dyes, and colours.....	1,901,476	1,605,961	18,943,491	16,936,712
O. Oils, fats, and resins, manufactured.....	621,943	586,788	6,402,866	5,847,582
P. Leather and manufactures thereof.....	664,697	352,841	5,770,184	4,175,541
Q. Paper and cardboard.....	776,928	634,064	7,057,943	6,549,114
R. Vehicles (including locomotives, ships, and aircraft).....	3,764,078	3,423,587	38,517,331	37,849,305
S. Rubber manufactures.....	257,341	221,233	2,572,721	2,202,419
T. Miscellaneous articles, mainly or wholly manufactured.....	3,127,628	2,760,791	28,705,356	23,062,026
Total, Class III.....	42,152,010	32,052,252	430,268,111	343,447,957
IV.—Animals, not for food.....	132,689	112,720	1,475,695	1,147,266
V.—Parcel Post.....	1,507,848	1,349,676	13,172,007	11,876,817
Total.....	55,104,257	42,740,637	543,411,106	441,115,331

Stocks of black in London reduced by 141 tons on the week, at 64s against 1,394 at same period last year; white, 67 tons down, at 253 against 981 tons last year. Cloves firm. Zanzibar, spot, 1s. 6d. Pimento, spot, 7½d. per lb.; October shipment, 53s. cwt. c.i.f. London. Tapioca slow.

COMMERCIAL TIMES—WEEKLY PRICES CURRENT.

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

LONDON, TUESDAY.		FRUIT (continued)		WOOL—		HIDES—	
JOEREALS AND MEAT.		Spanish Onions,		English Southdown, washed		Wet salted—Australian	
GRAIN—	s. d.	Valencia—	s. d.	per lb.	d.	per lb.	s. d.
Wheat, No. 3, N. Man. 496 lb.	29 0	case 4a.	6 3 6 6	per lb.	14 1/2	per lb.	0 4 1/2
Eng. Gaz. av., per cwt.	7 0	case 5a.	7 6 7 9	per lb.	21	per lb.	0 3 1/2
Barley, Eng. Gaz. av.	9 5	Onions, Oporto	0 0 0 0	Queensland, scd. super cmbg.	11	Cape	0 4 1/2
Oats,	6 1	Chestnuts, Italian	14 3 0 0	N.S.W. greasy, super	11	Dry and Drysalted Cape	0 6 1/2
Maize, La Plata, landed, 480 lb.	24 6	Grapes, Libon	0 0 0 0	N.Z., gray, half-bred 50-56	9	Market Hides, London—	
Flour, Lon. stan. ex mill,	8 0	Almeria barrels	11 0 31 0	Crossbred 40-44	8	Best heavy ox & heifer	0 5 1/2
280 lb.	26 8	LAIR—		Top—		Best cow	0 3 1/2
Rice, No. 2 Burma, per cwt.	10 0	Irish bladders	68 0 76 0	Merino 70's	27	Best calf	0 8 1/2
Sago, Pearl, per cwt.	19 0	American boxes 56 lbs.	64 0 64 6	64's	25		
Tapoca, per cwt.		SPICES—		Crossbred 48's	12 1/2		
E.I. flake, fair spot	17 6 0 0	Pepper, per lb.		46's	12		
Medium pearl	20 0 0 0	Muntok, fair White	0 0 1 2				
Potatoes, good English,		Black Lampong	0 0 0 8				
per cwt.	6 0 6 6	Chinamon—1st sort, per lb.	0 10 0 0				
Beef, per 8 lbs.		Cloves—Zanzibar per lb.	0 1 4 1/2				
English long sides	4 10 5 6	Ginger—per cwt.					
Argentine chilled hinds	4 4 4 8	African	41 0 0 0				
Mutton, per 8 lbs.		Jamaica, ord. to good	60 0 90 0				
English wethers	6 0 7 4	Mace	1 10 2 6				
N.Z. frozen	3 8 4 8	Nutmegs 65's	1 2 0 0				
Pork, English, per 8 lbs.	4 8 8 4	SUGAR—					
		(Duty 11s. 8d. per cwt.)					
		B.W.I., crystallized	19 6 22 0				
		Java, white, c. & f. India	7 9 0 0				
		REFINED—London—					
		Yellow Crystals	18 10 1/2 0 0				
		Cubes	23 3 23 9				
		Crushed	21 9 22 3				
		Granulated	19 19 10 1/2				
		HomeGrown (Nov-Dec)	19 14 19 6				
		TEA—					
		Indian & Ceylon—per lb.					
		Pekoe	0 8 1/2 2 6				
		Broken Pekoe	0 9 2 6				
		Orange Pekoe	0 9 1/2 4 1				
		Broken Orange	0 9 1/2 8 5				
		TOBACCO—					
		(Duty 8/10-11/24 per lb.)					
		Empire growths, 6/9 1/2					
		per lb.					
		Virginia leaf—					
		Common to fine	0 10 2 6				
		Rhodesean leaf	0 6 1 3				
		Nyasaaland leaf	0 7 1 0				
		strips	0 10 1 10				
		East Indian leaf	0 4 0 6				
		strips	0 5 1 0				
		COTTON—					
		Mid-American	5 7 5 0				
		Sakalardis, 12 1/2	9 50				
		Yarns, 32's twist	9 1/2				
		60's twist	17 1/2				
		FLAX—					
		Livonian ZK	40 0 0 0				
		Pernau HD	38 0 0 0				
		Silanes Medium 1st sort	40 0 0 0				
		HEMP—					
		Italian P.C.	37 0 0 0				
		Manila, Nov-Jan, "J2"	24 5 0 0				
		N.Z.	nom.				
		Sisal African, Oct-Dec	21 10 21 15				
		Mexican	0 0 23 10				
		JUTE—					
		Native 1st mks.	15 15 15 15				
		Nov-Dec	16 15 10				
		Dec-Jan	16 17 6				
		SILK—					
		Canton	7 6 9 0				
		Tussah	5 0 8 0				
		Japan	9 6 12 0				
		Italian—Baw, fr.	10 0 12 6				

January-March, 4d.; April-June, 4 1/2d.; July-September, 4 3/4d.; October-December, 4 1/2d. per lb. London stocks increased by 701 tons on the week, landings being 2,158, deliveries 1,457, stock 82,245 against 44,339 at same period last year. Liverpool stocks 846 tons higher; landings were 1,327, deliveries 481, stock 37,224 compared with 11,571 tons in 1929.

HEMP.—Manila firmer on sustained inquiries and lighter offerings. J. No. 2, November-January, quoted £24 10s.; K. ditto, £23 15s.; L. No. 1, quoted £23 10s.; M. No. 1, £20 15s., with lower grades in proportion. African sisal steady. No. 1, f.a.q., January-March, £21 15s.; marks, £22 5s. c.i.f. Receipts for past week cabled at 17,000 bales against 18,000 at same time last year, and 33,000 in 1928. Estimates for this week, 22,000 and the following week 21,000 bales.

VEGETABLE OILS AND OILSEEDS.—Easier conditions in the seed and oil markets have returned, and with falling prices the volume of business is very small indeed. Linseed values have

followed the decline in the Argentine exchange rate and have dropped to the lowest levels recorded this year. Old crop Plate on passage to Hull has been done at £11 15s., and October shipment to London at £11 15s. and £11 17s. 6d., but has since rallied. A good deal of the old crop Plate remains still to be sold. Cottonseed is dull and new crop Egyptian (black) offers in all positions to February at £5 15s. In the oil section linseed oil is in poor request, consumers taking only urgent requirements. In sympathy with seed, raw oil on spot ex Hull mill has declined to £26 per ton, and for October delivery to £24 5s. Forward positions are easier. Cotton oil is quiet, and lower crude Egyptian ex Hull offering at £21 10s. and common edible at £24 10s. Other seed oils are easy without exception. The demand for oilcakes and meals shows some improvement at lower prices. The market for copra is quiet and barely steady. Straits F.M.S. to Rotterdam, October, sold £15 10s.; November, also December, quoted £15 10s.; Dutch Hamburg, November-December, quoted £11 ton c.i.f.

THE ROYAL BANK OF CANADA.

DIVIDEND NO. 173.

NOTICE IS HEREBY GIVEN that a DIVIDEND of 3 per cent, being at the rate of 12 per cent. per annum, upon the paid-up capital stock of the Bank, has been DECLARED for the three months ending 30th November, 1930, also Bonus of 2 per cent. for the year, and will be PAYABLE at the Bank and its branches on and after Monday, 1st December, 1930, to shareholders of record on 31st October, 1930.

By Order of the Board,

E. B. MCINERNEY, London Manager.

Bank Buildings, Princes Street,
London, E.C.2.

October 16th, 1930.

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NOTICE IS HEREBY GIVEN that the COUPONS due 1st November 1930, will be paid on that date between the hours of 11 and 12, and subsequently (Saturdays excepted) between the hours of 11 and 3 at the Yokohama Specie Bank, Ltd., where lists may be obtained.

Coupons must be left three clear days for examination prior to payment.

For The Yokohama Specie Bank, Ltd.

D. NOHARA,
Manager.7 Bishopsgate,
London, E.C.2.
17th October, 1930.

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Coupons must be left three clear days for examination prior to their payment, and will be paid at the fixed exchange of \$4.8665 to the £1.

For The Yokohama Specie Bank, Ltd.

D. NOHARA,
Manager.7 Bishopsgate,
London, E.C.2.
17th October, 1930.The Economist,
WEEKLY COMMERCIAL TIMES,

Bankers' Gazette and Railway Monitor

A POLITICAL, LITERARY, AND GENERAL NEWSPAPER.

Vol. CXI.

SATURDAY, OCTOBER 25, 1930.

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A. JOEL, Manager.

Correspondents to the Italian Treasury.

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THE MONEY MARKET.

EXCEPT for a transient demand for funds on Wednesday afternoon, money has remained easy with 1 1/2 to 1 3/4 per cent. the ruling rate for day-to-day loans outside the clearing banks. Bill rates are slightly lower than a week ago, and this probably inspired rumours of an impending

reduction in Bank rate which were to be heard early in the week. On Wednesday, the ruling rate in the market for three months' bills was $2\frac{1}{2}$ — $\frac{1}{8}$ per cent. There was only a small Continental demand for bills, and when this was satisfied, it was at a rate of 2 per cent., thus leaving a market "turn" of $\frac{1}{8}$ per cent. Four and six months' bills are quoted at the low rate of $2\frac{1}{8}$ per cent., but few of these were in evidence. It now appears that only one of the clearing banks was prepared to lend money at 2 per cent. up to the end of the year, and that this was not a general offer by all the banks as suggested a week ago. Even so, it is clear that no upward movement in Bank rate is expected.

The slight stringency in evidence on Wednesday afternoon is explained by this week's Bank return, which shows an increase in Public Deposits of £15,535,608 to £27,932,990, and a decrease in Bankers' Deposits of £10,658,527 to £55,504,890. This last figure is low enough to account for the stringency that developed, and had these changes represented any permanent or special withdrawal of funds from the market, the stringency would have been much greater. There is, however, a very simple explanation of these movements. On Friday, October 17th, the prevailing ease induced the market to tender mainly for Treasury Bills to be paid for on the following Monday, Tuesday and Wednesday. Conversely, it so happened that the Treasuries issued three months ago, and maturing this week, were mainly Thursday and Friday bills. Thus on Wednesday night, when the Bank return was made up, the new bills had been paid for and the old had not yet matured. A position of this kind quickly rectifies itself, as was shown by the ease that had developed by Thursday.

The banks have continued to buy large quantities of short bills at 2 per cent., but this week's activity in the gilt-edged market suggests that the banks are also adding to their investments. At first sight, it seems better business for the banks to buy Government stocks, giving them a yield of over 4 per cent., rather than bills yielding a bare 2 per cent. It must be remembered, however, that the banks rightly rank bills as their third line of defence after cash and call money, and so are careful to lodge an adequate proportion of their resources in bills. In any case a reaction of two points in the market price of gilt-edged stocks in the course of the year would suffice to annul their extra yield over that of bills, and any further decline would involve the banks in loss. Hence the current low level of discount rates is not likely to drive the banks to forsake bills for investments beyond a limited extent.

	Oct. 2, 1930.	Oct. 9, 1930.	Oct. 16, 1930.	Oct. 23, 1930.	Previous Rate and Date Changed.
Bank Rate	3%	3%	3%	3%	3½ (May 1, '30)
Banks' Deposit Rate	1	1	1	1	1½ (May 1, '30)
Discount (Call)	1	1	1	1	1½ (May 1, '30)
Houses (Notice)	1½	1½	1½	1½	1½ (May 1, '30)
Market rate (3 months' bills)	2½—½	2½	2½	2½—½	...

Mainly owing to the arrival of another £1,000,000 in sovereigns from Australia, the Bank return reveals an increase of £1,104,390 in the Bank's gold stocks. The note circulation has also contracted by £2,532,813, so that the reserve is £3,637,203 higher. The Paris rate has appreciated sharply this week from 123.94 francs to 123.83 francs. This is due solely to the cessation of the German selling of francs against other currencies which was in evidence last week, and thus merely marks the return of the franc to its normal "status quo." France, however, was once more in a position to bid for the week's supply of Cape gold at a small premium, and last Tuesday secured £360,000 of the £453,000 on offer at a price of 85s. 0½d. per ounce, India and the trade taking the balance.

NEW YORK.

Money remains easy, with call money still quoted at 2 per cent., commercial paper at $2\frac{1}{2}$ —3 per cent. for prime names, and ninety-day bankers' acceptances at $2\frac{1}{2}$ per cent. \$2,500,000 of gold is reported to be on the way from Japan, while a week ago it was announced that

\$15,000,000 had been shipped from Brazil. According to the most recent reports, the fall business revival has been less than usual, and no substantial improvement is likely before the spring. Brokers' loans have also fallen to new low levels for nearly four years, last week's figure being \$2,752,000,000. Thus money may remain plentiful for an indefinite period.

THE STOCK MARKETS.

The better tone in the stock markets, which began in the middle of last week, was satisfactorily maintained, though prices showed only a limited rise in most cases. Gilt-edged stocks achieved further gains, though the pace of the first few days was too hot to be maintained. The downward course of Brazilian and German bonds was checked. Home Rails developed a better tendency, on a somewhat narrow buying movement. International equity stocks were affected by the volatility of the New York market, but domestic industrials more than held their ground. Rubber shares were unresponsive to the improved price of the commodity. Oil shares showed fresh weakness, and only a limited interest was taken in mining counters.

THE COMMODITY MARKETS.

Although the decreased output of coal is still in excess of demand, a slight improvement has become noticeable in Cardiff and Sheffield. In the iron and steel trades it was announced this week that a contract for building the bridge over the Zambesi river, at Sena, had been secured by the Cleveland Bridge and Engineering Company, Ltd., of Darlington. The number of inquiries for Manchester goods is increasing, but business is very slow in expanding. Although raw wool prices are steadier, the Bradford market shows no signs of an increase in activity. The demand for leather has improved, but hides are weaker. The timber market is irregular, but there is evidence that stocks, which are large at present, will gradually become smaller as a result of decreased imports. Wheat is steadier and prices show a slight advance on last week.

THE FOREIGN EXCHANGES.

Sterling maintained its strength at the outset of the week, but was later inclined to be dull. The New York rate went in our favour by $\frac{1}{8}$, closing at 4.85½ after touching 4.86½. Montreal was unchanged at 4.85½. Paris appreciated sharply from 123.94 to 123.83. Brussels was steady at 34.85½, while Milan lost $\frac{1}{4}$ at 92.82. The peseta improved sharply from 51.00 to 46.40 on the news of the Spanish Financial Mission to London. Amsterdam fluctuated within narrow limits and closed $\frac{1}{4}$ worse at 12.06½. Berlin, after touching 20.38, closed at 20.41, or a gain of two points during the week. Switzerland was rather weaker at 25.01½. Of the Scandinavian exchanges, Stockholm lost fractionally at 18.09½, Oslo gained $\frac{1}{4}$ at 18.16, and Copenhagen was unchanged at the same quotation. The South American currencies were again uncertain. Rio gained $\frac{1}{4}$ d. at 4½d. nominal, Buenos Aires was $\frac{3}{4}$ d. better at 38½d., and Montevideo also gained $\frac{1}{4}$ d. at 39d. In the Far East, the rupee was steady about 1s. 5½d., and the yen gained $\frac{1}{8}$ d. at 2s. 0½d. Batavia lost $\frac{1}{4}$ at 12.06½. In the forward market, dollars were unchanged at par for one month and $\frac{1}{16}$ cent premium for three months. Paris weakened slightly to 2 and 3 centimes premium. Brussels was at one centime premium for both periods. Milan improved to 13 and 36 centesimi discount. Madrid went from a slight discount for both periods to 1 and 2 centimos premium. The premium quoted last week for forward guilders was increased to $\frac{3}{8}$ cent and $\frac{1}{2}$ cent. Berlin was rather firmer at 3 and 8½ pfennigs discount. In the silver market, quotations fell by $\frac{3}{8}$ d. to 16½d. for both spot and forward, sellers rather outnumbering purchasers. The China exchanges reacted in sympathy, Hongkong losing $\frac{1}{4}$ d. at 1s. 3½d., and Shanghai $\frac{1}{4}$ d. at 1s. 7½d.

MONTHLY TRADE SUPPLEMENT.

With our Monthly Supplement, giving an appreciation of the trade situation at home and abroad, we publish this week a Memorandum by Mr A. Loveday, Head of the Economic and Intelligence Service of The League of Nations, reviewing the trend of British Trade in relation to World Trade since the war.

THE COMING SESSION.

THE second session of Parliament under Britain's second Labour Government opens next Tuesday, but reassembling members will not escape the feeling that, for once in a way, the most important political events of the autumn will take place outside the precincts of the Palace of Westminster. The Imperial Conference has yet to show whether it can eschew the pursuit of chimeras for some overdue hard work upon measures for practical economic co-operation. The Indian Round-Table Conference meets a fortnight hence, and upon its deliberations large Imperial, and even world, issues depend. Inevitably these great occasions will focus upon themselves a large amount of the public attention which normally would be given to a session quite adequately endowed with possibilities of political interest and more than adequately supplied with legislative work.

It is true, of course, that the progress of both Conferences will reflect itself in the proceedings in the House of Commons, and one or either might seriously influence the position of the Government. There are those who point out that a nugatory result from the Imperial deliberations would seriously shake the Cabinet; while another section of the Cabinet's critics reckons among the possibilities that a mishandling of the Indian problem might bring Mr MacDonald's rule to an end. But when such prognostications are examined in the hard light of probability, they are seen to contain little substance. The present Government's security in office continues to rest firmly upon the same two conditions as of late—namely the disorganisation of the Conservative forces and the lack of any bone of contention between the Government and the Liberals sufficient to cause the latter to defeat the former and plunge the country into an election which it does not want and for which, clearly, neither Opposition party is ready. With Mr Baldwin still equivocating over food taxes, and joining the Cabinet in the now fashionable flirtation with "quotas," and with the Liberals still practically solid in support of Mr Snowden's reaffirmed adherence to Free Trade, no deadly threat to the Government's life is likely to develop from the Imperial economic discussions. Again it is decidedly unlikely that in the matter of Indian policy the Government will develop policies sufficiently "advanced" to provoke a Liberal revolt. Although controversies over East Africa, Palestine and Egypt may cause embarrassment, there would seem to be no formidable danger lurking in the international sphere, and politicians of the astuteness and experience of Mr MacDonald and Mr Henderson will certainly not allow the Russian question to sign their death warrant for the second time.

If, then, any crisis in domestic politics is to occur in the near future, we must look to domestic problems for a possible cause. Some affect, not without plausibility, to see the distant storm cloud in the promise given by Mr Henderson on behalf of the Government to introduce legislation amending the Trades Disputes Act. Here certainly lies a test for the adroitness of the Cabinet; for it will be no easy matter to draft amendments to that Act which will succeed at one and the same time in placating the trade unions and in enlisting the wholehearted support of Liberal opinion. Nevertheless, Mr Henderson's pledge is confined to the introduction of this measure before the Christmas recess, so that even this potential source of trouble is somewhat remote. In the rest of the programme of projected legislation there is abundant room for fierce controversy. Much time will no doubt be devoted to Sir Charles Trevelyan's Bill for raising the school-leaving age to 15, but its passage should be fairly certain. Amid the wreckage of projected or initiated legislation abandoned at the close of last session are such important items as the Factory Bill, the Land Valuation Bill (upon which the fulfilment of Mr Snowden's full Budget plans depends), the Hours of Employment Bill (designed to ratify the Washington Hours Convention), and lastly, but certainly not least contentious, the Con-

sumers' Council Bill, which perhaps may have to be thrown overboard to lighten a ship which is in danger of being overloaded.

This legislative programme looks the more formidable when it is recalled that it will have to be carried through against stiff criticism by Ministers already loaded with the heavy responsibilities of two great Conferences. But, heavy as it is, it is only one part of the work that awaits Parliament. In this session, as in all its recent predecessors, the great predominating problem will be unemployment. To the public, if not to their individual elected representatives, the all-absorbing question of the day is the present difficult economic condition of England; and in the eyes of the country at large it is Parliament's ability to deal adequately and practically with economic problems which will once more be on trial. By two criteria in particular will its performance be judged. Mr Snowden lays the blame for high expenditure upon the House of Commons. Can the House assuage itself of this accusation and apply a stimulus to Mr Snowden's expressed predilection for economy? That is the first test, and past experience does not provide great hopes that the House will emerge from it too triumphantly. The second test is the handling of the problem of unemployment insurance. Here Parliament has a plain duty. Leaders of all three parties, representative business men, and economists of the highest standing have declared in unison that the present system must be overhauled from top to bottom. It is a measure of the general recognition of the urgency of the problem that representatives of both Opposition parties have been conferring with members of the Government on the ways and means of effecting drastic reform. Will the Government have the courage to propose, or Parliament to sanction, a measure of economy, efficiency and justice, which cannot fail to be unpopular with large sections of the electorate? If the coming session answers that question in the affirmative, it will have gone a long way towards restoring the prestige of the House of Commons.

As we observe in our monthly Trade Supplement, reports from industrial centres suggest that the psychological factor is of no little weight in prolonging the depression. This being so, the supreme task before the Government and the House of Commons is to restore that degree of public confidence which is essential to the re-awakening of enterprise, and the creation of an atmosphere in which industry and commerce will work with a new heart to raise themselves by their own efforts (as mainly they must) from the slough of despond in which they have fallen. In a speech of sturdy optimism this week Mr Snowden has said that the present economic clouds will automatically roll by. Perhaps. But it is possible to hasten the process by a little judicious blowing, and Mr Snowden occupies the key-position to start the blowing process. He told the City of London the other day of his hope that additional taxation in the next Budget might be avoided. Let him turn that hope into a certainty by setting himself and all his courage to the task of root-and-branch economy. Let him take a leaf out of the book of Dr. Brüning, whose economy measures in Germany are described in a subsequent article. Despite the inevitable opposition of vested interests, we believe that Parliament and the country are in the mood to follow any Chancellor of any party who sets his hand resolutely to this task.

No Government can cure unemployment resulting from world depression—no scheme of tariffs, no currency policy, no programme of relief works can do it. Though relief works of a remunerative type must, indeed, be pressed on, as Mr Lloyd George emphasises, and the red tape cut which impedes the fruition of useful work-programmes, by such means only the fringe of the problem can be touched. But if Governmental action can do but little to cure the physical troubles of the nation, it can and should take the line of strengthening the patient's power

of psychological resistance and predisposing him to assist in his own physical recovery. In circumstances like those of to-day such things are as important in the body politic as in the body human. It is high time for the initiation of this method of treatment. The popular Continental impression, which Mr Loveday describes in our Trade Supplement to-day, of the world sweeping by "while the British industrialist sat in hope and the banker in contemplation" must be effaced by a clear demonstration to the world that, if ever it was true, it shall be true no longer.

FIRST ROUND TO DR. BRÜNING.

DURING the last two weeks, the first round has been fought in the German political struggle. As a conflict, waged in the key-country on the Continent, between responsible parliamentary representative government and the Fascist-Communist style of dictation, this is something more than a drama in which the rest of us are mere interested spectators. It is an issue in which the political fortunes of many nations may be at stake; and it is a matter of profound satisfaction that, in this brief session of the Reichstag, which lasted from Monday, October 13th, to the small hours of Sunday the 19th, the Brüning Government has more than held its own.

There is no question yet of a definite victory. The very virtues of a policy of retrenchment condemn it to unpopularity; and the all-round reduction of private incomes—by cuts in official salaries and in industrial wages and by increases in taxation—will make itself felt just when the volume and the hardship of unemployment are being increased by the advent of winter. For these reasons, though we sincerely congratulate Dr. Brüning on his initial efforts, we cannot yet assume his success; and, indeed, from what the world has learnt about Dr. Brüning's character this week, we should judge that he himself would be the last person to rate the success of the moment too high or to underestimate the gravity of the contest that almost certainly still lies before him. Nevertheless, we now know that the cause of responsible government in Germany (in all senses of the word "responsible") possesses an asset which we did not fully appreciate when last we reviewed the German situation. We then laid stress upon the personality of Marshal von Hindenburg, the President of the Reich; and, during the last two weeks, this personality has twice been brought into play—once directly and once indirectly. We have since learnt to recognise Dr. Brüning, the Chancellor, as a man of power likewise; and his performance in this first ordeal encourages us to regard the future with sober but cautious optimism. For, in politics, two strong men in unison can work greater miracles than a host of irresponsibles in coloured shirts.

As our Berlin correspondent recorded in his letter last week, the Chancellor's difficulties with his own supporters lasted up to the moment when the Reichstag met. Two important members of his Cabinet—his Foreign Minister, Herr Curtius, and his Minister of Justice, Herr Brecht—were being pressed by factions in their own parties to resign their portfolios. Herr Curtius was saved by the good sense of the majority of his party (the German People's Party, which used to be led by the late Dr. Stresemann); Herr Brecht was saved from his own friends (the Economic Party) by the intervention of President von Hindenburg himself.

October 13, on which the Reichstag met, was a day of disorders in Berlin, both inside the Reichstag building and in the streets. The 107 National-Socialist members made a melodramatic entry and scored the easy success of lashing their Communist colleagues into a rage. But a motion for the discussion of a no-confidence motion was rejected, although one of the Government groups—the Landvolk—supported it, as well as the Nazis, the Hugenberg extremist Nationalists, and the Communists. This negative success for the Government in the Reichstag coincided with a positive success on the money market; for on the same day the public announcement was made

of the loan of \$125,000,000 from Lee, Higginson and Co., conditional upon the passage of a law to provide for the redemption of floating debt at the rate of 420,000,000 marks a year for three years. Meanwhile, a crowd of demonstrators were breaking shop-windows in the Leipziger Strasse, wherever they saw or thought they saw a Jewish name. These misdemeanours were brought home by the police to the Nazis; and this seems to have taken the edge off bourgeois sympathies for Herr Hitler, while the Austro-German "duce's" anxiety first to deny that the damage had been done by the Nazis at all, and afterwards to protest that it had not been done with his approval, seems to have done no good to his prestige.

On the afternoon of Thursday the 16th the Chancellor read out, in the Reichstag, the Government's declaration of policy. It was a difficult policy to frame and still more difficult to formulate; for Herr Brüning was really addressing two audiences at once—the German people and the Allied Governments. He had to convey to the rest of the world the German national demand that Germany should recover to the full her "national freedom and her moral and material equality of status with other nations." He had to make it clear (and this is a very important point for us to grasp) that this demand is universal, and that the moderates in Germany are as much in earnest about it as the extremists on either wing. He had to point out that, since the Young Plan was drawn up and given effect, "the ratio of value between gold and goods has changed to the disadvantage of the countries which have international obligations to discharge," and that this is likely to produce, sooner or later, a request from the German Government for a re-adjustment of the Young Plan figures in Germany's favour. He had also to point out that a potent cause of the Nazi movement had been the disillusionment of the younger generation in Germany at the persistent failure of the Allied Powers to disarm long after the disarmament of Germany had admittedly been completed in accordance with the terms of the Peace Treaty—and this in spite of the fact that the Allied statesmen, during the peace settlement, had solemnly declared that the disarmament of Germany was to be a first step towards disarmament all round.

On the other hand, Dr. Brüning had to make it equally clear that, while he regarded the policy of foreign governments as being partly responsible for the portent of Hitlerism in Germany, he had no intention of giving way to the Nazis when it came to action. The action which the Chancellor foreshadowed is statesmanlike. His Government intend to carry through their drastic programme of putting Germany's internal finances in order before they raise the question of Reparations. Until the execution of the proposed financial reforms has given the creditor Powers convincing proof of Germany's good will, the German Government do not intend (it would appear from the Chancellor's statement) to take advantage even of that discretion to declare a temporary Reparations moratorium which the Young Plan gives them. On the other hand, it is clear that, if and when the Government's measures have been put into force, they are prepared to make demands which may amount to asking for a revision of the Young Plan on the strength of the great changes in the financial and economic situation, all over the world, which have taken place during the past year.

An excellent foil to the Chancellor's statement was provided by certain fantastic motions, introduced at the same sitting of the Reichstag by the Nazis, for confiscating, without compensation, the property of those categories of people whom the Nazis dislike; for example, all Jews and, what is more, all bankers. The shock which these motions administered to bourgeois belief in the Nazis was increased on the same day by a declaration of sympathy with the Berlin metal workers—now on strike against a proposed wage-cut—which was published by the Berlin Nazi leader, Dr. Goebbels.

The Berlin metal workers' strike has an important political bearing because it may conceivably drive in a wedge between the Government and the Social Democrats. The wage-cuts are the result of an arbitrary award and they are also in line with the Government's general

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financial policy, so that it will be difficult for the Government in the long run to avoid coming down decisively on the side of the employers, who have accepted the award, against the employees who are on strike to resist it. Yet, if the Government do take a firm line in this matter, that will make it difficult for the political leaders of the Social-Democratic Party to carry the rank and file of their followers with them in a policy of supporting the Government in the Reichstag. So far, this danger has been avoided by tact on both sides. There is no doubt that Dr. Brüning and Herr Hermann Müller (the Social Democratic leader in the Reichstag and ex-Chancellor of the Reich) are anxious to work together in face of the threat from the extremists on both wings; and it is not too much to hope that their joint statesmanship may continue to find ways and means of making co-operation possible. Meanwhile, in the Reichstag on the 17th, Herr Müller intervened on the Government's side and damaged the Nazi deputies who met him in debate by effectively turning their motions to ridicule.

These events strengthened the Government's position day by day; and the result appeared in the substantial majorities which the Government obtained for its measures when it put its fortunes to the touch on Saturday the 18th. On that afternoon, the Bill authorising the Lee Higginson transitional credit and the three-year redemption scheme with which it is bound up was passed by 325 votes to 237. The Chancellor's statement of policy was taken cognisance of, and the various motions of no-confidence were ignored, in a resolution, carried by 318 votes to 236, for proceeding to the order of the day. The July decrees for retrenchment and reform were referred to a committee by 339 votes to 220; and certain wild motions for repudiating the Reparations settlement and the Versailles Treaty were put out of harm's way by being referred to the Committee on Foreign Affairs. In the course of the debate, Dr. Brüning was given, and took, an opportunity of scoring a personal success, by an attack which was made upon President Hindenburg *à propos* of the recent trial of Reichswehr officers for high treason before the Supreme Court at Leipzig. Two speakers—one a Hanoverian Nationalist and the other an East Prussian Junker—criticised the President for having allowed the law to take its course; and this gave Dr. Brüning (who has a distinguished record of war service) the *beau rôle* of championing the President for his fidelity to his military oath.

In the small hours of Sunday, the 19th, the Reichstag voted an adjournment until December 3rd, leaving Dr. Brüning, at the end of this first encounter, with flying colours. Whatever battles may await him in the winter, he will at least find himself in better posture for fighting than he was when he set out, a fortnight ago, to win this first victory.

BRITAIN AND WORLD TRADE.

We publish with our Trade Supplement this week an authoritative memorandum by Mr Loveday, the Head of the Economic and Intelligence Service of the League of Nations, reviewing the trend of British trade in relation to world trade since the War. His monograph is concerned not with the effects of the present slump, but rather with the general trend of recent years; and the story which it tells is far from cheerful. It shows that our share of world trade has fallen; that this decline is chiefly noticeable in regard to countries outside Europe, but that there is also some evidence of a fall in Europe itself; and that the most ominous feature disclosed is our failure to secure an adequate proportion of world trade in the newer industries which are coming into being as a result of modern developments.

There are one or two qualifications that we must make in considering the picture which Mr Loveday presents. If, for example, the story had been continued to 1929, it would have shown some improvement owing to the better results which were obtained in some of our more depressed industries; and the analysis perhaps makes insufficient allowance for the effect upon Great Britain of the European setback resulting from the War. For, although Mr Loveday's figures show a recovery to have taken place, the trade of Europe is enormously behind the figure which it would have attained if the catastrophic interruption of the War had not occurred. Moreover, percentage figures of world trade are apt to overlook the fact that our proportion has been falling for fifty years, and must be expected to fall as other countries become commercially and industrially developed. When we were the only big exporter of manufactures our percentage was naturally vastly different from what it must be when we are one among many. Mr Loveday has also, we suggest, allowed insufficiently for the relatively greater modification of British industrial structure necessitated by the fact that we were interested to a much greater degree than other nations in those industries which, all the world over, have been surrendering some of their predominance to newer forms and methods of production.

These considerations, however, qualify, but do not impugn, the general accuracy of Mr Loveday's picture. Nor need they in any way modify the conclusions which he would have us draw. These we would commend to the careful consideration of those interested in current controversy. He shows, for example, that we have lost ground not merely or primarily to countries which have inflated their currencies, but also to countries which have deflated. One of his most striking tables indicates that in the case of five other nations which, like Britain, returned to the gold standard on a pre-war parity basis, the volume of exports in all cases but one recovered in the year succeeding stabilisation, and in the cases of Sweden and Denmark has subse-

quently recorded a rapid rise. The exposition also shows that headway has been made in varying degrees, both by low and high tariff countries, and that if tariffs had been the cause of our difficulties they should have curtailed the exports of other nations more than ours, for this country benefits both from most-favoured-nation treatment and from Imperial preference. "Relatively to other countries our position in this respect is more and not less favourable than it was in 1913." Nevertheless, we have been passed and outdistanced in many respects by our competitors.

Mr Loveday then proceeds to look for other causes of Britain's failure, and calls attention to the parallelism between the numbers unemployed and real wages—variations in the latter being due to the fixity of money wages at a time when prices are falling. He agrees with Professor Rueff's conclusion that the immediate—though not the ultimate—cause of widespread unemployment is the failure of wages to adapt themselves to the general level of prices. But, in Mr Loveday's view, lack of mobility and adaptability is not characteristic of labour and wages alone, and attention is drawn to the significant fact that in Europe and America the equipment and the organisation of industry has been much more radically remodelled and modernised than has been the case in this country.

Mr Loveday's emphasis on this rigidity of British economic organisation merits careful consideration in conjunction with the similar conclusions drawn by Sir William Beveridge in his recent book on unemployment. And, if it is true that we are here touching upon a real cause of Britain's difficulties, it is very relevant to the present fiscal controversies, for if there is one thing that can be said with confidence, it is that a tariff would tend to slow down the process of reorganisation, give additional excuse for avoiding the necessity for adapting wages and prices to world conditions, and weaken the chief stimulus which could bring Britain once more abreast of world development. A start now on the easy road of tariff "shelter" would be "to place a coping stone to false logic."

That we may be in danger, however, of taking this false step is very evident when we read the wildly extravagant claims which even ex-Cabinet Ministers are making for protection. Sir Arthur Steel Maitland, for example, whose official career has been closely associated with industry, speaking at Stirling on Tuesday last, declared that if a comprehensive tariff were imposed "the unemployment figures could be reduced by a million persons in eighteen months. Properly applied, a tariff should reduce prices and costs." One would have thought it hardly necessary to treat such arguments seriously. It must be perfectly evident that we could not reduce unemployment in this country by one million unless there were a substantial recovery in exports, and we have yet to hear Sir Arthur Steel Maitland explain how his tariff would stimulate exports. Such reckless promises as his, made by a responsible statesman to a democracy with whom the wish may only too readily be the father to the thought, are deplorable; and not the least merit of Mr Loveday's careful, objective study is that, by contrast with these recurrent effusions of fiscal charlatanry, it diagnoses the situation of Great Britain in the light of hard facts.

BRITISH CAPITAL ABROAD.—II.

THE statistics which were contained in last week's article on British capital abroad led to the conclusion that roughly £1,000 millions of such securities of foreign and colonial companies as are officially dealt in here are held by British residents, including an estimate of £50 millions for untraceable nominee holding. Along with the previous results regarding British companies operating abroad, this enables us to analyse our total commercial investments overseas in the form of stock exchange securi-

ties. The following table shows the distribution by type of company:—

Type of Company.	SHARE CAPITAL.		LOAN CAPITAL.	
	Amount Quoted.	Amount Held.	Amount Quoted.	Amount Held.
	£	£	£	£
Dominion and Colonial rails ...	145	83	242	213
American rails	963	16	809	14
Foreign rails	262	235	365	260
Banks and discount companies	85	20	22	11
Breweries	10	8	2	2
Canals, docks, waterworks	21	5	14	10
Commercial and industrial	348	115	85	55
Electric lighting and power	165	15	91	63
Financial, land and investment	183	137	78	49
Gas	10	9	14	8
Iron, coal and steel	275	56	50	26
Mines	253	157	13	10
Nitrates	12	10	7	5
Oil	220	115	12	12
Rubber	88	82	5	5
Shipping	19	18	7	7
Tea and coffee	38	37	2	2
Telegraphs and telephones	376	7	49	18
Tramways and omnibuses	62	14	63	27
Totals	3,535	1,139	1,930	797

It will be seen that the total of British capital included in this table is considerably less than the aggregate of £1,050 millions already suggested for British, plus £1,000 millions for other companies. In the latter case, £50 millions of nominee holding has had to be omitted as its distribution is unknown, and in any event it would be offset by some correspondingly disguised foreign holding of the securities of British companies operating overseas; but even then over £65 millions has to be accounted for. It was suggested in the last article that the figure for the bonds of foreign railways is an under-estimate to the tune of perhaps £30 millions, and the remainder should probably be added to the share holdings in the Commercial and Industrial, Iron and Steel, Tramways and Omnibuses, and Oil groups, where the evidence available has not been sufficient for very confident estimates.

In spite of the present insignificant size of British holdings in American railroad securities, the extent to which British exports of commercial capital have been devoted to railway development is most remarkable. No less than £821 millions out of the £1,936 millions included in the table appears in the first three groups. Not only has British capital served to open up new countries (notably Canada and the Argentine) in this way, but it has also played an important part in the growth of the European railway system. It must be observed that in this field the nominal figures, which appear in all the tables, probably exaggerate the actual value of British capital overseas, since much of the railroad capital was raised in periods when ruling long-term rates of interest were lower than at present, and some, in Mexico for instance, does not yield even the earnings expected. On the other hand, the value of exported capital in other industries must have been greatly enhanced by the construction and improvement of the great railway systems.

It must not be supposed that the table pretends to cover the whole amount of British long-term capital invested in commercial enterprises overseas. Not only is our estimate of £50 millions of nominee holding of stock exchange securities not included, but no attempt has been made to cover three important classes of exported capital, namely, holdings of securities not officially dealt in here (notably the stocks of many large American companies, in which British interest is considerable), direct investments in farms, real estate and other property, and the overseas assets of companies operating partly at home and partly abroad. The last group includes the fixed property of banks, merchant houses and shipping companies, and a great total of property belonging to such firms as Lever Brothers. British shipping companies have been excluded altogether unless their fleets are entirely confined to foreign or colonial waters. The capital covered by these groups is certainly of the order of £500 millions.

As to British holdings of government and municipal bonds, we have made no inquiry of our own, but have been content to make use of the work of Sir Robert Kindersley, to whom our thanks are due for allowing us to reproduce it. The results of his inquiry, which were published in the June number of the *Economic Journal*, are summarised in the following table:—

	GOVERNMENT AND LOCAL CORPORATION LOANS.		
	Amount Out-standing.	Percentage British Held.	Amount.
	£ million.	%	£ million.
Dominion and Provincial Governments	1,047	90.2	945
Dominion, Indian and Colonial Corporations	100	91.1	91
Foreign Governments	591	54.8	324
Foreign Corporations	53	76.3	40
	1,791		1,400

In Sir Robert Kindersley's compilations, the amount held by British residents was taken as equal to the amount on which interest was paid (in 1928) under deduction of British income tax, and for a number of reasons, one or two of which were suggested in our previous article, this method probably leads to an under-estimate of British holding. Those portions of loans on which interest is paid in overseas centres are excluded altogether, although an appreciable percentage of them may be held by British residents; this applies particularly to the foreign *tranches* of international loans. The table shows a total of £1,400 millions for the British holding, and this could be raised with some confidence to £1,500 millions, bringing the total sum invested overseas through the medium of stock exchange securities up to approximately £3,500 millions.

The following table shows the geographical distribution of as much of this sum as is accurately traceable:—

	BRITISH CAPITAL ABROAD.		Government and Cor-poration Loans.	Total.
	Commercial Capital.	Share.		
	£	£	£	£
Canada and Newfoundland	176	234	102	512
Australia and New Zealand ...	35	16	521	572
India and Ceylon	102	33	219a	354b
South Africa	74	9		
Other British Possessions	148	46	203c	380d
Total, Empire	535	338	1,045e	1,918d
United States of America	46	31		
Argentina	178	114	149	839
Other Latin America	188	133		
Europe	103	166	113	382
Rest of the World	102	57	93e	252f
Total, World	1,152	839	1,400	3,391

a Excluding Ceylon. b Excluding Ceylon Government and corporation loans. c Including Egypt. d Including Egyptian Government and corporation loans. e Not Egypt. f Not Egyptian Government and corporation loans.

It is unfortunate that Sir Robert Kindersley's classification does not precisely correspond with our own, or with Imperial boundaries. However, it is clear that about £1,900 millions out of a total of nearly £3,400 millions is invested in the British Empire; this includes nearly three-quarters of the government and municipal loans.

One of the most striking facts disclosed by the table is the paucity of commercial investment in Australia and New Zealand compared with the sums lent to the central, provincial and local governments of those Dominions, the ratio being over ten to one. No doubt a reason may be found in the public ownership, especially in Australia, of a large number of public utility services which elsewhere have been developed with private resources, but it must also be borne in mind that in each of the other Dominions, and in the Colonies as a whole, one outstanding industry—railways, tea or rubber planting, tin or gold mining—accounts for the bulk of commercial capital held in Great Britain, and that neither Australia nor New Zealand has any such single predominant industry. India, as might have been expected on account of the nature of

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her government and the state of her industrial development, has likewise taken much more for public than for private purposes. The figures for Canada would look very different if the bonds of the Canadian National Railways, which are controlled by the Dominion Government, were included under the third instead of the second column.

It cannot be pretended that the results of this survey of British capital abroad are beyond question in statistical accuracy. The vastness of the field and the complication of the problems involved render a wide margin of error inevitable. Many of the incidental errors tend to cancel each other in the compilation of such large aggregates; those which do not would probably make our estimates somewhat too low. But it can be stated with some assurance that in 1929 British long-term capital overseas, excluding the bonds of defaulting governments and the securities of defunct or dormant companies, did not exceed £4,250 millions in nominal value, and was probably in the neighbourhood of £4,000 millions; and that the section of this total which took the form of securities officially bought and sold on the London Stock Exchange, along with other securities of British companies operating abroad and some securities of foreign and colonial companies which are known to be largely held over here, probably amounted to about £3,500 millions, and certainly not more than £3,750 millions.

EMPIRE WHEAT QUOTAS.

ALTHOUGH Mr Baldwin's quota scheme for wheat was rejected out of hand by the food-taxing section of his party, it is for the moment, at all events, a definite feature of the Conservative programme. What precise form it is to take is less clear. Mr Baldwin apparently intends that British millers should be required to use British wheat in such a proportion to imported wheat that the entire output of the British farmer would be absorbed each year; and that, granted a satisfactory agreement with the Dominions, a further quota of all wheat milled in this country should, by statutory requirement, have to be Empire-grown. The size of the proposed quotas has not been indicated, but Colonel Ashley, M.P., in a letter to the *Times*, gave what we must assume was an inspired explanation, in which he made the astonishing assumption that we shall exclude foreign wheat altogether. The question of the home-produced quota we shall reserve for later consideration; but, as the Government appear to have laid a similar proposal as far as Empire wheat is concerned before the Imperial Conference, the Empire quota scheme demands timely examination.

Under such examination four major difficulties present themselves. Firstly, it is legitimate to recall that one of the greatest benefits which the opening up of the New World, and the application of mass production methods to agriculture, have been hailed as conferring upon wheat-importing countries has been the evening out of fluctuations in the supply of staple foods, by the dovetailing of a wide range of sources of supply and by the compensation of scarcity in one quarter by abundance in another as month by month harvest succeeds harvest. This is illustrated by the following table, which shows wheat

production during several recent years in the principal wheat-exporting countries and in the British Isles:—

WHEAT PRODUCTION.
(Million Bushels.)

	United States.	Canada.	India.	Australia.	Argentina.	British Isles.
1920 ...	833.0	263.2	377.9	145.9	156.1	56.8
1921 ...	814.9	300.9	250.4	129.1	191.0	73.8
1922 ...	867.6	399.8	367.0	109.5	195.8	65.2
1925 ...	676.8	395.5	331.0	114.5	191.1	53.7
1926 ...	831.4	407.1	324.7	160.8	230.1	52.2
1928 ...	914.9	566.7	290.9	159.7	307.4	50.9
1930 ...	820.6	384.8	386.5	...	...	43.5

While good years and bad years are to some extent general, production in all the five leading wheat countries does not fluctuate in the same direction at the same time, and the extent to which the consuming countries take advantage of this by varying the sources of their purchases is well illustrated by the statistics of British imports shown below:—

BRITISH IMPORTS OF WHEAT AND WHEAT FLOUR.
(In equivalent weight of grain.)
(Million Cwts.)

From:	United States.	Canada.	India.	Australia.	Argentina.	Total.†
1920 ...	53.5	13.4	0.02	22.0	31.1	126.0
1921 ...	47.0	22.7	2.66	22.0	4.3	102.5
1922 ...	43.6	32.1	4.49	18.8	19.2	115.1
1925 ...	30.3	35.5	7.33	18.4	12.5	109.5
1926 ...	35.0	43.1	2.69	11.0	13.0	111.1
1927 ...	39.7	39.3	5.02	17.3	20.6	125.7
1928 ...	26.3	47.8	1.55	11.6	25.5	116.0
1929 ...	25.8	32.4	1.4*	14.6	46.4	125.2

* No flour figures available. † Including other countries.

In 1922 and 1928, for example, our total imports of wheat and flour were nearly the same, but the proportion derived from Canada and the Argentine in 1928 showed a heavy increase at the expense of the United States and Australia. Between 1926 and 1927, on the other hand, an increase of 14½ million cwts. in the total was accompanied by a decrease of 6.2 million cwts. in the imports from Canada. This means that British millers, under a free system, enjoy two advantages which would be lost to them under a quota system: they can buy wheat where they can obtain it most cheaply, and they can buy that wheat whose quality in any particular season best suits their blending requirements at the moment. Under a quota, whatever tricks our August weather might play on the condition of British wheat, the miller would have to use it, and however unfavourably the protein content of Empire wheat might happen in an unlucky season to compare with that available in foreign countries, it would have to be used. Further, the extent of the fluctuations in our imports as between British and foreign countries would make it extremely difficult to reach agreement as to the size of the Empire quota to be fixed. The miller would thus be deprived of the trader's privilege of choosing his market, and, at any rate as far as quality is concerned, this disadvantage would be felt by the consumer.

An even more serious difficulty would arise from the quasi-monopolistic position in which Canada would be placed. True, competition between the Dominions is apparently to be maintained, but over two-thirds of our imports of Empire wheat come from Canada. Proponents of the quota scheme allege that it would be easy to reserve to the British Government the right to suspend the quota if the "pools" attempted to raise prices above the world "parity" level, but the difficulty of determining precisely what ratio Canadian wheat prices should bear to those of other countries is formidable. Moreover, as less than half Canada's wheat is now sold outside the "pools" the "free" wheat, under the influence of the quota plan, would be subject to very wide fluctuations at the instance of speculators, and it would not be difficult for the "pools" to hold up the price and throw the blame upon market manipulation. If they did, or were even suspected of doing this, and the consumer put pressure upon the British Government to act in the matter, what sort of political situation would follow, in the Empire whose unity the quota is supposedly designed to promote?

Thirdly, to the extent that we cut off foreign imports of wheat, we reduce the ability of foreign countries to

purchase our manufactures. The Argentine is a friendly country with a taste for British goods. If we prevent her from acquiring, by the sale of her wheat, purchasing power in the British market, we give up the substance, several million pounds worth of exports annually, for the shadow of a preference over foreigners in, say, Canada—a market which is anyhow to be reserved for Canadians. In fact, we get an option on the core of an apple in which "there ain't goin' to be no core."

Finally, there is a serious weakness in the quota system which was discussed in last week's *Economist*. Since the Empire sells more wheat to foreign countries than it buys from them and as the world's demand for wheat would be broadly unchanged, and no outside interference with price is contemplated, all that could happen would be a different distribution of the available supplies. The Dominions would take the British market; the foreign wheat thence extruded would force its way into a larger share of the foreign market; and the Dominions would be no better off. Indeed, with the added complication of a guaranteed price for a statutory quota of British-grown wheat (the other current nostrum) they would be worse off, for the avowed purpose of such a measure is to increase the British output, so that world supplies would be higher than before in relation to demand. That could have only one effect on the price of all wheat which is not subsidised.

In short, a quota for Empire wheat would penalise the consumer and all who are interested in our export trade with foreign countries, while giving no advantage to the Dominion exporters except on the assumption, *ex hypothesi* excluded by the supporters of the scheme, that they could succeed in raising the price.

THE LANCASHIRE COTTON TRADE.

DURING the past quarter cotton spinners and manufacturers in Lancashire have not been able to lift their industry out of the depression which has prevailed for so long. If conditions are not any worse than three months ago, it cannot be said that they are any better. The orders available in yarn and piece-goods have been no more than sufficient to keep half the machinery running, and unemployment has continued on a serious scale.

The quarter has been notable for a further definite decline in prices for raw cotton. On July 1st the quotation for middling American on the spot in Liverpool was 7.50d. By August 1st the price had fallen to 7.22d., by September 1st there was a further drop to 6.43d., and on October 1st the figure was 5.70d. The downward movement has been due to favourable advices with regard to future supplies and depressing reports relating to world consumption. At the beginning of August the Government estimated the new crop at 14,362,000 bales; a month later the forecast was revised to 14,340,000 bales, and on October 8th there was a further revision to 14,486,000 bales. The carry-over at the end of last season was about 6,100,000 bales, so that available supplies for the twelve months will be about 20½ million bales. The world consumption last season was slightly above 13,000,000 bales, but during the last two months the takings of spinners indicate that world consumption at the moment is on a basis of only some 10½ million bales.

With regard to Egyptian cotton, the quotation for fully good fair Sakellaridis on the spot in Liverpool on July 1st was 12.20d. From August 1st onwards a downward tendency developed; 10.40d. was quoted on September 1st, and by October 1st there was a further drop to 9.75d. During the last few weeks less satisfactory news has been received with regard to the progress of the new crop in Egypt, but the Government has estimated the yield at 8,420,435 cantars, including 2,328,068 cantars of Sakel. This forecast was better than expected, and some authorities are of opinion that the growth will be of record dimensions at not far off 9,000,000 cantars.

The poor state of trade is reflected in the returns of shipments of piece-goods. The total for the nine months

ended September shows a reduction of 20 per cent., compared with the same period of last year:—

NINE MONTHS ENDED SEPTEMBER 30TH.

	Linear Yards.	£
1913	5,350,278,900	73,659,119
1928	2,978,747,100	80,680,982
1929	2,921,472,900	77,151,080
1930	2,054,600,400	50,979,312

The severe decline in our trade is largely due to the smaller exports to India and China. So far this year we have shipped to India 720,447,000 square yards, against 1,046,126,000 square yards in the same period of 1929, and to China we have exported 36,818,500 square yards as compared with 119,427,900 square yards a year ago. During the quarter, however, the prospects for trade with India have somewhat improved. The picketing of the bazaars by representatives of the Congress party has weakened, and clearances to the up-country districts are less restricted. Consequently, an increased business has recently been done by Manchester for Madras and Karachi, and more cables have been received from Calcutta asking for prices to be wired out, though the response in the way of firm orders has been very poor. Some improvement has also shown itself in the advices from China. Rather better clearances have been experienced at the auctions in Shanghai, but the bulk of the trade has been for Hong Kong, whence there has come a good demand for shadow stripe poplins and brocades. Some producers of these goods are now fully sold for nearly six months ahead, and this trade has been the bright spot in the Manchester market. On the other hand, Egyptian trade has been dull, and rumours of financial difficulties in that part of the world have caused anxiety. Buying for the West Coast of Africa has been patchy, and recently demand for South America has fallen off as a result of political disturbances. Some manufacturers have done rather better on the Continent, but home trade buyers have acted with caution, as is usual in a falling market. Stocks in the wholesale houses, however, are not particularly heavy, and when orders are placed with manufacturers the goods are wanted quickly.

It has been impossible for spinners of American yarns to obtain any relief from their troubles. Home users have purchased from hand to mouth, and it has been quite exceptional for contracts to be arranged for extended delivery. Prices for twist and weft have fallen with cotton, and margins remain very poor. There has been a good deal of interest in the coarse yarns which have been put on the market by the Lancashire Cotton Corporation, Ltd. These have attracted attention and been sold to an encouraging extent. Holders of mill shares scarcely know what to do, and the September stocktaking results were very disappointing. Conditions in the Egyptian spinning branch have not improved, and restriction of output continues on a large scale. Producers of fine numbers and specialties, however, are more favourably situated than spinners of common carded counts. The proposed Egyptian Spinners' Convention for regulating prices and production has not obtained adequate support and it is not likely that anything more will be heard of this scheme. A limited business has been done in shipping yarns.

The following table gives particulars of our export trade in yarns:—

NINE MONTHS ENDED SEPTEMBER 30TH.

	Lb.	£
1913	154,761,700	11,022,055
1928	125,472,300	16,849,599
1929	126,137,300	15,937,830
1930	102,414,100	11,184,733

During the quarter the various trade organisations have given close consideration to the report of the Government Committee on the Cotton Industry. Although three months have gone since the report was published, practically no action has been taken. Various sub-committees are going into the points raised, but so far nothing has been done in the way of a joint conference between representatives of the employers and the operatives to consider the recommendations.

The scheme of more looms per weaver is also still being discussed. During the last two months a special sub-

"Russia—Today, and Tomorrow"

Next week's issue of the *ECONOMIST* will include a special supplement surveying the political, economic and social situation of the U.S.S.R.

This Supplement is the result of the investigations of a Special Commissioner sent to Russia this summer, and is an objective and exhaustive study of the "New Revolution" commonly known as the Piatiletka, or Five Years' Plan.

committee of the Cotton Spinners' and Manufacturers' Association has been compiling a wage list to apply to the new system. It is understood that the work of this sub-committee has now been completed, and it remains to be seen whether the recommendations will be approved by manufacturers as a body. When this is done, the list will be submitted to the trade unions. Spinners of American cotton are now giving consideration to a scheme with compulsory powers for regulating prices for yarns. It is not thought likely, however, that this proposal will receive any better support than that recently put forward in the Egyptian spinning section.

This week Mr Clynes and Mr Graham have again held a series of conferences with representatives of the industry and representative bankers. Their visit gave rise to reports that the Government has some scheme to put before the industry, and that this will take the form of Government control of some kind. It has even been suggested that something on the lines of the old Cotton Trade Control Board, which was in existence during the war, might be formed with the idea of curtailing production so as to prevent a further period of ruinous prices being taken by spinners and manufacturers. It is recognised, however, that any artificial restriction of output would have the effect of increasing the cost of production and making goods dearer, whereas it is realised by leading authorities that what is required is a decrease in overhead charges and costs generally in order that Lancashire goods may be placed in markets abroad at prices which are competitive against those of other countries.

In fine, the trade revival in Lancashire is still deferred. The only encouraging factor in the situation is that prices are now on a very attractive level and it is believed that some merchants and dealers will before very long anticipate future requirements and place substantial contracts with manufacturers. Numerous operators, however, are not yet convinced that the bottom in prices has been reached, and a policy of caution, therefore, is being adopted. In the meantime the reorganisation of production is being slowly carried on. Recently, the Lancashire Cotton Corporation has been enabled to open some spinning mills and weaving sheds that have been closed for a long time. A policy of enterprise is certainly being adopted by the Corporation, but at what cost remains to be seen.

"RACKETEERS."

(BY AN AMERICAN.)

THE story of the shooting of Jack Diamond was overdone by the British press. Diamond himself is rather small fry in the gang world, a dealer in narcotics and liquor on a moderate scale, and not one of the major-generals of the fighting army of the gangs which, even if they do not dominate the affairs of a few American cities, undoubtedly are a disquieting part of them. But it gave rise to the natural question as to how the conditions which breed the Diamonds and Capones can be tolerated by the Americans themselves. The question occurs quite as often to Americans. But when Americans come to naming a solution, they confront a complex of difficulties and problems which perhaps time alone can change.

The gang, of course, is no new phenomenon. What is new is its modernisation, its expansion and its up-to-date armoury. Gangs came to America from Southern Europe, chiefly Italy. At first they functioned on a small scale, as gangs do in all countries; for example, in parts of London to-day. They went in for petty blackmail, intimidation and corruption. But ultimately they grew to new possibilities. One of those developments was to invade certain local trade unions in New York and Chicago (a minority of them), to levy tribute on a few branches of business and industry. And finally they spread themselves over much of the organised minor commercial life of these and other cities. Where organisations did not exist, they created them. They bullied those who remained outside, they extorted levies from those within.

The so-called protective organisations are what were at first known as "rackets." A gangster would take it upon himself, say, to organise the selling of fish in one district in Chicago. He would swoop down on the fishmongers, tell them they were to be "protected" at so many dollars per month, collect his money regularly, and otherwise leave his protected "member" alone. The fishmonger who did not care for protection would find his shop bombed, his delivery men assaulted, his supplies cut off. Either he conformed, or moved to another part of the city. But if he remained in the fish business he had to raise prices to make up the monthly levy, and so pass it on to the consumer.

Chicago a year ago, according to Mr J. Gunther, writing recently in *Harper's Magazine*, had sixty rackets; and thirty more had been in operation which were temporarily suppressed. A racket in the cleaning and dyeing business raised the price of pressing a suit of clothes from 4s. to 5s., and the revenue to the racketeers was enormous. At one time they had a treasury of £135,000—too tempting a sum to their rival gangsters. They were "hi-jacked"—intruders tried to steal their business—and a gang war resulted in which Big Tim Murphy, the chief hi-jacker, was duly assassinated.

Another typical racket was the "Midwest Garage Owners Association," with membership of 10,000 garages in the Chicago district. It existed to "standardise storage charges," and every garage in the association paid 4s. a month tribute for each car handled, not to speak of other levies, one for instance of £15 for permission to change the garage foremen. The racketeer in chief was "Cockeye" Mulligan, and he soon had to defend himself against hi-jacking. This he did by employing hoodlums to fight hoodlums, and bombs were thrown and arson resorted to. Mulligan finally was captured and "taken for a ride," but, though he was shot, he survived. Last year the racket was being conducted by usurpers.

Many of the rackets are devoid of spectacular fighting, and have to do with such contracts as excavations, paving, or supplying glass for new buildings. Some organisations simply see to it that the member contractor next in line for the job gets it. Mr Gunther has estimated the total number of gangsters in Chicago at about 600, and the annual cost to consumers in increased retail prices at about £28,000,000. In New York racketeering is not so far advanced, but there are well-known instances of it. The milk supply of the city is known to be under racketeer control; so is the supply of poultry, and to some extent of greengroceries.

These rackets are only loosely associated with the chief racket of all, bootleg liquor. It is well to bear in mind that they did not have their origin in prohibition. Nor are all of them hooligan rackets; many are on the borderline between legitimate economic co-operation and illegal exploitation. Some of them undoubtedly start out legitimately, and are pushed over into illegality at a time to suit the racketeer.

But they could not exist were it not for political corruption, and apparently this corruption, in turn, cannot be wiped out so long as prohibition remains. This can briefly be illustrated by a story told in Chicago. A respectable lawyer with a large corporation practice was being mentioned as candidate for the office of public

prosecutor. One day two unpleasant-looking strangers called at his office and asked to speak privately with him. He had them shown in. "Not to waste any time," began one of them, "my friend and I have the beer monopoly in the Loop (the down-town district of Chicago). And you are to be the new prosecutor." The attorney was surprised. He had been told he might be nominated, but it had not been decided. "Oh yes it has," went on the racketeer in beer. "And so we thought we ought to explain things to you. As prosecutor you could make things unpleasant for us—for a little while. And we want you to know that we don't think a monopoly is something to benefit only a few. We believe in sharing it. And your share is to be £120,000 a year. We've brought you your first two months' pay as a sign of good faith." The speaker removed a wad of bills from his pocket, and laid £20,000 on the table. The attorney sent them away and at once refused the nomination.

This story is well vouched for, and it gives a measure of the untold profits of racketeering and of the sums available to debauch municipal authorities. This corruption extends from the top to bottom, often including the elected judiciary, mayor, aldermen, public prosecutor, down to the rank and file of the police. It is not always corruption for a cash consideration; often enough "influence" is enough. It may be unfair to say it is general; but no one with a knowledge of three or four of the larger American cities will deny that it is widespread.

When it comes to election time, the racketeers, the gangs, the political organisations, all with their ramifications into the business life of the city, form a fairly solid front. Nominations are pre-arranged, or if by primary, the naturalised foreign vote is whipped into line to let the desired candidate win. It is the pre-condition of this situation that foreign elements far outnumber American stock in any great American city. And these foreign elements are usually on a low plane, economically and culturally. The franchise is neither valuable nor important to them.

It is futile to expect a house cleaning in cities where public spirit, or a unified civic interest, simply does not and cannot at present exist. Occasionally a great reform movement will sweep into office a group of honest and able men. But they cannot have the public support, essential over a long period of time, to work any permanent change. After the storm of reform, the corruption creeps back and thrives once more until the community somehow gathers enough force to register another protest.

Even so, there is an element in American life which could cleanse American cities if it chose, and that is big business. Even without the backing of any overwhelming civic spirit it would be strong enough to have its way. Not that business interests tolerate racketeering as such. No doubt they would welcome its complete suppression. The powerful men of American cities as a rule are enemies of prohibition, and are fighting it in the hope that bootlegging, and open lawlessness, will go with it. In the long run they have everything to lose and little to gain by an undermining of the respect for law in a whole generation of Americans. But these men do stand to benefit from weak city administrations. This was true a generation ago, it is even more true to-day, when the development and expansion of American cities is an almost incalculable source of wealth. Honest municipal bodies are always haggling over franchises, questioning corporation privileges, delaying public work. In a city like New York, where the board of aldermen could not command a high grade of membership, these corporations would be hampered not only by honest delays, but by innumerable attempts at petty blackmail. In a word, the present kind of administrations can be more easily handled. They are expensive to the taxpayer, increasing the cost of public works by 1, 2 or even 5 per cent. But in the main the community gets its work done expeditiously and well. If the system did not pay, big business would brush it away.

It is against a background of such problems that an Al Capone plays his rôle of picturesque banditry and a Jack Diamond can astound the world. But they are really creatures of the background, nor can the background be changed by an open war with them and their kind. The next generation will read about them as an exciting but closed chapter of American development. By then American-born children of foreign parents will have been assimilated; by then, too, the problem of prohibition will have been long ago solved. A wholesome public spirit will be possible, dominating civic affairs. Time may not be the only reformer to have his say in improving American cities, but he looks to be the only reliable one.

Notes of the Week.

The Paddington Comedy.—The internal differences within the Conservative Party have reached the stage of *reductio ad absurdum* at South Paddington, where, in the by-election to be decided next week three separate Conservative candidates have been nominated in addition to the Labour representative. Sir Herbert Liddiard is now the official candidate of the Conservative Party. He originated as such, was then drawn into Beaverbrookian indiscretions which caused him to be disowned by headquarters, but has now retracted and been forgiven, and goes into battle with the official forces behind him. No less chequered has been the experience of the representative of the United Empire Party, Mrs Stewart Richardson. Although she stands in the name of the party of Lord Rothermere, his Lordship has disowned her—the reason, according to her own account, being that she was not a titled lady—and she goes on alone, preaching her particular form of Imperialism and saying to all the Conservative Leaders, actual or potential, "a plague on all your houses." Meanwhile, Lord Beaverbrook, thrown over by Sir Herbert Liddiard, has put his own candidate, Admiral Taylor, in the field, and Lord Rothermere, not content with disowning Mrs Richardson, joins his brother Press Lord in supporting the Admiral. Pitiful and bewildering, indeed, is the plight of the Paddington voter who does not happen to be a Socialist. Even old campaigners are dreary of prophesying the result. But the result emerging from such a medley of electioneering cannot have much importance. What is important is the public display of the Conservative Party's differences, and there are signs of a growing demand by large sections of the party for definite action to end or mend an impossible situation. The present rather undignified interchange of letters between Mr Baldwin and Lord Beaverbrook cannot continue indefinitely.

Dr. Weizmann's Resignation.—On Monday three documents were published which, between them, are likely to have important effects upon the administration of the British Mandate for Palestine. The first is a Blue Book containing Sir John Hope Simpson's report on immigration, land settlement and development in the mandated territory. The second is a White Paper, containing a declaration of the Government's policy as it has been framed in the light of this report and of the earlier evidence which was taken in connection with the troubles of last year. The third is a letter addressed to the Secretary of State for the Colonies, Lord Passfield, by Dr. Weizmann, the President of the Jewish Agency for Palestine and of the Zionist organisation. In this letter, Dr. Weizmann deprecates the conclusions of the Blue Book and joins issue with the policy of the White Paper, which in his judgment "effects a profound change in the policy of 1922 as expressed in eight years' practice," and "goes a long way towards denying the rights and sterilising the hopes of the Jewish people in regard to the National Home in Palestine, so far as it is in the power of His Majesty's Government to do so." In consequence, Dr. Weizmann announces, he has decided to resign his presidency of the two organisations

in which Zionism is represented *vis-à-vis* the Mandatory Power. We do not propose to discuss the Government's Palestinian policy here. We shall take an early opportunity of examining it at greater length. But we can say at once that we regret Dr. Weizmann's decision exceedingly. Since the days when, as a professor of chemistry in the University of Manchester, he placed a valuable discovery at the British Government's service during a critical period of the war, he has been a good friend to Great Britain as well as to Jewry. He has done more than any other man to turn Zionism from an aspiration into a reality, and his personality has a charm and a power which must have made their impression on everyone who has ever had the pleasure of dealing with him. His combination of statesmanlike rationalism with poetic imagination eminently fits him to play the part of intermediary, and mediator, between the British Government and his own people. It is a thankless and a difficult rôle, for "a Jewish National Home" is bound to have quite different meanings in different minds, and experience has shown the hopelessness of trying to reconcile these incompatible meanings by definitions on paper. Yet we cannot believe that Dr. Weizmann will be assisting either Zionism or Palestine or Great Britain by abandoning a rôle which no other living Zionist is so well fitted to fill. We still hope that his decision to resign will not, after all, materialise. We are not inclined to take his unfavourable view of the Government's policy; but if this policy is to be opposed from the Zionist side, we should prefer to see the opposition led by a Zionist of his breadth of mind.

The Egyptian Electoral Law.—Little has been heard of the internal politics of Egypt since the suspension of constitutional government after the breakdown of the Anglo-Egyptian negotiations earlier in the year; but it was not difficult to guess that all was not well; and the incident which arose last week over certain proposed changes in the constitution and in the electoral law indicates that the present Government is not very confident about its tenure of power. Apparently the Prime Minister, Ismail Pasha Sidki, contemplated altering the electoral law by reducing the number of deputies by about 50 per cent., substituting elections in two degrees for direct elections, and making the Court of Cassation, instead of the Chamber itself, the arbiter of election petitions. He is also said to have contemplated creating a nominated instead of an elected majority in the Senate, and making the Ministry responsible to the Senate as well as to the Chamber. These points must be stated with reserve, for there has been no official *communiqué*, and the reports that have appeared in the Egyptian Press have been declared by the Government to be inaccurate. The significant thing, however, is not the substance of the scheme in detail, but the fact that the idea of altering the constitution has been abandoned owing to opposition from the Constitutional Liberal Party, which, together with the Ittihad (Unionist) Party, is by way of supporting the present régime against the Waft. For the Constitutional Liberals, the stumbling block seems to have been the possible effect of the proposed constitutional changes in diminishing ministerial responsibility. Ismail Pasha Sidki denies that this effect would have followed; but, in deference to this objection, he is apparently proceeding with the changes in the electoral law, and with these only. Such changes may be desirable in themselves. For instance, the system of indirect election may really be more effective than direct election for expressing the national will in a country where the mass of the population is illiterate and politically uneducated. It is useless, however, to tinker with the machinery of constitutional government if the machine is to lie rusting on the shelf. It may be true that the national will of the Egyptian people is not fairly represented by the Waft, whose efficient organisation has enabled them to return to power with a strong majority in the Chamber every time during the last half-dozen years when the constitution has been given free play. But the other parties are less representative still, and a "Palace Government," resting on these other parties' countenance and on King Fuad's personal

authority, is the least representative form of government that Egypt could have. To a detached observer, it is evident that the remedy for "the tyranny of the Wafd" is not the suspension of constitutional government in Egypt, but the practice of it. The Egyptians will never learn how to manage the parliamentary system except by trial and error; and, so long as this experience is withheld from them, we fear that they will continue to suffer under alternate bouts of "single-party government" by the Wafd and "Palace government" of the kind represented by the present administration.

The Norwegian Swing to the Right.—Various influences have combined to reduce the weight of the Socialist Party in the Storting, though this week's general election still leaves it the largest single group. A disastrous and short-lived attempt at Socialist Government in 1928, a clumsy flouting by the last Storting of the local patriotism of Trondhjem, and above all M. Mowinkel's record of two years' successful administration, won thirteen additional seats for the Conservative Party and three for the Radicals, while the Labour Party lost eleven seats and the Communists lost the only three seats they had. If, therefore, the Radicals, the Conservatives and the Peasant Party work together, as there is great hope that they may, M. Mowinkel will be able to continue in office with a greater sense of security than he has hitherto enjoyed. Such co-operation is, however, indispensable, as the Labour Party still commands 48 seats, against the Conservatives' 44, and the Radicals' 34. As the Storting does not meet until the beginning of next year, M. Mowinkel is expected to carry on his minority government in the meantime. Judging by the crude communism which appears to be rapidly penetrating the Norwegian Labour Party, there seems some likelihood that the situation will follow a similar course to that which affairs appear to be taking in Germany, where, according to the letter which we publish this week from our Berlin correspondent, disgust at the tactics of the extremist parties is kindling a more cordial spirit of co-operation among the moderate groups.

The Political Problem in East Africa.—When Parliament reassembles a Joint Committee of both Houses is to be set up to consider the main points in the Hilton Young Commission's report, and particularly the proposal that a High Commissioner for Uganda, Kenya and Tanganyika should be appointed—first with advisory and later with executive powers—to assist the Imperial Government in dealing with the problems of economic co-ordination and of relations between the races. The two White Papers, issued in June, in which the Government have dealt with these great questions have produced a wave of uneasiness and resentment among the White settlers in the various East African colonies and protectorates. They have also evoked declarations, from several very authoritative quarters in the Union of South Africa, that the people and Government of this self-governing Dominion of the Crown have an interest in the native policy of all Governments throughout Africa, and that in this matter South Africa intends to make her voice heard. This reaction to the White Paper which deals with the race question is disquieting, because no new departure in policy was suggested in that document. In substance, it simply repeated what all Governments of all parties in this country have said when they have had occasion to state their policy on this matter: first, that the Imperial Government is a trustee for the African natives in the British African territories for which it is responsible; secondly, that the native African population are not only the original inhabitants of the land but are, and will remain, as far ahead as can be seen, in an overwhelming majority over the European and the Indian settlers combined; thirdly, that the native African will not be capable, for a long time to come, of taking an effective part in any parliamentary representative system of government; and, fourthly, that for all these reasons, "responsible" government for these territories is not within sight of becoming practical politics. These points are maintained, and are bound to be maintained, by every successive Government that

comes into power at Westminster. It is a national and not a party policy; and as a national policy it is continuous. In fact, the pill that is administered to the settlers is always the same pill, whether it is given with three or four coats of sugar or with only one or two. Ostensibly, it is the sugaring that is in question. The settlers complain that the Government call them "immigrants," with the implication that they have no status or stake in the country. This is to quarrel over words. The settlers' real quarrel with the Government—and it is a serious one—is that the Government still stand where their predecessors stood, while the settlers are eager for a change of régime which will put the administration of the East African colonies into their hands. It is as natural for the settlers to cherish this desire as it is impossible for the Imperial Government to satisfy it.

Russian Wheat.—The so-called "dumping" of Russian wheat is in danger of provoking a controversy in which confusion of thought is apt to obscure the real issues. While there is no conceivable ground for objecting to Russia, whose need for foreign credits appears to be extremely acute, pressing forward the export of the available surplus in the Black Sea area, it is legitimate to complain that Exporthebe—the State organisation controlling wheat shipments—appears to have marketed this grain in a clumsy and reckless manner. That is to say, sales have been forced without regard to the market's day-to-day requirements and prices have been needlessly cut. Given the economic structure of the U.S.S.R., production costs in the capitalist sense are a nearly incalculable factor, and it is idle to ignore the fact that the development of Russian exports holds potentialities of serious unsettlement in the world markets for many commodities unless an understanding with the Soviet Government can be reached as to marketing methods. To seek such an understanding with provisions against "dumping" is a task which the League of Nations might properly undertake; but to proceed from this ground to the assertion that we should buy no grain from Russia and to criticise, for example, the C.W.S. for its large purchases this year of Russian wheat, appears to us to be ridiculous. We desire to export more to Russia, and the fulfilment of such a desire is conditional on our purchasing more from her.

Advertising and Empire Trade.—The Advertising Association has placed before the Prime Minister a petition that the Imperial Conference should be asked to recommend the complete removal of all restrictions to the free circulation within each part of the Empire of all newspapers, magazines, trade and technical journals, circulars, trade lists and other forms of advertising material coming from other parts of the Empire. Revenue from such sources must be negligible, since the duties effectually crush any attempt on the part of manufacturers to obtain overseas distribution for their products by means of overseas distribution of their sales literature. On the contrary, by restricting the activities of the importer, such duties deprive the exchequer of the revenue which would accrue from the normal functioning of the tariff. Again, the protection which these duties are designed to afford the Dominion printer is of little value, since the cost of printing catalogues, show-cards, etc., in each Dominion is usually prohibitive, and checking at such distance impossible. That this situation should persist in the Dominions while the Empire Marketing Board "boosts" the sale of Dominion products here is palpably ridiculous. The Empire Marketing Board was established to advertise Dominion products in Great Britain in return for tariff preferences granted by the Dominions to British manufacturers, and is supported to the tune of nearly £1,000,000 a year entirely by the British tax-payer. A sum of £360,000 was spent last year by the Board advising the British public through every conceivable advertising medium that if it buys Empire produce the Empire will buy British manufactures and create employment. However, should any British manufacturer wish to take advantage of the campaign and capitalise the goodwill it is intended to

create, he finds any attempt at reciprocal publicity heavily restricted by duties and innumerable formal complications. Restrictions on commercial travellers and the import of samples are equally vicious. In South Africa a traveller must pay £50 for his licence. Canada imposes a duty on the import of single copies of periodicals. Another aspect of interior obstacles to better Imperial relations is shown by the representations of the Empire Press Union to the Imperial Conference against the Australian terminal charge of a halfpenny per word on all incoming press messages, a distinct impediment to the potentialities of an Empire press to promote understanding of Imperial issues. The restrictions on imported advertising matter, samples and on commercial travellers are of world concern, and have always been energetically combated by Chambers of Commerce. The Economic Committee of the League of Nations has now enlisted the co-operation of the International Chamber of Commerce to secure some standard of practice if abolition is unattainable. The British Empire constitutes a group of States in which the existence of such barriers connotes a very short-sighted policy, and the Imperial Conference presents an unique opportunity for abolishing them and at one blow removing a very real technical obstacle in the way of the development of Empire trade.

Australian Tariff Board Report.—The Annual Report of the Tariff Board* always contains much good advice as to Australian tariff policy, and on this occasion is doubly interesting for the light which Australian experience can throw upon the fiscal problems which are at present confronting Great Britain. Since 1928 the duty rates have been so raised that whereas previously practically none exceeded 60 per cent. now almost 29 per cent. of the items and sub-items pay minimum rates of 65, 70 or 75 per cent. The Tariff Board's comments on the effect of this high protection upon prices are particularly interesting in relation to the contention of British Protectionists that a duty which secures the market to the home producer, by enabling overhead costs to be spread over a larger output, makes possible a reduction of price. In Australia this has happened with certain commodities, of which boots, concrete mixers, corsets, canned fruit and soap are cited as examples. But, the report says, "it is unquestionably a fact that many of the goods manufactured under the protection of the tariff are being sold at prices equal to the landed cost of similar imported goods, including the full amount of the duty." Moreover, the Board declare that in some of the cases where prices have been reduced this result could have been brought about without the aid of the duty. Another point which any country meditating a plunge into protectionism would do well to consider is the vicious circle which it is apt to engender. There are heavy duties on copper wire and copper and brass rods in Australia. "It is inevitable, therefore," says the report, "that the users of Australian copper rods, wires or tubes or brass rods as raw materials must be at a disadvantage, and it is not surprising that they are seeking further duties on the products of their industries." The next stage will presumably be further duties on goods made with copper and brass utensils, and so on *ad infinitum*. One sentence in the report unconsciously illustrates the criticism which has been widely levelled, even within the Dominions themselves, against the Imperial Preference proposals which are now before the British Government. "As stated in evidence," the Board say, "a duty of 45 per cent. under the British Preferential Tariff has secured the local market to the Australian manufacturers of concrete mixers"—a curious comment on the utility of Preferences.

"Transitional" Benefit.—The October issue of the *Ministry of Labour Gazette* contains a very elaborate analysis by sample of persons who were either in receipt of transitional benefit or who had no claims current immediately before and immediately after the passing of the Unemployment Insurance Act, 1930. The inquiry is

* Government Printing Office, Canberra. No. 110. F. 2445. 1s.

well worth study as throwing light both on the effects of the Act and also on the distribution and record of those of the unemployed who have not paid thirty contributions in the last two years. One noticeable fact which emerges from the analysis is the heavy increase in the proportion of married women—from 44.7 to 62.2—between February and May. This suggests that the widely current impression of an abuse of unemployment insurance by married women may have some foundation. The distribution by industries of the persons covered by the sample is as follows:—

Industry.	MEN.		WOMEN.	
	February 17, 1930.	May 26, 1930.	February 17, 1930.	May 26, 1930.
	No.	Per cent.	No.	Per cent.
Coal Mining	48,168	23.8	64,168	22.7
Building	16,878	8.3	21,435	7.6
Distributive	13,980	6.9	22,792	8.1
General and Marine Engineering ...	12,911	6.4	18,123	6.4
Public Works Contracting	11,702	5.8	16,640	5.9
Shipbuilding and Repairing	10,982	5.4	15,053	5.3
Local Government	9,014	4.5	12,546	4.4
Iron and Steel	7,275	3.6	10,994	3.9
Other Industries	71,250	35.3	100,839	35.7
Total	202,160	100.0	282,590	100.0

Industry.	MEN.		WOMEN.	
	February 17, 1930.	May 26, 1930.	February 17, 1930.	May 26, 1930.
	No.	Per cent.	No.	Per cent.
Cotton	5,315	22.7	16,296	29.3
Distributive	3,739	16.0	5,829	10.5
Hotels, Boarding Houses, &c.	3,343	14.3	6,086	11.0
Food, Drink and Tobacco	1,474	6.3	3,568	6.4
Metal Manufacturing and Metal Trades	1,427	6.1	4,256	7.6
Other Industries	8,142	34.6	19,533	35.2
Total	23,440	100.0	55,568	100.0

The proportion is naturally highest in those industries which have been longest depressed. Another interesting table is that which shows the average contributions paid and the average days' benefit drawn over a period of years, from which it appears that the contributions paid show for men in the May sample a decline from an average of 30 in 1923-24 to an average of 4 in 1928-29, and for women a decline over the same period from an average of 33 to one of 5. As many as 54.2 per cent. of the men and 63.9 per cent. of the women paid no contributions at all in the eleven months July, 1929, to May, 1930. Of the male claimants in the May sample nearly half had had no regular work for two years or more, and 68 per cent. had had no regular work for more than a year. Among women the corresponding percentages are 30.5 and 64.7 respectively. On the other hand, 20.6 per cent. of the male claimants and 22.6 per cent. of the female claimants had had regular employment within little more than six months. Owing presumably to the operation of the Unemployment Insurance Act, 1930, the percentage of the men covered by the samples who were on Poor relief fell from 22.1 in February to 5.6 in May and the percentage of women from 6.4 to 3.8. In February, out of 49,902 men on Poor relief, 5.5 per cent. were also in receipt of benefit. In May, out of 16,714 recipients of relief, 19.2 per cent. were also receiving benefit. These few extracts illustrate the urgency of the need for disentangling Poor relief and unemployment.

Employment and the Cost of Living in September.—Unemployment continued to increase during September. According to the *Ministry of Labour Gazette*, among the workpeople insured against unemployment in Great Britain and Northern Ireland, the percentage unemployed at September 22nd was 18.1, as compared with 17.5 per cent. at August 25th and 10.0 per cent. at September 23, 1929. It is estimated that the number of insured workpeople in employment at September 23rd was approximately 9,646,500, as compared with 9,697,200 a month ago and 10,304,000 a year ago. The total number of registered unemployed (excluding persons normally in casual employment) at September 22nd was 1,413,242. This was 79,392 more than a month before and 586,371 more than a year before. Those temporarily without work amounted to 596,773 at September 22nd, and were 12,536 less than at August 25th but 335,167 more than a year ago. With regard to those normally in

casual employment, 99,643 were registered as unemployed at September 22nd, as compared with 96,543 a month ago and 74,463 a year ago. The Ministry of Labour has this week announced that the total number of registered unemployed at October 13th was 2,188,672, including 1,498,155 wholly unemployed, 585,156 temporarily stopped, and 105,361 normally in casual employment. With regard to the cost of living during September, the index number of the Ministry of Labour at October 1st stood at 56 per cent. above the level of July, 1914, as compared with 57 per cent. at September 1st and 65 per cent. at October 1, 1929. For food alone the figures recorded at the same dates were 43 per cent., 44 per cent. and 56 per cent. respectively.

South American Exchange Problems.—Mr Hose, in his address last Tuesday to the shareholders of the Anglo-South American Bank, made some very pertinent observations upon recent fluctuations in South American currencies, and on their causes and effects. He began by saying that while the trade depression was beyond the control of the different South American Governments, it was responsible for much of the recent political unrest, because it is when economic conditions are unfavourable that public attention is focussed most closely upon the way in which the national affairs are being conducted. The trade depression, he showed, had hit South America, in common with other producers of primary commodities, very hard indeed, as is shown by the bare recital of the fall in commodity prices, ranging from 25 per cent. for linseed to 50 per cent. for maize, oats and wool, since the beginning of 1929. In these circumstances, it was not surprising that South America's purchasing power had become restricted and that most of the Republics had experienced varying degrees of exchange stringency. At this juncture, Mr Hose made an extremely important point. He stated that those Republics operating freely on the full gold exchange standard had suffered the least. Thus during the period January, 1929, to August, 1930, South America lost gold to the aggregate value of £63,000,000. Of this sum, approximately £36,000,000 went from Argentina and £15,000,000 from Brazil, while those countries, such as Chile and Colombia, which were definitely on the gold exchange standard, only lost £11,000,000 between them, notwithstanding the fact that their export trade had been just as badly hit. Moreover, these last countries had rapidly adjusted themselves to compensate for their gold losses, with the result that the reserve ratios of their central banks still stood at a high level. Ecuador's central bank, in fact, had actually increased its gold reserve. It is clear that Mr Hose regarded these facts as a high testimony to the efficacy of the gold exchange standard in the face of a serious commercial crisis. He agreed that Argentina had no option but to close the Caja de Conversion, as was done nearly a year ago, but he insisted that the monetary system of the Republic stood in need of modernisation. The fluctuations of the peso, which are inevitable under the present system, gravely prejudice not only the trade of Argentina, but also the return on the huge amount of British capital invested in the Republic, and consequently upon Argentina's power to attract further supplies of foreign capital for development purposes. Thus both Argentina and Great Britain have an interest in the reformation of the currency on lines which have proved so successful in neighbouring Republics.

Peasant Co-operation in Bulgaria.—Our Sofia correspondent writes: One of the most important parts of the programme for assistance to agriculture is a scheme for reorganising the rural co-operative societies. The co-operative movement started in Bulgaria towards 1890, but its practical development begins after 1904. By the end of 1927 there were 2,171 peasant co-operative societies scattered all over the country. The main items of the combined balance sheet of peasant credit co-operative societies were, in thousand Levas: Capital, 199,654;

sundry funds, 71,496; deposits, 307,985; premises, 45,711; net profits, 23,370; net losses, 6,852. Having regard to local conditions these results are not negligible. Beyond their own resources, the peasant credit societies distributed to their members, in 1929, Leva 631,891,326 borrowed from the Agricultural Bank which lent, in the same year, a total sum of Leva 1,292,831,032 to all peasant societies. These figures, supplied by the Statistical Department of the National Bank, outline the general scope of the peasant co-operative system in recent years. Its importance lies much more in the potentialities it may contain if properly organised, supervised and directed. One of the main features of land property in Bulgaria is the wide predominance of the small holding: the maximum amount of land which may be owned by one proprietor is fixed by law at 75 acres. In the majority of cases the parcels constituting the property of a family are scattered over a large area. In these circumstances agricultural credit, badly needed in Bulgaria for financing the improvements of the land, the purchase of proper implements and for freeing the peasant from the money lender, cannot be organised. The individual holdings do not offer sufficient security for this kind of credit. The leading idea in the reorganisation scheme appears to consist in creating by new legislation a collective material responsibility of the order of the mortgage liability. The members of co-operatives will be thus responsible not only personally but their combined real property will serve as a security to the long-term loans which their co-operative societies are to obtain through the agricultural or other banks for distribution amongst the members. Foreign experts have been invited to study the position on the spot, and to give their advice as to the best way to carry out these plans in practice. Even if everything regarding the technical execution of the scheme is arranged, there remains a factor of primary importance which must, at any rate, be taken into account: the political, or more precisely, the electoral influences at work in the co-operative societies. Efficient control and a sound management will only be possible if these influences can be ruled out in a decisive and permanent way. Whether such an achievement is really possible remains to be seen.

"Nation Study" in London.—London is the door through which Great Britain communicates with the rest of the world; and it therefore comes within the special province of the University of London to organise a systematic study of foreign countries and peoples—especially those which are not ordinarily studied in a university curriculum. The war brought home the necessity for this extension of the traditional field of academic studies; and during and since the war this great work has been carried out on the initiative of a distinguished body of scholars, among whom we may mention the late Principal of King's College, Dr. Burrows; the late Professor of Arabic, Sir Thomas Arnold; the present Professor of Central European History, Dr. Seton Watson; and the present Directors of the School of Oriental Studies and the School of Slavonic and East European Studies in the University; Sir Denison Ross and Sir Bernard Pares. The work of the University in this new and important field is now concentrated in these two schools, and the two Directors have just jointly issued a leaflet setting forth the facilities for study which they are now in a position to offer between them. The basis of their studies is linguistic; but the courses which they offer range from elementary instruction in East European and Oriental languages up to post-graduate teaching for the University Doctorate; and in the higher ranges the linguistic study is reinforced by the study of other aspects of life; so that the student who takes the best that these schools can give will come away with a comprehensive knowledge of one or more peoples, or groups of peoples, in the modern world. This is just the training that is needed for a number of careers which young Englishmen and women follow: in the diplomatic and consular services, in journalism, in business. In the world of to-morrow, even more than in the world of yesterday, Great Britain will

depend for her prosperity on being the point at which the main lines of world communications intersect on every plane of human activity. In such a world the co-ordination of linguistic with regional studies is a noteworthy move in the right direction; but perhaps a further synthesis is needed; for many of the most important activities in the world to-day are conducted on a world-wide scale of operations, and therefore cannot be studied on a linguistic or regional basis at all. We venture to suggest that the Directors of these two enterprising schools should take this point into consideration and should meet it by co-operation with the Director of the School of Economics and Political Science. Together, these three schools of the University of London have the means of providing a complete study of the contemporary world.

Transvaal Gold Output.—The total output of gold of the mines of the Transvaal during September amounted to 903,176 ozs. of fine gold, as compared with 921,081 ozs. produced during August. In September, 1929, the output amounted to 849,553 ozs. of fine gold. The following table shows the monthly output since the beginning of 1924:—

Months of	1924.	1925.	1926.	1927.	1928.	1929.	1930.
	Fine Ozs.	Fine Ozs.	Fine Ozs.	Fine Ozs.	Fine Ozs.	Fine Ozs.	Fine Ozs.
January ...	796,768	823,692	796,270	839,782	843,857	876,452	882,801
February ...	760,617	753,925	763,924	779,339	816,133	815,284	818,188
March	795,671	825,479	834,340	860,511	877,380	856,529	889,370
April	768,923	787,519	803,303	824,014	825,907	872,123	868,606
May	809,003	813,249	849,214	859,479	886,186	897,598	916,213
June	773,053	780,251	852,145	855,154	862,363	856,029	887,867
July	829,437	818,202	860,134	851,861	867,211	889,480	912,652
August	809,571	808,218	843,854	863,345	891,863	889,601	921,081
September ...	799,422	797,247	839,939	842,118	857,731	849,553	903,176
October ...	827,583	812,832	853,296	855,743	897,720	886,590	...
November ...	802,313	787,833	840,276	849,059	872,484	861,593	...
December ...	825,273	791,455	836,157	851,225	859,761	851,134	...
Total ...	9,597,634	9,599,702	9,962,852	10,130,630	10,358,596	10,414,066	7,999,954

The number of natives employed by members of the Witwatersrand Native Labour Association and Contractors over the past few months was as follows:—

	Jan. 1930.	Feb. 1930.	March 1930.	April 1930.	May 1930.	June 1930.	July 1930.	Aug. 1930.	Sept. 1930.
Gold mines	190,663	196,752	200,134	202,434	202,182	201,324	201,111	202,257	205,061
Coal mines	15,288	15,495	15,250	15,109	15,028	14,943	14,670	14,788	14,706
Diamond mines	5,889	6,584	7,002	5,565	5,340	5,126	5,490	5,754	5,767
	211,840	218,831	222,386	223,108	222,550	221,393	221,271	222,799	225,534

The number of natives employed at the gold mines shows an increase as compared with the preceding month.

Overseas Correspondence.

UNITED STATES.

Stock Exchange — Politics — Business Conditions — Foreign Trade — Profits.
(FROM OUR CORRESPONDENT.)

NEW YORK, October 15.

STEADY liquidation in shares, sending the prices of the majority of active issues below the lowest levels of November, 1929, has overshadowed all else. Pessimism has deepened and more talk is heard of a hard winter, of business and banking failures, of collapse abroad and all the other prophecies of calamity which invariably accompany a bear market. However, there are signs that the selling has, for a time, at least, reached a climax, and in reality the country is much more prosperous than the hard-pressed holder of common shares may think.

This week the president of the Stock Exchange conferred in Washington with President Hoover. For some time the Administration has shown concern over the decline in the share market and, with the activities of the bears in wheat as well as in shares. In a recent address the head of the New York Stock Exchange reiterated previous assertions that the exchange stands firmly in

favour of a free market, and approves of short selling as a general practice. In the past week, however, the exchange authorities have taken action to curb what they considered unwarranted "bear raiding" and excessive short selling by professional operators. Explanation of this stand, and some reassurance which the authorities doubtless were able to give the President on the market situation, presumably formed the subject of the interview.

Meanwhile the banks have made a thorough survey of the position of Stock Exchange and other financial firms, and, it is understood, have given all needed assistance, so that there should be no further rumours of failures, for a while, at least, in the absence of another sudden and sharp decline in share prices. This support for the market has turned prices for the moment and a broad covering movement is now under way. No pronounced buoyancy, however, is anticipated, inasmuch as the opportunity will doubtless be taken to liquidate the accounts of a large number of firms which, although solvent, have found that they cannot carry on profitably under present conditions.

Among the obvious measures taken to frighten the bears is the concerted calling of stocks lent for their use among the important Stock Exchange houses, and the threats from the business conduct committee of the exchange. The short interest which is probably not extraordinarily large, and is, of course, quite small in proportion to the total value of listed stocks, is being made uncomfortable by the placing of premiums on stock lent it. A premium means that the borrower of stock must pay something for the privilege, in addition to finding the money. This makes the maintenance of a short position an expensive affair. Last autumn the Stock Exchange induced enough calling by members of their stock lent to shorts to cause a brisk covering movement.

Liquidation of stocks held by interior banks as collateral for loans, and "technical" short sales by outright holders, who own stock but who sell in fear of a decline, with the intention of either "covering" their short sale later or delivering their actual stock, whichever may turn out the more profitable, have been the chief causes of market weakness. The extent of real liquidation may be measured by the sharp drop in bank loans on security collateral. These loans fell \$215,000,000 in the first week of October for reporting banks (about 40 per cent. of the country's banking resources). Some concern has been felt over the scanty collateral behind bank loans, but such conditions are found by a survey of the Federal Reserve Banks to be isolated and not to affect any important banks. They do, of course, constitute a source of supply of stock, both on the rallies and in times of sharp declines.

With a further decline last week of \$158,000,000 in brokers' loans, that item has fallen below \$3,000,000,000, for the first time in three years, and is much less than half the figure of a year ago. Security loans, however, are much larger than that. Reporting member banks in leading cities are lending \$8,268,000,000 on securities, or nearly \$600,000,000 more than a year ago.

Uncertainties in the share market and in commodities and the vagueness of the business prospect will clearly be factors in the Congressional elections to be held early next month. It is possible that the Democrats may gain enough seats in the House of Representatives to threaten regular Republican control, provided they make a working alliance with the radical group of western Republicans. Gains in the Senate also would not be surprising, but control of the Upper House is not probable. It is more or less expected that when elections are held in a period of business recession the party in power will lose votes, but actual loss of control of either branch of Congress by the Republicans would not be relished by business as a whole.

Some further improvement in trade has taken place, but certain industries are feeling seasonal recession. Motor output for September was only about 3 per cent. below that of August, and October production is running even with last month. The steel industry this week

dropped to around 55 per cent. of capacity, as compared with last week's rate of close to 60 per cent., and the recent weakness in the markets has dried up reviving inquiry. Prices for finished steel, for scrap metal and for pig iron have declined. Seasonally, the steel industry follows a gentle downward course during the autumn and early winter.

Railroad freight loadings have increased for two weeks in succession, although they are still below those of recent years. Cotton consumption also is higher, the September figures showing a gain of 12 per cent. over August, and there was another considerable increase in exports, which were about two and a half times as heavy as in the previous month and a fourth higher than a year ago.

Wheat exports also have been rising and the larger raw material shipments contributed largely to the rise in exports for September. Outward shipments at \$318,000,000 were \$18,000,000 higher than in August, and imports rose \$10,000,000 to a total of \$227,000,000. The improvement, although small, is gratifying; but exports are still around the lowest in the past ten years. The monthly trade returns show a net gain of \$2,500,000 in gold last month, reversing the trend of the preceding two months and bringing the increase for nine months to \$186,000,000 exclusive of releases from earmark of metal held for foreign account.

Corporations are now reporting their earning results for the third quarter. As anticipated, the showing is not very brilliant, but in comparison with the results of the same period of last year, it may turn out to be as good as, or better than, that of the second quarter. Actual profits, undoubtedly, were smaller in the past three months than in the second quarter, but in the third three months of 1929 trade had already begun to fall. The first dozen reports rendered average about 20 per cent. below the 1929 level, whereas profits in the aggregate for industrial concerns in the second quarter were 35 per cent. below last year. Some commodities are now moving into consumption at a somewhat quickened pace, and retail trade will have the benefit of the holiday business. Merchandising results in the current quarter will probably be better than for the third quarter, but the heavy industries are unlikely to do so well.

Employment improved in September, according to the Bureau of Labour Statistics, which finds a rise of 1 per cent. on August. Payroll totals increased 1.4 per cent. The figures cover thirteen major industrial groups. Excluding manufacturing, the gain was 2.8 per cent., while manufacturing industries alone report a decline of 0.3 per cent.

A better feeling has come regarding the outlook in foreign countries. South American securities are a trifle more stable and the early tendencies to grow excited over the German election results are no longer noticeable. Herr Schacht's address to members of the Bond Club on the German situation was well liked on the whole. A Spanish credit is being talked of, but bankers who usually act for Spain are unlikely to do anything until certain preliminary steps looking toward resumption of the gold standard are taken. Should a credit be established in advance of such steps, in all probability it will be the result of a desire to secure fresh connections on the part of other banks here.

FRANCE.

Politics — Moratorium Rumour — Foreign Trade — Tax Revenue.

(FROM OUR CORRESPONDENT.)

PARIS, October 22.

It was decided yesterday that the Chambers shall re-assemble for the autumn session on November 4th. The Finance Commission of the Chamber has already begun work on the Budget for the financial year that will begin on April 1st, and it is hoped that its report on the measure will be completed in time for the House to begin consideration of the Government's proposals before Christmas.

Now that the real purport of the resolutions adopted by the Socialistic Radical Party at Grenoble has been interpreted, opinion in general is inclined to be more optimistic as to the probability of the Tardieu Cabinet being able to continue in power more or less indefinitely. The Hitler movement in Germany has certainly strengthened the Cabinet's hold on public confidence, and has at the same time rendered useless for some time, at any rate, any effort of the Opposition to press for further extension of the Locarno policy as between this country and Germany. The maintenance of M. Briand at the Quai d'Orsay now seems rather less doubtful, however, and the reiterated refusal of the Socialists to consider any Ministerial alliance with the Radicals, unless M. Herriot and his supporters are prepared to figure in the undignified rôle of the fifth wheel in the coach, seems to have removed all serious danger to the Cabinet from that direction. M. Blum is evidently basing his plans on the assumption that the general elections (early in 1932) will result in the gain by the Socialists of further Radical seats sufficient to make them the largest group in the Chamber. This would largely increase their capacity of initiative, by automatically raising them to the position of the first Party to be consulted in the event of future Ministerial crises, and thus greatly increase their chances of being able effectively to assume office. Meanwhile, the possibility of the Radical leaders resuming Ministerial collaboration with M. Tardieu is again being seriously discussed. The Press of the Left is insisting that M. Tardieu's weak spot is that he is not as popular with the Senate as he might desire, which may or may not be correct. In any case, thanks to Hitler and to the Ministry's very satisfactory record of accomplishment, the supporters of the Cabinet are now much less uneasy as to the outlook than they were three months ago.

The reports from Washington a few days ago regarding a possible moratorium for Allied debt payments were received here with scepticism. French opinion is now satisfied that the only ground for such reports lies in the fact that Dr Schacht has thought fit, for reasons of his own, to go to New York, on his own initiative, on a mission that was not desired either by the Berlin Government or by that of any of the Allied Powers. The French have insisted for many years that the only rational financial liquidation of the War, from the point of view of the economic health of all concerned—and particularly of the United States itself—is the general cancellation of all war debts. In this connection responsible French leaders have many times gone so far as to state that this country would be prepared, in the event of the United States seeing its way to reduce the amount demanded from France, to renounce an equivalent proportion of the amount due from Germany.

Factors in the situation which explain some of the indifference with which the reports of the Washington moratorium discussions have been received here are:— (1) That the Young Plan specifically provides that the unconditional annuities of the German reparation debt—which form one-third of the whole and average about £33,000,000 each—shall be exempt from all moratorium, transfer clause or revision of any kind; which appears to indicate that they could only be subjected to variation by another long-drawn-out "Hague Conference." (2) that as regards the remaining two-thirds of the debt, the annuities of which average about £66,000,000, the terms of the Young Plan provide for a moratorium of transfer without involving a suspension in collections but only for a period of two years. In other words, even if such a moratorium were applied, the German Government would still raise the entire annuity during each of the moratorium years, and would not thereby diminish the burden on the taxpayer. This potentially protective clause was embodied in the Young Plan, not only in the interest of the German exchange, but in order to stave off damage that might result to the rest of the world from a fresh collapse of the mark.

The foreign trade returns for September show an increase on the month, for the first time since February, in both exports and imports. Exports totalled 3,358,500,000 francs, or rather over 250,000,000 francs

more than in August (although still 847,456,000 francs, or over 20 per cent., less than in September, 1929; while imports were 4,205,516,000 francs, which was equivalent to 148,000,000 francs more than in August and about 100,000,000 francs less than a year ago. During the first nine months of the year there was an increase of 1,285,660,000 francs (or 16 per cent.) in imports of manufactured goods, practically all of the other categories of both imports and exports having been lower. Revised estimates of the present year's harvest, issued by the Ministry for Agriculture, indicate that, with careful handling, this year's yield of French breadmaking materials, in view of the stocks left over from the previous year, may be made to meet consumption requirements.

Taxation continues to come in satisfactorily and to produce more than Budget estimates. The revenue returns for September show that the total yield from "normal and permanent" sources during the month was 3,414,272,000 francs, or 48,000,000 francs more than in September, 1929, notwithstanding the recent substantial reductions in taxation. Exclusive of income tax and other direct imposts, and of the yield from tobacco, the yield from indirect taxation and monopolies was 204,618,000 francs more than Budget estimates, which brings the realised surplus under this heading to 1,004,000,000 francs for the first half of the current financial year. The yield from scheduled and general income tax during the month was 908,488,000 francs, or 118,691,000 francs (13 per cent.) more than in September, 1929. In view of the economic depression throughout the world and the unjustifiably pessimistic frame of mind of a large section of the French public as to its repercussion here, it is to be noted that the yield from turnover taxes of all kinds in September (which represents business done during August, the great French holiday month) was about only 13½ per cent. lower than in the corresponding month of 1929, notwithstanding the substantial lowering of these taxes under the last Budget Bill. The yield from the tax on motor-cars was 9,344,000 francs (nearly 70 per cent.) larger than in September, 1929, while excise duties on wines, spirits and mineral waters showed substantial increases. Registrations produced over 25 per cent. more than was expected, and stamp duties 12½ per cent. more. The weakest item was again the yield from Bourse operations, which was nearly 60 per cent. below Budget estimates and only one-third of the amount recovered in September, 1929.

GERMANY.

Politics — Metal Strike — Bata Negotiations Abandoned — Security and Exchange Markets.

(FROM OUR CORRESPONDENT.)

BERLIN, October 21.

THE Brüning Government were able to command a surprisingly large majority at the first meeting of the Reichstag, as the Social Democrats lent their support for the rejection of the votes of no confidence moved by the Communists, the National Socialists and the Nationalists, while the National Socialists adopted an attitude which destroyed any desire on the part of the German People's Party, or even the Economic Party, for co-operation with them. The right wings of the bourgeois parties have been cherishing the belief during the last few weeks that parliamentary responsibility would force the National Socialists to curb their nationalistic exuberance and above all to revise their programme of primitive socialism. At the very beginning of the Reichstag, however, the Hitler Party brought in resolutions demanding the abolition of the security markets, a limitation of the rate of interest to 5 per cent., and the expropriation of all "Bank and Stock Exchange kings." The tone they adopted in the Reichstag, and the unrestrained insults which their Press continually hurled against the Minister of Defence, Herr Groener, for resisting the penetration of national socialist ideas into the

Union Bank of Switzerland

(Union de Banques Suisses)

ZURICH.

Bahnhofstrasse 45

Basle, Berne, Geneva, Lausanne, Locarno, Lugano, Montreux, St. Gall, Vevey, Winterthur, etc.

Capital & Reserves - Fr.131,500,000

Total Assets - - - - Fr.992,000,000

ALL BANKING TRANSACTIONS

INVESTMENT FACILITIES. Administration of Private Estates.

Reichswehr, soon blighted any hope that the National Socialists would develop into a civilised party. Then followed the street fights in Berlin, which had every appearance of being organised by National Socialist groups, even if not in collusion with the leaders of the party. Nothing, therefore, was left, even for the right wings of the German People's Party and the Economic Party, but to resign themselves to the Chancellor's acceptance of the help of the Social Democrats in maintaining a "minority government of the Centre" and so to keep the National Socialists out of power.

It may be assumed that after these experiences the Centre Party at least has finally determined not to enter into a coalition with the National Socialists. The most difficult political test of strength will come in December, when the Reichstag reassembles to discuss the financial programme. Meanwhile, the Cabinet will be busy drafting numerous bills incorporating that programme. The Government hopes to get these bills through the Reichstag, but the great and possibly fatal difficulty is that many of them will be unpopular with the supporters of every party and will only be able to secure a majority if the parties which are to support them receive a *quid pro quo*. At present it does not look as though the Economic Party and the German People's Party were disposed to make such concessions to the Social Democrats as would be necessary to secure their support for the essentials of the financial programme. There is, however, some hope that this programme is not yet cast in its final form. If it could be so improved as to appeal to the imagination of the masses and arouse a conviction that with its help the hardships of the economic depression could really be overcome, all the problems of tactics would be rendered very much easier. The passing of the Debt Amortization Act, which makes possible the payment of the \$125 millions credit, has already shown that even this Reichstag is determined not to shrink from the hardest resolutions if they are necessary.

As in the Reichstag, so also in the Prussian Landtag the attack of the National Socialists, Communists and Nationalists upon the Government has been repulsed, though in this case the German People's Party is also on the side of the Opposition, and voted against the Government. The Social-Democrat Prime Minister, Herr Braun, therefore remains in office with his Catholic and democratic colleagues. The Prussian Cabinet is responsible for public order throughout the greater part of the Reich, and it is a great triumph that the Prussian police remains under energetic and reliable republican control.

The strike of the Berlin metal workers has begun, and is being prosecuted with great energy. It seemed at first as though some works, especially Siemens, would be able to retain a substantial number of workers, but after the first few days even their workshops were practically empty. A few groups of workers remained, according to the pledge given by the unions, unaffected by the strike: apprentices; very old workpeople who would have no chance of finding new jobs; and those hands who are absolutely indispensable for the avoidance of lasting damage to the equipment of the factories. The Communists wanted to call out even these. Although their members belong to the trade unions they have built up their own strike organisation, which acts in competition with the

official union leaders, and causes them a good deal of trouble. In particular, while the unions want to confine the dispute within its present limits in order that their funds may be adequate for its prosecution, the Communists, concerned less for the success of the strike than for its propagandist effect, wish to extend it by bringing in fresh factories.

So far, the award providing for an 8 per cent. reduction of wages, which was the cause of the strike, has not been declared binding by the Minister of Labour. Herr Stegerwald cannot avoid deciding whether he will declare it binding or not, but he is delaying as much as possible in the avowed intention of letting the combatants exhaust themselves a little first, in order that conditions for compromise proposals may be slightly more favourable. He will begin by once more inviting the leaders of both sides to a conference, and he will be very reluctant to declare the award binding since that would probably destroy all hope of social democratic support for the Cabinet.

The Czechoslovakian shoe factory Bata has now broken off the negotiations with the Prussian State for the purchase of land on which to erect a factory. The Prussian Government were very severely attacked for their willingness to allow the Czech "shoe king," whose competition is a matter of such concern to the shoe manufacturers of Germany, and of all Europe, to penetrate even within Germany herself, but they refused to shift from the position that they could not and would not prevent any foreigner from establishing himself in Germany if he was going to employ German workers and operate in conformity with German law. It appears that Herr Bata has found the German labour laws and tariff wages not sufficiently favourable for his plans, and though he has given out that the estate offered him by Prussia was not suitable and that he will build his factory in some other part of Germany, it is generally assumed that he has finally abandoned his project.

Since the debate in the Reichstag began to reveal the growing isolation of the National Socialists and the strength of the Government, the situation of the security and foreign exchange markets has eased considerably. Security prices, which had reached their lowest point on October 13th, have recovered in the course of a week the greater part of the losses they had sustained since the elections. The recovery is most marked in securities internationally dealt in, which had been most severely depressed by foreign sales and in which bear interests had been most active. This is illustrated by the following table:—

	Sept. 13.	Oct. 13.	Oct. 20.
I.g. Farben	151	126	148½
A.E.G.	136	106½	128½
Salzdetfurth	325	243	292
Siemens	195	170	191
Reichsbank	245	203	227
Stahlverein	76	60	71

The great recovery in security prices during the last few days has been accompanied by a small turnover, but the tide of mistrust which has been flooding Germany since September 14th has now turned.

The recovery is also reflected in the exchange market. The calling in of credits has virtually ceased, and substantial offers of credit have come from abroad, especially after Monday's division in the Reichstag. The latest Reichsbank return, for the 15th, reflects the conditions of the worst period, and that of the following week will also probably show no marked increase in exchange holdings, as the Reichsbank is not taking up the foreign exchange available on the market in order to keep down the rate. The low level of exchange rates is remarkable: the New York selling rate has fallen between October 14th and 19th from 4.2080 to 4.1980. The transfer of the foreign credit which will, after the deduction of the German quota, provide about \$100 millions of foreign exchange, cannot be expected before November.

SWEDEN.

Trade Depression — Industry — Foreign Trade — Balance of Payments.

(FROM OUR CORRESPONDENT.)

STOCKHOLM, October 8.

THE effects of the depression, which reached Sweden nine months later than the United States and then spread rapidly to all the industries of the country, are now visible everywhere, but it has not yet assumed any alarming proportions. The sound development, the cautious financial and monetary policy pursued during more prosperous times, and the absence of exaggerated speculation have placed Sweden in a very favourable position to face a period of depression. Happily, labour peace has now been secured in the leading export industries for the coming year. Current agreements have been renewed in the engineering, pulp and mining industries, so that there is no fear of these industries being hampered by labour disputes if a revival should set in in 1930. It is the general opinion that in the winter the position will be still worse; the only question is how long it will last and how deep it will be.

The production index for August fell to 120. This is lower than any 1929 figure (in which year 129 was the lowest), and, moreover, the usual seasonal tendency at this season is decidedly upward. The diminution of production affected practically all the leading industries. In pulp, production fell to 139 per cent. of the 1923-24 figure, as compared with 158 per cent. a year ago and an average of 160 per cent. for the whole of that year. In the iron and steel industry the figures were 113 per cent., 152 per cent. and 138 per cent. respectively. Even the ore industry is now feeling the depression. The figure was 158 per cent. of the 1923-24 figure, as compared with 196 per cent. and 214 per cent. for the two first quarters of the year and 189 per cent., the figure for 1929. Mining was carried on during the first six months on a larger scale than was justified by the position owing to doubt as to the continuance of labour peace. An exception is to be found, on the other hand, in the sawmill industry, in which the figure was 102 per cent. of the 1923-24 figure, compared with 91 per cent. a year ago and 103 per cent., the average for the whole of 1929. It is uncertain, however, to what extent this was due to the forcing of production in view of favourable weather.

The August figures for the leading industries possibly exaggerated the depth of the depression, but it is striking that the production of such significant articles of consumption as tobacco and malt drinks fell heavily during that month. Developments in September, so far as they can at present be measured, indicate a continued decline. Almost every day there is news of further restriction of output, the most surprising being that of S.K.F. At the same time, the markets for the chief staples have grown worse. The Russian agreement with the English timber importing syndicate is too well known to require comment, and it is too early to say what the effects on the Swedish sawmills will be. Output will inevitably be reduced, and prices are already lower. Prices of pulp have been simultaneously forced down. From Kr. 200 per ton at the beginning of the year the price of strong sulphate has fallen to 155. Attempts are again being made to come to an agreement for restricted output between Sweden, Norway, Finland, probably Germany and possibly Czechoslovakia. Such an agreement has already been made for mechanical pulp. Conditions in the ore industry are similar. Exports by the Grängesberg Company of recent months have been considerably less than last year. Shipments during the third quarter amounted to 2.08 million tons, against 3.07 last year.

Exports, which in July amounted to 86 per cent. of last year's level, fell to 82 per cent. in August. The decline in imports from 114 per cent. to 93 per cent. is, on the other hand, not entirely due to depression. Here we have to take into account the favourable harvest and the obligation to mix native wheat and rye in milling. The reduction in imports is attributable mainly to reduced

imports of grain. Imports of raw materials were on the whole maintained at a relatively high level, though here, too, signs of the depression are visible.

Recent developments have left very little mark on the balance of payments. Net bank claims abroad during the first eight months have only fallen by Kr. 39 millions, a moderate figure for normal years. At the end of August they amounted to Kr. 545 millions, as compared with Kr. 515 and Kr. 427 millions one and two years ago, and this in spite of the fact that capital exports in June assumed large dimensions owing to participation in the Young Loan. During the first half-year they amounted to Kr. 96 millions net, as compared with only Kr. 33 millions a year ago. The tendency has changed since, so that in August there was a net import of capital of Kr. 8 millions.

It is evident that this reflects developments on the foreign capital markets. The reduction of the demand for credit has also been very marked in the Swedish money market, although it was not visible in the August bank reports, because it was concealed by the transactions in connection with the first payment of the Kreuger credit to Germany. During September the most conspicuous feature of the money market has again been the surplus of money in the commercial banks. This curious position has forced them to a large extent to abandon the usual means of procuring liquid funds by rediscounting at the Riksbank. The latter has, in fact, for a long time past lost its grip on the money market, very largely because it has maintained its discount rate too high. As the commercial banks could scarcely count on more than 2 per cent. on short-dated loans abroad but had to pay 3½ per cent. for rediscounting at the Riksbank, they have preferred to realise their foreign exchange as required. The consequence is that the Riksbank's portfolio has swollen abnormally. At the end of September it amounted to the, for Sweden, immense sum of about Kr. 400 millions. A year ago the figure was Kr. 221 millions, two years ago Kr. 118 millions and in 1927 Kr. 215 millions. At the same time, rediscounting has shrunk to next to nothing, whilst exchange quotations have sunk so low that the Riksbank has found it necessary to pay 18.09 for sterling in order to avoid gold imports. It is possible that in order to avoid this the Riksbank may be compelled to lower its discount rate to a level below that which would otherwise be advisable. It is certain, however, that it could safely lower it below its present level.

POLAND.

Election Campaign—Bank Rate—Gold Reserve—Budget Situation — Coal.

(FROM OUR CORRESPONDENT.)

WARSAW, October 11.

THE general election for a new Diet will take place on November 16th, and for the Senate on November 23rd. Marshal Pilsudski has decided to head the list of candidates classified as the Non-Partisan Bloc for Supporting the Government, his purpose apparently being to make of the election a sort of plebiscite on himself. At the dissolution of the last Parliament the Government bloc, with the support of a section of the Socialist Party, had a voting strength of about 120 out of a total membership of 444. The election campaign of the Opposition groups has been virtually stopped by the imprisonment of many of the leaders, by the refusal of the authorities to allow the Opposition parties to hold public meetings, and by a ruthless censorship of Opposition and even independent newspapers. In these circumstances, and in view of the state of apathy which seems to prevail throughout the country, it is believed that the Government bloc will at least double its membership in the next Diet. It would, however, be a hollow and worthless victory. An outright dictatorship would be more dignified and understandable than a fictitious Parliamentary Government elected in such circum-

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stances. The Government bloc and its supporting groups comprise individuals of all shades of political thought—from large landed proprietors and industrial magnates to peasants and revolutionary Socialists. The larger its representation in the next Diet, therefore, the more difficult it will be to secure agreement on a legislative programme.

At the beginning of the month the Bank of Poland raised the Bank rate by 1 per cent. to 7½ per cent., and the "lombard" rate from 7½ to 8½ per cent. Ample justification for the Bank's action is found in the loss of foreign exchange serving as cover, which amounted during the first twenty days of September to 50 million zlotys—despite the continued favourable foreign trade balance. This item in the Bank's balance sheet has dropped from 527 million zlotys on December 31, 1928, to 418 millions at the end of 1929, to 241 millions on June 30, 1930, and to 176 millions on September 20th. Gold bullion holdings during this time increased somewhat, but nothing like enough to offset the loss in foreign exchange cover. Towards the end of September the Bank sold gold held abroad to a value of 142 million zlotys, purchasing foreign exchange with the proceeds. There was a marked decline during the past month in zloty bond quotations; the 8 per cent. issue of the Credit Society of the City of Warsaw fell from 77 to 70, and similar Lodz bonds from 70 to 64. Holders, therefore, were clearly apprehensive about the future of the zloty, and the state of public mind in this respect has been further emphasised by the stiff premium recently charged on sterling and dollar currency as against the cheque transfer rate. Having twice suffered from currency depreciation within a comparatively few years, the general public is in no mood to be caught again, and this fact in itself might tend to hasten a flight from the zloty when the underlying situation did not justify immediate apprehension. The action of the Bank, therefore, in raising the rate a full 1 per cent. on October 8th for the protection of its remaining reserves was courageous and may have a reassuring effect on the public mind. It has been followed by an improvement of several points in the price of zloty bonds.

Treasury revenue during the first five months of the present budget year (April to August) amounted to 1,140 million zlotys and expenditure to 1,136 million zlotys—the corresponding figures for the same period of the previous year being 1,214 and 1,200 million zlotys. Budget revenue this fiscal year has steadily declined. Expenditure has so far been kept within the revenue collected, but there is nevertheless a considerable strain on the Exchequer, since the tax authorities are doing their utmost to bring in revenue (except where political expediency makes it advisable to ease the pressure here and there), while the outflow of Treasury funds is being closely guarded—again save where political considerations intervene. While the budget, therefore, continues to show a favourable balance, it is feared that the payment later in the fiscal year of obligations that at the moment are not being

met may disturb budget equilibrium especially with the continuance of the economic depression which is making it harder and harder to collect taxes, and bearing in mind that relief measures for agriculture (export subsidies, etc.) will continue to be a heavy drain on the Exchequer. The necessity for a complete revision of the system of taxation in Poland has at last been recognised by the appointment of a permanent Tax Committee of Experts who will, it is expected, not only produce a definite plan for tax reform, but bring about a certain measure of elasticity in taxation matters to meet fundamental changes in the economic situation.

Although there has been a decided improvement in coal production and exports during recent weeks, the figures for the present year to date compare very unfavourably with those of 1929. During the first eight months of 1930 coal production amounted to 23.6 million tons, of which 7.7 millions were exported. For the same period of 1929 production was 29.7 million tons and exports 8.9 millions. The Polish coal trade, however, is not so much concerned just now over the decreased exports so far this year as over the very unsatisfactory prices which are currently being obtained for shipments to the Baltic and Scandinavian countries—which markets take more than 75 per cent. of the coal exported from Poland. The prevailing quotation is 11s. 6d. per ton f.o.b. Danzig or Gdynia, of which a large part is swallowed up by freight and handling between Upper Silesia and the Baltic seaboard. The present quotation is several shillings per ton below the average which has prevailed during the past year or so, and the anxiety of the Polish trade has been further increased by the recent visit to Scandinavia of the British Coal Commission headed by Mr Shinwell. The Poles are still hoping that it will be possible in time to come to an agreement with the British coal trade in respect of the Northern markets, but it is realised that without the adherence of Germany a Polish-British agreement would be useless, and that Germany cannot be brought into such an agreement until the entire matter of Polish-German commercial relations is placed on a proper treaty basis. The chances that the commercial treaty between the two countries, signed last March, will ever be ratified seem to grow remoter.

BULGARIA.

Agriculture — Peasant Co-operative Movement — Foreign Trade.

(FROM OUR CORRESPONDENT.)

SOFIA, October 8.

THERE is not much left of the rather sanguine expectations with regard to the effects of this year's good harvest on the general situation. Crops have been satisfactory, almost in every part of the country. Unfavourable weather conditions prevailing in July, August and September have only partially impaired the yields of maize, tobacco, wine and fruits, and the results are on the whole good, insofar as output is concerned. The main trouble is the persistently weak tendency of world prices for most of the goods Bulgaria exports. It is difficult to make clear to the peasant the general and uncontrollable character of this trend of the markets. His reluctance to sell is therefore doubled by suspicions of cleverly organised speculation on the part of local grain merchants and exporters, and resentment and discontent are spreading in peasant circles. The political implications of this state of things are pointing towards a marked increase of feeling against the Government and its commercial and financial policy.

In spite of certain tactical errors such as the raising of customs duties and the failure to settle the question of treaties of commerce, the responsibility for the unhappy position of agriculture cannot be seriously placed to the Government's account. Nevertheless, this situation is giving much concern in official quarters. The whole attention of the Council of Ministers appears to

be directed towards finding a way out of the trouble. The problems connected with agriculture, export, credit conditions, etc., are extensively discussed and a great number of measures are under consideration. It has been decided that the Army and public administrations shall cover their needs of grain and fodder by direct purchases on the market in order to strengthen prices by a more active demand, but the idea of paying bounties to peasants selling for export has been temporarily abandoned. Another measure is the reduction of the interest rate on loans to peasants by the Agricultural Bank, from 12 to 10 per cent., and the stricter enforcement of the Moneylending Act prohibiting more than 16 per cent. interest for accommodation of any description.

Opinion in business circles is not much convinced of the practical effects of the official efforts undertaken up to the present. A much more important scheme has been under consideration for some time past, and careful investigations are being carried on with a view to throwing as much light as possible on the actual position. The scheme, which involves the reorganisation of the peasant production and credit co-operatives, is discussed more fully in a "Note of the Week."

In spite of the unfavourable conditions prevailing in foreign markets, the balance of trade remains quite satisfactory. According to preliminary data, the period January-August closed with an active balance of Leva 1,200,000,000, as against a deficiency of Leva 780,000,000 last year. If due regard is paid to the heavy depreciation of most of the goods exported, these results are remarkable. The excellent quality of this year's barley, millet and other secondary produce, as well as the large increase in exports of eggs are the chief reasons for this improvement in the foreign trade position. The consequences are already noticeable all over the country: increased peasant purchases, better payments, quickening of trade, especially of retail trade in leather, iron, rough textiles and other objects of peasant consumption. It must, however, be stated that the improvement observed is very much short of the general expectation, and that the uneasy position of the vast majority of peasants remains a very serious feature in the economic situation this year with possible implications with regard to internal political developments.

IRISH FREE STATE.

International Politics — Wheat — Budget — Savings — Municipal Protectionism.

(FROM OUR CORRESPONDENT.)

DUBLIN, October 22.

DURING the last few weeks political attention has centred upon the League of Nations Assembly and the Imperial Conference. The Free State delegates at both appear to suffer from an inferiority complex. They concentrate their whole energy on asserting the autonomy of the Free State, which nobody wishes to deny. At Geneva a seat on the Council of the League has been secured, and, doubtless, an advance on the constitutional front will be achieved in London. But this preoccupation with questions of national status is hard to understand. The Government's supporters are quite satisfied with the constitutional position as it stands, and would prefer to see Ministers using rather than talking about the liberty of the Free State; while its opponents are being convinced that their suspicions about the measure of independence conferred by the Treaty are not without foundation.

Mr McGilligan's speech at the economic discussion at the Conference was admirably frank and realistic. It must have come as a surprise to many of those present to learn what an extremely important customer the Free State is for British goods. Indeed, it is difficult to see in what way the economic intimacy between the two countries could be strengthened by any change of policy by the Free State, which already purchases by far the

largest part of its manufactured goods from Great Britain, to whom it accords numerous preferences in its protective tariff. Any development of trading relations must come from the other side. If the British Government takes the unlikely step of imposing duties on imported goods, the Free State will undoubtedly derive much benefit, but otherwise it would appear that Great Britain will continue to enjoy preferences and advantages in trading with the Free State for which nothing is offered in return.

The very wet weather has played havoc with the corn crops throughout the country. A deputation of large farmers waited upon the Minister for Agriculture last week demanding, first, an import duty on all cereal crops to raise the price of corn in the home market, and, secondly, a moratorium of two months in respect of their rent and rates. There is no denying the reality of the distress which is being experienced by farmers owing to the quite exceptional rainfall of the summer, and nobody could cavil at any reasonable measures of temporary relief which did not involve an increase in food prices. Taking a large view, however, it is possible to draw the conclusion that cereal cultivation is not really the best type of agriculture for the capricious Irish climate, and that farmers are wise in concentrating generally on products that are less sensitive to weather changes. This consideration is relevant in regard to the Fianna Fáil party's proposal to encourage wheat growing by a heavy subsidy.

The Exchequer Returns for the first six months of the current financial year show that revenue has increased by £102,860 to £11,188,148 and that expenditure has diminished by £225,919 to £11,379,611. Increases are shown in customs, excise, motor tax, estate duty and income tax, and decreases in stamps and miscellaneous revenue. The expenditure on Central Fund Services has increased by £143,699 owing to the further borrowing that has taken place. The capital account shows that £5,609,571 was received from the Third National Loan, and that £129,700 was spent on the Shannon scheme, £1,046,412 advanced to the Electricity Supply Board, and £3,124,000 used for the repayment of Irish Free State Bills and Ways and Means advances.

The growth of thrift among small investors is shown by the increase in the issue of Savings Certificates from £547,000 to £864,000, while repayments have not increased by anything like the same amount. There is now outstanding a sum of £5,463,028 in this favourite investment. The reasons for the increase of saving by the poorer classes are first, a certain measure of prosperity enjoyed by Ireland in spite of the prevailing depression and second, a growing confidence in the political stability of the country. The low rate of interest on bank deposits has doubtless diverted savings into Savings Certificates, which yield five per cent., at compound interest, free of income tax.

The spirit of protectionism has been carried a step further by a meeting of Waterford business men, who have passed a resolution calling upon their fellow townsmen to purchase goods manufactured in Waterford to the exclusion of the products of other localities, whether in the Free State or elsewhere. Our national protectionists can hardly complain if the result of this resolution is the loss of a certain amount of business by Dublin and Cork firms, because the proposers of the resolution are strictly logical. If the taking in of each other's washing is a sound policy for a national area why should it not be equally sound for a municipal area as well? Indeed, why should one stop here? Why should not each parish or street in Waterford refuse to trade with the neighbouring parish or street? It will be interesting to see if the end of the protectionist enthusiasm is a system of octroi duties in every townland in Ireland.

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ROUTLEDGE

Books and Publications.

TARIFFS OR TRADE.

SHOULD we as a nation play for "safety first" even if it should mean a sacrifice of our standard of living, or are we right in our trade policy to run a risk in the quest of prosperity? This, in effect, is the issue raised in a little monograph* entitled "Free Trade or Protection." The author, engaged in business, comes forward nevertheless in his opening chapter as a doughty champion of the trained economist as against (supposedly infallible) "business men" in current fiscal controversy.

Mr Golodetz sketches briefly the case for universal Free Trade, based on the principle of division of labour; and declares the view, that by the stoppage of imported goods and the consequent manufacture of those goods at home one *ipso facto* raises national prosperity, to be superficial and entirely unsound. A longer chapter is then devoted to stating a case for isolated Free Trade, i.e., to showing that even in a world that has turned protectionist the interests of the United Kingdom may still lie in adhering to a policy of free imports, but the crux of the main argument seems to be reached when the author comes to state the case for Protection, as he sees it. He observes in Free Trade one inherent weakness, namely, that it entails dependence upon other countries; and thus carries with it considerable risks in the face of possible world disturbances. This is, of course, what makes Free Trade such a strong factor for world peace. The alternative policy would be, by tariff action, to develop a maximum home production of all the necessities of life, even though this should mean less opulence than could be secured by "going all out" for foreign trade.

* "Free Trade or Protection." By Arnold Golodetz. Williams and Norgate, Limited. 4s. 6d. net.

Germany is cited as an example of a country whose fiscal policy was shaped under the influence of the agrarian theory with the object of self-sufficiency; whereas England eighty years ago had already committed herself to a contrary policy, which has involved the development of her industries to a size calculated to supply the world at large with manufactured goods. In so doing she has called into existence an industrial population so large that the island cannot possibly provide the means for its subsistence and "England must trade to live." In the author's view, it is too late to reverse this policy with hope of success. Nevertheless account is taken of the present agitation for Empire Free Trade, as to which he decides that the short period effect might be of considerable profit to the Dominions and Colonies, but that the exporting industries of the Mother Country would not be likely to reap any compensating benefit for a long time to come. Would the policy yet be worth adopting for long-period insurance purposes in the interests of national security? This suggestion is in turn dismissed on the ground that the cost would be prohibitive and the external practical difficulties almost insurmountable.

The brochure contains a chapter on the Safeguarding duties which, no doubt in the main correct, is perhaps of too slight a character to convince anyone but the converted. Incidentally, in case a second edition of the book is called for, the dates in the footnote to page 65 should be corrected. The period during which the McKenna duties lapsed was August, 1924, to the end of June, 1925. Moreover, as the author has singled out for special mention the export figures of safety razors, we may remark that the imports of these goods during the years in question expanded at a very much greater rate than the exports, in spite of the duty.

Mr Golodetz points out that our so-called key industry duties stand on a different footing from the others inasmuch as, to quote Adam Smith, "Defence is more important than opulence." Here the only question that can arise is whether a direct subsidy would not be better than a tariff, but as to the general principle of "falling back on home trade," which really involves an attitude of defeatism towards our export trade, a short answer to the protectionists is that somewhere in the country we have to find a body of people who will devote themselves to foreign trade and will succeed in it, whatever the difficulties, to the extent at least of selling abroad enough British goods to pay for the bulk of the foodstuffs and raw materials which our population as a whole must import in order to live. Unfortunately the present acute unemployment complex tends to obscure this longer issue and is sending up the stock of the "quick-remedy" man.

BOOKS RECEIVED.

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

(It would be a convenience to our readers if publishers would make a point of notifying us of the prices of books sent for inclusion in this column.)

Europe: The World's Banker, 1870-1914. By Herbert Feis. (London) Oxford University Press, Warwick Square, for the Council on Foreign Relations. \$5.00.

A most interesting critical study of the pre-war international movement of capital.

Stock Movements and Speculation. By Frederic Drew Bond. 2nd Edition. (London) D. Appleton and Company, 34, Bedford Street, Covent Garden. 10s. 6d. net.

This valuable little book, the background of which is American, has been partly rewritten in the light of the developments of the past year.

Securities and Their Transfer. By Lawrence R. Dicksee. (London) Gee and Company (Publishers), Ltd., 6, Kirby Street. 6s. net.

An account for the average reader of the procedure incidental to the investment of money.

Education for Business Management. By James A. Bowie. (London) Oxford University Press, Warwick Square. 8s. 6d. net.

A capable statement of the case for the development of facilities for the training of young men for administrative posts in industry. Use is made of American experience, but the book treats of the peculiar conditions of British industry, and fills a serious want.

L'Economie Mondiale et la Société des Nations. By Elémer Hantos. (Paris) Marcel Giard, 16, Rue Soufflot. 50 frs.

An account of the progress of world co-operation through the agency of the League of Nations.

The Crisis of English Liberty. By Sir John A. R. Marriott. (London) Oxford University Press, Warwick Square. 15s. net.

A history of the Stuart monarchy and the Puritan Revolution.

Comments and Criticisms. By the Right Hon. Sir John Simon. Edited by D. Rowland Evans. (London) Hodder and Stoughton, Ltd., Warwick Square. 8s. 6d. net.

A reprint of twenty-two speeches delivered by Sir John Simon over a long period of years, together with two hitherto unpublished papers entitled "Irrigation in India" and "A Village Panchayat" respectively.

Philip Snowden. By A. Andréadès. Translated from the French by Dorothy Bolton. (London) P. S. King and Son, Ltd., Orchard House. 5s.

A most interesting essay, intended originally for the French public.

The Servizi Aerei Civili. By Dr. Michele Schiavone. (Genoa) Stabilimento Tipografico Editore Bozzo and Cocciaello, Via S. Fruttuoso, 28.

An Italian study of civil aviation in most of the principal countries.

Die Staatliche Exportkreditversicherung Ein Mittel der Exportförderung. By Dr. Gustav Roeschli. (Zurich) Verlag der Haus A. Gutzwiller.

A German treatise on export credit insurance, illustrated by chapters on the experience of Great Britain, Germany and other countries.

Der Realkredit der deutschen Landwirtschaft. (Berlin and Leipzig) Walter de Gruyter and Company.

A very full account and discussion of agricultural credit in Germany.

Sindacati Industriali. By Francesco Vito. (Milan) Società Editrice "Vita e Pensiero."

Part I consists of a critical examination of Italian theories of industrial syndicates; Part II contains the author's own theories of industrial groups, including cartels and trusts.

The German Science of Business Management. By Dr. Andrew Schranz. (London) Gee and Company (Publishers), Ltd., 6, Kirby Street. 6s. net.

An account, for English-speaking readers, of German management methods.

The Technique of Efficient Office Methods. By P. T. Lloyd. With a Foreword by Sir Henry Bunbury. (London) Gee and Company (Publishers), Ltd., 6, Kirby Street. 10s. net.

The Annals of the American Academy of Political and Social Science, September, 1930. (London) P. S. King and Son, Ltd., 2, Great Smith Street, Westminster.

A collection of articles covering a wide range of subjects bearing on post-war progress in child welfare.

La Lotta Mondiale Contro Il Protezionismo. By Edoardo Giretti. (Turin) Arti Grafiche-Ditta Fratelli Pozzo.

An Italian article on Free Trade.

OFFICIAL PUBLICATIONS RECEIVED.

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

Department of Scientific and Industrial Research: Report of the Forest Products Research Board, 1929. 4s. net.

Department of Overseas Trade: Economic Conditions in the Philippine Islands, 1927-30. 1s. 6d. net.

Colonial Reports: No. 1495, St. Lucia, 1929. 1s. net.

No. 1493, Nigeria, 1929. 2s. net.

Air Ministry: England-South Africa Civil Air Transport Service. Cmd. 3696. 1d. net.

The Stock Exchange.

THE ARGENTINE RAILWAY POSITION.

THE decline in the price of Argentine railway securities, which has reduced the market capitalisation of the ordinary stocks of the four largest companies from £92½ millions at the "peak" of 1929 to £60½ millions to-day, has been a continuous process over the last twelve months. Railway stockholders obtain earlier official intimation of fluctuations in earnings than investors in other industries, and the moral of the weekly traffic figures has been reinforced by the unfavourable publicity recently given to Argentine economic affairs. The reduced 1929-30 wheat crop, the loss of half that year's crop of maize, the world-wide fall in wholesale commodity prices (which was bound to prejudice Argentina, a primary producer *par excellence*), the decline in the national exports, the closing of the Conversion Office and the subsequent depreciation of the peso, and, finally, the extra-constitutional change of Government of this year—all these factors have combined to depress the market for Argentine railway stocks. What, in fact, have been the repercussions on Argentine railway earnings of a depression which, unlike that of 1921-22, has followed a period of "record" prosperity?

The first significant conclusion suggested by the accounts for the twelve months ended June 30th last is that the incidence of depression has varied considerably as between the different companies. Taking the four largest concerns, in order of magnitude, the Buenos Ayres Great Southern suffered a drop of 6½ per cent. in gross receipts; the Central Argentine a decline of 19 per cent.; the Buenos Ayres and Pacific of 14 per cent.; and the Buenos Ayres Western of 17 per cent. In no case were the managements able to offset more than a relatively moderate part of the decline by reductions in working expenses, but the consequent increase in the expense ratio was greater in the case of the Western and the Central than of the Pacific or the Great Southern:—

GROSS AND NET RECEIPTS.
(000's omitted.)

	Gross Receipts and Expense Ratio.				Net receipts.			
	1922-23	1927-28	1928-29	1929-30	1922-23	1927-28	1928-29	1929-30
Southern	£ 9,587	£ 13,271	£ 13,067	£ 12,215	£ 3,644	£ 4,214	£ 4,312	£ 3,432
Central	62.0%	68.2%	67.0%	71.9%	3,445	4,429	4,434	2,928
Pacific	67.7%	67.7%	68.9%	74.7%	3,186	2,483	2,698	139
Western	63.3%	66.0%	65.6%	76.2%	1,570	1,787	1,818	1,041

The most significant feature revealed by the above table is that a falling off which in no case reached 20 per cent. of the 1928-29 gross receipts wiped out all the ground gained in net receipts during the previous seven years. In no single instance did the net figures reach the level of 1922-23, the initial year of recovery after the post-war slump. Net receipts, in fact, fell 6 per cent. below the 1922-23 level on the Southern, 15 per cent. on the Central, 33 per cent. on the Pacific, and 33½ per cent. on the Western. The depreciation of the Argentine peso, further, caused the railways more considerable losses on exchange than for many years past, as the following table shows:—

EXCHANGE LOSS ON REMITTANCES.

	(000's omitted.)			
	1926-27.	1927-28.	1928-29.	1929-30.
Southern	£ 57.7	£ 33.9*	£ 27.1	£ 188.8
Central	57.1	41.0*	35.8	124.9
Pacific	44.6	Nil	Nil	69.7
Western	40.9	10.6*	14.4	76.5

* Profit.

Three of the four companies reduced their ordinary dividends, but all distributed "over the hilt," the Southern and the Central drawing on reserves and the Pacific and Western on their "carry-forward." The Southern earned approximately 4½ per cent. and paid 6 per cent. The Central earned 4½ per cent. and paid 5 per cent.; while the Pacific distributed 7 per cent. from earnings of 5½ per cent. and the Western 5 per cent. against 4 per cent. earned. The distribution of profits during the last three years is shown in the next table:—

DISTRIBUTION OF PROFITS. (000's omitted.)

		Total Earnings.*	Debentures and All Prior Charges	Prof. Dividends.	Ordinary Dividends.		To Reserves, Contingencies, &c.	Inc. in Carry-forward.
					Amount	Rate.		
Southern	1927-28	£ 4,538	£ 1,272	£ 575	£ 2,473	8	£ 200	+ 18
	1928-29	4,524	1,298	660	2,561	8	...	+ 5
	1929-30	3,647	1,329	807	1,920	6	Dr. 374†	- 34
Central	1927-28	3,994	754	706	2,030	7	390	+ 114
	1928-29	4,125	779	736	2,030	7	573	+ 8
	1929-30	2,841	930	736	1,450	5	Dr. 248†	- 27
Pacific	1927-28	2,602	1,617	110	700	7	150	+ 25
	1928-29	2,819	1,643	132	700	7	113	+ 231
	1929-30	2,362	1,643	202	700	7	...	- 183
Western	1927-28	1,985	490	130	1,214	7	100	+ 52
	1928-29	1,965	519	130	1,214	7	100	+ 6
	1929-30	1,361	532	130	857	5	...	- 108

* Including profit or loss on exchange.
† Taken from reserves, &c.

The net earnings' figures are not in themselves a true measure of the effects of last year's depression, since they are arrived at, in every case, after allowing reduced amounts for the upkeep of permanent way, locomotives and rolling stock. The reduction was least on the Southern and the Western, but amounted to over £840,000 on the Pacific and £1,000,000 on the Central, as will be seen from the following analysis:—

	Amounts charged for Maintenance.			Percentage of Total Gross Receipts.		
	Total 1929-30.	Compared with 1928-29.	Compared with 1927-28.	1927-28.	1928-29.	1929-30.
Southern	£'000. 2,796	— 75	— 474	24.6	22.0	22.9
Central	3,113	— 1,014	— 568	26.8	27.6	26.9
Pacific	1,803	— 542	— 317	25.9	29.0	22.9
Western	1,071	— 112	— 187	23.9	22.4	24.4

The reduction in maintenance allowances does not necessarily infer any "starving" of the systems as regards necessary upkeep. It is the practice of the Argentine railways to spend much more on maintenance in good years than in bad, this item having, in fact, some of the attributes of a "hidden reserve."

The note of caution sounded by the various chairmen a year ago has been reiterated with even greater emphasis in the speeches made this week. To attempt to frame reliable estimates of probable receipts during the coming year, is vain endeavour, as the chairman of the Pacific Railway has pointed out. This season's crops have still to be gathered in, and though, happily, they will largely exceed last year's meagre totals, they may be marketed at average prices 30 per cent. or more below the average for 1928-29. Certain significant conclusions may, however, be deduced from an analysis of last year's receipts. The following table shows the proportion of the total gross revenue of the four railways

obtained from various classes of traffic in 1928-29 and 1929-30:—

Proportion of Total Gross Receipts derived from	Southern.		Central.		Pacific.		Western.	
	1928-29.	1929-30.	1928-29.	1929-30.	1928-29.	1929-30.	1928-29.	1929-30.
Passengers	24.1	25.6	24.0	29.3	15.6	16.6	22.1	25.7
Luggage and parcels	7.3	7.8	4.0	4.8	6.4	7.1	7.5	8.3
Livestock	8.2	8.3	2.7	3.2	5.2	5.8	17.8	19.9
Wheat	12.0	9.1	12.5	7.7	9.5	6.6	13.4	10.3
Maize	1.0	0.7	13.4	10.7	6.9	4.7	5.6	3.2
Linseed	0.8	0.7	3.6	1.7	1.2	0.4	1.3	0.4
Wine	1.7	1.7	2.4	2.8	21.6	24.8	...	0.6
Hides and skins	0.5	0.6	0.4	0.5	0.6	0.7	0.7	0.8
Total goods traffic (a).....	52.0	50.3	65.2	58.6	70.4	66.9	49.4	43.1

(a) Including other items.

Three of the four railways draw approximately one-third of their total gross revenue from passenger and parcels traffic and two-thirds from livestock and goods transport. On the Buenos Ayres Pacific, passengers, etc., account for about one-fourth and goods and livestock for three-fourths of the total. The Western is more susceptible to fluctuations in the livestock traffic than the other three systems, while the Pacific, which is most dependent on the wine trade, is least affected by good and bad wheat years. No railway obtains much more than about one-eighth of its total revenue directly from the wheat trade.

A glance at the table shows that last year's disappointments arose mainly on the goods side, passenger receipts declining less than proportionately to the falling off in total receipts. The aggregate receipts of the four railways from passengers, parcels, etc., showed, in fact, a drop of only 3.2 per cent. last year, against a decrease of 18.7 per cent. in receipts from goods and livestock. This year the respective rôles may be reversed to some extent, if good crops are marketed under price and other conditions which involve a definite, if temporary, lowering of the standard of living of the Argentine people. It is possible, of course, that the Great Southern and the Central may be allowed to raise their charges to the level prevailing before the involuntary "cuts" made under the Mitre Law as from October 1st, 1928, and that the attitude of labour in demanding higher wage standards at a time of depression (to which Mr Follett Holt referred in strong terms at this week's Western meeting), may be sensibly modified. Stockholders, however, would be wise not to count unduly on these developments. By next June some recovery from world trade depression may be in evidence, but stockholders, at best, can look for only a "moderate" year so far as 1930-31 is concerned. What then, may be their situation eight months hence?

Investors may obtain some light on this question by a scrutiny of the table in the next column, which sets out the position of the various stocks (a) in a typical "good" year; (b) in a "bad" year; and (c) in the worst conditions which can be conceived. We do not, of course, anticipate a reduction of such dimensions in 1930-31.

The capital structure of the four railways is not identical. The burden of prior charges is heavier on the Pacific and the Western than on the other two lines, and the proportion of equity stock to the total capital appreciably lower. The Western, however, has relatively little in the way of preference stock, so that the cover for both its debentures and preference compares approximately with that on the Southern and the Central—a condition which does not, however, obtain as regards the Pacific, whose stocks have a larger "speculative" element than those of the other three railways. On the other three systems, debenture interest, which was well covered in the "good" year 1928-29 and had a satisfactory margin last year, would not be seriously threatened even if net earnings were to be reduced by a further 25 per cent. Such a contingency would leave preference requirements

EARNINGS AND "COVER" FOR DIVIDENDS.				
Percentage of Total Paid-up Capital in Form of—				
	Southern.	Central.	Pacific.	Western.
Debenture	29	35	54	54
Preference	24	22	14	9
Ordinary	47	43	32	37
No. of Times Total Debenture Interest Covered in—				
Good Year (1928-29) ...	3.5	5.3	1.7	3.8
Bad Year (1929-30) ...	2.7	3.1	1.4	2.6
Presuming Further 25% Reduction Net Earnings	1.9*	2.3	1.1	1.9
†No. of Times Total Pref. Div. covered in—				
Good Year	2.3	2.7	1.6	3.0
Bad Year	1.7	1.7	1.3	2.1
Presuming Further 25% Reduction Earnings...	1.2	1.3	Under	1.5
Earned on Ordinary—				
Good Year	8.0%	9.3%	10.4%	7.6%
Bad Year	4.7%	4.2%	5.2%	4.0%
Presuming Further 25% Reduction Earnings...	1.6%	1.7% Dr.	0.7%	2.1%
Ordinary—				
Highest Price, 1929	110½	100½	107½	100½
Present Price	73½	64	70½	63½
Yield on Last Dividends	8.22%	8.13%	10.00%	7.87%

* Allowing full year's interest on latest issue of £2,000,000 of 4 per cent. debentures.
† Taking debenture and preference requirements cumulatively in calculating "cover" ratio.

covered with a little to spare (except on the Pacific), but would leave earnings of only 1½ to 2 per cent. available for the ordinary stocks, which, by reason of the "high-gear" capital structure of the companies (which is not peculiar to railways in Argentina), must always bear the jolts and jars of trade fluctuations.

The conclusion suggested is that while debenture and preference holders, in three at least of the four companies, can regard, within limits, any conceivable fluctuations of earnings with equanimity, ordinary stockholders are much more intimately concerned with the future trend of events. At present prices, the ordinary stocks would offer handsome dividend yields, given a return of even moderate prosperity. Until the situation has cleared, however, they will remain largely speculative media.

THE WEEK IN THE MARKETS.

THE LONDON STOCK EXCHANGE.

SETTLING DAYS.

TICKET.
November 4.

ACCOUNT.
November 6.

THE Stock Exchange again revealed its capacity for feeding itself from within, responding to or ignoring outside news, favourable or otherwise, as best "suited its book." The better tone initiated during the preceding week persisted, though without uniformity as between different markets. Interest continued to be concentrated on high-grade fixed-interest stocks, though dealings in Gilt-edged were mainly in the hands of the larger financial houses. Unsubstantial outside rumours—such as the suggested moratorium for Reparation payments and Allied Debt remittances to the United States, or the possibility of an early 2½ per cent. Bank rate—aroused unmerited interest, while in the industrial markets minor reports, mainly of favourable tenor, served the same purpose of maintaining prices.

The firmness of Gilt-edged stocks was particularly marked early in the week as regards Funding Loan, Four per Cent. Consols and Three-and-a-Half per Cent. Conversion, but War Loan reversed the general trend, and Five per Cent. Conversion suffered a moderate reaction. India loans, including the new "Sixes," were uniformly good, but the uncertainty of the Australian position

(discussed in a Note on page 772) caused dullness in Commonwealth and State stocks.

Among Foreign bonds, the downward movement in Brazilians was checked, the market being more assured of the ultimate victory of the Federal forces. Chilean stocks also improved. The German Government's Reichstag vote of confidence was reflected in the better tone of German bonds. Fair speculative buying continued of Chinese issues on the prospective termination of civil hostilities.

Home railways were in less disfavour than for weeks past, though not even the whole of the dealers in the market, still less the outside public, participated in the upward movement. The traffic returns again showed relative improvement, while the wages discussions between the companies and the workers were regarded as likely to have, in the prevailing temper of both sides, a peaceful outcome. All prior-charge stocks were in demand, while among the ordinaries Southern received special attention. Among Foreign railways, Argentines made a better showing. The new Buenos Ayres Great Southern debentures established a premium despite the leaving of 56 per cent. of the issue with underwriters. The position of the leading Argentine railways is dealt with in a leading article on the preceding page. Canadian Pacific remained within the ambit of Transatlantic selling.

Industrial shares showed few marked advances, but commanded on the whole more support than at any time since the beginning of September. The least stable shares were those of international scope, which were affected by the volatility of New York sentiment. Motor shares were moderately active, Leylands being the chief beneficiaries from the Prime Minister's hint of a possible amendment of the horse-power tax, while Austins were firm on the chairman's announcement of increased turnover. Provincial investors showed a slight interest in textile shares on indications that the Indian boycott movement was dying of inanition, and on the visit to Manchester of two Cabinet Ministers to "sound" the cotton trade on reorganisation possibilities. Electrical shares—equipment and supplies—again showed to advantage. Breweries were in better demand, and the Imperial Company's attack on "free-gift scheme" advertising was the signal for a partial renewal of interest in tobacco shares. Gramophone issues moved with the changing currents of American opinion. Cables and Wireless showed a welcome improvement. The absence of any appreciable change in the component shares of Allied Stores, despite the hitch in the negotiations (dealt with on page 772), reflected the apathy with which the market viewed the scheme from the outset. Insurance shares reflected the sustained demand for first-class securities, and bank shares continued firm.

Though rubber had a distinctly harder tone in the commodity market, the rise in its price was insufficient to produce many quotable variations in rubber shares, though Trusts and Anglo-Dutch were quietly firm. Business in tea shares was again subdued, though the market was better in places. After a not unpromising opening, oil shares followed a disappointing course until Thursday, when a renewal of confidence produced an appreciable recovery in some of the leading stocks. A résumé of the oil industry's position will be found on page 774.

A certain amount of professional activity gave the mining share market a filip early in the week, but the improvement was not maintained. In the Kaffir section, Central Mining continued to advance on Paris buying, while Gold Fields and Anglo-American rose in mid-week. Northern Rhodesian issues had a dull tendency, though Bwanas and Rhodesian Selection held their ground. De Beers Deferred responded to inquiries from Paris, and Jagersfontein moved up in sympathy. Activity among tin shares was decidedly limited, but changes were mostly in favour of holders. Tintos advanced with a rise in copper. Australian descriptions went ahead on the report

of a gold bonus, but lost most of their rise when the rumour was denied.

"FINANCIAL NEWS" DAILY BARGAIN INDEX. (Approximate number of Bargains recorded in Stock Exchange Lists.)

	Oct. 16, 1930.	Oct. 17, 1930.	Oct. 20, 1930.	Oct. 21, 1930.	Oct. 22, 1930.	Oct. 23, 1930.
Government and Municipal Loans.....	1,463	1,573	1,893	1,440	1,515	1,271
Transport, Communications, and Public Utilities	1,002	995	1,092	913	1,079	1,024
Commercial and Industrial Banks, Insurance and Financial	1,839	1,936	2,122	1,597	1,712	1,779
Mines (including Nitrates) ...	590	531	585	441	575	510
Oil	473	511	480	369	363	482
Rubber, Tea and Coffee	199	190	188	154	131	127
Total	88	116	141	102	107	81
Total	5,654	5,852	6,501	5,016	5,482	5,274

* Including iron and steel and breweries.

"FINANCIAL NEWS" DAILY AVERAGE OF 30 INDUSTRIAL ORDINARY STOCKS. (1928 = 100.)

Highest of 1930. (Apr. 17).	Lowest of 1930. (Aug. 26).	Oct. 16, 1930.	Oct. 17, 1930.	Oct. 20, 1930.	Oct. 21, 1930.	Oct. 22, 1930.	Oct. 23, 1930.
90.6	72.6	73.5	73.5	73.7	74.4	75.3	76.3

FOREIGN STOCK EXCHANGES.

NEW YORK.

The markets continued to disappoint those who argued that "deflation" had been fully completed. Early in the week, the forced selling movement appeared to be at an end. The week-end Banking Conference, at which important interests were represented, was rumoured to have decided that the prevailing level of prices was attractive for investment. Fairly considerable funds which had been waiting to hit the bottom of the slump were partially and tentatively brought into play, and, with commodity prices showing a slight up-turn, the whole market moved forward. Unfortunately, the improvement quickly brought out deferred liquidation, and though this was not large, prices rapidly approached the previous week's low levels. Though much of this setback was subsequently regained, the continued liability of the markets to spasms of liquidation was undoubtedly disappointing to many people. Prominent issues like U.S. Steel, Radio Corporation, General Electric, and Westinghouse, touched new low levels for the year, but subsequently regained their losses. Oil stocks were subjected to special pressure on misgivings as to the crude price situation, and copper stocks were sold on the continued unfavourable statistical position. Steel production again declined. Government bonds were steady, but railroad bonds irregular. Foreign issues, however, were better all round, particularly Brazilians and Germans on favourable political news.

	Oct. 9, 1930.	Oct. 16, 1930.	Oct. 23, 1930.	Oct. 9, 1930.	Oct. 16, 1930.	Oct. 23, 1930.
U.S. 3½ T. Bds.	106½	106½	106½	Natl. Biscuit	77½	78½
Do. 4½ T. Bds.	112½	112½	112½	Phelps Dodge	28	27
Do. 4½ T. Bds.	101½	101½	101½	Fullman	57	59
Do. 4½ T. Bds.	102½	102½	102½	Sears-Roebuck	55½	53½
Do. 4½ T. Bds.	103½	103½	103½	Studebaker	26½	25½
Atchafalpa	202½	201	195½	Un. Fruit	72½	72
Ches. & Ohio	43½	42½	40	U.S. Leather	6½	6½
Erle	35½	36½	30½	U.S. Rubber	13½	13
Illinois Central	105	102½	98	U.S. Steel	146½	150½
N.Y. Central	141½	141½	134½	Westinghouse	112½	114
Pennsylvania	86	87½	65½	Woolworth	60½	63½
Southern Pacific ..	107	106½	105	Worthington Pump	78½	83
Southern Ry.	71	70	71			
Union Pacific	200	199	195	Am. Tel. & Tlg.	196	199
				Electric P. & L.	50	52½
Am. Can.	114	119	115	Int. Tel. Tlg.	25½	23½
Amer. Smelting ...	53½	56	53	Radio Corp.	22½	23½
Anaconda	35	37½	33½	Utilities P. & L.	28½	26½
Bethlehem Steel ...	71½	75½	73	W. Union Tlg.	136	14½
Chrysler Motor ...	17½	17½	16½			
Corn Prods.	78½	78	75½	Assoc. Gas "A"	25	26½
Eastman Kodak	186	192	187			
Gen. Electric (New) ..	54½	54½	50½	Pan Amer. B.	49½	47½
Gen. Motors	36½	35½	34½	Sinclair Oil	16	14½
Int. Harvester	61½	63½	61½	Std. California	53½	51½
Montg. Ward	22½	24½	24½	Do. N.J.	56½	57½

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(Continued on page 772.)

LONDON ACTIVE SECURITY PRICES AND YIELDS.

NOTE.—Shares with a New York quotation, or with definite American interest, are distinguished by italics.

In calculating the yields on the stocks and shares quoted below allowance is made for interest accrued since the last payment. Where stocks are definitely redeemable at a certain date the yield includes any profit or loss on redemption; where stocks are redeemable at or before a certain date the final date of repayment is taken when the stock stands at a discount and the earliest date when the quotation is above par. The return on ordinary stocks and shares is calculated on the dividends paid by the company during the last year.

Year 1929.		1930 (to date).		Name of Security.	Oct. 15, 1930.	Oct. 22, 1930.	Rise or Fall.	Present Yield.	Year 1929.		1930 (to date).		Name of Security.	Oct. 15, 1930.	Oct. 22, 1930.	Rise or Fall.	Present Yield.
High.	Low.	High.	Low.		High.	Low.			High.	Low.	High.	Low.					
£ s. d.																	
British Funds.																	
56 1/2	52	57 1/2	52 1/2	Consols 2 1/2 %	56 1/2	57 1/2	+ 1/2	4 6 11	56 1/2	57 1/2	4 6 11	1 1/2	Foreign Ry. cont.	1 1/2	1 1/2	...	28 0 0
80 1/2	72 1/2	81 1/2	72 1/2	Consols 4 %	80 1/2	81 1/2	+ 1/2	4 8 8	80 1/2	81 1/2	4 8 8	...	G.W. of Brazil £10...	89 1/2	89 1/2	...	...
100	93	102 1/2	93	Conv. Loan 3 1/2 %	100	102 1/2	+ 1/2	4 7 6	100	102 1/2	4 7 6	...	In Ry. C. Am. No par.	24	25	+ 1/2	...
...	...	...	...	Do. 4 1/4 % 1944-64	102	102 1/2	...	4 10 0	...	...	...	...	Leopoldina Ord. Stk.	52	55	+ 3	20 0 0
91 1/2	82 1/2	93 1/2	82 1/2	Do. 5 % 1944-64	104	105 1/2	+ 1/2	4 9 0	170	95	97 1/2	55	Nitrate Ry. (£10)	54	55 1/2	...	9 14 9
100 1/2	91 1/2	101 1/2	91 1/2	Punding 4 % 1960-90	91 1/2	93 1/2	+ 1/2	4 6 0	57	37	42	24	Paraguay Gen. D. Db.	25 1/2	25 1/2	...	21 19 0
101 1/2	97 1/2	103 1/2	97 1/2	Treasury 4 1/2 % 1932-34	101 1/2	102 1/2	...	4 1 0	140	76 1/2	85	65	Salvador Ord. (£10)	70 1/2	70 1/2	...	19 0 0
95 1/2	86 1/2	97 1/2	86 1/2	Treasury 5 % (1932-34)	103	103 1/2	...	4 1 0	217	188	190	135	San Paulo Ord. Stk.	150	149	- 1	8 1 0 1/2
100 1/2	91 1/2	101 1/2	91 1/2	Victory Bonds 4 1/2 %	96 1/2	96 1/2	...	4 1 0	108 1/2	77 1/2	80	65	Tatal Ry. Ord. £5	77 1/2	77 1/2	...	7 14 10 1/2
100 1/2	91 1/2	101 1/2	91 1/2	War Loan 5 % 1923-47	105	105	...	4 1 0	49 1/2	23	26 1/2	4	Utd. Havana Ord. Stk	5	4 1/2	- 1/2	...
101 1/2	91 1/2	103 1/2	91 1/2	War Loan 4 1/2 % 1923-42	100 1/2	100 1/2	...	3 19 0 1/2	...	...	...	...	...	...	...	...	...
85 1/2	60	66 1/2	60	Local Loans 3 %	66	66 1/2	+ 1/2	4 10 3	...	...	...	...	...	...	...	...	...
51 1/2	44	49	40	India 2 1/2 %	47	47	...	5 5 3	...	...	17 1/2	14 1/2	Anglo-French (£1)	15 1/2	15 1/2	- 3d	...
61 1/2	50 1/2	59 1/2	50 1/2	Do. 3 %	55	57	+ 2	5 5 3	18 1/2	9 1/2	12 1/2	10 1/2	Anglo-Internat. (£1)	12 1/2	12 1/2	...	...
71 1/2	60 1/2	68 1/2	60 1/2	Do. 3 1/2 %	64	66	+ 2	5 6 1	...	...	...	...	...	...	...	...	...
92 1/2	80	90 1/2	80	Do. 4 1/2 % 1958-68	87	88	...	8 0 0	...	...	...	...	...	...	...	...	...
105 1/2	90 1/2	105 1/2	90 1/2	Palestine 4 1/2 % 42-67	103	104	+ 1	4 12 0	...	...	...	...	...	...	...	...	...
94 1/2	88	95 1/2	88	Sudan 5 1/2 % Bonds	107	107	...	5 2 10	...	...	...	...	...	...	...	...	...
...	...	...	...	Uster 4 1/2 % 45-75	95	95	...	4 7 10	...	...	...	...	...	...	...	...	...
Dom. & Colonial Govts.																	
99 1/2	80 1/2	95 1/2	80 1/2	Australia 5 1/2 % 1945-75	86 1/2	86	- 1/2	5 19 6	...	...	...	...	...	...	...	...	...
91 1/2	86 1/2	94 1/2	86 1/2	Canada 4 % 1940-60	94	94	...	4 7 3	...	...	...	...	...	...	...	...	...
107 1/2	101 1/2	108 1/2	101 1/2	Ceylon 6 % 1936-51	105	105	...	4 8 0	...	...	...	...	...	...	...	...	...
95 1/2	86 1/2	97 1/2	86 1/2	Gold Coast 4 1/2 % 1958	95	95	...	4 18 3	...	...	...	...	...	...	...	...	...
104 1/2	99	104	99	Kenya 5 % 1943-58	103	103	...	4 17 3	...	...	...	...	...	...	...	...	...
104 1/2	99	104	99	Nigeria 5 % 1950-60	103	104	+ 1	4 14 0	...	...	...	...	...	...	...	...	...
99 1/2	88	92 1/2	79 1/2	N.S. Wales 5 % 35-55	82	82	...	6 8 0	...	...	...	...	...	...	...	...	...
104 1/2	98	104 1/2	98	N. Zealand 5 % 1946	104	104	...	4 14 6	...	...	...	...	...	...	...	...	...
100	89	92 1/2	80	Queensland 5 % 40-60	84 1/2	84	...	6 3 0	...	...	...	...	...	...	...	...	...
104 1/2	99	103 1/2	99	S. Africa 5 % 1945-75	102	103	+ 1	4 17 0	...	...	...	...	...	...	...	...	...
97 1/2	93 1/2	98 1/2	93 1/2	Stras. Set. 4 1/2 % 35-45	97	98	+ 1	4 17 9	...	...	...	...	...	...	...	...	...
Foreign Governments																	
88 1/2	83	89 1/2	82	Argentina 4 % Recim.	83	86	+ 3	5 8 10	...	...	...	...	...	...	...	...	...
103 1/2	100	105	100 1/2	Austrian 6 % 1923-43	102	104	+ 2	5 13 4	...	...	...	...	...	...	...	...	...
62	54 1/2	61 1/2	52 1/2	B. Aires (Prov.) 3 1/2 %	55	55 1/2	...	6 13 0	...	...	...	...	...	...	...	...	...
109 1/2	105	112 1/2	108 1/2	Belgian 7 %	111	112	+ 1	6 6 0	...	...	...	...	...	...	...	...	...
91 1/2	84 1/2	92 1/2	81 1/2	Bulgaria 7 1/2 % Loan	82 1/2	81	- 1	9 12 0	...	...	...	...	...	...	...	...	...
90	71	87	64	Brasil 5 % Fund. 1914	65 1/2	69	+ 3 1/2	7 8 0	23	18	20 1/2	17 1/2	Alliance £1, fully pd.	19 1/2	19 1/2	...	4 12 0
100 1/2	94	94 1/2	84 1/2	Do. 6 1/2 % (1937)	58 1/2	68 1/2	+ 10	9 9 9	15 1/2	12 1/2	13 1/2	12	Atlas £5, 1/2, pd.	12 1/2	12 1/2	+ 1/2	3 2 0 1/2
95 1/2	93 1/2	99	82 1/2	Chili 6 % (1929)	88 1/2	88 1/2	...	4 17 6	29 1/2	23	26 1/2	21 1/2	Com. Un. £2 1/2, fully pd.	24	23 1/2	- 1/2	4 6 0
55	41	52 1/2	27	China 5 % (1912)	39 1/2	42	+ 2 1/2	12 1 0	17	13 1/2	15 1/2	13 1/2	Gen. Accidents £5 1/2, pd.	15	14 1/2	- 1/2	4 7 6
114 1/2	105 1/2	115 1/2	109 1/2	Czechoslovakia 8 %	109 1/2	109	...	7 3 3	39 1/2	31 1/2	36 1/2	30 1/2	Lon. & Lanc. £5, £2, pd.	27	27 1/2	...	3 11 0
77 1/2	75 1/2	81 1/2	78 1/2	Danish 3 %	81	81	...	3 14 0	...	...	...	...	North Brk. & Mer.	33	34 1/2	+ 1 1/2	3 11 0
95 1/2	86	96 1/2	81	Danzig 6 1/2 %	82	82	...	8 12 0	...	...	...	...	...	...	...	...	...
86	76	80 1/2	72 1/2	Egypt Unified 4 %	73	73	...	5 8 0	18 1/2	15	17 1/2	14 1/2	North £10, £1, pd.	16 1/2	16 1/2	...	5 3 0
95	85 1/2	92 1/2	75	Estonia 7 % 1927	75	75	...	9 9 3	14	12 1/2	13 1/2	12 1/2	Pearl (£1), fully pd.	12 1/2	12 1/2	...	3 16 0
100 1/2	90	100	93	Finland 6 % 1923	94 1/2	94 1/2	...	6 9 0	16 1/2	13 1/2	15 1/2	12 1/2	Phoenix, £1, fully pd.	14 1/2	14 1/2	...	4 13 0
19 1/2	16 1/2	21 1/2	19 1/2	French 4 % (British)	20 1/2	20 1/2	...	5 0 6	28 1/2	21	24 1/2	21 1/2	Prudential £1 A.	23 1/2	23 1/2	...	3 10 0
21 1/2	10 1/2	21 1/2	10 1/2	Do. 5 %	20 1/2	20 1/2	...	5 0 6	46 1/2	37 1/2	39 1/2	36 1/2	Do. £1, with 4 A.	37 1/2	37 1/2	...	2 12 6
107 1/2	100	107 1/2	99 1/2	German 5 % 1924	99 1/2	100 1/2	+ 1/2	6 18 1	7 1/2	5 1/2	6 1/2	6 1/2	Royal Exchange (£1)	6 1/2	6 1/2	...	4 3 3
103 1/2	95 1/2	104 1/2	86 1/2	Greek 6 % Stab. Lz.	89	89	...	6 16 4	14 1/2	12 1/2	13 1/2	12	Royal £1, 10s. pd.	7 1/2	7 1/2	...	3 18 0
103 1/2	95	104 1/2	98 1/2	Do. 7 % Refugees	103	104	+ 1	6 6 0	...	...	...	...	Yorkshire £1, fully pd.	13	13	...	3 12 0 1/2
...	...	...	...	Hungary 7 1/2 %	101	101	...	7 11 8	...	...	...	...	...	...	...	...	...
100 1/2	95	102 1/2	98 1/2	Japanese 5 1/2 % 1935-65	94 1/2	94 1/2	+ 1/2	5 19 0	...	...	...	...	...	...	...	...	...
36	22	26 1/2	16	Do. 6 % (1924)	101 1/2	101	- 1/2	5 19 0	310	289	319	290	Investment Trusts.	310	305	- 5	4 18 4
105	101	104 1/2	100 1/2	Mexican 5 % (1899)	20	20	...	5 16 0	158 1/2	147	156 1/2	147	Anglo-American Deb.	154 1/2	152 1/2	- 2	4 18 4
107	100 1/2	106 1/2	95 1/2	Norwegian 6 % 1921	103 1/2	103 1/2	...	7 15 0	30 1/4	19 1/2	20 1/2	21 1/2	Anglo-Celtic Ord. £1	20 1/2	20 1/2	...	4 18 4
93 1/2	83	92 1/2	79	Peru 7 1/2 % 1922	80 1/2	80 1/2	...	9 6 6	45 1/2	34 1/2	37 1/2	31 1/2	Atlas Electric, etc., £1	24 1/2	22 1/2	- 2	4 11 0
106 1/2	99	107	101	Poland 7 %	104 1/2	104 1/2	...	4 2 0	202	177	177 1/2	172 1/2	Brit. Assets Trust 5 %	31 1/2	31 1/2	...	5 10 2
80 1/2	70 1/2	80 1/2	67 1/2	Siam 6 % 1934-64	85 1/2	87 1/2	+ 2	10 15 3	205	162	192 1/2	165	Debenture Corp. Stk.	183 1/2	183 1/2	...	5 10 2
104 1/2	98	104 1/2	96 1/2	Sweden 6 % 1908	85 1/2	87 1/2	+ 2	10 15 3	...	...	...	...	For Amer., etc., Def.	172 1/2	172 1/2	...	5 16 0
23 1/2	17 1/2	19 1/2	8 1/2	S. Paulo 6 % 1917	10	10	...	6 2 0	229	200	211 1/2	197 1/2	Grange Trust	112 1/2	112 1/2	...	5 6 8
93 1/2	81	89 1/2	81	Turkish 4 % Unified	80 1/2	80 1/2	...	6 2 0	390	315	363	326	Guardian Investment	400	437 1/2	- 3	5 11 3
...	...	...	...	Uruguay 6 % 1919	82	82	...	6 2 0	505	330	486	430	Indus. & Gen. Ord.	340	340	...	5 6 0
96 1/2	86 1/2	96 1/2	76	Corporation Stocks.	76 1/2	77 1/2	+ 1	8 3 9	27 1/2	20 1/2	25 1/2	20 1/2	Invest. Trust.	22 1/2	22 1/2	...	4 12 7
105 1/2	99 1/2	105 1/2	99 1/2	Berlin 6 % 1932-57	105	105	...	4 10 11	350	298	344	305	Lake View Invest Lts.	106	106	...	5 12 8
105 1/2	96 1/2	104 1/2	99 1/2	Birmingham 5 % 1946-56	104	105	+ 1	4 13 0	278	248	267 1/2	248 1/2	Mercantile Investm.	322	314	- 8	5 5 1
101 1/2	95 1/2	100 1/2	95 1/2	Bristol 5 % 1948-58	105	105	...	4 13 0	...	...	...	...	Merchants Trust Ord.	262 1/2	252 1/2	- 10	5 5 1
99 1/2	95 1/2	100 1/2	96	Bristol 5 % 1935-45	100	100	...	5 0 0	...	...	...	...	Ninth Twenty-eight	100	100	...	5 0 0
104 1/2	100	103 1/2	98	B. London 6 % 1960-70	100	100	...	5 0 0	...	...	...	...	Ninth Twenty-nine	96 1/2	90 1/2	- 6	5 10 6
66 1/2	60	66 1/2	60	Johannesburg 5 1/2 % 1937-52	65	66	+ 1	4 10 11	...	...	...	...	Scottish Invest. (£5)	20 1/2	20 1/2	...	5 0 0
67 1/2	61 1/2	68	62 1/2	L.O.O. 3 %	67	68	+ 1	4 8 3	157	123	129	112 1/2	Scottish Mortg.	227 1/2	227 1/2	...	5 10 0
104 1/2	99 1/2	104 1/2	99 1/2	Met. Wat. Bd. B 3 %	67	68	+ 1	4 8 3	138	135	106	97 1/2	Stkholders Invst.	112 1/2	112 1/2	...	6 4 5
108 1/2	103 1/2	111 1/2	104 1/2	Pt. of Lond. 5 % 1950-70	104	104	...	4 13 9	272	220	252	218	Trans-Oceanic £1	97 1/2	97 1/2	...	5 2 7
96 1/2	92 1/2	98 1/2	94 1/2	Saine 7 % 1935-52	110 1/2	111 1/2	+ 1	4 18 0	303	234 1/2	262	234	Trustees Corp. Ord.	237 1/2	235 1/2	- 2 1/2	5 2 3
...	...	...	...	Sydney 5 1/2 % 1954	85 1/2	85 1/2	...	6 12 6	...	...	...						

† Free of income tax.

Year 1929.		1930 (to date).		Name of Security.		Oct. 15, 1930.		Oct. 22, 1930.		Rise or Fall.		Present Yield.		Year 1929.		1930 (to date).		Name of Security.		Oct. 15, 1930.		Oct. 22, 1930.		Rise or Fall.		Present Yield.		
High.	Low.	High.	Low.											High.	Low.	High.	Low.											
12/3	6/4	7/1	2/9	Coal, Iron and Steel	3/9	3/6	-3d	NH	96/3	65/-	70/-	55/6	Tea & Rubber-cont.					Johanna Tea S1	65/-	60/-	-5/-	5	17	6				
116/9	12/1	13/1	11/6	Amal. Anthracite S1	12/1	13/1	...	NH	126/6	22/1	27/1	35/6	Johanna Tea S1	45/-	45/-	...	...	Johanna Tea S1	45/-	45/-	...	...	6	13	3			
14/3	6/6	6/3	49/-	Do. 7% Cum. Pref.	52/6	53/9	+1 1/3	5 11	9t	6/3	3/7 1/2	5/-	...	13/9	13/9	...	...	...	13/9	13/9	...	...	7	6	9			
7/6	2/9	4/2	11/0	Armstrong White A 1/2	2/3	2/3	...	NH	47/6	23/9	3/4	12/6	...	2/7 1/2	2/7 1/2	...	...	...	2/7 1/2	2/7 1/2	...	...	12	0	0			
24/3	11/6	13/-	6/3	Baldwin A 1/2	6/3	6/3	...	8 0	0	46/9	33/6	39/7	19/6	...	23/-	23/9	+9d	...	...	23/-	23/9	+9d	...	10	10	6		
19/6	13/-	13/7 1/2	10/3	Bengal Iron S1	12/6	12/6	...	4 16	0	61/3	3/3	4/6	2/0 3	...	2/3	2/3	...	...	...	2/3	2/3	...	...	6	13	5		
7/9	2/11	3/7	2/6	Ray Peacock S1	3/-	3/-	...	NH	26/3	15/7 1/2	20/7 1/2	11/3	...	11/9	12/6	+9d	...	...	...	11/9	12/6	+9d	...	5	12	0		
14/6	10/7 1/2	10/3	5/6	Brown (John) Ord. 5/-	5/6	5/6	...	NH	65/-	48/9	73/5 1/2	95/-	...	39/4 1/2	40/-	+7 1/2	...	...	...	39/4 1/2	40/-	+7 1/2	...	11	5	0		
68/9	56/10 1/2	63/3	54/6	Cammell Laird S1	58/9	58/9	...	5 19	0	33/11	22/-	28/9	11/9	...	59/3	62/6	+3/3	...	...	59/3	62/6	+3/3	...	6	8	0		
11/9	6/10	7/3	3/4	Consett Iron S1	7/3	7/3	...	6 13	3t	67/9	20/7 1/2	40/7 1/2	16/3	...	12/4 1/2	15/9	+3/4	...	...	12/4 1/2	15/9	+3/4	...	17	6	9		
37/10 1/2	34/1	1/7	6d	Corry, William S1	7/3	7/3	...	7 2	9	7/6	3/9	4/10 1/2	1/3	...	1/6	1/7 1/2	+2/6	...	...	1/6	1/7 1/2	+2/6	...	NH				
41/3	10/4	36/10 1/2	29/6	Dorman, Long S1	31/-	30/-	-1/-	6 13	3t	98/10 1/2	74/4 1/2	95/7 1/2	71/10 1/2	...	76/3	78/3	+2/6	...	...	76/3	78/3	+2/6	...	7	15	0		
18/4 1/2	8/9	10/-	5/-	Edwards S1	7/1	7/1	...	7 2	9	13/10 1/2	9/7 1/2	14/-	7/5	...	7/6	8/-	+6d	...	...	7/6	8/-	+6d	...	NH				
16/3	10/-	12/3 1/2	4/10 1/2	Har. & Wt. 6% Cum. P.	5/3	5/3	...	8 11	6	8/10 1/2	5/7 1/2	6/6	2/6	...	2/6	2/6	...	...	...	2/6	2/6	...	...	9	2	3		
24/10 1/2	20/3	23/7 1/2	17/3	Harden Collieries S1	17/6	17/6	...	11 8	0	52/6	35/3	54/0	26/3	...	26/3	27/6	+1/3	...	...	26/3	27/6	+1/3	...	9	2	3		
13/9	6/7 1/2	9/14	5/-	Millon & Aslam S1	10/-	10/-	-1/3	11 8	0	18/12	12/1 1/2	15/0	7/3	...	8/6	9/-	+6d	...	...	8/6	9/-	+6d	...	NH				
18/4 1/2	12/-	14/1	8/11	Ocean Coal & Wilsons	8/11	8																						

† Free of Income Tax

NEW ISSUE PRICES.

Stock or Share.	Issue price.	Amt. paid.	Price, Oct. 16, 1930.	Price, Oct. 23, 1930.
Ayr 5% 1947-57	101	5	1 1/4-1 1/2 pm	2 1/4-2 1/2 pm
Buenos Ayres Gt. Southern Rly. 4% deb. stk.	74	24	...	1 1/4-1 1/2 pm
Central London Rly. 5% deba.	99 1/2	25	1 1/4-2 pm	2 1/4-3 pm
Ceylon 4 1/2%	95	5	1 1/4-1 1/2 pm	2 1/4-2 1/2 pm
General Electric 5% deba.	98	25	1 1/4-1 1/2 pm	2 1/4-2 1/2 pm
Grosvenor House (Park Lane) 7 1/2% cum. pref. £1	100	10/-	3/6-2/6 dis	2 1/4-2 1/2 pm
India 6% 1935-37	98 1/2	5	10 1/4-10 1/2	10 1/4-10 1/2
Kelly's Directories 6 1/2% deba.	98 1/2	5	10 1/4-10 1/2	10 1/4-10 1/2
London Electric Railway 5% deba.	99 1/2	50	1 1/4-2 pm	2 1/4-3 1/4 pm
Treasury Bonds 4% 1936-46	100 1/4	10	1 1/4 dis-par	1 1/4-1 1/2 pm

(Continued from page 769.)

the following index figures of American values calculated on closing prices (1926 = 100) :-

	1928.		1929.		1930.		
	Lowest.	Highest.	Lowest.	Highest.	Beginning of Year.	Oct. 15.	Oct. 22.
335 Industrials ...	132.5	186.4	134.5	218.9	146.0	118.3	109.9
35 Rails	120.5	139.7	127.8	173.5	134.3	110.9	106.4
34 Utilities	128.3	180.6	177.6	330.4	202.2	187.6	175.1
Total, 402 Stocks ..	130.3	178.9	140.3	228.1	153.0	128.0	119.6
Average yield of 60 Industrial Common Stocks..	3.32%	4.42%	3.10%	5.23%	4.83%	5.37%	5.82%

DAILY AVERAGE OF 50 INDUSTRIAL COMMON STOCKS (1926 = 100).

Highest of 1930. (Apr. 10.)	Lowest of 1930. (Oct. 22.)	Oct. 15, 1930.	Oct. 16, 1930.	Oct. 17, 1930.	Oct. 18, 1930.	Oct. 20, 1930.	Oct. 21, 1930.	Oct. 22, 1930.
202.4	129.5	140.3	137.5	131.6	130.4	135.5	130.8	129.5

TOTAL DEALINGS IN NEW YORK.

	Oct. 16, 1930.	Oct. 17, 1930.	Oct. 18, 1930.	Oct. 20, 1930.	Oct. 21, 1930.	Oct. 22, 1930.	Oct. 23, 1930.
Stock Exchange—Shares (Thous.)	1,850	2,630	2,156	2,133	2,424	2,735	2,658
Bonds (Value Thous. \$)	10,511	11,147	6,462	8,656	10,748	11,421	10,475
Over-the-Counter—Shares (Thous.)	515	575	588	616	566	704	590

* 2-hour session.

INVESTMENT NOTES.

Allied Stores—A Rift in the Lute.—Three months ago we discussed the details of a merger scheme—in which Unilever had a substantial stake—between the Home and Colonial Stores, Meadow Dairy, Maypole Dairy, Pearks Dairies, Liptons, and the International Tea Company's Stores. The necessary shareholders' meetings were held last July, the merger company, Allied Stores, was registered, and only the Court's sanction was required to make the whole scheme effective, when rumours of internal dissensions became rife in the market. Correspondence has now been published showing that the International Tea Company has decided not to proceed with the merger till the position has been explained to its shareholders. It appears that on September 23rd last, the board of the International Company sent a memorandum to the board of Allied Stores, Ltd., stating that it understood certain dissenting shareholders were intent on preventing the Court granting the necessary permission, as they considered that the merged companies would become "tied houses" of Unilever. The International Company therefore insisted that all purchases should be made in the open market and enumerated various other provisions designed, for the most part, to safeguard its position *vis-à-vis* that of Unilever. The remaining directors of Allied Stores, in their reply, expressed pained astonishment at the International directors' attitude, and passed on an assurance from Unilever that the latter's influence would be used to ensure "that the business of Allied Stores would be

conducted on the basis of freedom to buy in open competition." On October 3rd, the solicitors for the amalgamated companies notified the International Tea Company's solicitors that their clients had accepted virtually all the demands of the International memorandum. On October 15th the International Company's solicitors replied, querying a technical point in the Allied solicitors' letter, and declaring that the International Company, on reflection, believed that its previous demands "did not go nearly far enough." The Allied Stores solicitors replied, inviting the International Company's board to discuss the whole affair in the presence of a third party, Sir William Plender being suggested. On the International Company's solicitors declining this offer, and affirming their clients' intention to submit the issue to their shareholders, the Allied directors accused the International directors of a desire, deliberately, to evade their contract, and sent the whole amazing correspondence to the Press. The rights and wrongs of the dispute are, to some extent, *sub judice* at the moment. So far, however, as the practical effects of this regrettable episode are concerned, it is obvious that while the tactical position of Allied Stores will be seriously weakened in the event of the International Company's defection, it would be worse than useless to endeavour to include the latter company against its will. Further comment must await the unfolding of the International directors' case to their shareholders.

Australian Finance.—The course of financial reform in Australia does not run smoothly. Even if allowance be made for the effect of Mr Scullin's absence in London, the latest reports from Australia are not completely reassuring for holders of Australian stocks. The Federal Cabinet is now considering the proposals of the Australian Labour Party for meeting the trade depression. These proposals include "the nationalisation of banking and insurance, the maintenance of present wage rates, the utilisation of the nation's credit to stimulate industry and to liquidate loans, reduction of interest on bank credits and negotiation with Great Britain on war debts." It may be difficult for investors in this country to regard these proposals as serious attempts to extricate Australia from her financial and economic difficulties, but there is undoubtedly a body of opinion in Australia which views with disfavour any attempt to reduce the money value of wages. On the side of orthodox reform must be ranked the South Australian Cabinet's programme of economy and higher taxation. A good deal of importance will be attached to the results of the New South Wales elections to-day. If Mr Lang, whose financial and economic views are extremist, is victorious, the Federal Government may find additional difficulty in carrying through the financial reforms agreed upon at the conference of State premiers in the presence of Mr Scullin and Sir Otto Niemeyer. These uncertainties, so long as they remain, must inevitably handicap the improvement in Australia's credit in the gilt-edged market, which is so genuinely desired by all Australia's friends.

Tobacco Companies and the Consumer.—The recent "cut" in the price of a well-known brand of cigarettes has led to speculation in some quarters as to the chances of an all-round reduction in the retail price of tobacco. A correspondent points out that, owing to the unusual composition of tobacco manufacturers' costs, which consist of a small variable—raw material prices—and a large constant—the tobacco duty—the claim of the consumer to a price reduction on the strength of a fall in the wholesale prices of raw tobacco alone is less than is popularly believed. Whereas the average cost of imported tobacco leaf into this country has fallen since 1924 from 1s. 9 1/2d. to 1s. 3 1/2d. per lb., a "cut" of 1 1/2d. per packet of 20 cigarettes would mean a sacrifice of trade considerably more than the total cost per lb. of the raw tobacco. Thus, even though the price of raw leaf has fallen by 6 1/2d. per lb., or nearly 30 per cent. in six years, this decline represents a relatively

minor drop in total manufacturing costs. While it is always possible for an individual "outside" firm to cut its prices in one or two brands only, in the expectation of an increased turnover, such a move must be regarded as definitely competitive in character, and can only achieve its objective if other companies refrain from following the lead. If the inroads made by the policy of the "outside" firm on the sales of the "combine" are sufficiently great to outweigh the decline in profits which would result for the latter from an equivalent "cut," the ingredients are at hand for a first-class price-war, or possibly for an offer to the "outsider" to enter the "combine" on favourable terms. In the present case it is too early to forecast the reaction of the larger manufacturing interests to the recent "cut." It seems clear, at least, that if the consumer is to receive any considerable benefit in the form of reduced tobacco charges, the manufacturers must be prepared to make a certain sacrifice in profits, since the omens for a significant concession by the Chancellor of the Exchequer are anything but promising.

Some Recent Investment Trust Reports.—Recent investment trust reports reveal strikingly different results as regards capital depreciation, as the following table shows:—

Company.	Group.	Date of Report.	Total Investments.	Investment Depreciation.
Atlas Electric and General	Sir G. H. Touche	March 31	6,276,563*	Nil
Mid-European	Hambro	July 31	2,730,439	Nil
City and International ...	L. H. Kiek	Aug. 31	1,831,383	13.45
Second Edinburgh	Lawrie and Ker	Sept. 30	1,661,783	Nil
Second American	Shepherd & Wedderburn	Aug. 31	1,486,333	10.47
Southern Stockholders ...	Lake View	Sept. 15	1,252,884	15.16
Capital and National	Robert Fleming	July 15	985,501	5.09
London and Strathclyde ..	Grahams Rintoul	Aug. 31	953,552	16.34
London Irish	M. C. Harman	July 15	554,109	56.6
City and Foreign	Lord St. Davids	Aug. 31	531,988	13.7
London and Overseas	Lord St. Davids	Oct. 15	471,726	11.2†
Staveley Trust	J. D. Marks	March 31	325,000	8.0

* Excluding investment in subsidiary tramways company.
† According to valuation prepared by directors.

The most remarkable depreciation was that suffered by the London Irish Trust, of which Mr M. C. Harman is chairman. In this case the directors declared that they did not accept the market quotations as representing the intrinsic value of the investments "in numerous cases." As the resolution for the appointment of a shareholders' committee was defeated at the general meeting, shareholders have no means of verifying this expression of opinion. The best results are shown by Atlas Electric and General, which, consequent upon the sale of its Argentine properties, excepting two Monte Video electric traction companies, to the American and Foreign Power Company in 1929, has become a general investment trust; by the Second Edinburgh, which was formed as long ago as 1902; and by the Mid-European Corporation, which has a subsidiary company formed to invest funds by way of secured loans to cities and industrial undertakings in Europe. The Capital and National (Fleming group) showed a depreciation of only 5.09 per cent., and the Staveley Trust of only 8 per cent., but in the other cases the depreciation varied from over 10 per cent. to over 16 per cent. The earnings, dividends, market prices and yields of these companies are shown in the next table:—

Company.	Earnings.	Dividend.	Market Price.	Dividend Yield.
Atlas Electric and General	2.9	5	22/6	4.44
Mid-European	10.75	8	107	7.48
City and International	9.92	6.5	108	6.02
Second Edinburgh (Deferred)	23.2	15	152	4.61
Second American	12.3	7	17/6	5.71
Southern Stockholders	5.6	5	129 1/2	3.86
Capital and National	7.83	5	117 1/2	4.26
London and Strathclyde	Nil	Nil	7 1/2	Nil
London Irish	10.2	7	96	7.29
City and Foreign	9.15	7	117	5.98
London and Overseas	7.26	2 1/2	13/9	3.64

* Not quoted in London.

Only one of the above twelve companies—the London and Strathclyde—publishes a detailed list of its investments, despite the fact that an accurate knowledge of the position in this respect is more, rather than less, necessary to shareholders in a time of market depression.

Joseph Lucas.—The accounts of Joseph Lucas, the motor accessory manufacturers, afford evidence of a greater setback in earnings than appears at first sight. Though net profits have fallen by a mere 6 per cent., they would appear to include, for the first time, the financial returns from the controlling interest in Powell and Hammer. The £125,000 of new ordinary capital issued to the latter company ranks for a full dividend this year. The main cause of the temporary check is doubtless the falling off in British car production, which has been estimated at about 150,000 cars this year, against 180,000 last year. By every standard, however, the company remains prosperous.

	1928.*	1929.	1930.
Ordinary capital	819,300	819,300	975,300
Net profits (after depreciation and taxation)	218,785†	245,923†	232,996
Preference dividends	11,080	11,080	10,907
rdinary:—			
Paid per share	25.0%	25.0%	25.0%
Amount of dividend	163,860	163,860	188,943
Reserve	50,000	58,186	50,000
Superannuation and benefit fund	15,000	15,000	10,000†
Inc. or dec. in carry-forward	-21,154†	-2,203†	-26,855

* 49 weeks only. † After voting additional remuneration to directors at general meeting. ‡ Donation to Birmingham Hospital.

The company is partly an operating and partly a holding concern, its own land, works and plant being valued at October 7th last at £658,825 (a conservative figure), and its stock-in-trade at £529,000; while its interests in subsidiaries were valued at £872,198. The company's control



THE CHASE NATIONAL BANK

of the City of New York

(Incorporated with limited liability under the National Bank Act of the U.S.A.)

CAPITAL, SURPLUS, AND UNDIVIDED PROFITS \$361,523,927
DEPOSITS - - - \$1,852,295,045
TOTAL RESOURCES \$2,432,434,809
 (AT CLOSE OF BUSINESS, SEPT. 24, 1930)

NEW YORK CITY OFFICES:

Head Office - - Pine Street corner of Nassau
 Equitable Trust Branch - - 11 Broad Street
 Forty-five other branches in Greater New York

FOREIGN OFFICES:

HAVANA - Cuba. CRISTOBAL - Canal Zone
 PANAMA CITY - Republic of Panama

OFFICES OF REPRESENTATIVES:

LONDON - - - - 10 Moorgate, E.C.2
 PARIS - - - - - 41 Rue Cambon
 BERLIN - - - - - Unter den Linden 51
 ROME - - - - - Piazza Mignamelli 3

AFFILIATED ORGANISATIONS:

Chase Securities Corporation . . . American
 Express Company . . . Equitable Eastern Banking
 Corporation . . . American Express Bank & Trust
 Company . . . The Chase Safe Deposit Company
 The Chase Bank (Paris, Mexico City)

LONDON OFFICES:

10, MOORGATE, & BUSH HOUSE,
 E.C.2 ALDWYCH, W.C.2

of such concerns as C. A. Vandervell, Broth, Rotax, and Powell and Hanmer has given it a powerful strategic position in the motor trade. This, and a desire to secure the economies of rationalisation, have probably contributed in equal proportions to the willingness of another concern, S. Smith and Sons (Motor Accessories), to sell to Joseph Lucas the electric lighting, starting and magneto portion of its business (which was competitive with Lucas), while retaining its trade in clocks, speedometers, carburettors and pressure gauges (which was not competitive). Lucas £1 ordinary shares, which touched 80s. earlier this year, were dealt in this week at 68s. 3d. *cum* final dividend and bonus of 20 per cent. The yield at this figure is 9.4 per cent. on earnings and 7.8 per cent. on dividends.

Insurance Share Index.—During the three months ended September 30, 1930, insurance shares have exhibited a considerable degree of resistance to the prevailing depression. In the first three months of the year insurance shares enjoyed their customary rise in anticipation of the flock of reports commonly published at that time, but during the second three months practically the whole of the improvement was lost. There has, however, been some slight appreciation during the last three months, in striking contrast to the course of prices for industrial shares. The table which appears below exhibits the history of an investment in 1913 of £1,000 in the ordinary shares of each of 25 leading companies and an index of the total. The figures are based on the mean of the highest and lowest prices in each year, except in the last three columns, which relate to the middle market prices on the dates specified:—

Office.	1913.	1928.	1929.	Mar. 31, 1930.	June 30, 1930.	Sept. 30, 1930.
Alliance	1,000	1,738	1,675	1,575	1,491	1,554
Atlas	1,000	3,595	3,532	3,397	3,048	3,175
Caledonian* ..	1,000	5,254	5,700	4,906	4,780	4,529
Commercial Union† ..	1,000	5,038	4,545	4,528	3,918	4,092
Employers' Liability ..	1,000	2,955	2,725	2,838	2,567	2,432
Equity and Law	1,000	1,725	2,009	1,964	1,875	1,930
General Accident	1,000	6,538	8,133	8,000	7,466	7,933
Gresham Fire	1,000	3,886	2,872	2,143	2,381	2,381
Gresham Life	1,000	3,852	4,030	4,336	4,885	5,129
Guardian†	1,000	2,678	2,596	2,551	2,436	2,449
Legal and General	1,000	5,233	6,536	6,776	6,448	6,448
Life Association of Scotland	1,000	1,804	1,989	1,749	1,819	1,819
London and Lancashire ..	1,000	4,673	4,548	4,539	4,192	4,000
London Assurance	1,000	2,350	2,126	1,941	1,771	1,819
North British and Mercantile	1,000	4,467	4,514	4,522	4,045	4,076
Northern	1,000	2,068	2,011	2,000	1,731	1,910
Phoenix	1,000	1,937	1,945	1,911	1,708	1,776
Prudential**	1,000	1,995	2,163	2,302	2,134	2,254
Royal Exchange†	1,000	3,481	3,227	3,204	2,834	2,957
Royal	1,000	2,961	2,982	2,839	2,624	2,538
Scottish Life	1,000	2,242	2,680	2,697	2,697	2,697
Scottish Union and National	1,000	5,032	5,213	5,028	4,437	4,584
Sun Fire	1,000	2,604	2,853	2,720	2,631	2,622
Sun Life	1,000	2,138	2,237	2,176	2,096	2,096
Yorkshire†	1,000	3,005	3,041	2,783	2,525	2,577
Average	1,000	3,330	3,431	3,337	3,142	3,187

* Caledonian, 1923. £25 shares split into £5 shares, one new £5 share at 6 premium for each £25 share.

† Guardian, 1917.—£10 shares split into two £5 shares and one £4 pref. share each.

‡ Commercial Union, 1927.—New shares of £2 10s. offered in proportion of one share for each five held at £15 per share.

§ Royal Exchange, 1927.—New shares £1, offered in proportion of one share for each £5 stock held at £6 10s. per share.

|| Caledonian, 1929.—New shares £5, one new share for every five held at £14 per share.

¶ Yorkshire, 1929.—New shares £1, offered one new share for every 14 £5 shares held at £12 per share.

** Prudential, 1929.—New shares £1, offered one new share for every four shares held at £5 per share.

Although the continued failure of many companies materially to reduce their expenses, and the intensification of competition from foreign countries may affect the immediate outlook, the favourable trend of home fire losses and the increasing recognition that insurance companies are comparatively immune from the effects of a falling price level, have benefited the insurance share market. Some investors who have temporarily lost confidence in the industrial market, have turned their attention for the time being to the insurance share market, where the yield now obtainable is higher than for a long time past—being nearly 5 per cent. gross per annum on a representative selection. The appreciation in the last three months, although slight, has been part of a general

tendency. Out of the 25 companies represented in the Index, as many as 14 show an increase in value, while the shares of six show no change. Again the two outstanding companies are the General Accident, with a rise of some 6 per cent., and the Gresham Life, with a rise of some 5 per cent., the latter as a result of the recent favourable quinquennial valuation. The Northern has enjoyed a rise of over 10 per cent. during the past three months.

The Oil Position.—As long ago as August 9th we took occasion to point out that oil companies operating in America could scarcely be expected to make a good showing this year. This view has been confirmed by subsequent events—the breakdown of the control of the American Oil Exporters' Association over export prices and the cutting of retail prices in the gasoline markets not only in America but in Great Britain, France, Germany and Central Europe, not to mention the passing of quarterly dividends by the Shell Union Oil Corporation and of the final dividend by Trinidad Leaseholds. A downward trend in retail oil prices has developed in spite of the apparent success achieved in the restriction of crude oil production. In the United States the drastic curtailment programmes which have been enforced voluntarily in the oilfields of Oklahoma and California have brought down the crude oil output of the whole of the American oilfields from 2,722,050 barrels a day in February to 2,370,000 barrels a day at the present time. This 12½ per cent. reduction in the daily average output of crude oil has not, however, effected a balance between supply and demand. Stocks of all oils at the end of August were 685,857,000 barrels, as against 678,673,000 a year ago—equivalent to 7.4 months' supply, against 6.9 at the end of August, 1929. The consumption of oil has again increased this year—that of gasoline by 8.0 per cent. up to the end of August—but not at so rapid a rate as in the previous year. The statistical position cannot be regarded as healthy until consumption begins to eat into stocks. The American Petroleum Institute recently conducted a survey of the gasoline situation, and decided that the working stocks of gasoline on September 30th should be no more than 28,984,000 barrels. At September 27th the stocks of gasoline were actually reported to be 37,222,000 barrels—more than 8,000,000 barrels in excess of this estimate of trade requirements. Moreover, stocks of gasoline this month have begun to show their seasonal increase, so that the statistical position by the end of this year may well be worse than to-day. The prices of Oklahoma and Texas crude oils have recently been reduced, and it is feared that price-cutting in the retail gasoline markets will continue for some time. The American oil situation is liable to sudden changes, and if consumption of gasoline revives sharply again next spring, after a further restriction of crude oil output, it is possible that the markets will recover, but in the meantime the effect of the lower level of prices upon oil company earnings this year cannot fail to be severe. The holding companies like Royal Dutch, Shell Transport and, to a lesser extent, Burmah Oil, may not be so adversely affected as those which are directly producing and marketing oil products, such as Shell Union, Anglo-Persian and Phoenix Oil, but their earnings are none the less bound to show some decline. The producing companies, such as Venezuelan Oil Concessions and Trinidad Leaseholds, have suffered on account of the restriction of their own production and the lower prices realised. Apex Trinidad has maintained its output but has been compelled to take lower prices. The tanker companies have had to bear a sharp decline in freight rates. The rate for oil carried from the Gulf to this country, calculated upon a time charter basis, has fallen from 20s. to 3s. 6d. per ton per month in the last six months. This will affect the tanker subsidiaries of Shell, Anglo-Persian and Canadian Eagle. It is difficult, in short, to find any oil company which can confidently be counted on to avoid the results of this year's depression.

Rhodesian Copper Finance.—The reported sale of 800,000 Roan Antelope shares by the Canadian Selection Trust to the American Metal Company for a purchase consideration of 350,000 shares of the latter concern, plus \$1,000,000 in cash, carries the community of interests between what may be described as the Gull-Selection Trust-Lehman Corporation-American Metal Association a step further. It throws some light, writes a correspondent, on Mr. Chester Beatty's remark that the metamorphosis of the Selection Trust, registered in England, into the Canadian Selection Trust would put the company in a better position to avail itself of "international markets for future finance." The "group" has a majority of the directors of both the Roan Antelope and the Rhodesian Selection Trust, and the latter's promising interests at Mufulira, Chambishi, etc., presumably will in due course take their place as semi-detached members of the system. The other wing of the Rhodesian market is also apparently moving westwards, for it is reported that Sir Eric Geddes is in touch with Morgan and the American Smelting and Refining in connection with the further financing of the Rhodesia Congo Border section, in which Rothschilds, Rio Tinto and Rhodesian Anglo-American are largely interested. In view of the complex N'Changa ores, technical as well as financial considerations may have something to do with the renewed inclination in the direction of the American Smelting and Refining, but in any case the condition of the stock markets and the state of Rhodesian mining finances shows the necessity for further resources if development is not to suffer some curtailment. At the recent meeting of the Rhodesian Selection Trust it was stated that general development was being somewhat restricted in order to provide the company's share of the expenditure at Mufulira and to permit more extensive prospecting of the Chambishi deposit. The cash received by the Canadian Selection Trust as part consideration for the sale mentioned above may be required for the company's non-Rhodesian mining interests, for the balance-sheet, dated March 31, 1930, of its English predecessor, the Selection Trust, showed cash and debtors of £28,614, against creditors, advances, etc., of £183,000. How quickly money is absorbed is shown by the figures of the Roan Antelope, which showed a reduction in cash from £2,237,801 to £790,924 between June 30, 1929, and April 30, 1930. Resources were, however, augmented in June by a £1,500,000 convertible debenture issue. The Rhodesian Anglo-American showed cash resources of some £1,500,000 at March 31st last, but at the meeting held in June the authorised capital was increased by the creation of 3,000,000 10s. shares. This concern holds the principal stake in Bwana N'Kubwa. At the latter's meeting in August the capital was again increased, shareholders being informed that additional resources would be required "at no distant date" owing to the great development at N'Kana. Incidentally, shareholders were given a hint of the possible abandonment of the Bwana mine when N'Kana is on large-scale production. The fall in share prices has presumably checked the calling of options, which cover about 4,500,000 shares at prices from 5s. to 20s. Apart from prospecting, development and equipment

expenditure, a great deal of capital will be required in due course for the Northern Rhodesian Power Corporation and the copper refinery which is expected to be erected in this country.

Cam and Motor.—Our mining correspondent writes:—The sagging tendency displayed for some time past by the shares of this Rhodesian undertaking is fully explained by the annual report. Three lodes are worked, known respectively as the Cam, Motor and Petrol. Last year, at the 21st level, practically no payable ore was opened on the Cam lode; and the Motor ore body indicated only two payable stretches totalling 215 ft., although the values were good. The result, in conjunction with the elimination of 88,500 tons in pillars in the upper levels, is a shrinkage in both the quantity and value of the ore reserves, the tonnage now being placed at 875,400 and the value at 50.8s. The quantity represents about three years' supply for the mill; the "profit value" may be calculated at 12s. 6d. per ton, or, say, 10s. in dividends. Moreover, the balance sheet shows a cash deficit of £51,000. Consequently, should the directors decide upon a campaign with a view to the discovery of new ore bodies the expense would need to be met out of earnings. As regards last year's treatment operations, the milling of a somewhat increased tonnage was accompanied by some expansion in costs as well as decrease in yield per ton; the profit came out £31,120 lower at £203,840. Payment of dividends totalling 20 per cent., the same as before, entailed a draft of £8,600 upon the carry-forward, which now stands at £12,000.

Electrolytic Zinc.—In both 1927-28 and 1928-29 net profits somewhat exceeded £360,000, and dividends totalled 12 per cent. on both classes of shares. Last year the effects of the small increase in zinc production were considerably more than offset by the reduction in the output of lead with lower metal prices, the surplus amounting to £283,000. The final dividend was 4 per cent., making 10 per cent. for the period. On the present occasion the appropriation towards development and new plant at the West Coast mines is £25,000 (as against £50,000), leaving £105,300 to be carried forward, or £66,100 less than brought in. The construction programme at the West Coast mines is practically complete, but production will be postponed until metal prices improve. In conjunction with the Imperial Smelting Corporation arrangements have been made for the purchase of zinc concentrates from the Broken Hill North and South companies and the Zinc Corporation. Stocks on hand or under contract represent approximately eighteen months' supply. In view of the tendency towards accumulation, the work on the Risdon plant extensions has been suspended for the present. To meet existing conditions economies have been introduced throughout the company's organisation. Both the participating preference and the ordinary shares are now quoted at a discount. The prospects of recovery depend upon the course of metal prices.

BANK OF CZECHOSLOVAK LEGIONS PRAGUE

Statement of Condition as on September 30th, 1930, compared with the Statement of Condition as on December 31st, 1929.

	ASSETS.		LIABILITIES.	
	Dec. 31, 1929. Kč.	Sept. 30, 1930. Kč.	Dec. 31, 1929. Kč.	Sept. 30, 1930. Kč.
1. Cash and due from banks	40,197,805.25	59,573,888.40	1. Stock capital paid up	70,000,000.—
2. Foreign exchange, drafts, cheques, etc.	7,200,713.65	19,034,000.75	2. Reserve funds	63,736,108.20
3. Discounted bills	132,128,857.95	159,350,819.50	3. Deposits in savings account	304,737,180.30
4. Securities	123,316,401.50	119,585,980.90	4. Creditors	557,489,082.40
5. Participations	44,827,105.90	47,073,852.90	5. Other liabilities	35,950,237.30
6. Debtors	614,690,211.55	702,582,081.70		
7. Other assets	57,304,458.70	105,559,204.85		
Total	1,019,665,554.50	1,212,759,829.—	Total	1,019,665,554.50

Company Meetings of the Week.—On later pages of this issue will be found the reports of the following companies:—Anglo-South American Bank, Argentine Great Western Railway, Assam Railways and Trading, Buenos Ayres Great Southern Railway, Buenos Ayres Western Railway, Central Argentine Railway, Central Uruguay Railway of Monte Video, Cam and Motor Gold Mining, and Raphael Tuck and Sons. At the annual meeting of the Anglo-South American Bank, the chairman stated that, in the case of Argentina, the sharpest shrinkage in Argentina's purchases from abroad during the first quarter of 1930, as compared with 1929, was suffered by the United States, which lost 37 per cent. followed by France with 20 per cent., while Great Britain's loss was only 6.8 per cent. Presiding at the meeting of the Central Uruguay Railway Company, Mr Frank Henderson said that the traffic in cattle and sheep, the breeding of which was the chief industry of the country, had improved considerably during the year, the increase in the returns from livestock being £54,000, or 20 per cent. The position of the Argentine railway companies is dealt with in a leading article on page 767.

CAPITAL ISSUES.

Only one issue was made this week, though various other fair-sized operations are in contemplation. The borrower was the Gas Light and Coke Company, whose £2,500,000 4½ per cent. redeemable debenture stock offered a flat yield of £4 18s. 5d. per cent., and a redemption yield of £5 0s. 5d. per cent. This *doyen* of the world's supply companies, incorporated by Royal Charter in 1812, has recently extended its sphere of operations very considerably, its area now extending from Windsor to Southend. The debentures are, of course, a first-rate security.

ISSUES OF THE WEEK.

By Prospectus or Offer for Sale.

Net total recorded, January 1 to October 18, 1930, £215,502,055.
Total, including conversion recorded, January 1 to October 18, 1930, £395,603,286.

National Savings Certificates.

Net sales, week ended October 18, 1930, £300,000.
Total receipts, April 1, 1930, to October 18, 1930, £4,000,000.

	Conversions or Money	New Capital.	Repayments.	Cash Subscriptions.	First Payment.	Further Liability.
To the Public.	£	£	£	£	£	£
Week ended October 25, 1930...	Nil	Nil	Nil	Nil	Nil	Nil
Gas Light and Coke Company	2,500,000	...	2,287,500	62,500	2,225,000	...

	Conversions.	Excluding Conversions.	Whole year.	Amount of Capital Introduced.	Prices at which Dealings Began.	Total Involved.
To Shareholders only.	Nil	Nil	Nil	Nil	Nil	Nil
Week ended October 25, 1930...	Nil	Nil	Nil	Nil	Nil	Nil
Total Offered for Subscription—Including Conversions.	...	...	...	...	...	...
Jan. 1 to date.	...	...	...	...	...	...
1930	398,190,796	218,089,555	1929	488,764,940	285,239,400	...
1929	239,725,435	201,399,835	1928	693,100,056	269,058,073	...
1928	497,282,468	323,252,737	1927	365,165,970	350,782,600	...
1927	...	284,008,174	1926	...	232,214,500	...
1926	...	181,636,326	1925	...	209,326,101	...
1925	...	183,230,147	1924	...	271,399,173	...
1924	...	163,257,309	1923	...	573,675,653	...
1923	...	245,928,421	1922	...	...	...

By Stock Exchange Introduction.

	Amount of Capital Introduced.	Prices at which Dealings Began.	Total Involved.
Amount previously recorded	16,467,378	...	18,152,707
Total, week ended October 25, 1930	Nil	...	Nil
Total to date, 1930	16,467,378	...	18,152,707
Total to date, 1929	31,007,581	...	42,854,953

Grace National Bank

Hanover Square, New York, U.S.A.

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

Special Representative

148 Leadenhall St. London, E.C. 3.

Gas [Light and Coke Company.—Issues of £2,500,000, 4½ per cent. redeemable debenture stock, 1960-65, at £91 10s. per cent. The principal will be repaid at par on January 1, 1965, or, at the option of the company, the whole or any part may be repaid at par on January 1, 1960, 1961, 1962, 1963 and 1964, on six months' notice. Profits in 1929 amounted to £1,845,717, sufficient to cover all debenture and loan interest, including interest on the present issue, more than three times. The proceeds of the issue are required for the redemption of sundry debenture stocks and mortgages, the repayment of bank loan, the provision of additional mains and plant, and for general purposes.

Colne Valley Water Company.—Issue by tender of £250,000 7 per cent. "E" ordinary shares, minimum price £120 per £100 stock, yielding at that price £5 16s. 8d. The company supplies an area of about 90 square miles and a population of about 250,000.

Bedford District Gas Company.—Offer for sale by tender of £20,000 5 per cent. perpetual debenture stock, minimum price of issue £95 per £100 stock, yielding at that price £5 5s. 3d. Net revenue of the company for the year ended December 31, 1929, was £13,402, covering interest on the debenture stock, including the present issue, more than four times.

[Other Stock Exchange information, including the latest dividend announcements, profit and loss figures, shorter notices and weekly traffic returns, will be found on page 786 under the heading "Company News."]

MINING OUTPUT STATISTICS.

GOLD.					
Company.	Period.	Tons Crushed.	Company.	Period.	Tons Crushed
Ashanti.....	September	10,816	Lonely Reef	September	5,900
Associated Gold	September	5,351	Mysore	September	17,397
Balaghat	September	3,950	Nunddroog.....	September	11,500
Blackwater.....	September	3,700	Oreogum	September	13,500
Boulder Perseverance	September	6,908	Rezende	September	6,400
Cam and Motor	September	24,200	San Felix.....	September	3,552
Champion Reef.....	September	8,460	Sherwood Starr	September	5,000
Chosen Corporation	September	9,870	Sons of Gwalia	September	13,488
Frontino and Bolivia.....	September	2,400	South Kalgudi	September	8,364
Geavor.....	September	2,292	Taqah and Abosso	September	9,870
Globe and Phoenix.....	September	6,060	Wanderer	September	15,151
Golden Horseshoe.....	September	33,088			

TIN.

Company.	Period.	Tons Recovered.	Company.	Period.	Tons Recovered.
Anglo-Burma	September	37	Lower Bisichl.....	September	104
Anglo-Nigerian	September	46	Malayan Cons.	September	72
Aramayo	September	208	Malaysian	August	208
Baba River	September	3	Nigerian Cons.	September	14
Bangrin	September	107	Offin River	September	3
Batura Monguna	September	24	Pahang	September	222
Beralt	September	4	Patino Mines	August	1,329
Bisichl	September	4	Penawab	August	78
Consolidated Tin	September	176	Pengkalan	August	78
Daffo	September	11	Petalang	September	71
Fabocsa	September	130	Rahman Hydraulic	September	131
Filani	September	104	Rambutan	September	59
Gopeng	September	71	Renong	September	9
Idris Hydraulic	September	23	Siput	August	27
Jantar Nigeria	September	15	South Crofty	September	124
Jos	September	19	Sungei Perl	September	63
Kaduna Syndicate	September	13	Tanjong	September	28
Kaduna Prospectors	September	13	Tekka	September	46
Kajera	September	28	Tekka-Talping	September	40
Kassa	September	20	Temengor	September	32
Kay Yew	September	23	Tongkah Harbour Tin	September	10
Kent	September	36	Ulu Klang	September	94
Kinta	September	21	United Tin	September	22
					28

COAL.					
Company.	Period.	Tons Produced	Company.	Period.	Tons Produced
Chinese Engineering ...	Week to Sept. 27.	94,000†	Natal Navigation	September	102,587
Clydesdale (Transvaal)	September	40,451	South African Coal ...	September	68,118
Dundee Coal	September	47,805	Tweefontein United ...	September	69,129
Durban Navigation ...	September	29,430	Vereeniging Estates ...	September	247,500
			Witbank Colliery	September	71,878

† Sales.

Bwana M'Kubwa: Output, September, 690 tons refined copper.
Wankie Colliery: Coal sales, September, 67,881 tons, coke sales 8,820.
SULPHIDE CORPORATION, LTD.—During the four weeks ended September 20, 1930, 11,791 tons of Central Mine ore were milled at the Central Mine, producing 2,127 tons of lead concentrates (including 63 tons from the de-leading plant) which assayed 52 ozs. silver and 71 per cent. lead, together with 2,841 tons of zinc concentrates assaying 4 ozs. silver, 2 per cent. lead, and 53 per cent. zinc per ton.
BROKEN HILL SOUTH, LTD.—For the four weeks ended October 4, 1930, 30,250 tons of crude ore were treated and produced 5,958 tons of lead concentrates assaying 71 per cent. lead and 28 ozs. silver per ton.

NATIONAL ECONOMY OF LITHUANIA FOR 1929 AND THE FIRST HALF OF 1930.

By M. LIPCIUS, Director of the Lithuanian State Treasury.

The depression which prevailed throughout Europe during 1929 in all spheres of agricultural activity may be said also to have affected Lithuania's agricultural interests, as the greater part of her population (76 per cent.) is engaged in farming and allied occupations. Nevertheless, according to statistics, conditions during the latter half of 1929 and the first half of 1930 showed a tendency towards improvement, and this trend was first apparent in the field of foreign trade.

FOREIGN TRADE.

Foreign trade for the first half of 1930 increased from 275,860,000 lits to 304,800,000 lits. Exports for these six months exceeded those for the corresponding period of 1929 by 18,900,000 lits, and were 40 million lits more than for the same period of 1928. The value of imports, when compared with the first half of 1929, show an increase of 10 million, but in comparison with the corresponding period of 1928 are about the same.

Exports in 1929 exceeded imports by 23,400,000 lits. The first half of 1930 showed an increase in export over import to the amount of 11,870,000 lits, while during the same interval in 1928 exports exceeded imports only by 2,940,000 lits. Last year's active foreign trade balance has favourably influenced the balance of payments and the general financial situation in Lithuania.

An expansion of trade with Great Britain may be discerned from the following comparative statistics:—

Year.	Exports to Great Britain.		Imports from Great Britain.	
	(Tons.)	(Million lits.)	(Tons.)	(Million lits.)
1929	62,720	57,43	60,250	26,04
1928	39,720	52,26	39,840	19,25
Excess	23,020	5,17	20,410	6,79

From the above it will be seen that trade with Great Britain in 1929 increased 11,960,000 lits in value and 43,430 tons in volume over 1928. The excess of imports was made up largely of increased demands for manufactured goods, while substantial increases in veneer and cellulose shipments accounted for the excess of exports over the previous year.

The following are some of the more important items of import and export during 1929:—

export during 1929.—		(Million lits.)		
<i>Imported from Great Britain.</i>			<i>Exported to Great Britain.</i>	
Salt herrings ...	9,43		Cellulose ...	17,0
Cotton goods ...	3,57		Veneer ...	8,90
Tin ...	3,13		Flax ...	5,54
Sewing, knitting machines ...	2,18		Linseed ...	6,99
Coal ...	1,38		Eggs ...	1,74

Trade between the two countries for the first half of 1930, when compared with the same period of 1929, appears as follows:—

	Jan.-June, 1930.		Jan.-June, 1929.	
	(Tons.)	(Million lits.)	(Tons.)	(Million lits.)
Exports to Great Britain ...	30,300	30,8	26,500	26,3
Imports from Great Britain	13,800	11,9	27,500	12,8
Total ...	44,100	42,7	54,000	39,1

TRANSIT FREIGHT.

A considerable gain was realised in transit freight through Lithuania during the past year. In 1929 this reached 431,384 tons, against 280,839 tons in 1928, i.e., an increase of 150,995 tons for the year. A gain has also been noted in the transport of cellulose and wood products from Russia, Latvia and Germany, which in 1928 amounted to 19,874 tons and in 1929 increased to 173,442 tons. The first half of the current year indicates approximately 190,495 tons.

MONEY MARKET.

During the period under review the money market has retained its normal levels. Money in circulation amounted to an average of about 96,000,000 lits for the previous year. At the end of December, 1929, it reached 107,210,000 lits, of which 12,380,000 was in coins and 94,830,000 lits in banknotes. The banknote circulation throughout the year averaged about 90,000,000 lits, and was covered from 35 to 38 per cent. in gold (legal requirement, 33.33 per cent.) and up to 92-95 per cent. in gold and foreign currency. Therefore it can be said that the banknote issue was covered to a much greater extent than is required by law. The gold reserve at the beginning of 1929 amounted to 34,270,000 lits, and at the end of the year rose to 35,080,000 lits. The foreign currency reserve maintained a firm position throughout the year, which fact can be emphasised by a position throughout the year, which fact can be emphasised by a position throughout the year, which fact can be emphasised by a position throughout the year. The gain from 42,780,000 lits to 76,260,000 lits during the year. The money market shows even more favourable results for the first half of the present year. The gold reserve increased from 35,090,000 lits to 35,240,000 lits, and the banknote circulation from 92,350,000 lits to 97,370,000 lits, while foreign currency showed a tendency to decrease and dropped from 76,180,000 lits to 75,920,000 lits. In June, 1930, the banknote issue was covered by 36.1 per cent. gold and 116.1 per cent. gold and foreign currency.

BANKING AND CREDIT.

The total capital in all credit institutions on January 1, 1930, amounted to 260,000,000 lits, as compared with 221,500,000 lits on January 1, 1929, showing an increase of 38,500,000 lits for the year. Deposits also increased to 118,480,000 lits, as against 92,020,000 lits on January 1, 1929, making a gain of 26,460,000 lits over previous year. Discounted notes amounted to 41,390,000 lits at the beginning of this year, as compared with 35,790,000 lits for the previous year, showing a gain of 5,600,000 lits.

Loans increased accordingly, from 116,590,000 lits on January 1, 1929, to 138,520,000 lits on January 1, 1930, with a gain of 21,930,000 lits over the preceding year.

The combined capital of banks, totalling 59,430,000 lits on January 1, 1929, amounted to 75,260,000 lits on the same day in 1930, with a gain of 15,830,000 lits over the previous year.

Not much change has taken place in the interest rate for loans and deposits during 1929. Throughout that year from 5 to 12 per cent. was being paid on deposits in private banks, and from 8 to 24 per cent. on loans. The wide difference in interest rates, especially on loans, may be considered as normal for the present credit situation.

The Bank of Lithuania's interest rate on loans at present reaches 9 per cent., whereas private banks charge 14 and 18 per cent., some even 24 per cent. In this respect much improvement is anticipated for 1930, as all banks have recently entered into an agreement not to charge over 12 per cent. for loans. Interest on deposits has decreased accordingly, and the 6 to 12 per cent. up to the present being paid has been reduced to 5 per cent. and 9 per cent. At the beginning of this year the Bank of Lithuania reduced its discount rate from 8 to 7 per cent.

With cheaper credit available, building has been given a greater impetus. In 1929, 2,563 new buildings and 160 new business houses were erected in the towns alone. During this period capital amounting to 65,042,850 lits was involved in this construction work.

STATE FINANCES.

From the standpoint of national finances for 1929, it can be said that the year ended with good results, revenue having exceeded expenditure by 29,250,000 lits. Estimated receipts were 277,500,000 lits, whereas they actually reached 296,000,000 lits, or 6.7 per cent. over the estimate. Expenditure estimated at 280,200,000 actually reached 269,960,000 lits, or 5.5 per cent. less than the amount estimated.

The estimated revenue for 1930 is placed at 320,000,000 lits or 40,000,000 lits more than for the previous year. Actual expenditures are less than those estimated for the first half-year, while revenue on September 15, 1930, exceeded expenditures by 5,220,000 lits. Taking into consideration these results, it can be said that the Budget is satisfactorily realising expectations.

AGRICULTURE.

The agricultural situation in Lithuania has been somewhat affected by the general agrarian crisis in Europe, and farmers who were engaged mainly in grain production found themselves in a difficult position. But conditions have since been alleviated, and as a result more attention is now being paid to livestock and dairy farming, where gratifying progress has already been noted. The following statistics reveal the expansion in dairy farming alone.

BUTTER EXPORT.			
	1924	1925	1926
...	524 tons	932 "	1,747 "
...	...	...	2,051 "
...	...	...	...

Much greater improvement could have been expected in the field of agriculture had the Vilna territory seized by Poland been under Lithuania's control, for in this section are located some of the larger towns and industrial centres, and consequently a more extensive market for agricultural products. With the possession of this territory, Lithuania would be less susceptible to changes and crises in the European market.

In an effort to maintain grain prices, the Government has placed large orders for the use of the Army. This year's agricultural prospects are quite promising, as climatic conditions have been favourable, both to the raising of grain and its harvesting. The rye, wheat, peas and vetch crops have been larger than for the previous year, and the barley crop somewhat less.

The Government is annually expanding drainage work, and the following figures show the work already accomplished, and that yet in view. Area of land drained:

	1927	1928	1929	1930 (est.)
...	14,500 ha.	22,000 "	...	...
...	...	...	...	...

TRANSPORT AND COMMUNICATION.

The 1930 Budget provides 73,590,000 lits for improving transport and communication facilities, which is 12,740,000 lits more than the 1929 appropriation.

The most important project under consideration is the completion of the Telsiai-Kretinga railway, which will provide a connecting link with the Klaipeda (Memel) port. The Government also contemplates the construction of a modern dock basin at the port. It is expected that this work will be finished about 1932. The harbour will also be deepened so as to permit the entry of larger ships than have heretofore been able to enter.

Approximately 1,700,000 lits have been assigned for road building. Work has already started on two new highways, one between Kaunas-Panaveys-Birzai, and the other connecting Kaunas-Raseiniai-Klaipeda.

THE SWEDISH MATCH LOAN.

Apart from the foreign trade, credit, financial and agricultural situation, another important factor may be dwelled upon, i.e., the contracting of a 60,000,000 lit loan with the Swedish Match Company to mature in 35 years, at 6 per cent. interest. The Republic grants to the Swedish Match Company a monopoly for the manufacture and sale of matches in Lithuania, in consideration of which excise of 3½ cents per box is levied. The price of matches is to remain the same. The Swedish Match Company further proposes to erect a paper factory in Lithuania.

This loan is being utilised for advancing long-term credits to agriculture, and will markedly strengthen the credit market in Lithuania. The loan is absorbed by the Land Bank, which will adapt its organisation to this service by becoming a Hypothec Bank.

COMPANY MEETINGS, &c.

THE ANGLO-SOUTH AMERICAN BANK, LIMITED.

FALL IN COMMODITY PRICES.

MR R. J. HOSE ON GOLD AND THE MONETARY PROBLEM.

The forty-second annual general meeting of the Anglo-South American Bank, Ltd., was held, on the 21st instant, at Winchester House, Old Broad Street, London, E.C., Mr R. J. Hose, the chairman of the company, presiding.

The Chairman, in moving the adoption of the report and accounts, said: The whole world is at present experiencing a period of very acute business depression. Prices for commodities in international demand have suffered almost cataclysmic declines, resulting in a general lack of confidence and restriction in enterprise, with a corresponding paralysation of trade. The countries of Latin-America are, as you know, almost wholly producers of primary articles, and, therefore, they have inevitably felt the full force of present circumstances, the value of their exports having fallen considerably and their purchasing power having been correspondingly gravely diminished.

The Chairman, having dealt with the political position in the Argentine, Chile and Peru, continued: With regard to the very serious trouble which has recently broken out in Brazil, the enormous expanse of her territory and the consequent difficulty of communications must be borne in mind. We believe and trust that the wisdom of her leading citizens will bring about a speedy solution.

Before there can be a return to world prosperity it is urgently necessary that equilibrium in prices be restored. The persistent fall not only destroys trading confidence, but increases the real burden of both national and private debts, and renders it increasingly difficult for countries in course of active development, such as those of Latin-America, to finance their requirements in the internal money markets. The factors which have contributed to the fall in prices have been many. Undoubtedly over-production, combined with unsatisfactory conditions in consuming markets, notably in the East, has played a leading part, while much is attributed to the dislocation of the bases of credit. The world distribution of gold has become abnormal, and its uses in some directions diverted from the purpose of legitimate credit, while in certain quarters there has been a tendency for a large gold reserve to be regarded as an end in itself instead of a means to an end, although experience shows that even the largest holding of the metal is not necessarily a guarantee of stability for a currency lacking the support of modern credit machinery.

INTERNATIONAL MONETARY PROBLEM.

The international monetary problem is becoming increasingly prominent—especially in view of suggestions of a possible world shortage of gold—and undoubtedly much could be done towards economising the use of gold reserves. This would normally be achieved by co-operation between the various central banks, and, in this connection, the recent establishment of the Bank for International Settlements may be of great significance. The statutes of that bank, in addition to providing for the immediate functions in connection with Reparations payments, also hold out distinct possibilities for international monetary co-operation through the medium of the central banks, always provided that the capacity of the Basle Institution for manufacturing credit be strictly supervised, and that, like its component central banks, it remains free from political influence.

Special interest attaches to the remarks in the report of the Financial Committee of the League of Nations upon the traditional nature of minimum legal gold reserves, which, it is claimed, could be reduced, provided there were international understanding. On such a basis there would appear to be no fear of an inadequate supply of gold for the world's legitimate business purposes, leaving aside the unsound use of credit as a substitute for savings, especially in stock market speculation. Particularly applicable to Latin-America—of course, under appropriate legal safeguards—is the Committee's suggestion that economy in the use of gold would be assisted by means of the extended use of the cheque system.

STABILISING EXCHANGE.

By the preservation of the fixed link between national currencies and gold, stability of exchange between such currencies is ensured, and there is created a widespread mutual interest in maintaining the purchasing power of gold itself stable and free from excessive fluctuations. The machinery whereby such stability is maintained is a central bank operating on a free gold or gold exchange standard, the chief defensive weapon being an effective discount rate, and therefore the marked increase in the number of countries which have adopted or reverted to this system is one of the most encouraging post-war developments.

If any proof were needed of the benefit conferred by the system just described, it is amply to be found in recent events in those Latin-American countries where we operate. Emphatically, it can be said at once that, without the protection afforded by central banks operating freely on a gold basis, the position to-day would have been immeasurably worse, for we should have undoubtedly been faced with depreciated and violently fluctuating currency values in countries where, instead, the exchange has been maintained stable at around par value. On the other hand, during the twelve months covered by our accounts, the sterling value of the currency of Argentina declined by 15½ per cent., that of Uruguay by 12½ per cent., and that of Spain by 23 per cent., and it is certainly more than a coincidence that these countries are not working on a free gold standard.

To counterbalance the lessened exports of goods, the various official monetary institutions in South America parted with gold abroad during the period January, 1929, to August, 1930, to the total value of about £63,000,000 sterling. Of this amount, £36,000,000 went from Argentina and £15,000,000 from Brazil, while, on the other hand, those countries having a gold exchange standard, such as Chile and Colombia, lost only £11,000,000 between them—mainly from their existing gold deposits abroad—notwithstanding that their export trade was just as badly hit. Moreover, the respective circulating media have been adjusted accordingly, and the gold reserves of their central banks still remain at a very high proportionate level to liabilities. In the case of Ecuador, the gold reserve of the Central Bank showed an actual increase in the period mentioned.

The question of the international distribution of gold is of paramount importance to countries having a free gold market, such as Great Britain, and lends additional emphasis to the vital necessity of our national financial policy, embracing due regard for fostering our export trade. Criticism of the present Government's policy has been insistent and widespread, and the position has now become so grave that it would appear that this country will have to follow the example of Australia and Germany by adopting a financial programme of drastic retrenchment.

It may be said that the whole world is now experiencing a period of transition and adjustment to new circumstances precipitated by the war and its aftermath, especially the dislocation of normal commercial relations.

FOCUS OF WORLD ATTENTION.

For obvious reasons, international attention will continue to be focused upon developments in the United States, and not the least—from the point of view of Latin-America—on the interplay of policy in regard to the two questions of import tariffs and foreign loans. In the recent past, the balance of payments between the United States and the South and Central American Republics has been adjusted mainly by means of successive loan operations in the New York market, which have also enabled those countries to lay out funds in the development of their industries, transport systems, and public works. During the year 1929, however, the total of such loans increased enormously, and during 1930 has continued well below the 1928 figure. The Hawley-Smoot Tariff became effective on June 18th, and the feature of American trade figures for that month was the heavy falling off in commerce with South America generally—a movement which had already been noticeable for some time previously.

While Latin-America is necessarily purchasing less from abroad, there is every evidence that the loss of sales is being experienced most by the United States of America. Thus, in the case of Argentina, the sharpest shrinkage of sales from abroad during the first quarter of 1930, as compared with the same period of 1929, was registered by the United States, which lost 37 per cent., followed by France with 20 per cent., while Great Britain's loss was only 6·8 per cent. Apart, therefore, from the long-standing friendship between Latin-America and Great Britain, the present moment appears particularly opportune for an intensive British sales campaign in the southern continent, the necessity for which I have stressed so strongly in the past.

Finally, the South and Central American Republics are countries in an active stage of development, and are producers of primary commodities essential to mankind. According to computations by the League of Nations, both their population and production are increasing at a greater proportionate rate than those of any other part of the world. Periods of depression such as the present—for reasons which are beyond their control—must be expected in the normal cycle of events, but experience has shown that they, like all young countries, have strong recuperative powers, and when the world trade pendulum swings back to prosperity the Republics may be expected to recover more rapidly than older countries already having fully exploited resources.

The resolution was carried unanimously.

ARGENTINE GREAT WESTERN RAILWAY COMPANY, LIMITED.

ADVERSE CONDITIONS—CURRENT YEAR'S PROSPECTS.

The ordinary general meeting of the Argentine Great Western Railway Company, Ltd., was held, on the 20th instant, at Winchester House, Old Broad Street, London, the Rt. Hon. Viscount St. Davids (the chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said: At our meeting a year ago we were in the happy position, not only that our company had record traffics, but that almost every single article we carried had increased in amount. To-day we are in the reverse position. For the past year, for the first time for nine years, there was a decrease in the total goods and livestock traffic which we carried, and, not only that, but in almost every single article there was a decrease. This has to be explained, not so much by particular conditions on our own line, as by the particular conditions in the rest of the country.

Turn to the past year on the Pacific and see what the record is. They had a bad wheat crop—58 per cent. of the wheat of that system was lost, and they lost, on the top of that, over half their maize. When you have heavy losses like that by the producers it means bad trade all round the country, and, as the article that is particularly produced on the Argentine Great Western system—wine—is, partly at any rate, an article of luxury, you can see that, when the conditions of trade of the whole country are in a bad way, you could hardly expect that the wine traffic would be particularly flourishing.

As far as our own line is concerned the prospects are good. But you have to face the fact that on our whole system—Pacific and Argentine Great Western together—we have a traffic decrease to date of £514,000, and, what is still more important, exchange is bad and is running against us. You remember that you are getting 6 per cent. on your 5 per cent. preferred and 6 per cent. on your ordinary stock. The dividend on your 5 per cent. preferred ranks for 5 per cent. with the dividend on the Pacific 5 per cent. first preference. The dividend on your ordinary stock ranks for 5 per cent. with the dividend paid on the Pacific 5 per cent. second preference. You have been getting an extra 1 per cent. on both your 5 per cent. preferred and your ordinary, that extra 1 per cent. depending on the fact that the Pacific is paying over 5 per cent. on its ordinary stock. I thought, gentlemen, I ought to remind you exactly what the contingencies are on which a part and the balance of your dividend depend, as I feel quite sure that the shareholders like to be told exactly what the position is, so that they can be as capable of understanding the position as their own directors.

The resolution was carried unanimously.

BUENOS AYRES GREAT SOUTHERN RAILWAY COMPANY, LIMITED.

BRITISH AND ARGENTINE TRADE INTERESTS.

The ordinary general meeting of the Buenos Ayres Great Southern Railway Company, Ltd., was held, on the 22nd instant, in London.

Mr H. C. Allen (the chairman) said that the less favourable results of the company's operations were due, broadly speaking, to decreased traffic, especially from the carriage of goods, slightly increased expenses in certain directions, and losses on remittances made to London from Argentina. They were all hoping great things from the new Government, which had been well received and with whom the company was on most friendly terms. Argentina was a country of rapid recuperation and he did not think they would have long to wait for brighter times. The most important decrease in revenue occurred in the carriage of goods, where receipts were £655,000 less than in the previous year, of which wheat alone accounted for £367,000. Various economies had been introduced, and their estimates showed an appreciable reduction in working costs.

Special interest attached at the moment to the economic relations between Great Britain and her Overseas Dominions and foreign countries. It was only doing a disservice to this country if those most active in the cause of Empire unity ignored facts and, made damaging attacks on British interests in what, technically, was a foreign country. Argentina had been for over a century consistently friendly to Great Britain, and amongst those who really understood the situation the opinion was generally held that in the best interests of this country the grain trade with Argentina should be maintained, and that large and regular supplies of Argentine chilled beef, which consumers in this country now enjoyed, were essential. It would be realised, he was sure, that Great Britain's interests in Argentina called for special treatment when the question of the import of prime commodities into this country was under consideration.

The report and accounts were unanimously adopted.

BUENOS AYRES WESTERN RAILWAY, LIMITED. RESULTS OF A DIFFICULT YEAR.

The forty-first annual general meeting of the Buenos Ayres Western Railway, Ltd., was held, on the 21st instant, at River Plate House, Finsbury Circus, London, Mr Follet Holt (the chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said that at the time of the last general meeting it was believed that late rains had saved the crop situation. As it proved, the rains were too late; Argentina had to face a heavy set-back in production; and their railway had been as hard hit as any undertaking in the country. The reduction of nearly £900,000 in the revenue from transport was an indication of the immensity of the loss thrown upon the railway's clients and the country. In the circumstances the board felt deeply aggrieved at the attitude assumed by certain railway labour leaders in demanding a higher standard of wages when the country and the railways were face to face with calamity. To add to their troubles the fall in the value of the paper dollar caused a loss in net revenue of £76,531.

Through force of public opinion, Argentina possessed to-day a completely new government. They, themselves, took no participation in the political life of the country, but in its economic life they were deeply interested, and their good wishes went out to the statesmen who, at a most difficult time, had shown willingness to use all their power to help their country. The economic evolution of our country was in turn of great interest to Argentina, and it appeared that there might be some measure of protection at home, and some form of purchasing agreements with the Dominions and Colonies. Lord D'Abernon, during his visit to Argentina last year, had pointed the way, and whatever might happen in our own domestic family, reciprocal benefits would ensure continuance of our large trading with that very friendly country.

The windfall from the Petroleum Company having come to their assistance, the board felt entitled to recommend a 5 per cent. dividend, hoping that such an abnormally bad year would not recur until they had re-fortified the position.

For the first three months of the current year they found themselves down some £200,000, but prospects were much better, and except that the world-wide slump extended to Argentina, he knew no reason to be dispirited. They only required a smile from fortune to see the "Western" going strong again.

The report and accounts were adopted, and votes of thanks to the chairman, directors and staff terminated the proceedings.

ASSAM RAILWAYS AND TRADING COMPANY, LIMITED.

SATISFACTORY JUBILEE YEAR.

The annual general meeting of the Assam Railways and Trading Company, Ltd., was held, on the 22nd instant, at Winchester House, Old Broad Street, London.

Mr James Mackenzie, the chairman, who presided, said that their fiftieth meeting marked a definite stage in the history of the company. To be able to look back on fifty years of steady progress afforded considerable satisfaction, and it was pleasant to think that after the trials and difficulties of the company's earlier years they had achieved a position of quite definite importance, in their own particular corner of the world at any rate. It was a matter for congratulation that on this occasion the board were presenting accounts showing the best profit the company had ever earned except in the year 1926-27. The railway accounts were particularly good; they showed the largest railway profit in their history, and they had realised their ambition of reducing working expenses to below 50 per cent. of the earnings—a very great achievement under present conditions. Their passenger traffic had again increased, and the growth in the last four years was practically 75 per cent. The company's general trading account was also satisfactory, with a bigger profit than last year and considerably improved sales. The net result of all was a balance in general revenue account of £169,757—an improvement of practically £14,000 on last year.

CURRENT YEAR'S PROSPECTS.

It was not possible to say yet with any degree of certainty how the current year would turn out, but whilst the board were not expecting as good a year as the last one, they had no reason to suppose at present that the result would be other than satisfactory. Traffics up to now were as good as last year—a position which he thought very few other Indian railways could claim. The company's coal output was up, and costs were down, and while coal sales were somewhat less, largely owing to the restriction of the tea crop in Assam, they were not down to any great extent.

In conclusion he would like to remind the shareholders that they could not have achieved such satisfactory results without the loyal co-operation of their staff in Assam, for whose services their thanks were due.

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

RAPHAEL TUCK AND SONS, LIMITED.

PROGRESS IN ALL DEPARTMENTS.

The twenty-ninth annual general meeting of Raphael Tuck and Sons, Ltd., was held, on the 21st instant, at Raphael House, Moorfields, London, Mr Gustave Tuck (chairman and managing director) presiding.

The Chairman, in moving the adoption of the report and accounts, said: Your business is one of which you may well be proud, for its record of attainments is a long and continuous one. From its very inception it has led the way in the popularising of art, and, to quote the words of that eminent painter, the late Sir John Everett Millais, President of the Royal Academy, when he was judging one of our competitions, "Your firm has done more than the Royal Academy itself to improve the taste of the public."

We remember with pride the large part which Raphael Tuck and Sons have taken in the development of the Christmas card, which has not only spread art, but with it the message of fellowship and goodwill to millions of homes at Christmastide; of the art calendar, which has transformed a mere tabulation of dates into a beautiful adornment for the walls of the home; of the children's book, which, by reason of its beautiful and correctly drawn illustrations, engraves upon young and receptive minds true and lasting impressions of fables and bedtime stories, and with its A.B.C.'s provides the stepping-stones to the education of countless children; of the picture postcard, to all intents and purposes unknown in this country until we, with characteristic foresight and enterprise, put our strength and energy into it; and the other achievements in the world of art too numerous to mention.

I will now give you a short résumé of the work of our various departments:—

Christmas and New Year cards: This long-established and important branch of our activities, which devotes itself to the demand of the time-honoured custom of sending greetings to one's friends all over the world, has again shown good progress. I am glad to tell you, as I stated before, that the department is in a most sound, healthy, and progressive condition.

Book Department: We have not relaxed our efforts to produce books that appeal to all stages of youth—from the nursery to the school study. As you know, I have devoted a great deal of my life to the production of our books, and I frequently meet men and women who tell me that they have been brought up on Tuck's books. I am sure that the present generation will continue that refreshing diet.

Father Tuck's Annual is a greater favourite than ever, and Little People's Annual has also blossomed out into a larger volume.

I want to draw your special attention to the new Book of Adventure and Sport. This new volume, which has been compiled with great care and with the desire to cover all fields of sport and adventure, will find a ready welcome amongst girls and boys. It has many notable features, including an important article on the Prince of Wales as Scout written by the Chief Scout, Lord Baden-Powell.

We have this year a collection of 500 to 600 calendars, infinite in their variety and charming in their attraction. When it is remembered that these calendars can be purchased from a few pence to a few shillings, their popularity is not to be wondered at.

Pictorial advertising: This department continues to make great headway, and is rapidly taking a lead amongst the foremost producers of high-class pictorial advertising in this country.

I am pleased to tell you that on January 1st we were honoured by the Royal Warrant of Appointment as fine art publishers to H.R.H. the Prince of Wales. It will be interesting for you to know that since 1893, when we were first honoured by the Royal Warrant to Queen Victoria, we have been similarly honoured by each succeeding sovereign and heir apparent.

Your directors recommend the payment of a final dividend on the ordinary shares for the six months to April 30, 1930, at the rate of 9 per cent. per annum, making, with the interim ordinary dividend paid, a dividend of 7 per cent. for the year.

The report and accounts were unanimously adopted.

OFFER TO NEW READERS.

Any reader who makes his first acquaintance with this journal with this week's issue is invited to fill up the attached:

To Publisher, "Economist Newspaper Ltd.,"

8, Boulevard Street, E.C.4.

In order to test the value of your publication I should like you to forward this to me by post for the next four weeks. If I then decide to become a subscriber, it is understood that there will be no charge for the copies thus received, but otherwise I shall be willing to pay 4s. to cover their cost.

Name.....

Address.....

CAM AND MOTOR GOLD MINING COMPANY (1919), LIMITED.

REVIEW OF YEAR'S OPERATIONS.

MR HOMAN ON THE PROSPECTS.

The ordinary general meeting of the Cam and Motor Gold Mining Company (1919), Ltd., was held, on the 23rd instant, at Winchester House, London.

Mr L. E. B. Homan (chairman) said that the revenue from bullion for the year was £564,803, compared with £584,568 the previous year, the gold recovery being £1 19s. 2d. per ton, compared with £2 1s. 9d., the reason being the lower average value of the ore milled, namely, 47.25s., compared with 51.67s. The working profit totalled £205,714, and the net result was a balance of £174,134 carried to the appropriation account, compared with £205,256 in the previous year. On the assets side of the accounts, development—represented by the 875,000 tons of ore reserves—stood at £113,817, compared with £115,037 the previous year. The financial position had improved by approximately £20,000, as compared with the previous year, and he trusted to see this position further improved.

DEVELOPMENT RESULTS.

Development results during the year had to be described as disappointing, not because of lower assay values, but because of the narrower widths of reef exposed, which meant less tonnage for ore reserves (for the corresponding footage) than on the levels from the 17th upwards. The total result was that, in spite of the record footage of 17,071 ft., they did not develop as much tonnage as they milled from ore reserves; consequently, the total ore reserves, after also writing off a further 88,500 tons from Pillars and from the upper level blocks, showed a drop of 151,100 tons in quantity, but the average value was only 5d. per ton lower.

Including broken ore in stopes, the total payable tonnage at the end of June was estimated to be 875,400 tons, so assuming they continued to mine 20,000 tons monthly from ore reserves, it would be seen that even if the arbitrary figure of 10 per cent. of the tonnage at present given as developed had ultimately to be left as "Pillars" in the mine, they could anticipate three years' life. Also, they hoped to be able to reclaim some of the doubtful tonnage arbitrarily written off in the last year or two. In addition, they might get payable values at the West End of the 19th level pay shoot on the Petrol Lode. The tonnage milled for the year was again a record at 288,000 tons. The drop in the recovery grade amounted to 2s. 6d. per ton milled, due to the detrimental effect of the larger tonnage and lower grade of rock from development.

The drop in profit at the mine was £32,109 to £232,083. At last year's annual meeting it had been anticipated they would again reach the profit level of £20,000 monthly. The average monthly profit for the period from that meeting to the end of the financial year was £17,000, after deducting B.S.A. royalty, so that if the abnormally high percentage of development rock milled, namely, 17.4 per cent, or over 4,000 tons monthly, had averaged its former value prior to the period mentioned of over 40s. per ton, instead of the 25s. per ton, or less, actually obtained, the profit figure anticipated at last year's meeting would have been reached. Nevertheless, the profits were sufficient to maintain the dividend at 20 per cent. for the year.

Development work since the end of June had been disappointing at the bottom of the mine. They were pushing the twenty-third

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TOTAL ASSETS (30/6/30):
Fmk. 3,065,966,000.

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level south, motor lode to pick up the pay shoot at this horizon. Unless payable values were found on these levels, with an improvement in width, ore reserve tonnage could hardly fail to show a further drop at the middle of next year. Profits were being maintained at £16,000 a month, and were still affected by the large amount of low grade, but just payable, development rock.

RECENT EXAMINATION BY GEOLOGISTS.

A cable from Mr Bailey Southwell, one of the directors, from Rhodesia stated that he had discussed the position with the geologist who had examined the mines, who considered that all three lodes had further chances of successful exploitation.

Mr D. V. Burnett, representing the consulting engineers, described the development work taking place in the mines, and said that the ore reserves, computed at 870,000 tons, were actually more to-day than seven years ago. A considerable amount had been written off the reserves during the last three years as ore represented in pillars, and although it could not be definitely stated what percentage of this ore would be won back when reclamation operations started, it would be a considerable amount. It was hoped by the time of the next meeting they would have information to give the shareholders that other ore bodies had been discovered, not only in depth but on the strike as well.

The report was unanimously adopted.

CENTRAL URUGUAY RAILWAY COMPANY OF
MONTE VIDEO, LIMITED.

RECORD GROSS RECEIPTS.

The ordinary general meeting of the Central Uruguay Railway Company of Monte Video, Ltd., was held, on the 21st instant, at River Plate House, London, Mr Frank Henderson (the chairman of the company) presiding.

The Chairman, in moving the adoption of the report and accounts said that from the point of view of the earnings of the line they had much to congratulate themselves upon, as he thought he was correct in saying that of all the River Plate railways their company stood alone, not only in being able to report increased gross receipts, but better still in that these constituted a record in the history of the company. The breeding of cattle and sheep was the principal industry of the Republic, and it was the traffic in these animals that had been the outstanding feature of the past year, the increase in the returns from live stock being £54,000, or 20 per cent. Increases had also taken place in many other sources of traffic, resulting in a greater goods tonnage handled of 58,000 tons.

In regard to the results for the year, with an increase of £80,000 in gross receipts and of £69,000 in expenses, the decrease of £8,700 in the net profits was not unsatisfactory. The adverse feature was the low rate of exchange offering for the Uruguayan dollar, which had brought about a loss on remitting their funds to London of no less than £85,000, as compared with £4,000 in the previous year.

Recently there appeared a statement in the press that the Government had acquired their combined system of railways, and was taking them over as from January 1st next. This announcement was immediately contradicted, because the board had no power to sell the property without the consent of the shareholders, and no negotiations had taken place which could warrant such a statement.

The report and accounts were unanimously agreed to.

The ordinary general meetings of the Central Uruguay Railway Eastern Extension, the Central Uruguay Northern Extension, and the Central Uruguay Western Extension companies followed, and the respective reports and accounts were unanimously adopted.

CENTRAL ARGENTINE RAILWAY, LIMITED.

BETTER CROP OUTLOOK.

The ordinary general meeting of the Central Argentine Railway, Ltd., was held, on the 23rd instant, at River Plate House, London.

The Right Hon. The Lord Forbes, P.C. (the chairman), said that when he was addressing them in October, 1929, there seemed no probability that they would have to present a report for the following year showing so great and sudden a change. It was only towards the end of October, 1929, that their receipts had begun to fall off. Owing to an exceptional drought the wheat and linseed crops had given meagre results, while maize had been only moderate in quantity and its condition had been adversely affected by rain. The railway had suffered an enormous diminution in traffic—approximately 2,500,000 tons of grain—as compared with the preceding year. Added to that was the disastrous effect of an unusual fall in market values. Those two untoward circumstances coming together had impoverished the country districts and their general traffic had thereby also suffered diminution. They were able to recommend a final dividend, making 5 per cent. upon the ordinary stock and 5 per cent. upon the deferred stock.

The completion of the electrification of their suburban lines would take place during 1931, and work in connection with improvement of the Villa Constitucion port was being carried out gradually. Those and other important capital works would add greatly to the value and income of the railway. More money was required, and the board proposed, ere long, to make a fresh issue. The claims of shareholders and debentureholders to preferred treatment would not be forgotten.

With regard to the prospect of the coming crops, they had received a telegram stating that the present condition of growing wheat and linseed was most satisfactory, while pasture lands were in an excellent state. The acreage under wheat and linseed had increased by 15 per cent. and 10 per cent. respectively over the preceding year; sowings of maize were in progress under favourable conditions, and nothing had so far happened to interfere with the abundant crops expected in November and December. Even if there was no immediate prospect of a material advance in the price of wheat, the increased quantity to be carried would give increased movement of traffic.

An important British Exhibition in Buenos Aires would be visited by the Prince of Wales in the month of March next year. The management of the company, along with others, was doing what was in its power to aid the success of the Exhibition, in connection with which there probably would be exceptional movement of passengers. If any shareholder proposed to visit the Exhibition the secretary would, on personal application, be pleased to give him a letter of introduction to the management of the railway in Buenos Aires in order that he might be afforded special facilities for seeing some part of the company's undertaking.

The report and accounts were unanimously adopted.

Government Returns, &c.

NATIONAL ACCOUNTS.

As is shown from the Treasury Return printed below, the total ordinary revenue for the week ended Oct. 18, 1930, amounted to £14,316,700, against ordinary expenditure of £13,370,800. After allocating £490,000 to the Sinking Fund, and having allowed for an increase in Exchequer Balances of £63,400, the week's operations, as shown below, reduced the National Debt by £392,000 to £7,674,608,000:—

(000's omitted.)

Treasury Bills	+ 6,276	Public Department Advances ...	— 6,950
National Savings Certificates ..	+ 300	Sundries	— 18
	+ 6,576		— 6,968

A complete analysis of the National Debt at the end of last quarter was printed in the *Economist* of October 4.

REVENUE.	Estimate for the year 1930-31.	Total Receipts into the Exchequer.			
		April 1, 1930, to Oct. 18, 1930.	April 1, 1929, to Oct. 19, 1929.	Week ended Oct. 18, 1930.	Week ended Oct. 19, 1929.
ORDINARY REVENUE.					
Inland Revenue—					
Income Tax	£ 260,000,000	£ 66,043,000	£ 64,411,000	£ 843,000	£ 1,715,000
Sur-tax, including Arrears of Super-Tax	64,500,000	14,450,000	12,360,000	230,000	330,000
Estates, &c., Duties	83,000,000	45,610,000	44,460,000	1,180,000	900,000
Stamps	27,000,000	8,920,000	12,700,000	250,000	300,000
Excess Profits Duty and Corporation Profits Tax ..	1,700,000	...	10,000	...	...
Land Tax and Mineral Rights Duty	800,000	160,000	170,000	10,000	10,000
Total Inland Revenue ...	437,000,000	135,183,000	134,111,000	2,513,000	3,255,000

REVENUE.	Estimate for the year 1930-31.	Total Receipts into the Exchequer.			
		April 1, 1930, to Oct. 18, 1930.	April 1, 1929, to Oct. 19, 1929.	Week ended Oct. 18, 1930.	Week ended Oct. 19, 1929.
Customs and Excise—					
Customs	122,710,000	66,149,000	67,719,000	2,246,000	2,196,000
Excise	129,860,000	69,370,000	71,400,000	7,270,000	7,400,000
Total Customs and Excise	252,570,000	135,519,000	139,119,000	9,516,000	9,596,000
Motor Vehicle Duties (Exchequer Share)	4,950,000	1,385,298	1,743,687	Dr 689,000	Dr 424,000
Post Office (Net Receipts)	10,125,000	5,200,000	5,500,000	250,000	50,000
Crown Lands	1,300,000	610,000	610,000	...	...
Receipts from Sundry Loans	33,000,000	21,302,897	20,628,611	1,375,000	...
Miscellaneous Receipts	34,500,000	13,708,100	16,783,786	1,331,749	526,398
Appropriation from Rating Relief Suspense Account	16,000,000	16,000,000	...	...	...
Total Ordinary Revenue	789,445,000	328,908,295	318,496,084	14,316,749	13,003,398
SELF-BALANCING REVENUE.					
Post Office	60,275,000	31,100,000	30,450,000	700,000	800,000
Motor Vehicle Duties apportioned to Road Fund	23,560,000	7,445,702	6,716,313	669,000	424,000
Total Self-Balancing Revenue	83,835,000	38,545,702	37,166,313	1,369,000	1,224,000
Total		367,453,997	355,662,397	15,685,749	14,227,398

EXPENDITURE.	Estimate for the year 1930-31 (including Supplementary Grants).	Total Issues out of the Exchequer to meet payments.			
		April 1, 1930, to Oct. 18, 1930.	April 1, 1929, to Oct. 19, 1929.	Week ended Oct. 18, 1930.	Week ended Oct. 19, 1929.
ORDINARY EXPENDITURE.					
Interest and Management of National Debt	304,600,000	166,663,924	180,859,916	5,752,527	6,414,551
Payments to Northern Ireland	6,000,000	2,834,189	2,412,765	68,309	10,550
Payments to Local Taxation Accounts	3,300,000	1,492,890	1,924,680	...	275,000
Other Consolidated Fund Services	418,933,000	226,385,467	190,381,428	7,550,000	8,600,000
Supply Services (excluding Post Office)	732,833,000	397,376,470	379,530,213	13,370,836	15,300,101
Total Ordinary Expenditure	55,400,000	24,458,107	23,055,977	490,000	610,000
Sinking Fund					
SELF-BALANCING EXPENDITURE.					
Post Office	60,275,000	31,100,000	30,450,000	700,000	800,000
Road Fund	23,560,000	7,445,702	6,716,313	669,000	424,000
Total Self-Balancing Expenditure	83,835,000	38,545,702	37,166,313	1,369,000	1,224,000
Total		460,380,279	439,752,503	15,229,836	17,134,101

The aggregate revenue and expenditure to Oct. 18, 1930, is shown below:—

FINANCIAL YEAR, 1930-31, APRIL 1 TO OCTOBER 18.				
(000's omitted.)				
Expenditure	397,376	Revenue	328,908	
Sinking Fund	24,458	Decreases in balances	3,477	
		Net Amount borrowed	89,449	
	421,834		421,834	

POSITION OF THE FLOATING DEBT.				
Ways and Means Advances Outstanding—	Oct. 19, '29.	Mar. 31, '30.	Oct. 18, '30.	Oct. 18, '30.
standing—	£	£	£	£
Advances by Bank of England ..	...	...	...	...
Advances by Public Departments ..	33,626,000	48,530,000	28,750,000	6,950,000
Treasury Bills outstanding	792,635,000	588,885,000	661,835,000*	6,285,000
Total Floating Debt	826,261,000	637,415,000	690,585,000	665,000

* Includes £16,000, the proceeds of which were not carried to the Exchequer within the period of the account.

TREASURY BILLS BY PUBLIC TENDER.				
Date.	Amount Offered.	Amount Applied For.	Treasury Bills at 3 Months.	Average Rate.
1930.				
Sept. 26	45,000,000	45,705,000	£ s. d.	
Oct. 3	40,000,000	40,000,000	2 0 2-84	
Oct. 10	40,000,000	55,505,000	2 4 2-98	
Oct. 17	40,000,000	61,505,000	2 2 6-82	
			2 1 9-11	

The Bankers' Gazette.

BANK OF ENGLAND.

Return for Week ended Wednesday, October 22, 1930.

ISSUE DEPARTMENT.

Notes Issued—		Government Debt	
In Circulation	354,527,879	Other Government Securities ..	232,892,804
In Banking Department	64,413,788	Other Securities	11,627,282
		Silver Coin	4,464,834
		Amount of Fiduciary Issue ..	260,000,000
		Gold Coin and Bullion	158,941,667
	£418,941,667		£418,941,667

BANKING DEPARTMENT.

Proprietors' Capital		Government Securities	
Reserve	14,583,000	Other Securities	41,636,247
Public Deposits	3,089,814	Discounts and Advances	£4,978,750
Other Deposits	27,932,990	Securities	22,968,956
		Notes	27,947,706
		Gold and Silver Coin	1,183,993
	£135,181,734		£135,181,734

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

Both Departments.		Amount, Oct. 22, 1930.	Inc. or Dec. on Last Week.	Inc. or Dec. on Last Year.
Note circulation		354,527,879	— 2,132,813	— 2,858,874
Public deposits		27,932,990	+ 15,535,608	+ 12,144,503
Bankers' deposits		55,504,890	— 10,658,527	— 3,606,444
Other deposits		34,099,143	— 1,968,112	— 3,037,513
Seven-day bills		1,897	76	936
Total, outside liabilities		472,066,799	+ 376,080	+ 2,640,736
Capital and rest		17,642,814	+ 1,024	— 54,619
Government debt and securities		285,544,151	— 669,523	— 30,294,093
Discounts and advances		4,978,750	+ 149,286	+ 178,929
Other securities		34,596,218	+ 87,158	+ 5,364,712
Silver coin in issue department		4,464,834	+ 4,365	+ 368,047
Coin and bullion (bank's reserve)		160,125,660	+ 1,104,390	+ 27,104,616
Reserve of notes and coin in banking department		65,597,781	+ 3,637,203	+ 29,963,490
Proportion of reserve to outside liabilities				
(a) Banking department only ("proportion")		55 1/2%	+ 1 1/2%	+ 24 1/2%
(b) Gold stocks to deposits and notes ("reserve ratio")		34 1/2%	+ 1 1/2%	+ 6 1/2%

Issue Department.		Banking Department.			Gold in or out of Bank.	Bank Rate.
Date.	Notes Issued.	Circulation.	Public Deposits.	Bankers' Deposits.		
1930.						
Sept. 3	414,460	362,983	7,917	67,428	34,616	381 out
10	415,546	361,326	9,013	67,166	34,137	267 in
17	416,420	357,768	8,934	65,308	33,786	653 in
24	416,305	355,769	13,310	64,174	34,196	155 out
Oct. 1	415,619	359,386	21,645	61,318	34,789	748 out
8	417,477	359,580	12,861	66,447	34,251	1,856 in
15	417,824	357,061	12,597	66,163	36,057	290 in
22	418,942	354,528	27,933	55,505	34,099	1,113,934 in

Issue Department.		Banking Department.			Gold in or out of Bank.	Bank Rate.
Date.	Notes Issued.	Circulation.	Public Deposits.	Bankers' Deposits.		
1930.						
Sept. 3	243,910	11,629	155,522	47,881	5,229	52,539
10	243,910	11,629	156,574	45,311	5,770	55,247
17	243,904	11,629	157,511	38,766	5,377	59,743
24	243,906	11,629	157,427	41,056	5,672	59,743
Oct. 1	243,910	11,627	156,803	44,536	11,917	61,658
8	243,913	11,628	158,683	44,666	4,879	57,417
15	243,912	11,627	159,021	42,301	5,128	59,123
22	243,908	11,627	158,942	41,636	4,979	61,961

BANKERS' CLEARING RETURNS (000's omitted).				
	Town.	Metropolitan.	Country.	Total.
January 1 to October 8	30,560,048	1,412,275	2,312,882	34,285,205
Week ended October 15	702,380	34,336	56,793	793,509
Week ended October 22	726,140	33,860	55,968	815,968
Total to date, 1930	31,968,568	1,480,471	2,425,643	35,894,682
Total to date, 1929	32,376,727	1,533,583	2,465,558	36,415,868
Increase or decrease in 1930	— 387,159	— 53,112	— 80,005	— 520,276
	— 1.2%	— 3.4%	— 3.2%	— 1.4%
Total for year, 1929	39,935,924	1,881,789	3,078,764	44,896,477
Do, 1930	39,311,117	1,854,190	3,039,422	44,204,729
Increase or decrease in 1929	+ 624,807	+ 27,599	+ 39,342	+ 691,751
	+ 1.6%	+ 1.5%	+ 1.3%	+ 1.6%

PROVINCIAL CLEARING RETURNS.

(000's omitted).		Month of September.			Aggregate Weekly Totals Jan. 1 to Oct. 18.	
		1929.	1930.	Inc. or Dec.	1929.	1930.
Number of working days		25	26			
BIRMINGHAM	2,204	2,038	9,340	8,484	— 17.0	107,450
BRADFORD	804	602	4,011	3,203	— 26.6	47,922
BRISTOL	1,119	1,033	4,472	4,461	— 5.0	48,845
DUBLIN	5,004	4,895	3,215	3,212	— 1.7	200,953
HULL	908	806	3,451	2,784	— 7.5	40,863
LEEDS	731	736	2,935	2,628	— 19.7	33,060
LIVERPOOL	7,298	5,634	30,361	23,361	— 25.3	327,588
MANCHESTER	12,225	9,306	48,837	38,131	— 17.6	621,441
NEWCASTLE	1,318	1,095	5,841	5,196	— 19.0	61,827
NOTTINGHAM	674	579	2,559	2,249	— 13.2	26,228
SHEFFIELD	948	843	4,114	3,511	— 13.2	42,074
Total	34,169	28,376	118,936	96,860	— 18.4	1,493,782

OVERSEAS BANK RETURNS.

NOTE.—The latest Return of the Bank of Portugal appeared in the *Economist* of August 30; Canada on September 27; Denmark and the Bank for International Settlements on October 11; Netherlands and Estonia on October 18.

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

RESOURCES.		Oct. 24, 1929.	Oct. 2, 1930.	Oct. 9, 1930.	Oct. 16, 1930.	Oct. 23, 1930.
Total gold reserves	3,035,010	2,976,770	2,976,530	2,979,340	3,016,610	3,016,610
Total bills discounted	796,360	185,920	173,170	210,440	191,980	191,980
Bills bought in open market	379,480	193,110	211,020	185,490	176,590	176,590
Total U.S. Govt. securities	135,700	601,180	600,440	601,030	602,030	602,030
Total bills and securities	1,336,660	886,970	990,900	1,003,820	976,900	976,900
Total resources	5,451,970	4,874,980	4,833,100	6,104,780	4,894,980	4,894,980
LIABILITIES.						
Federal Reserve notes in actual circulation	1,857,330	1,376,350	1,365,400	1,372,210	1,368,510	1,368,510
Deposits—Memberbank—reserves account	2,378,100	2,394,320	2,407,760	2,440,360	2,437,090	2,437,090
Total deposits	2,421,930	2,456,680	2,465,110	2,491,870	2,489,420	2,489,420
Capital paid in and surplus	421,420	447,580	447,580	447,430	447,430	447,430
Total liabilities	5,451,970	4,878,980	4,833,100	5,104,780	4,894,980	4,894,980
Ratio of total reserves to deposit and Federal Reserve note liabilities combined	74.5%	81.6%	81.6%	80.9%	82.1%	82.1%

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

	Oct. 24, 1929.	Oct. 2, 1930.	Oct. 9, 1930.	Oct. 16, 1930.	Oct. 23, 1930.
Total gold reserves	...	1,043,450	986,010	989,030	1,083,100
Total bills discounted	107,150	26,390	25,650	27,750	31,840
Bills bought in open market	124,110	48,650	83,840	45,770	46,740
Total U. S. Govt. securities ..	17,430	186,940	186,940	186,940	187,340
Total bills and securities	265,990	266,030	299,980	306,110	266,100
Deposits — Memberbank — reserve account	952,820	1,008,710	1,001,590	1,006,610	1,028,220
Ratio of total res. to dep. and Federal Res. note liability when combined	85.7%	86.6%	83.7%	82.6%	87.2%

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

ASSETS.	Oct. 15, 1929.	Sept. 23, 1930.	Sept. 30, 1930.	Oct. 7, 1930.	Oct. 15, 1930.
Cash Reserve—					
Gold coin and bullion	166,844	214,599	214,599	214,487	214,338
Foreign exchange	207,686	215,551	217,626	216,796	217,633
Other foreign exchange	340,565	474,130	478,531	478,043	478,531
Bills discounted	270,444	72,472	95,517	82,892	68,010
Govt. debt	109,531	101,347	101,347	101,301	101,301
LIABILITIES.					
Share capital	43,200	43,200	43,200	43,200	43,200
Reserve fund	9,283	10,272	10,272	10,272	10,272
Notes in circulation	968,943	870,245	1,007,736	951,592	909,923
Deposits	131,083	212,182	103,334	145,336	174,228

† In dollar and sterling only.

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

ASSETS.	Oct. 15, 1929.	Sept. 23, 1930.	Sept. 30, 1930.	Oct. 7, 1930.	Oct. 15, 1930.
Metal reserve—					
Gold coin and bullion	162,743	162,647	162,649	162,650	162,651
Foreign exchange	36,031	28,927	24,768	19,860	14,629
Other foreign exchange	7,847	11,947	10,919	9,721	9,431
Inland bills, warrants and securities	290,687	163,237	188,516	191,575	189,429
Advances to the Treasury	88,671	69,463	69,377	69,348	69,348
LIABILITIES.					
Share capital (gold crowns 30,000,000)	34,756	34,756	34,756	34,756	34,756
Notes in circulation	427,882	362,547	429,571	404,386	391,066
Current accounts, deposits, &c.	130,670	80,336	28,187	40,783	39,657

* Calculated at pre-war parity of exchange.

NATIONAL BANK OF CZECHOSLOVAKIA.—In Cz. K. (000's omitted).

ASSETS.	Oct. 15, 1929.	Sept. 23, 1930.	Sept. 30, 1930.	Oct. 7, 1930.	Oct. 15, 1930.
Gold and silver holdings	1,339,289	1,413,549	1,413,298	1,413,077	1,412,757
Balance abroad and foreign currency	1,810,726	2,397,474	2,422,872	2,437,987	2,452,687
Discounts and advances	877,043	228,424	284,319	287,175	258,616
State notes debt balance	3,914,571	3,522,404	3,519,928	3,515,443	3,513,207
Other assets	726,560	956,339	991,944	1,003,141	1,009,158
LIABILITIES.					
Bank notes in circulation	7,014,590	6,284,560	7,198,342	6,799,766	6,453,538
Check account balances	789,635	1,359,073	574,590	993,016	1,350,171
Other liabilities	291,370	366,169	351,041	355,653	354,328

NATIONAL BANK OF JUGOSLAVIA.—In dinar (000's omitted).

ASSETS.	Oct. 15, 1929.	Sept. 22, 1930.	Sept. 30, 1930.	Oct. 8, 1930.	Oct. 15, 1930.
Cash Reserve—					
Gold	94,290	97,987	98,034	98,079	98,116
Other coin and notes	18,195	18,233	18,282	17,966	17,932
Foreign credits	282,250	188,064	188,551	208,729	180,633
Bills	1,323,516	1,264,445	1,273,522	1,284,853	1,296,095
Government advances	4,213,369	3,074,752	4,074,754	4,074,754	4,074,753
LIABILITIES.					
Notes in circulation	5,703,697	5,373,952	5,535,749	5,611,640	5,511,285
State credits	227,883	148,266	148,267	148,267	148,267
Deposits	1,230,334	1,284,785	1,106,101	1,020,568	1,042,100

Cash reserve is calculated as follows: One gold dinar as one dinar, one pound sterling as 25 dinars, one dollar as 5 dinars, one lire as one dinar, one Swiss or French franc as one dinar, &c.

NATIONAL BANK OF ROUMANIA.—In lei (000's omitted).

ASSETS.	Oct. 12, 1929.	Sept. 20, 1930.	Sept. 27, 1930.	Oct. 4, 1930.	Oct. 11, 1930.
Gold & gold exchange	15,157,147	10,887,243	10,888,710	10,888,871	10,888,960
Commercial bills	8,819,218	7,578,927	7,577,228	7,674,938	7,657,179
State debt, advances to State, &c.	7,071,990	5,599,056	5,349,056	5,099,057	5,099,057
LIABILITIES.					
Notes in circulation	21,688,422	19,355,040	19,306,859	19,206,473	19,316,285
Other liabilities	10,573,425	6,886,739	6,806,256	6,989,391	6,881,255

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

ASSETS.	Oct. 7, 1929.	Sept. 15, 1930.	Sept. 30, 1930.	Oct. 7, 1930.
Gold and silver holdings	1,558,887	1,600,849	1,602,986	1,603,710
Balance abroad and foreign currencies	1,592,751	1,203,300	1,201,791	1,163,817
Discounts and advances	1,664,046	761,793	749,732	764,237
Advances to the Treasury	3,545,635	3,279,302	3,279,302	3,279,302
LIABILITIES.				
Capital paid up	500,000	500,000	500,000	500,000
Reserves	1,160,041	1,254,104	1,253,987	1,212,218
Bank notes in circulation	4,319,664	3,727,842	3,696,013	3,660,474
Sight liabilities	2,183,585	1,348,582	1,353,830	1,375,479
Deposits	449,902	284,101	283,056	283,038

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

ASSETS.	Oct. 7, 1929.	Sept. 15, 1930.	Sept. 23, 1930.	Sept. 30, 1930.	Oct. 7, 1930.
Gold	624,491	519,657	521,480	522,364	523,296
Gold exchange	5,037,788	3,558,696	3,626,906	3,707,153	3,649,614
Other foreign exchange	1,606	39,450	39,450	39,450	39,450
Bills discounted	63,638	151,674	148,924	151,359	148,319
Advances	114,509	171,649	169,481	172,889	176,075
Debt to the State	3,596,758	3,388,763	3,388,763	3,388,763	3,388,763
LIABILITIES.					
Capital paid up	400,000	400,000	400,000	400,000	400,000
Notes in circulation	5,444,986	4,901,108	4,925,080	5,077,273	5,075,278
Deposits and current accounts	1,621,715	1,510,136	1,690,336	1,679,926	1,663,663
Foreign exchange liabilities	2,062,073	796,466	804,191	750,381	729,223

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

ASSETS.	Oct. 10, 1929.	Sept. 10, 1930.	Sept. 20, 1930.	Sept. 30, 1930.	Oct. 10, 1930.
Gold	673,250	703,472	703,505	561,885	561,912
Of which held abroad	240,866	219,046	219,046	77,396	77,396
Foreign currencies	513,678	328,977	296,739	437,082	414,423
Bills discounted	719,791	633,913	654,123	704,758	720,330
Loans against securities	80,074	81,145	82,680	88,391	83,455
Reserve fund securities	69,823	86,570	86,570	86,570	86,411
Liability of the Treasury	25,000	25,000	25,000	25,000	25,000
LIABILITIES.					
Share capital	150,000	150,000	150,000	150,000	150,000
Reserve funds	100,000	110,000	110,000	110,000	110,000
Notes in circulation	1,310,263	1,301,345	1,258,509	1,372,964	1,336,499
Current accounts	465,425	272,069	272,020	192,142	205,908
Government accounts	75,000	75,000	75,000	75,000	75,000

* As from October 13, 1927, 8-91 zlotys equals 1 U.S. dollar.

RUSSIAN STATE BANK.—Note-Issuing Department. (In Tchervonets—000's omitted.) (Note: 1 Tchervonetz = 10 gold roubles.)

ASSETS.	Oct. 16, 1929.	Sept. 1, 1930.	Sept. 16, 1930.	Oct. 1, 1930.	Oct. 16, 1930.
Gold coin and bullion	27,603	48,404	48,400	48,389	48,389
Other precious metals	3,789	2,364	2,338	2,369	2,423
Foreign currency	8,073	5,013	4,766	4,725	4,564
Drifts in foreign currency	286	304	304	304	288
Collateral for short term loans	116,250	162,915	163,292	159,213	158,336
LIABILITIES.					
State Bank	155,296	217,692	216,191	214,567	213,216
Balance to which notes may still be issued	704	1,308	2,809	435	784

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

ASSETS.	Position, May 30, 1914.	Oct. 8, 1929.	Sept. 23, 1930.	Sept. 30, 1930.	Oct. 7, 1930.
Gold	35,091	301,968	301,593	301,432	301,248
Balance abroad and foreign bills	90,779	574,506	1,072,034	1,067,546	1,079,703
LIABILITIES.					
Notes in circulation	21,826	344,852	374,020	375,617	375,397
Deposits at notice	123,941	1,425,971	1,300,756	1,350,219	1,345,818
Other liabilities	21,225	99,733	107,901	60,718	58,299

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

ASSETS.	Oct. 16, 1929.	Sept. 17, 1930.	Sept. 24, 1930.	Oct. 8, 1930.	Oct. 15, 1930.
Gold bullion and coins	23,901	24,060	24,059	24,062	24,062
Silver coin	4,291	6,926	6,795	6,653	6,373
Balance abroad	49,347	46,992	47,010	46,557	46,557
Treas. notes and sun. change	9,775	13,905	12,096	9,508	44,408
Short term bills	92,980	87,431	86,588	86,893	10,045
Loans against securities	56,337	56,315	56,512	56,598	56,598
Other assets	19,696	17,718	17,752	18,121	18,232
LIABILITIES.					
Notes in circulation	47,185	35,849	48,073	48,748	49,071
Capital paid up	15,581	18,735	18,735	18,735	18,735
Reserve	3,091	4,352	4,352	4,352	4,351
Special reserve	2,500	3,500	3,500	3,500	3,500
Deposits	14,003	19,040	19,109	19,127	19,326
Current accounts	64,453	57,649	55,682	56,711	56,711
Government accounts	87,180	92,890	90,511	87,069	86,179
Other liabilities	22,334	10,333	10,669	8,970	9,639

BANK OF LITHUANIA.—In lt. (000's omitted).

ASSETS.	Oct. 15, 1929.	Aug. 15, 1930.	Aug. 31, 1930.	Sept. 15, 1930.	Oct. 15, 1930.
Gold	34,498	35,281	35,295	35,302	35,312
Silver	4,072	4,113	3,946	3,780	3,696
State Treasury coins	1,728	1,581	1,557	1,507	1,479
Foreign currency	58,375	77,975	76,354	89,875	93,800
Discount and credit	89,960	89,295	83,354	92,469	93,646
LIABILITIES.					
Capital	12,000	12,000	12,000	12,000	12,000
Reserve	1,350	1,553	1,553	1,553	1,553
Bank notes in circulation	97,730	99,055	103,208	102,583	108,867
Deposits	79,797	97,926	95,047	108,863	105,858

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

ASSETS.	Oct. 15, 1929.	July 31, 1930.	Aug. 15, 1930.	Sept. 15, 1930.	Sept. 30, 1930.	Oct. 15, 1930.
Coin and bullion	3,123	3,240	3,415	3,269	3,521	3,706
Of which gold coin	10	116	116	117	117	118
Danzig subsidiary coin	3,103	3,124	3,299	3,152	3,404	3,248
LIABILITIES.						
Capital	12,645	14,771	11,262	14,295	11,517	13,027
Reserve	21,486	19,508	19,884	21,781	24,067	19,782
Loans	50	30	30	30	30	30
Foreign exchange	13,895	11,320	11,269	10,633	6,818	9,041
Other bills on dem'd	960	11	11	2	15	22
LIABILITIES.						
Capital paid up	7,500	7,500	7,500	7,500	7,500	7,500
Notes in circulation	34,070	36,339	33,162	37,583	32,676	37,616
Deposits on demand	3,368	1,923	1,804	1,941	1,608	1,760

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

ASSETS.		Position, June 30, 1914	Oct. 5, 1929.	Sept. 13, 1930.	Sept. 20, 1930.	Sept. 27, 1930.	Oct. 4, 1930.
Gold coin & bullion	}	221,320	1,122,571	866,771	869,118	864,887	858,364
Other coin & bullion							
Discounts		41,740	681,656	56,567	57,481		
Advances		70,540	88,921	653,486	649,088	57,467	58,16
LIABILITIES.				59,007	59,003	651,834	647,522
Notes		362,270	1,235,565	994,587	978,582	58,253	58,265
Govt. deposits		87,340	541,445	545,793	549,240	1,072,408	1,048,995
Other deposits		11,440	342,635	261,250	280,241	546,110	524,12
						198,532	213,49

Messrs Samuel Montagu and Company write on October 22, 1930, as follows:—

GOLD.

The Bank of England gold reserve against notes amounted to £157,823,667 on the 15th instant (as compared with £157,476,716 on the previous Wednesday), and represents an increase of £11,863,583 since January last. Gold from South Africa to the value of £453,000 was offered in the open market yesterday, and at the fixed price of 85s. 0½d. per fine ounce £360,000 was secured for France. Of the balance, £20,000 was taken for India, £33,000 for the Home trade, and £40,000 for the Continental trade. Movements of gold at the Bank of England during the week show a net influx of £1,113,934. Receipts totalled £1,250,319, of which £1,000,000 was in sovereigns from Australia and £250,000 in sovereigns from South Africa, and withdrawals consisted of £101,552 in bar gold, £14,000 in sovereigns and £20,833 in sovereigns "set aside."

It will be remembered that exports of gold from the Argentine were suspended in December last, when the Caja de Conversion in Buenos Aires was closed. It has now been announced that the export of gold may be resumed for purposes in connection with external loans. A message from the Buenos Aires correspondent of the Times, dated the 17th instant, states that: "A Government Decree authorises the Banco de la Nacion to export gold from the Caja de Conversion for the service of external loans. This will require about 12,000,000 gold pesos during the current year."

SILVER.

The week in the silver market has been rather quiet, but the tone has remained fairly steady, prices showing very little variation from those which ruled last week. There are no fresh features to report, China continuing to operate both ways, although more inclined to sell, whilst American operators have shown rather more interest and offered to sell freely at times. Support has been in the shape of buying to cover bear sales, and purchases have again been made by the Indian Bazaars for shipment, although holidays in India may have tended to restrict business in that quarter.

The following were the United Kingdom imports and exports of silver registered from mid-day on the 13th instant to mid-day on the 20th instant:—

IMPORTS.	£	EXPORTS.	£
British West Africa.....	7,954	Germany.....	8,510
Australia.....	10,000	France.....	11,550
Other countries.....	2,251	Austria.....	28,300
		Hong Kong.....	60,134
		British India.....	51,418
		Other countries.....	2,420
	£20,205		£162,332

INDIAN CURRENCY RETURNS (in lacs of rupees).

	Oct. 15.	Oct. 7.	Sept. 30.
Notes in circulation.....	17,287	17,206	17,147
Silver coin and bullion in India	12,274	12,192	12,176
Silver coin and bullion out of India			
Gold coin and bullion in India	3,228	3,228	3,228
Gold coin and bullion out of India			
Securities (Indian Government).....	1,582	1,583	1,559
Securities (British Government).....	203	203	184

Silver coinage during the week ended the 15th instant amounted to nine lacs of rupees.

The stocks in Shanghai on the 18th instant consisted of about 95,700,000 ounces in sycee, 148,000,000 dollars and 4,320 silver bars, as compared with about 97,600,000 ounces in sycee, 147,000,000 dollars and 4,140 silver bars on the 11th instant.

GOLD AND SILVER PRICES.

	Gold Per Ounce.	Silver—Per Ounce.		Date.	Silver. Cash.
		Cash	Forward		
1930.	s. d.	d.	d.		
Oct. 17.....	84 11½	16½	16½	Oct. 31, 1924	34½
" 18.....	84 11½	16½	16½	" 30, 1925	32½
" 20.....	84 11½	16½	16½	" 29, 1926	24½
" 21.....	84 11½	16½	16½	" 28, 1927	25½
" 22.....	85 0½	16½	16½	" 25, 1928	26½
" 23.....	85 0½	16½	16½	" 24, 1929	23½

NOTICES.

Lloyds Bank, Ltd., announce that sub-branches of the bank are now open at London Road, Leigh-on-Sea (near Thames Drive), Chatham Hill and at 87 High Road, Swaythling.

The Midland Bank have opened a new office, to be known as the Lower Charnminster branch, at 210 Charnminster Road, Bournemouth.

Barclays Bank Limited announce the opening of a new sub-branch at 1446 London Road, Highlands, Leigh-on-Sea.

National Provincial Bank, Ltd., announce that new offices are now open at North Circular Road, Neasden, N.W.10, and 1327, Stratford Road, Hall Green, Birmingham. A branch of the bank is also now open at High Road, Loughton, Essex.

Company News.

DIVIDEND ANNOUNCEMENTS.

Name of Company.	Rate % per Annum, except where marked % or Stated in Cash. * Interim div. † Final div.	Dividend for Whole Years.	Latest Year.	Previous Year.
Interim or Final.	Date of Payment.	Method of Payment.		
RAILWAYS.				
Central Argentine Railway.....	3%†	...	5	7
Entre Rios Railway.....	...	...	6	7
Taltal Railway.....	...	Tax free	6	6
BANKS.				
Bank of Montreal.....	3%†	Quarterly	...	...
National Bank of Australasia.....	9%*	Nov. 26	...	...
Union Bank of Scotland "A".....	1/9½ p.a.*	...	...	...
INSURANCE.				
Northern Assurance.....	8/ p.a.*	Nov. 6	Less tax	...
South British Insurance.....	1/4 p.a.*	...	...	...
World Marine and General Insurance.....	4/ p.a.*	Oct. 31	Tax free	...
TEA AND RUBBER.				
British Darjeeling Tea.....	5%*	Oct. 31	...	...
Ceylon and Indian Planters.....	10%†	...	...	...
Ceylon Proprietary Tea.....	7½%*	Nov. 21	...	30
Demodora Tea.....	10%*	Oct. 24	...	...
K.M.S. (Malay States) Rubber.....	...	...	2½	10
Kurugama Tea.....	...	...	10	20
Letchery Tea.....	2½%*	...	...	...
Lewa Rubber Estates (def.).....	6%*	Oct. 30	Less tax	2½
Mayfield (Dimbula) Tea.....	15%*	Oct. 29	...	...
Moolva Estates.....	...	...	37½	50
New Dimbula.....	5%*	Oct. 31	...	...
Rangalla Consolidated.....	10%*	Oct. 31	...	...
Rosebaugh (Ceylon) Tea.....	10%*	Oct. 30	...	...
Standard Tea of Ceylon.....	7½%†	...	12½	12½
Stannore (Anamallay) Estates.....	3%*	Oct. 30	...	...
MINING.				
Kleinfontein Estates and Townships.....	...	...	17½	...
Pahang Consolidated.....	2½%†	Oct. 31	Less tax	12½
Petaling Tin.....	...	...	10	10
Zaaplaats Tin Mining.....	...	...	...	...
OTHER COMPANIES.				
Alexander Duckham & Co.	3%*	Nov. 15	...	...
Anglo-Portuguese Telephone.....	3%*	Nov. 7	...	...
Auto-Rides.....	25%*	...	...	...
Bristol Brewery & Georges and Co.	12½%†	...	Tax free	20
British Shareholders Trust.....	3%*	Nov. 14	...	20
Buff Book.....	5%*	Oct. 31	...	...
Calcutta Electric Supply.....	5%*	...	Less tax	...
Casleballingham and Drogheda Breweries.....	6%†	...	6	6
Cedar Investment.....	3%*	Oct. 23	Tax free	...
City and West End Properties... (Def.)	5%†	...	Less tax	15
Consolidated Coffee.....	5%*	Nov. 20	...	15
Consolidated Trust (def.).....	5%*	Nov. 1	...	...
Dominion Scottish Investment (pref.).....	5%*	...	...	...
E. Rich and Co.	...	...	5	5
Gordon Selfridge Trust.....	...	...	7	7
George Turton Platts.....	...	...	6½	5
Greaves.....	6%*	Nov. 1	...	...
Hardy Rate Pick.....	5%†	...	10	15
Henbury Brooks.....	16½%†	...	33½	33½
Highland Distilleries.....	...	...	10	12
Hitchings.....	4%*	Nov. 1	Less tax	...
Hodgson's Kingston Brewery.....	2%*	Oct. 31	Tax free	...
Holbrooks.....	5%†	...	...	8
Independent Investment.....	10%*	Nov. 1	...	...
International Financial Society J. Compton Sons, & Webb.....	5%†	...	...	...
John C. M. Keller.....	8%*	...	...	...
Lambert Bros.....	5%†	plus bon	us of 2½%	...
London and Overseas Investment London Trust (Def.).....	4%*	...	7	7
New Zealand and Australian Land.....	2%†	Dec. 10	...	...
Oriental Telephone and Electric Queen's Hotel, Cheltenham.....	4%*	...	Tax free	4
Raphael Tuck and Sons.....	...	...	Tax free	15
Realisation and Debenture Corporation of Scotland.....	11%†	...	...	8
Reserve Securities Trust.....	2%*	Nov. 15	Less tax	18
Richard Whitaker and Sons.....	20%*	...	Less tax	...
River Plate Electricity.....	3%*	Nov. 1	Less tax	...
Rosano Drainage.....	5%†	...	Tax free	8
Russian Corporation.....	...	...	Less tax, 4/6 in £.	4
Samuel Osborn & Co.	3%*	Oct. 14	...	7
Savoy Hotel.....	4%†	...	Less tax	...
Scottish and Dominions Trust.....	4%†	...	Less tax	7½
Scottish Lands and Buildings.....	4%†	...	Less tax	7
Scottish National Trust.....	4%†	...	Less tax	9
Scottish Lands and Buildings.....	4%†	...	Less tax	7
Second American Trust.....	4%†	...	Less tax	5
Second Broadmount Trust (Def.)	9%†	...	Less tax	15
Second Edinburgh Investment (Def.).....	3%*	...	Less tax	...
Second Guardian Trust.....	2½%*	Nov. 6	...	...
Second Mercantile Trust.....	4%†	Oct. 24	Less tax	8
Second Scottish National Trust.....	7%*	...	Less tax	...
Second Securities Trust of Scotland.....	2½%*	Nov. 1	...	...
Shanghai Electric Construction St. Andrew Trust.....	24%*	...	Tax free	...
Smiley's Hydropathic.....	84%†	...	Tax free	14½
Stothert and Pitt.....	10%*	Nov. 1	Less tax	10
Taylor's Hygienic Service.....	4%*	Nov. 11	Tax free	...
Texas Land and Mortgage.....	5%*	...	Less tax	...
Third Scottish National Trust.....	6%*	Nov. 1	Less tax	...
Trust and Agency of Australasia Urban Electric Supply.....	5%*	...	Less tax	...
Wilson's Brewery.....	2½%*	...	Less tax	...
Weaver and Company.....	...	...	...	...

a Plus bonus of 2 per cent. for year.

WEEKLY TRAFFIC RETURNS.

RAILWAYS OF GREAT BRITAIN AND IRELAND.

(b) Week ended Oct. 16, 1930. (c) Week ended Oct. 17, 1930.	Miles Open.	Week ended Oct. 18, 1930. (000's omitted.)					Aggregate 42 weeks, 1930. (000's omitted.)				
		Passenger.	Merchandise.	Coal and Lignite.	Other Goods.	Total.	Passenger.	Merchandise.	Coal and Lignite.	Other Goods.	Total.
Great Western.....	3,751	206	226	117	337	543	10,257	8,870	4,937	13,807	24,064
Do. for 1929.....	3,751	216	226	122	348	564	10,624	9,376	5,218	14,594	25,218
London & N. Eastern (c).....	6,362	328	408	248	556	984	15,210	16,143	10,620	26,763	41,973
Do. for 1929.....	6,362	333	460	272	732	1,065	15,818	17,502	11,268	28,770	44,588
London, Mid. & East.....	6,956	502	541	249	790	1,292	22,551	22,111	10,486	32,567	55,148
Do. for 1929.....	6,957	522	624	259	883	1,405	23,868	23,905	11,297	35,202	59,070
Southern.....	2,179	282	81	31	112	394	13,784	3,227	1,239	4,466	18,250
Do. for 1929.....	2,175	288	85	30	115	403	14,094	3,287	1,364	4,651	18,745
Total of above.....	19,248	1,318	1,250	645	1,895	3,213	61,761	49,351	27,282	76,633	138,944
Do. for 1929.....	19,244	1,359	1,395	683	2,078	3,437	64,404	54,070	29,147	83,217	147,621
Metropolitan (c).....	59	31	6	4	...	35	1,367	316	7	...	1,534
Do. for 1929.....	59	32	7	4	...	36	1,357	316	7	...	1,519
† Underground, E. R. (c).....	...	312	4	...	...	312	12,663	...	...	...	12,663
Do. for 1929.....	...	297	6	...	...	297	12,004	...	...	...	12,004
London & Sub. Group.....	...	46	9	...	...	44	17,625	...	...	...	17,625
Do. for 1929.....	...	44	5	...	...	44	17,625	...	...	...	17,625
† Belfast & Co. D. wrc.....	80	1	9	...	...	2	117	9	31	...	149
Do. for 1929.....	80	1	9	...	...	2	117	9	31	...	149
* Great Northern.....	562	10	117	...	...	27	8	...	...	...	114
Do. for 1929.....	562	11	117	...	...	28	9	...	...	...	120
Great Southern.....	2,187	24	2	43	...	68	1	...	...	...	302
Do. for 1929.....	2,187	25	4	50	...	76	1	...	...	...	316

* Aggregate 39 weeks.
† Includes receipts from independent omnibuses during current year.

OVERSEAS RAILWAY RECEIPTS.

Name.	Week.	Ending.	Present Mileage.	Gross Receipts for Week.		Total Gross Receipts.	
				1930.	+ or -	1930.	+ or -
INDIAN.							
Assam Bengal.....	38	Sept. 20	1,306	Rs. 4,48,000	- 15,716	Rs. 94,17,343	- 3,05,810
Baru L. Ry.	25	27	202	48,400	+ 8,800	10,55,900	+ 2,24,300
Bengal & N. Western.....	23	20	2,079	4,70,443	- 90,871	1,57,56,927	- 10,74,086
Bengal-Nagpur.....	25	6	1,139	13,25,000	- 1,88,351	3,60,76,852	- 31,98,750
Bombay, Bar. & C. I.	26	Oct. 11	3,094	18,02,000	- 2,28,000	5,35,86,000	- 39,99,000
Do. for 1929.....	25	Sept. 13	3,229	13,05,000	- 40,226	5,63,60,573	- 74,87,931
Madras & S. Mahr.	24	20	561	78,099	- 2,920	29,70,094	+ 1,42,357
† Rohilk' & Kumaon.....	25	20	2,371	12,91,947	- 26,468	3,08,48,881	- 11,71,138
South Indian.....	24	20	2,371	12,91,947	- 26,468	3,08,48,881	- 11,71,138

† Including Lucknow-Bareilly State Railway.

CANADIAN.

Canadian National	41	Oct. 14	20290	4,904,222	- 740,836	177,719,169	- 36,077,538
Canadian Pacific.....	41	14	15470	3,978,000	- 660,000	140,098,000	- 26,931,000

SOUTH AMERICAN.

			£	£	£	£
Antofagasta (Chili and Bolivia) ...	42	Oct. 19	804	25,200	- 20,200	1,127,010
Argentine N.W.	16	18	753	15,000	+ 1,400	236,300
Argentine Trans. du.	16	18	111	3,983	- 391	49,891
B.A. and Pacific.....	16	18	2,808	120,000	- 22,000	1,872,000
B.A. Central.....	16	19	11	11,349	- 2,292	212,194
B.A. Gt. Southern.....	16	18	5,009	199,000	+ 6,000	2,924,000
B.A. Western.....	16	18	1,926	65,000	- 20,000	1,063,000
Central Argentine.....	16	18	3,359	191,000	- 48,000	3,098,000
Central Uruguay.....	16	18	273	36,803	+ 4,698	447,627
C. Urug. (East Ext.).....	16	18	311	8,572	+ 2,558	89,216
C. Urug. (N. Ext.).....	16	18	185	3,968	- 358	50,995
C. Urug. (W. Ext.).....	16	18	211	3,263	+ 338	45,023
Cordoba Central.....	16	18	1,218	60,000	- 2,000	1,031,000
Entre Rios.....	16	18	804	24,000	+ 500	353,400
G. Westn. of Brazil.....	42	18	1,035	14,800	- 12,200	546,600
Leopoldina.....	42	18	1,856	†	- 65,000	11,932,000
Leopoldina Termal.	42	18	Mrs. Ra. 221,000	†	- 65,000	341,515
Nitrate (4 monthly).....	194	15	410	16,979	- 22,125	1,716,902
San Paulo.....	44	19	1,563	36,773	- 17,286	569,177
United of Havana.....	15	19	1,359	31,949	- 15,147	

5 per cent. A dividend of 3 per cent. was paid for the six months to July 31, 1929. Previous to this the last payment on the ordinary was 6 per cent. for the year to January 31, 1926. After deducting debenture interest, £94,250; preference dividends, £24,174; and the £109,088 required by the 5 per cent. dividend on the £2,815,172 of paid-up ordinary capital, the balance to carry forward is increased from £290,532 to £305,297.

BORAX CONSOLIDATED LIMITED.—A circular from the company to deferred ordinary shareholders, dated October 22nd states that the business of the company for the financial year to September 30th has been more satisfactory than for the preceding year, but the results so far as can at present be ascertained do not enable the directors to declare an interim dividend on the deferred ordinary shares. The actual results of the year's trading cannot be ascertained until the early part of next year. Some recovery in the prices of the products of the company occurred during the financial year, but a limited benefit only was obtained from this owing to contracts at lower prices which had to be completed. While competition was still very active, the tonnage of sales by the company held up well excepting during the last three months to September, when the general depression in business affected sales, especially in the United States. Every possible economy has been made at the mines and works and the cost of production brought to the lowest possible limit, the advantage of which will be substantially felt with a recovery in trade and a reasonable advance

in prices, but as the directors pointed out in their note of October 18, 1929, the recovery in profit will probably be gradual. The directors have arranged to take an interest in the production of further chemical products which they anticipate will be of considerable advantage to the company. Addressing preferred ordinary shareholders the company writes as follows:—"Referring to the notice sent on April 11th last, that the consideration of the payment of the dividend on the preferred ordinary shares would be postponed until the accounts for the full financial year ended September 30th are available, the directors anticipate that they will be in possession of the necessary information in the early part of next year, when a further notice will be issued."

COMPANHIA DE MOCAMBIQUE.—Customs receipts for the Port of Beira during August amounted to £36,706, as compared with £20,509 for the corresponding period of 1929.

KERN RIVER OILFIELDS OF CALIFORNIA, LIMITED.—The report for the year ended May 31, 1930, shows that the profits of the company and its subsidiaries, after deducting losses, and before charging depreciation, amounted to £208,616, to which is added £24,909 transferred from fire insurance reserve and £122,840 brought in, making a total of £356,365. In the previous year the profits of the Kern River and St. Helens companies were £103,033, and the total available £168,282. Amounts written off and depreciation absorb £221,357 and, in addition, £50,000 has been transferred to reserve for depreciation, leaving £85,008 to be carried forward.

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS.

Company.	Period Ending	Balance from Last Account.	Net Profit After Payment of Debenture Interest.	Amount Available for Distribution.	Appropriation.				Corresponding Period Last Year.	
					Dividend.			Carried to Reserve, Depreciation, &c.	Balance Forward.	Net Profit.
					Prefce.	Ordinary.	Rate.			
		£	£	£	£	£	%	£	£	%
Breweries and Distilleries.										
Highland Distilleries Co.	Aug. 31	39,932	50,605	90,537	...	33,469	33½	15,000	42,068	51,038
Hodgson's Kingston Brewery	Sept. 30	25,738	35,403	61,141	...	31,020	12	...	30,121	35,713
Longmore (William) and Co.	Sept. 30	8,899	5,092	13,991	...	5,425	20½	...	8,566	8,372
Financial, Land, &c.										
British and Chinese Corp'n.	June 30	17,453	10,179	27,632	...	...	...	...	27,632	1,907
Hotels, Restaurants, &c.										
Bournemouth Imperial and Grand Hotels	June 30	4,281	10,002	14,283	6,150	1,500	10	...	6,633	12,012
Frederick Hotels	June 30	54,899	50,229	105,128	27,500	13,750	6½	...	63,878	59,968
Glenburn Hydropathic Co.	Aug. 31	2,601	758	3,359	...	...	...	...	3,359	1,456
Hans Crescent Hotel	June 30	10,171	4,770	14,941	7,283	...	...	...	7,658	11,805
Iron, Coal and Steel.										
Denaby & Cadeby Main Col.	June 30	14,258	108,586	122,844	12,000	60,000	5	...	50,844	546
Lambert Brothers	June 30	111,458	102,228	213,686	13,750	95,250	12½	...	104,686	117,865
Osborn (Samuel) and Co.	July 31	21,945	35,291	57,236	14,366	15,896	7	5,000	21,974	44,301
Stothert and Pitt	June 30	5,412	28,222	33,634	3,142	14,848	10	10,000	5,644	35,204
Motor and Cycle.										
Birmingham Small Arms Co.	July 31	290,533	148,026	438,559	24,174	109,088	5	...	305,297	...
Lucas (Joseph)	Aug. 7	63,817	232,995	296,812	10,907	188,943	25	60,000	36,962	247,799
Standard Motor Co.	Aug. 31	Dr 123,698	40,192	Dr 83,506	...	...	...	...	Dr 83,506	Dr 17,780
United Motors	Dec. 31	Dr 93,098	(s) Dr 132,900	Dr 106,388	...	...	...	...	Dr 106,388	...
Oil.										
Kern River Oilfields of California	May 31	122,840	Dr 12,741	110,099	...	...	...	25,091	85,008	58,033
Rubber, &c.										
Central Sumatra Rubber ...	June 30	14,881	1,994	16,875	193	...	...	700	15,982	5,900
Eastern Sumatra Rubber ...	June 30	12,672	Dr 238	12,434	...	...	...	3,000	9,434	28,153
Incomati Estates	June 30	8,980	958	9,938	...	...	...	...	9,938	...
Kamuning (Perak) Rub., &c.	June 30	10,708	15,034	25,742	...	...	...	5,000	20,742	31,943
K.M.S. (Malay States) Rub.	June 30	9,280	8,356	17,636	...	4,239	2½	2,000	11,397	26,088
Kuala Krau Rubber	June 30	640	Dr 1,429	Dr 789	...	...	...	...	Dr 789	137
Kuala Kubu Rubber	June 30	5,509	526	6,035	...	...	...	...	6,621	3,241
Lewa Rubber Estates	June 30	3,346	7,128	10,474	...	6,844	12½	...	3,630	8,011
Tebrau Rubber Estates	June 30	5,193	7,072	12,265	...	...	...	5,000	7,265	12,464
Tonghurst Rubber Estates	Mar. 31	2,842	Dr 3,185	Dr 343	...	...	...	...	Dr 343	...
Tea.										
Ceylon and Indian Planters	June 30	5,123	17,742	22,865	1,500	13,200	20	1,631	6,534	27,967
New Dimbula Co.	June 30	8,123	38,648	46,771	...	37,011	37½	1,500	8,260	52,516
Trusts.										
Anglo-Scottish Amal. Corp'n.	Sept. 30	4,739	27,934	32,673	...	...	...	25,000	7,673	72,257
Cedar Investment Trust ...	Sept. 30	9,845	39,619	49,464	8,505	20,925	6	10,000	10,034	35,644
Colonial & Gen. Inv. Trust	Sept. 30	2,685	16,826	19,511	8,250	5,000	5	...	6,261	15,616
Gordon Selfridge Trust ...	Sept. 30	32,061	137,726	169,787	60,000	54,250	7	25,000	30,538	136,103
London & Overseas Invest.	Oct. 15	2,275	13,107	15,382	8,137	3,798	7	...	3,447	13,637
London Irish Trust	Sept. 15	1,448	Dr 4,291	2,843	...	...	...	...	2,843	23,603
Second American Trust ...	Aug. 31	7,955	44,425	52,380	22,739	12,347	7	8,000	9,294	42,006
Southern Stockholders Investment Trust	Sept. 15	1,162	43,959	45,121	...	39,250	5	3,830	2,041	41,162
Other Companies.										
Amalgamated Carburettors	July 31	2,226	20,037	22,263	10,042	...	...	571	11,650	18,644
Birrell, Ltd.	July 19	5,519	45,229	50,748	24,500	6,750	5	5,000	14,498	34,413
Goode, Durrant and Co. ...	July 20	427	1,613	2,040	11,550	...	...	...	490	25,201
Herrburger Brooks, Ltd. ...	June 30	104,887	32,795	137,682	...	25,000	10½	...	112,682	44,280
Morris (Herbert)	July 31	51,605	48,595	100,200	14,725	23,626	10	10,000	51,849	102,565
Rich (E.) and Co.	June 30	3,806	10,238	14,044	...	10,902	5	2,000	1,142	10,269
Times Publishing Co.	June 30	115,258	236,373	351,631	28,890	96,750	15½	125,000	100,991	331,592

† Free of income tax.

d Also one new share at par for every five shares held.

(e) For seventeen months.

Commercial Reports.

THE CORN TRADE.

Mark Lane, Thursday evening.

Climatic conditions in the United Kingdom have favoured agricultural operations, and farmers are busily engaged on autumn sowings, the recent spell of dry weather enabling grain being drilled to a good seed-bed. Threshings, in consequence, are somewhat neglected for the time being, so that only limited supplies of native wheat are reaching the Statute markets. Good milling and seed samples continue scarce and command full rates. The import market presented a firm tone, prices responding to higher North American cables due to the interruption in Canadian threshings by adverse weather, while Russian offerings in near positions were also marked an upward tendency. Importers, however, were not prepared to follow the advance, in view of large world's weekly shipments and some 50,000 tons of Russian on passage. Liberal quantities are also arriving at United Kingdom and near Continental ports, and it is reported that steamers are being used for storage purposes. This may be correct in certain instances, but is by no means general, as Soviet wheat still finds a ready sale, and, in any case, the position cannot be compared with last year, when most European ports were filled with Argentine grain. Offers of new crop Argentine and Australian are on the market, which foreshadows increased competition in the near future. So far, these fail to attract much attention owing to ample quantities available, but will be an important factor in the international situation a few months hence. The Australian crop is estimated at 200 million bushels, the largest on record, while prospects are also favourable for a full yield in Argentina. Business in flour is proceeding on quiet lines, and although official mill prices remain unchanged, it is reported that trade has been effected at several shillings below these figures. Imported neglected, as values remain considerably out of line with home milled. Feeding stuffs were depressed, and pressure to sell Plate maize resulted in a lower price level, while adversely influenced by large clearances of Russian and Danubian barley. Shipments of maize, although lighter, are fairly substantial, but scarcity of spot and near supplies entailed a premium on these positions. Oats dull and lower to sell.

WHEAT.—Firm. No. 1 hard Manitoba, ex-ship, 32s.-32s. 6d.; No. 1 Northern Manitoba, ex-ship, 31s. 6d.-32s.; No. 2 ditto, 31s.-31s. 6d.; No. 3, 30s. 9d.; No. 4, 29s. 3d.; No. 6 Manitoba, 24s. 6d.; No. 2 mixed Durum, 30s.; Barusso, 61½ lbs., ex-ship to arrive, 27s. 9d.; Australian, 30s. 6d.; choice white Karachi, 30s.; Russian on sample, ex-ship, 25s. 6d.-28s. per 496 lbs. English new, 6s. 6d.-6s. 10d. per 112 lbs.

FLOUR. Quiet. London straight run, 28s. per sack for country deliveries, and 27s. London area. Of imported, Manitoba patents, 26s.-28s.; Buffalo ditto, 25s.-27s. 6d.; Australian, 23s. 6d.-24s. ex-store, per 280 lbs.

MAIZE.—Again easier. Plate to be landed, 22s. 9d.; ex-ship, 20s. 6d.; October-November, 19s. 6d.; November-December, 19s. 6d.; No. 2 white, Flat African, ex-ship, 19s. 6d.; landed, 21s., per 480 lbs. Yellow maize meal, £6 15s. f.o.r. London. Yellow African, ex-ship, £5 12s. 6d.; white, £4 17s. 6d. per ton.

BARLEY.—Easier. Californian old landed, 30s.-35s.; new, ex-ship, 30s.-41s. as to sample; Chilian brewing, landed, 30s.-35s.; Chevalier, 38s.-44s.; Australian, 32s.-42s.; Smyrna, 30s.-32s. per 448 lbs. Black Sea, ex-ship, 13s. 6d.; Danubian, 13s. 6d.; Persian, new, ex-ship, 13s. 3d. per 400 lbs. English new malting, 6s. 3d.-14s. 6d.; feed, 5s. 3d.-5s. 8d. per 112 lbs.

OATS.—Weak. Plate landed, 13s. 3d.; ex-ship, 11s. 9d.; Chilian tawny, ex-ship to arrive, 13s. 3d.; landed, 14s. 3d.; Chilian mixed white, ex-ship, 17s. 6d.; best whites, ex-ship, 19s. 3d.; landed, 23s. 6d.; mixed Canadian ex-ship, 10s. 3d.; landed, 11s. 3d.; North Russian, 12s. 9d.; best, ex-ship to arrive, 15s. per 320 lbs. English new, 5s. 8d.-7s. 6d. per 112 lbs.

COMPARATIVE AVERAGES OF GRAIN.

The following table gives the estimated sales of home-grown wheat during the harvest years 1930-31, 1929-30, 1928-29, 1927-28;—

	1930-1931.	1929-1930.	1928-1929.	1927-1928.
Estimated sales of home-grown wheat:				
1 week to Oct. 18	Cwts. 128,777	Cwts. 263,144	Cwts. 344,046	Cwts. 273,953
7 weeks to Oct. 18	1,036,919	2,228,577	2,175,464	1,693,891
Average price of English wheat per cwt.	s. d. 6 11	s. d. 9 5	s. d. 9 8	s. d. 10 7

The following is a statement showing the Quantities Sold and the Average Price of British Corn in the past two weeks, and for the corresponding week in each of the years from 1926 to 1929:—

Weeks ended.	QUANTITIES SOLD.			AVERAGE PRICE PER CWT.		
	Wheat.	Barley.	Oats.	Wheat.	Barley.	Oats.
1930.						
Oct. 11	Cwts. 129,267	Cwts. 305,812	Cwts. 50,234	s. d. 7 0	s. d. 9 3	s. d. 6 0
Oct. 18	128,777	411,536	56,509	6 11	9 8	6 2
Oct. 16, 1926	416,071	584,315	111,378	11 3	12 4	8 0
Oct. 15, 1927	241,041	498,740	84,595	10 6	14 3	9 4
Oct. 20, 1928	344,046	673,614	86,539	9 8	10 9	8 8
Oct. 19, 1929	263,144	624,463	79,442	9 5	10 3	7 10

AMERICAN WHEAT MARKETS.

The following table shows wheat quotations in recent weeks with comparative figures for 1929:—

NEAREST FUTURE.	Jan. 2, 1929.	Oct. 23, 1929.	Jan. 2, 1930.	Oct. 8, 1930.	Oct. 15, 1930.	Oct. 22, 1930.
Winnipeg (No. 1 Manitoba)	122	137½	148½	72½	72½	74½
Chicago (No. 2 Winter)	116½	124½	130½	78½	78½	80½
Cents per 60 lb.						

The visible supply of wheat in Canada, at 70,067,000 bushels, shows an increase on the week of 1,923,000 bushels. Supplies a year ago stood at 78,790,000 bushels.

THE COAL TRADE.

Our Sheffield correspondent writes:—The reduced quantities of fuel going into industrial consumption is a feature of local trade at the present time. This is due to the depression of the iron and steel trades. There are big accumulations of small coal at many of the collieries. The export position is unchanged, but the unsettled conditions of the industry mitigate against forward or substantial buying. The house-coal trade is quiet for the time of year. Conditions remain flat in blast-furnace coke. Many furnaces are standing and there is no news of restarting any of them.

Our Glasgow correspondent writes:—Business in the coal market has improved a little lately, both as regards home and export trade, but there has been little or no movement in prices. The market position is, in fact, weak, as outputs are still much in excess of demand and the collieries are being compelled to carry larger stocks than usual. Among large coal splints are about the only firm spot, while among nuts trebles are strongly held. Current shipping prices are approximately as follows:—LANARKSHIRE.—Ell best, 13s. 9d.; splint best, 15s. 6d.; splint second, 14s. 3d.; navigation, 15s. 6d.-16s.; navigation second, 14s. 6d.; Hartley, 15s.; steam, 12s. 6d.; trebles, 13s.; doubles, 12s. 6d.; singles, 10s. 6d.; pearls, 10s. 3d.; dross, 9s. 6d. FIFE.—Screened navigation, 16s. 6d.-17s. 6d.; first-class steam, 11s. 6d.; third-class steam, 10s. 6d.; trebles, 13s. 6d.-15s.; doubles, 12s. 6d.; singles, 10s. 6d.; pearls, 10s. 3d. LOTHIAN.—Prime steam, 11s.; secondary steam, 10s. 9d.; trebles, 13s. 3d.; doubles, 12s. 6d.; singles, 10s. 6d.; pearls, 10s. AYRSHIRE.—Unscreened navigation, 16s.; jewel, 16s.; steam, 13s.; trebles, 13s.; doubles, 12s. 6d.; singles, 11s. 6d.; pearls, 10s. 6d.; dross, 10s. 6d.

Our Cardiff correspondent writes:—The Cardiff coal market has hardened slightly this week under seasonal influences, while at Swansea the market for anthracite coals has been stronger than for many months past. Among bituminous grades the feature has been the improvement in the inquiry for sized descriptions, but there has been a better tone also in the market for large qualities, although the demand has not been active enough to move any of the prices for these qualities above the minimum schedule. Shipments have also recently been on a higher basis, and the Great Western returns for the past week give a total of 570,600 tons, compared with 485,600 tons the previous week. The volume of business, however, remains less than it was a year ago, when the exports for the corresponding period totalled 619,626 tons. The South Wales Marketing Scheme is being amended to meet the requirements of the board, and it is anticipated that official approval of the amended scheme will be given during the next few days.

Increasing Interest in South American Markets

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The joint committee appointed to discuss the terms of the new wages agreement held another meeting on Tuesday and will meet again next week. The following are the current approximate quotations:—Best Admiralties, 20s.; seconds, 18s. 9d. to 19s. 9d.; best dries, 18s. 6d. to 19s. 3d.; Black Veins, 18s. 3d. to 18s. 6d.; Western Valleys, 18s. to 18s. 3d.; Eastern Valleys, 17s. 6d. to 17s. 9d.; best small steams, 13s. to 13s. 3d.; cargo smalls, 12s. to 12s. 6d.; coking smalls, 13s. 3d. to 13s. 6d.; anthracite, best large, 36s. to 37s. 6d.; Red Vein, large, 22s. 6d. to 27s. 6d.; machine-made cobbles, 40s. to 45s.; French nuts, 43s. to 46s.; stove nuts, 39s. 6d. to 43s. 6d.; rubbly culm, 9s. 9d. to 10s. 3d.; foundry coke, 29s. 6d. to 35s.; patent fuel, 20s. to 21s. 6d.; pitwood, ex ship, 24s. 9d. to 25s.

IRON AND STEEL.

We extract the following from the weekly report of the London Iron and Steel Exchange:—Although the volume of business in iron and steel is below the average for the time of year, a slightly better tone is noticeable in the market. There was a good attendance of members at the weekly meeting, and the impression seemed to prevail that buyers both at home and abroad were taking more interest in the market. The recent decision of the British steel-makers not to reduce their prices, whilst it has occasioned some adverse comment, seems to have brought out a fair amount of business which was being held back in anticipation of lower rates. In the pig-iron department the demand is still unsatisfactory, and in several districts stocks are increasing notwithstanding the fact that production has been curtailed. Complaints are still heard of the competition of Indian iron in this country, and a certain amount of Continental pig-iron is also being imported. The demand for semi-finished steel has become quiet again, many of the consumers having covered their requirements for the time being. Recently, there was some buying in this department, but most of the business appears to have gone to French works at low prices. The market for finished steel is quiet, and keen competition is experienced from Continental sources. The slackness of the demand and the eagerness of producers to obtain orders gives this market a weak appearance; but it is probable that even a slight revival in buying would be quickly reflected in the position.

Our Middlesbrough correspondent writes:—There is no change to report in the market for Cleveland iron. Business is now confined to small sales to home consumers for early delivery, and there are no indications of any extensive buying for the present. The importation of Continental foundry iron is having an unsettling effect with consumers, and rather encourages the idea that local prices will have to be reduced. Makers, however, show no weakening, their position being fairly satisfactory for the present. The production is not large and is all absorbed against current contracts that extend some little time ahead, besides which stocks at the furnaces are being reduced to some extent. Tuesday's market was very quiet and only a few odd lots on home account were disposed of, prices being unchanged, viz.: No. 1, 66s.; No. 3, 63s. 6d.; No. 4 foundry, 62s. 6d.; and No. 4 forge, 62s., f.o.b. or f.o.t. In hematite there is more business doing. Deliveries to home consumers are on an improving scale, and further sales have been made on export account. Makers still quote 71s. for mixed numbers for delivery over a few months, and are obtaining this figure, but slight concessions are obtainable for prompt delivery. Shipments of pig iron have improved recently, the total cleared to 21st instant being 16,265 tons against 10,828 tons to same date last month. In the finished departments new business develops slowly, but it is extremely satisfactory to learn that the Cleveland Bridge and Engineering Company, Ltd., of Darlington, have secured the contract for the bridge over the Zambesi River at Sena. The value of the contract is given at £1,434,337 and work will be commenced immediately. The quantity of steel required in construction will be about 15,000 tons, and this will be supplied by local mills. Prices of steel materials to home consumers under the rebate scheme are, by decision of the British Steel Makers' Association last week, unchanged, viz.: Plates, $\frac{3}{4}$ in. up, £8 15s.; joists, £8 10s.; angles, etc., £8 7s. 6d. Other quotations include: Heavy steel rails, £8 10s.; crown iron bars, £10 15s.; 24-gauge black sheets, £8 15s., a reduction of 5s.; 24-gauge galvanised corrugated sheets, £11 12s. 6d., all for home use. The ore market shows very little improvement as regards new business, but deliveries against contracts are better. Best Bilbao rubio is offering at 17s. c.i.f. for delivery over a few months, and probably 16s. 6d. would be accepted for prompt cargoes. The freight Bilbao-Middlesbrough for early tonnage is lower at about 5s. Coke is slow of sale, and although producers quote 17s. delivered consumers' works for good average furnace qualities up to the end of the year, odd prompt lots can be secured at 16s. 9 $\frac{1}{2}$ d. The total number of furnaces in blast in the district is unchanged at 24.

NATIONAL PROVIDENT INSTITUTION

DISTRIBUTION OF PROFITS
DECEMBER 31st, 1930.

INTERIM BONUSES INCREASED.

48 Gracechurch Street, London, E.C.3.

Our Sheffield correspondent writes:—Conditions in semi-finished steel products have been a little brisker during the week, and it is hoped that the bottom of the depression has been reached and that the tide has definitely turned in an improved direction. The improvement is only slight at present, and it remains to be seen whether it possesses any stability. In some of the finished branches one notices some revival of confidence. The situation at the moment, however, is bad in all the principal sections, as there is no revival of export business. Depression continues in foundry and steel-making sorts. Consumers have not yet resumed buying beyond current needs. Prices of basic scrap have suffered a further slight decline. Tool makers are experiencing a moderate home demand from engineers, motor builders, and quarries. Exports are steady, but below normal. The seasonal trade in cutlery and plate is disappointing, but fortunately some substantial special contracts are on hand which provide a considerable amount of employment.

Our Glasgow correspondent writes:—There is still no increase in the amount of business being done at the iron and steel works in and around Glasgow. Manufacturers of sections and of semis are finding business exceedingly difficult at the moment, on account of the exceedingly low prices offered from the Continent, makers there evidently being willing to do business at hitherto unheard of prices in order to keep works going. We hear of joists being offered at about £4 lower than the British make, while semis are about £2 per ton below the British. The new work placed at the shipyards during the past week has been only for vessels of small tonnage. The situation at the tube works is unchanged. Export business in black and galvanised sheets remains very quiet, though the home demand is well maintained. Jobbing galvanizers are better employed than they have been for some little time past.

Our Cardiff correspondent writes:—In the tinplate trade conditions are stagnant and makers' prices are ruling at the minimum of 17s. per basis box, although some merchants are still offering supplies at slightly lower figures. There are inquiries from the Continent and South America, but it is reported that American tinplate prices have been reduced to 5 dols. per box, the lowest price at which they have been sold since 1923. Galvanised sheets are quiet and unchanged at £11 12s. 6d. per ton, while current prices for Welsh and foreign bars are unchanged at last week's figures. Imports of Belgian bars have increased considerably during the past few weeks. The price of tin is hardening, and on Tuesday was quoted on the Swansea Metal Exchange at £118 7s. 6d. to £120, compared with £109 10s. to £111 the previous week.

OTHER METALS.

TIN.—The week commenced with a dull and weaker market on realisations, but with buyers more in evidence values subsequently improved. Dealings, however, became more restricted at the higher levels, resulting in a good deal of irregularity at times, though Eastern advices were mostly on a firmer basis. The closing tone was weak on realisations. Standard cash changed hands at £115 10s., £114 12s. 6d., £119 5s. and £115 15s.; three months, £117, £116, £122 and £116 5s. In the East, sales were reported at £123 17s. 6d. to £126 12s. 6d. and £123 10s. per ton c.i.f.

COPPER.—In fair demand, chiefly forward positions, near metal being comparatively neglected, and prices marked an irregular advance, though top points were not maintained. Standard, cash, and £42 16s. 3d. to £41 15s.; three months, £42 17s. 6d., £43 15s. and £41 16s. 3d. per ton.

LEAD.—Slightly irregular, but easier on balance, and a fair business transpired. Good soft foreign pig, October, sold £15 17s. 6d. to £15 10s.; November, £15 11s. 3d. to £15 16s. 3d. and £15 10s.; December, £15 13s. 9d. to £15 16s. 3d. and £15 10s.; January, £15 10s. to £15 15s. and £15 13s. 9d. to £15 8s. 9d.; February, £15 13s. 9d. to £15 7s. 6d. per ton.

SPELTER.—Dull and easier on liberal offerings. November sold £15 2s. 6d. to £14 3s. 9d.; January, £15 12s. 6d. to £14 10s.; February, £15 11s. 3d. to £15 2s. 6d. per ton.

ALUMINIUM.—Dull. Home trade and export, £85 per ton. ANTIMONY.—Quietly steady. English regulus, £38 to £45. Chinese ditto, spot, £26 10s.; October-November, £24 5s.; Chinese crude, October-November, £14 10s. per ton c.i.f.

ANTIMONY OXIDE.—October-November, £26 10s. ton c.i.f.

ANTIMONY ORE.—60 per cent., October-November, 3s.; 50 per cent. ditto, 2s. 6d. per unit c.i.f.

WOLFRAM.—Inactive. Chinese, November-December, sellers' 18s. 9d. per unit c.i.f.

QUICKSILVER.—Steady. Spot, £21 15s. to £22 per bottle.

TIN PLATES.—Quiet. I.C. coke, prompt and forward, 17s. per box f.o.b. Swansea.

THE COTTON TRADE.

LIVERPOOL, October 22nd. Prices on the week show very little change, and though the markets have been small, the undertone has been much better. The present halt in the movement of values has had the effect of opening up the questions: Has the peak of the selling been reached, and have values reached a level at which merchants are prepared to buy? The improvement in inquiry seen three weeks ago continues and seems to be expanding, but buyers are disappointed that prices have not moved upward. Reports of the United States textile trade also indicate an improvement there, but until a further expansion in consumption and a falling-off in hedge selling takes

place, prices look like being ruled by day-to-day supply and demand. Spot sales for the week 16th to 22nd (inclusive) are 33,000 bales, of which 12,090 are American, 6,000 Brazil, 1,450 Argentine, 6,000 Peruvian, 1,850 Egyptian, 4,050 African, 900 East Indian and 660 sundries. Imports for the same period are 52,017 bales, of which 21,619 are American, 140 Brazil, 925 Argentine, 11,053 Peruvian, 10,765 Egyptian, 1,878 African, 3,871 East Indian, and 1,866 sundries. Quotations to-day are: American Middling, 5-84; Egyptian Sakel, 9-40; Uppers, 6-85; Brazil Fair, 5-82; Peru G.F. Smooth, 6-37; West African Middling, 5-87; and East African G.F., 6-82.

MANCHESTER, October 22nd.

Business in the market is slow in expanding. In view of the better feeling last week the sales during the last few days have not come up to expectations. Trade in certain quarters has been helped by the steadier rates for raw cotton. With regard to piece-goods for India the outlook has experienced a setback as a result of the renewal of the boycott in Bombay. A little more inquiry continues to come through from Calcutta, but dealers there are very slow in making definite offers. A scattered business has been done for Madras and Karachi, chiefly in light goods. Demand for China continues rather more encouraging. Although most of the transactions have been in fancies some moderate lots have been put through in white shirtings. The Near Eastern outlets have given very little support and only occasional lines have been mentioned for South America. Special makes have been received from the home trade. Rather better reports continue to be received from the home trade. Quotations in American and Egyptian yarns have been more firmly held. The sales have been of fair extent, but it is very difficult for spinners to improve margins.

Statement of the Cotton Trade.

	1930.				Corresponding Date.	
	Oct. 1.	Oct. 8.	Oct. 15.	Oct. 22.	1928.	1929.
Raw Cotton—Mid. American..... per lb.	5-70	5-56	5-75	5-87	10-65	10-13
" Sakellaridis Fully Good Fair..... per lb.	9-75	9-45	9-50	9-40	18-30	15-90
" Egyptian..... per lb.	10	9 $\frac{1}{2}$	9 $\frac{1}{2}$	9 $\frac{1}{2}$	16 $\frac{1}{2}$	15 $\frac{1}{2}$
Yarns—32's twist..... per lb.	10 $\frac{1}{2}$	10 $\frac{1}{2}$	10 $\frac{1}{2}$	10	16 $\frac{1}{2}$	15 $\frac{1}{2}$
" 40's twist..... per lb.	18	17 $\frac{1}{2}$	17 $\frac{1}{2}$	17 $\frac{1}{2}$	29	25
32-in. Printers, 116 yds., 16 by 16, 32's and 50's.....	19 5	19 0	19 0	18 9	25 6	24 9
36-in. Shirtings, 75 yds., 19 by 19, 32's and 40's.....	21 9	21 4	21 2	21 0	28 6	27 6
38-in. ditto, 38 yds., 18 by 18, 40 lb.....	12 1 $\frac{1}{2}$	11 10 $\frac{1}{2}$	11 10 $\frac{1}{2}$	11 9	15 3	15 1 $\frac{1}{2}$
38-in. ditto, 37 $\frac{1}{2}$ yds., 16 by 15, 8 $\frac{1}{2}$ lb.....	10 10 $\frac{1}{2}$	10 7 $\frac{1}{2}$	10 7 $\frac{1}{2}$	10 7 $\frac{1}{2}$	14 0	13 4 $\frac{1}{2}$

THE WOOL TRADE.

Our Bradford correspondent writes:—Cables received this week from all overseas markets indicate healthy conditions, values remaining steady for all good combing wool. It may now be said that buyers have got well into the selling season in both Australia and South Africa, and their response to the offerings is quite as good as anyone can reasonably expect in face of present trading conditions. South African wool inspected this week was splendidly grown, sound, and very light in condition. A few farmers' clips will be catalogued at the next series of London sales, and good competition may be expected, owing to the superior character of the wool. Generally speaking the outlook for merino wool is fairly encouraging. There is not likely to be any marked variation in prices during the next month or two. Certain depressing influences are seen, but requirements will have to be considered, and so long as these are maintained on the present scale, values cannot fall seriously. Crossbreds are a more doubtful proposition, and prices will have to be very reasonable to ensure a free movement of the South American and New Zealand clips. Conditions in consuming centres show no important change. Users are watching the course of values overseas, but tops do not move in harmony with what wool is realising. It is still possible to buy good average 64's for December delivery at 24d., though the raw material is not obtainable in any market on a corresponding basis. Importers will therefore be faced with a loss unless they can buy wool still more reasonably.

HIDE, LEATHER AND ALLIED TRADES.

Prices for ox and heifer hides were easier at the auctions held at Manchester on Tuesday. Business in connection with foreign hides has proceeded on fairly steady lines during the past week, and except for a slight easing here and there, values are unchanged. A fair amount of business has gone through for Frigorific hides, and Argentine ox have been sold on the basis of 6 $\frac{1}{2}$ d., light ox at 6 $\frac{1}{2}$ d., and M.V. ox at 6 $\frac{1}{2}$ d. On account of the cheapness of some sorts of dry River Plate hides, quite a respectable number of sales were made at one time, but with a stronger tone now in evidence business is inclined to fall off. B.A. Americanos were at one time to be had at 7 $\frac{1}{2}$ d., but sellers are now asking 7 $\frac{1}{2}$ d. for these. Dry Capes have found buyers at 7 $\frac{1}{2}$ d. and 6 $\frac{1}{2}$ d. for firsts and seconds, while dry-salted in the same selections have realised 7d. and 6d. for 20-30 lbs. With the slightly lower tendency of prices for Australian hides rather more activity has been experienced. A better feeling is noticeable in the market for sole leather, and although orders are confined to relatively small parcels, a fairly

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steady trade has transpired during the past week. The repairing section of the trade has been responsible for some very good clearances of both English and wet-salted bends in the medium to heavy weights, and here business has been quite strong. Lighter averages have also come in for attention, but not to the same extent as those previously mentioned. Dry hide bends have changed hands in moderate quantities on manufacturing account, in addition to which there has been inquiry for suitable lines which it is hoped will ultimately result in actual sales. The outlook for upper leathers is also brighter, and for some lines there is a tendency for values to show a slight firming up.

OVERSEAS PRODUCE.

SUGAR.—There was a much larger movement on actual trade account, and spot parcels raised by 3d. per cwt. Undertone continues firm, and the chief feature just now is dearth of offers, not only from cane-producing countries, but also from Europe. Sellers naturally prefer to hold aloof pending developments of the Chadbourne-Cuban pact. Raw sugars dearer, but generally quiet. Terminal sections firmer, and sellers adopt reserved measures in face of sustained support. Raws, December, sold 5s. 4d. to 5s. 7 $\frac{1}{2}$ d.; March, 6s. 7d. to 6s. 8 $\frac{1}{2}$ d.; May, 6s. 9 $\frac{1}{2}$ d. to 6s. 11 $\frac{1}{2}$ d.; August, 7s. 1 $\frac{1}{2}$ d. to 7s. 2 $\frac{1}{2}$ d. per cwt. Cuban receipts last week cabled 22,435 tons, against 24,759 last year; exports, 72,837, against 54,195; stocks, 1,038,255, against 408,579. Estimated stocks on plantations and in course of transit to ports, 1,216,000 as compared with 451,242 same time last year. Stocks of raw sugar in the three chief ports of the United Kingdom for week ending October 18th totalled 117,838 tons, against 154,047 last year.

COFFEE.—This market has shown certain irregularity. The chief feature has been the attention given to all the finer qualities. Only reserved offers made from Brazil at very high prices. Kenya varieties continue to enjoy quite a good market.

COCOA.—In spite of a firm market forward at certain periods, with the usual speculative uncertainty attaching to it, movement in spot parcels was confined to very moderate limits. Forward positions, after being driven upward, suffered a relapse. Accra F/F, November-January, London contract, quoted 27s. 6d. f.o.b.; G/F, November-January, to Continent, held for 31s. at one period but later business effected at 30s. c.i.f. Terminal, October, sold 31s.; December, 30s. 3d. to 29s. 9d.; January, 30s. 4 $\frac{1}{2}$ d. to 29s. 9d.; March, 30s. 6d. to 30s.; May, 31s.-30s. 6d.; July, 31s. 3d., 31s. 6d. and 31s.

TEA.—During the week, 57,365 packages Indian were submitted to auction. These passed with quite a good tone, and prices on balance disclosed no material change. Clean common and all useful liquoring teas in fair request at a steady range of prices. Ceylon auctions of 19,770 packages came in for good support at prices showing no essential change. Any irregularity was due to variation in quality. Java and Sumatra sales met with competition and a generally steady market resulted.

RICE.—Quiet and featureless regarding Eastern grain, but Spanish firmly held. Rangoon two stars, spot, London, 12s. 3d.; January-February, new crop, 9s. 6d.

BEANS AND PEAS.—Beans dull. Madagascar butters, October-November, 25s. 3d.; new, October-December, 23s. 6d. Peas quiet. Japanese green, afloat, 16s.; October-November, 13s. 4 $\frac{1}{2}$ d.; December-January, 13s. 4 $\frac{1}{2}$ d.

POTATOES.—Supplies have been in excess of demand, which resulted in a depressed market.

SPICE.—Pepper quiet and barely steady. Lampong black, August-October, also October-December, quoted 7d.; white Muntok, August-October, 10 $\frac{1}{2}$ d.; October-December, 10 $\frac{1}{2}$ d. Zanzibar cloves, spot, 1s. 5d.; October-December, 1s. 1 $\frac{1}{2}$ d. London stocks of black, reduced 37 tons on the week at 608, against 1,329 same time last year; white 40 tons down at 213, against 1,039. Pimento, spot, 7d. lb.; October, 51s. cwt. c.i.f. Tapioca steady.

FRUIT. (Dried).—Currants: Market steady with fair inquiries. Gulf, 37s.-43s.; Patras, 34s.-35s.; sun-dried, 40s.-42s. Raisins dull. Figs quiet. Evaporated fruits: Market steady with a fair trade passing. Californian peaches, 40s.-47s. 6d.; South African, 32s. 6d.-40s.

CANNED GOODS.—Fruit: The market generally displayed quiet features. Fish: Sardines steady but trade quiet. Meat: Market generally steady, but business proceeded on quiet lines. Condensed milk and milk powders: Market dull. Quotations: Dutch condensed milk, full cream, sweetened, 5-cwt. casks, 33s. 6d.; machine-skimmed ditto, 21s. 6d.; full cream, sweetened, 56-lb. drums, 52s. 6d. English condensed milk, full cream, sweetened, 5-cwt. casks, 37s. 6d.; machine-skimmed ditto, 22s. 3d. Honey: Market quiet and values weak. Jamaica white, 40s.-45s.

MEAT.—According to the Smithfield Market official report, supplies of meat during last week amounted to 8,994 tons, as

day-to-day loans. A certain number of bills remitted from the Continent came to hand, and $2\frac{1}{8}$ per cent. was charged for these. The ruling market rates were 2 per cent. for short bills, $2\frac{3}{4}$ per cent. for three months' bills and $2\frac{1}{2}$ per cent. for four and six months' maturities. Little or no demand for bills on Continental account was in evidence.

* * *

Rumours of an impending reduction in Bank rate to $2\frac{1}{2}$ per cent. have again been heard, and the fact that discount rates have for some time now been adjusted to a $2\frac{1}{2}$ per cent., Bank rate has been brought forward as supporting evidence. On the whole, there seems to be little justification for the suggested reduction, unless indeed it is required to facilitate a conversion operation. Even if Bank rate were lowered, it is highly unlikely that the clearing banks would reduce their current minimum rate of 2 per cent. for loans to the market, for already it is too low to leave any margin of profit over the rates paid by the banks on a large proportion of their deposits. Nor would a reduction in Bank rate bring any relief to industrial and commercial borrowers, for the rate usually charged by the banks on their advances to customers has also been for a long time at its minimum of 5 per cent. Thus a $2\frac{1}{2}$ per cent. Bank rate would be of no use either to the country's trade or to the money market. In fact, if its effect were to drive market discount rates down still further, it would add to the difficulties of bill-brokers and might divert foreign balances from London to the detriment of the country's financial activities and the Bank of England's gold stocks.

	Oct. 9, 1930.	Oct. 16, 1930.	Oct. 23, 1930.	Oct. 30, 1930.	Previous Rate and Date Changed.
Bank Rate	3	3	3	3	$3\frac{1}{2}$ (May 1, '30)
Banks' Deposit Rate	1	1	1	1	$1\frac{1}{2}$ (May 1, '30)
Discount (Call)	1	1	1	1	$1\frac{1}{2}$ (May 1, '30)
Houses (Notice)	$1\frac{1}{2}$	$1\frac{1}{2}$	$1\frac{1}{2}$	$1\frac{1}{2}$	$1\frac{1}{2}$ (May 1, '30)
Market rate (3 months' bills)	$2\frac{3}{4}$	$2\frac{3}{4}$	$2\frac{3}{4}$	$2\frac{3}{4}$	...

The main change in the Bank return is a contraction of £6,962,544 in public deposits. It will be recalled that last week this item rose by over 15 millions as a result of heavy payments for Treasury bills early in the week. Conversely, this week's reduction is due to maturities which occurred late last week, and so possesses little significance. It is noticeable, however, that this week's return shows heavy reductions in the Bank's earning assets, and also—as a result of an expansion in the note circulation—a slight contraction in the reserve. Hence, notwithstanding the big reduction in public deposits, bankers' deposits are only £902,795 higher than they were a week ago.

* * *

It is now suggested that an appreciable proportion of the recent Treasury Bond issue was taken on behalf of a special quarter, where it has gone to replace Treasury bills. If this view is correct, it may be anticipated that when the final call on the Treasury Bonds falls due a large number of Treasury bills will be released early next year in order to permit of the payment of the call. In any case, as this payment will presumably coincide fairly closely with the redemption of the 4 per cent. (tax compounded) War Loan, some big movements of funds must be expected at that date.

* * *

France has again taken the bulk of the week's supply of Cape gold, the price paid being 85s. 0½d. On Monday she also took a small amount from the Bank of England, but this represented a transaction arranged for and covered some time ago. Against this, the Bank received during the week £1,000,000 in sovereigns from Australia, and further shipments are expected from that quarter. It is also believed that £3,000,000 of gold will shortly be sent to London from Spain.

NEW YORK.

Money has remained extremely easy, and while the official call rate still stands at 2 per cent., an "outside"

rate of 1 per cent. was quoted early this week. Recent gold movements include shipments amounting to \$6,000,000 to Canada, and arrivals of \$2,500,000 from Japan and \$15,000,000 from Brazil. This last sum is believed to represent a portion of a payment for munitions made by the Federal Government. This obviously raises several interesting questions which may have to be resolved.

THE STOCK MARKETS.

The Stock Markets failed to maintain last week's improved tendency, business becoming more restricted and professional, and prices undergoing a small decline. The chief exception was the gilt-edged market, where a large business was done at advancing quotations, with War Loan Conversion much in the air. Australians were depressed after the New South Wales elections, but Brazilians were marked up on the fall of the Washington Lias administration. Industrial shares were irregular, with little outside support. Rubber improved on the firmness of the commodity, and copper shares on the reported willingness of Union Minière to consider "co-operation" measures with other producers. Oil shares, however, were affected by further cuts in American crude oil prices, and business in gold-mines was on a restricted scale.

THE COMMODITY MARKETS.

No improvement has become noticeable in the situation of the coal trade. Continental competition in semi-manufactured materials is being increasingly felt in the iron and steel industries. The sharp rise in the price of raw cotton has stimulated demand, and business in manufactured goods has increased. Activity in the wool trade, although on a low level, has been maintained. The jute industry continues depressed. Demand for hides has not shown any signs of improvement, but the turnover in leather is still satisfactory. Wheat prices show a slight decline on the week.

THE FOREIGN EXCHANGES.

Business was rather dull this week, and several currencies were inclined to be irregular, though only moving within narrow limits. Sterling weakened against the dollar by $\frac{3}{4}$ to 4.85½. Montreal was $\frac{1}{2}$ better at 4.85½. Paris gained a point at 123.82. Brussels was rather firmer at 34.85½, and Milan gained two points at 92.80. The peseta was better than it has been for some time past, and hardened to 43.40, on the prospect of stabilisation being seriously taken in hand. Amsterdam, after some variation within narrow limits, was unchanged at 12.06½. Berlin touched 20.38½ at one time as a result of a demand for reichsmarks for the end of the month, but subsequently reacted to 20.30. Switzerland was rather weaker at 25.02½. With the exception of Rio, the South American currencies were again rather uncertain, Buenos Aires losing ½d. at 38½d., as did Montevideo at 38½. Rio, however, ceased to be quoted at a nominal rate, and now stands at 4½d. In the Far East, the rupee lost ½d. at 1s. 5½d., and the yen was unchanged at 2s. 0½d. Batavia lost ½ at 12.07. In the forward market, dollars were at par to $\frac{1}{2}$ cent discount for both deliveries. Paris was rather less in demand at lowered premiums of 1 and 3 centimes. Milan was rather firmer at 12 and 34 centesimi discount, but Madrid improved to 4 and 7 centimos premium against 1 and 2 centimos premium last week. Amsterdam was less wanted at $\frac{1}{2}$ and $\frac{1}{2}$ cent premium, but Berlin was firmer at discounts of $\frac{1}{2}$ and 10 pfennigs. The silver market was dull, though with a steady undertone. Prices advanced by ½d. to 16½d. for both deliveries. The Chinese silver exchange were seriously affected, Hong Kong remaining unmoved at 1s. 3½d., while Shanghai gained ½d. at 1s. 7½d.

RUSSIAN SUPPLEMENT.

We publish as a Supplement to this issue of the "Economist" an account of certain aspects of contemporary conditions in the U.S.S.R., contributed by a Special Correspondent who visited Russia this summer. Our comments on the picture he presents will be found in a leading article.

A LOST OPPORTUNITY.

THE King's Speech and the elucidation of it by the Prime Minister has caused general disappointment in the country at large as well as in all three parties. The actual legislative programme conforms to the forecast which we gave last week. It contains no surprises. So far as the business for the next few months is concerned it is mainly uncontroversial. We do not complain. But we do complain, sorrowfully and grievously, that neither in the Speech from the Throne nor in Mr MacDonald's statement of policy is there any sign whatever that the Government is facing up to a national emergency with courage, determination or imagination; nor is there one word to suggest that any lead will be given calculated to restore that confidence in the outlook without which enterprise will remain dormant and adequate preparation to seize the earliest opportunities of ultimately reviving trade will lag and languish. In spite of Mr Snowden's half-promises in his speech in the City last week, there is no mention of public economy. Indeed, although the apprehensions of trade and industry are so largely centred upon the next Budget, reference to any aspect of the present difficult position of national finance is very conspicuous by its absence. Although the leaders of all parties have declared that the unemployment insurance system must be overhauled, although everyone knows that the problem brooks no delay, and although a three-party committee has been examining the ways and means, the task of revision is relegated to the tortuous process of a Royal Commission. It is common ground that there are several wild bulls at large. Mr MacDonald refuses to take them by the horns or even to erect a fence to keep them within bounds.

In making this criticism we are by no means unmindful of the difficulties of Mr MacDonald's position. With the Imperial Conference sitting and the Indian Round-Table Conference pending, a change of Government, with all its attendant upset and confusion, would be definitely undesirable in the national and Imperial interest. Politically, too, he is obviously astute in adopting the policy of "hanging on" in the hope that the trade depression will begin to lift before any necessity arises for a challenge to Parliament or an appeal to the country. He is, therefore, perfectly justified in playing for safety and postponing as much as possible of controversial business, at least until the Conferences are over. But that does not excuse the failure of the Government to face the big problems of the day. Take the case of unemployment. The country looked for a practical statement to show that, in so far as workers can be absorbed by works of national advantage, such works would be expedited vigorously. This was the least that might have been expected to emerge from the Mosley Memorandum, the translation of Mr Thomas, the Prime Minister's conference with local authorities, and the Ministerial consultations with Mr Lloyd George. But in place of such assurance Mr MacDonald merely gave the House a laboured argument on the comparative weight of unemployment in this and other countries. Unemployment is not relieved or checked by the gentle art of statistical comparison. The handling of the Insurance Fund problem was equally unsatisfactory. Until the facts are made public it would be unreasonable to attribute the failure of the three-party conference to one party rather than to another. But to submit the problem to further and prolonged inquiry is to misjudge its urgency and can only be excused on the humiliating ground that politicians are so tied by party and electoral considerations that they cannot rise to the height of a national responsibility. Mr MacDonald, while practically admitting that the present system is a sieve through which public money is flowing, contented himself with saying that it is the fault of the Acts and not of the beneficiaries. Agreed: but that is

no consolation, nor does it mend the defects of the system. Public money is running away. What does the Government promise to do to stop the leakage? It appoints a Royal Commission, and proceeds meanwhile to ask the House for £20 millions more for the Insurance Fund—descending a little further, as Mr Baldwin put it, "into a bottomless pit of borrowing."

So Parliament starts on its second lap. It is to be asked to, and doubtless will, raise the school-leaving age, ratify the Washington Hours Convention, and pass a Bill for the valuation of land. It is to discuss legislation embodying the agricultural proposals roughly outlined by Mr Snowden at the close of last session. Later on (but in this matter the Government, quite intelligibly, is in no hurry) it is to tackle the vexed question of the Trades Disputes Act, whose amendment was referred to light-heartedly by the Prime Minister as a measure "to increase the chances of industrial peace." Then there is another item, which caused temporary surprise when it appeared in the programme, namely, a measure of electoral reform. The public naturally jumped to the conclusion that Mr MacDonald was preparing to make his position doubly secure by offering to the Liberals an olive-branch in the shape of a reformed electoral method. But when Mr MacDonald referred, again with levity, to this measure as a Bill "to deal with the escapades of parties who are too wealthy to observe the law with strict accuracy," it became clear that the Cabinet is confining its attention to a few reforms regarded as desirable in the party interest. A petty party measure has been substituted for a reform the need for which is generally recognised in the interests of justice and the good working of our institutions. This incident was a foolish jest, the effect of which was to destroy at a breath much of goodwill of the Government's Liberal friends.

In troublous times like this Mr MacDonald's performance can only be described as pitiful; and it is even more pitiful to reflect that, while the Government will not face the facts of national emergency or give a lead, that Government is secure in office in spite of its shortcomings, because the Opposition is rent by internecine strife and is equally bankrupt in constructive policy. Like Britain, Germany is facing an economic crisis. Dr Brüning, under circumstances of far greater difficulty than those which confront Mr MacDonald, has proclaimed a drastic policy framed in a spirit of bold imagination. A comparison of the performance of the two Cabinets is not conducive to British pride or complacency. Mr MacDonald has missed a great opportunity. He could have come to the House of Commons and said: "A national economic crisis exists. The Government cannot remove the causes, but it can and will face its implications. I am setting up immediately a new 'Geddes Axe' Committee. To them will be submitted the material and the conclusions of the three-party committee on unemployment insurance, and it will be their task to review the whole field of public expenditure and indicate to the Government how to cut its coat according to its available cloth. It is by private individual effort and sacrifice that the country can alone win through to salvation. But the Government will give a lead and set an example." Had the Prime Minister taken that line, he would, so far from jeopardising his Government's position, have won for himself and his Cabinet the respect and support of the country, and he would have put new heart into the whole business world. What an opportunity—lost. Instead, Mr MacDonald has preferred the rôle of a Nero fiddling to the economic flames, of a Canute stemming the tide of unemployment with statistics. Procrastination is the thief of more than time; it is, as the country will progressively learn, the thief of the nation's wealth and the nation's opportunity of early economic recovery.

POLICY IN PALESTINE.

THE statement of policy by His Majesty's Government in the United Kingdom, which was issued last week,* is by far the most precise and concrete exposition of its views and intentions in regard to Palestine which the British Government has yet published, under any administration, since the fortunes of war first made us responsible for the destinies of Palestine some thirteen or fourteen years ago. The present statement takes up and confirms that which was issued, under a coalition administration, in 1922; but it covers a great deal of ground which the earlier statement left alone. This wider range is inevitable and right, in view of what has happened in Palestine during the intervening eight years and especially during 1929. The unhappy outbreak of last September revealed in a flash that the admittedly delicate and difficult task of administering this mandate was not going well; and since then the situation has been thoroughly examined by special investigators on the spot and by the Government at Westminster.

The report of the Shaw Commission on the immediate causes of the outbreak, and on what should be done to prevent its recurrence, was published last April. And since the Shaw Report made it clear that, if we seek remedies and not mere palliatives for what is amiss, we must go behind the immediate causes of the recent outbreak to the deeper causes of the whole trouble, the Government proceeded to commission a distinguished and experienced Indian Civil Servant, Sir John Hope Simpson, to report upon the fundamental problems of immigration, land settlement and development. Sir John Hope Simpson's Report†, for which Mr MacDonald's Government waited before they made their present statement of policy, was published last week simultaneously. In view of all this, it has fallen to the present Ministry to commit His Majesty's Government to a policy in regard to Palestine which touches the interests of both the Jewish and the Arab community to the quick and raises all the controversial issues. Whatever Ministry might have happened to be in office at this moment, they would have been compelled to commit themselves, and therewith His Majesty's Government which they embody, to the same extent at this juncture. If the Ministry of the day had published a non-committal statement now, they would have been criticised (and with justice) every bit as severely as they are being criticised, as it is, for the definite policy which they have put forth. Indeed, they were criticised for being non-committal in the spring, when they published an interim statement pending the receipt of Sir John Hope Simpson's report.

The whole of the Government's present statement can be summed up as a sustained attempt to give practical application—in the circumstances as ascertained to-day—to two principles: first, that the obligations laid down by the mandate in regard to the two sections of the population are of equal weight; and, second, that the two obligations imposed on the mandatory are in no sense irreconcilable. These were the terms in which the Permanent Mandates Commission of the League of Nations summed up last June what it understood to be the British Government's attitude. The Commission has declared that, in its own view, these terms accurately express what it conceives to be the essence of the Mandate for Palestine. In its statement the British Government accepts the Permanent Mandates Commission's formulation of British policy, and the White Paper represents a systematic effort to draw the consequences which follow from these two propositions taken together. It is not fair to a State paper of this kind to give a précis of it. Every sentence counts, and whoever wishes to pass judgment upon it must do it on the justice of reading it in the original. We will confine ourselves here to noticing the various pieces of definite action which the Government announce their intention to take.

In regard to agricultural development, they submit that a more methodical agricultural development of the whole country is called for; that there must be a single authority in charge of this development; that this

authority must be the Palestine Administration; and that, while the development is being carried out, the control of all disposition of land must rest with the Administration acting in this capacity. With this preamble, the Government announce that, from now onwards, transfers of land in Palestine will be permitted only in so far as they do not interfere with the Administration's plans.

In regard to immigration, they submit that, in estimating the absorptive capacity of Palestine at any time, account must be taken of Arab as well as Jewish unemployment in determining the rate at which immigration should be permitted. They declare their intention of taking steps to ensure a more exact application of these principles in the future; and in this connection they declare that they regard as fully justified their suspension of immigration under the labour schedule last May.

In regard to security, they announce the size and composition of the force which they intend to retain in the mandated territory for the present and they declare that in this matter they propose to accept the guidance of their expert advisers without regard to any political considerations.

In regard to constitutional development, they submit that the establishment of a measure of self-government in Palestine ought to be taken in hand without further delay, and they announce their intention to set up a Legislative Council on the lines indicated in the statement of 1922. Since the application of the scheme was frustrated, on that occasion, by the non-co-operation of the Arabs, they propose to reintroduce the scheme in a form in which it will not be possible for non-co-operation tactics to wreck it.

These are the principal pieces of action which the Government is proposing to take. The remainder of the statement is an exposition of the lines of thought along which these decisions have been reached in the light of the facts—particularly those facts that have been brought to light by Sir John Hope Simpson. The statement has immediately evoked strong public protests not only in Zionist circles but from some of the leading statesmen of the British Commonwealth of Nations. The joint letter from Mr Baldwin, Sir Austen Chamberlain and Mr Amery, which was published in the *Times* on October 23rd, Mr Lloyd George's speech at Cowbridge on the 25th, General Smuts's cablegram to Mr MacDonald, which was published, with Mr MacDonald's reply, and General Smuts's acknowledgment, on the 27th—all these expressions of opinion that the Government's statement amounts to a repudiation of the Balfour Declaration, as embodied in the mandate, are as impressive as they are grave. So far as it goes, however, this opinion is negative and needs to be supplemented by a statement as definite as that of Lord Passfield as to what is the specific policy of settlement which these statesmen would regard as implemented or undertaken in the light of the facts as they have been ascertained to-day. The Prime Minister claims that "what has to be done is in the spirit of the mandate and sticking strictly to the letter of the mandate, to straighten out the differences between the contradictory parts of certain declarations." It is incumbent on those who criticise the Government's interpretation to show that there is an alternative practical policy which is consistent with all of our undertakings. In the meantime all that we can do is to call attention to one or two of the facts which Sir John Hope Simpson has brought to light for the first time.

Sir John Hope Simpson has ascertained "quite definitely" that there is at the present time, and with the present methods of Arab cultivation, no margin of land available for agricultural settlement by new immigrants with the exception of such undeveloped land as the various Jewish Agencies hold in reserve. While an area of at least 130 "dunums" is required in order to maintain an Arab peasant family in a decent standard of life in the unirrigated tracts, the whole of the cultivable land not already in the hands of the Jews would not afford an average lot in excess of 90 "dunums," were it divided among the existing Arab cultivators. The Arab population has increased with great rapidity, and the land available for its sustenance has meanwhile decreased by about a million metric "dunums" (that is, 60 or 70 per cent.

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of the total cultivable area of Palestine, excluding the semi-arid Beersheba district) which have passed into the hands of the Jews. The terms on which the Zionist (though not the pre-Zionist Jewish) Organisation purchases and leases its land debar the Arabs in perpetuity not only from owning any of this land but from being employed on it by Jewish owners. If land development is undertaken in accordance with a definite plan, there will unquestionably be sufficient land both for Arabs and for additional Jewish settlement. The results desired will not be obtained except by years of work but, since the Jewish organisations are in possession of a large reserve of land not yet settled or developed, their operations can continue without a break while the general scheme of development is being worked out and brought into operation. With thorough development there will eventually be room, in Sir John Hope Simpson's belief, not only for all the present agricultural population on a higher standard of life than it at present enjoys, but for not less than 20,000 families of settlers from outside.

This last estimate is perhaps the most interesting thing in the whole Report, since it gives us a glimpse of what the final result will be if we accept the political postulate that the obligations laid down by the mandate in regard to the two sections of the population are of equal weight, and the economic postulate that the sole way in which these obligations can be reconciled is by the intensive agricultural development of the whole of rural Palestine. If the mandate were interpreted in that way, and settlement carried out accordingly, the census figures of 1922 indicate that we should eventually have a Palestinian population of something between a million and twelve hundred thousand souls, of whom about 85 per cent. would be Arab Muslims, 10 per cent. Arab Christians, and 25 per cent. Jews. Is this a reasonable conclusion of the whole matter? According to the terms of the mandate, none of these communities would have lesser or greater rights in the country than any other. Would these communities be willing or able to co-operate in governing their common national home for themselves when the mandate terminates? The term at which the mandate must give place to full self-government is set already by the political environment. Of Palestine's neighbours, the Najda-Hijaz is fully self-governing to-day; Egypt and Iraq will be fully self-governing to-morrow, and Transjordan, Syria and the Lebanon the day after. It will require the highest qualities of statesmanship to fit Palestine, with its dual character, into this setting of self-governing Arab states.

MINOR DISCOUNT MARKETS.

ONE of the most interesting features in post-War banking developments has been the popularisation of bankers' acceptances in minor financial centres. Before the War, this was considered an essentially British business, and London was practically the only discount market in the true sense of the term. Even Paris, which was the second important international financial centre of the world, had no discount market proper; its banks discounted the bills

—mostly domestic bills—of their own customers, and either held them until maturity or had them rediscounted by the Bank of France. A discount market in the sense of buying and selling bills did not exist; and this was equally true of other pre-War financial centres. Since the War, however, several financial centres—some of them merely of secondary importance—have attempted to imitate London in introducing bankers' acceptances and in developing an open market in them. Their banks have realised the advantages of the facilities provided by prime bills both as means of granting credit and as means of liquid investment; and the decline of discount rates during the last twelve months and the keen demand for good-class short-term investments provoked by the world-wide depression have favoured this tendency.

The development of the New York and Paris discount markets is a matter of common knowledge; and in our issues of October 4th and 18th we gave an account of the development of the Dutch and Swiss discount markets. Apart from these markets, the only lending centre is Stockholm, which has played an active part in international financial operations during the last few years, in association with Amsterdam and Switzerland. These three markets have participated in a large number of loans issued in London or New York, and have even undertaken to issue a number of small loans independently from any of the leading financial centres. Stockholm has undoubtedly succeeded in establishing itself as the banking centre of Northern Europe.

It would be a mistake, however, to take it for granted that Stockholm, like Amsterdam and Switzerland, has also developed a discount market in the same sense as those centres. There was no need for such a departure in the case of Stockholm. While the influx of foreign capital in Holland and Switzerland has made it necessary to provide extensive facilities for short-term investment, in the case of Sweden the influx was comparatively moderate and was mostly diverted to good-class industrial securities. It would be easy for the leading Swedish banks to adopt the practice of granting acceptance credits to their own nationals or to their customers in other Scandinavian States and in the Baltic States. Stockholm is the natural centre for these countries, and they make extensive use of its facilities. The Swedish banks have not, however, shown so far much inclination for following the fashion in attempting to develop a krona acceptance market in Stockholm. They follow the pre-War practice of discounting the bills of their customers, and they arrange for them acceptance credits in London, and to a less extent in other markets. As they enjoy a first-rate reputation abroad they are in a position to arrange acceptance credits on the basis of the minimum commission of $\frac{1}{2}$ per cent. for three months, which makes it possible for them to accommodate their customers at reasonable rates. It would be premature to say that the present situation is a definite one; but every party concerned is apparently satisfied with it, and it seems probable that the Stockholm discount market will remain within its present modest limits.

In Germany, the advantages of bankers' acceptances have always been appreciated and have been made use

of to an exceptionally great extent. In spite of this, no active discount market has been created either before or after the War in Berlin. This is due mainly to the fact that German banks were, and still are, in a position to meet the requirements of their customers in this respect at a much lower cost in foreign centres. Before the War, the London branches of German banks granted acceptance credits on a very large scale; their acceptances had a good market, and, notwithstanding the fact that they were not eligible for rediscount, their rates were only slightly above prime rates. After the War, part of this business was transferred to the Dutch subsidiaries of German banks, a change which contributed to a greater extent than any other factor towards the development of the Amsterdam discount market. London is still extensively used, however, for obtaining acceptance credits. Thanks to the reduction of the commission charged on credits arranged under the guarantee of first-class foreign banks, it has become in many cases cheaper for German business firms to arrange acceptance credits in London through the intermediary of their banks rather than directly with the London acceptance houses. Facilities offered by New York are also extensively drawn upon, and, since the development of Paris as a discount market, German banks have availed themselves also of French acceptance credits to a great extent.

In spite of their ample facilities abroad, the leading Berlin banks are none the less anxious to develop a discount market of their own. To a great extent, they grant acceptance credits for financing domestic transactions. For example, some time ago the Prussian State Bank (Seehandlung) announced its intention of making a new departure by granting acceptance credits to the enterprises controlled by the Prussian Government. The bills thus created were not of the same self-liquidating nature as those issued in accordance with the rule applied in London, i.e., that acceptance credits should be granted exclusively for financing goods in transit between two countries. In fact, the bills have never reached the Berlin market, as the Seehandlung has itself discounted them. The idea is presumably to popularise the habit of using acceptance credits, as the preliminary step to the creation of a really active acceptance market.

Bankers' acceptances have been introduced in the Vienna market mainly in pursuance of the aim of making Vienna the banking centre of the Succession States of the Austrian-Hungarian monarchy and of the Balkans. The new instrument of credit has soon become a popular kind of investment, and its market rate has declined about $\frac{1}{2}$ per cent. below the bank rate. There can be no question, however, of an active discount market in Vienna, any more than in Berlin. So long as a market is mainly borrower rather than lender it is not in a position to develop a proper bill market.

The Italian authorities have also endeavoured to create a discount market by means of encouraging the use of export bills. To that end the stamp duty on export bills has been reduced, and the Bank of Italy has provided special rediscount facilities for such bills. The main reason of the efforts to create a discount market is to provide a channel through which foreign short-term funds could penetrate into the country. As it is, the contact of foreign banks with the Italian market is negligible; in spite of the comparatively high rates of interest, the leading Italian banks do not receive foreign bank deposits on a large scale. The authorities hope that an active discount market would attract a certain amount of interest in foreign banking centres. It would be premature to form a judgment as to the success of the experiment.

It is difficult to see how it will be possible to create and maintain about half a dozen active discount markets on the Continent. The preliminary condition of a good market is a large and steady turnover; and while leading centres transact a sufficiently large volume of business to maintain an adequate turnover, it is doubtful if centres of a secondary importance will be able, in the long run, to maintain a steady supply and a regular demand. If dealings in bills are few and far between, and rates are a matter of individual negotiations, it is as well if banks revert to the old practice of discounting bills of their own customers. It is true that, by means of creating fine

bank bills, the secondary centres may possibly attract foreign funds—and especially the funds of the Bank for International Settlements. If, however, the market were not a good one, the rates at which foreign banking interests were willing to acquire bills would have to be unusually high so as to allow for the margin between buying and selling rates. Fewer and better discount markets are decidedly more desirable for every party concerned.

THE GAS INDUSTRY.

(BY A CORRESPONDENT.)

For years the gas industry has worked under a grievance. It is felt that the industry has long since outgrown the legal forms and limitations to which it was restricted in the period of adolescence, and that such restrictions are no longer in conformity with modern requirements. The first public gas undertaking came into existence in the year 1810. In those days gas was considered solely as an illuminant. To-day it is regarded rather as a source of heat and power. Again, in the early days of the industry little attention was paid to the production and disposal of residuals. To-day the production and disposal of residuals forms an important department of the business of gas undertakings, in which the undertakers enter into competition with other producers who are not subject to statutory restrictions. Moreover, gas no longer occupies the monopoly position which it enjoyed in its early days, and to-day the industry is confronted with the active competition of electricity. Yet it is a remarkable fact that, after more than a hundred years' growth, the gas industry is still rapidly expanding. In each year since 1921 for which statistics are available, the output of gas and residuals by authorised undertakings has shown a substantial increase; and—a fact which is even more striking—gas sales to each class of consumers have during the same period registered a substantial yearly increase. This is shown in the following table:—

QUANTITY OF GAS SOLD.					
	To Pre-payment Consumers.	To Ordinary Consumers, &c.	For Public Lamps.	Total Sold.	Total Number of Consumers.
1920 ...	77,911,168	150,562,911	6,928,745	235,403	7,448,685
1921 ...	80,285,658	141,768,032	7,023,422	229,077	7,559,310
1922 ...	78,224,063	146,174,788	8,203,938	232,603	7,672,146
1923 ...	82,404,187	150,256,712	8,965,704	241,627	7,810,350
1924 ...	88,539,752	158,748,918	9,603,252	256,892	7,993,876
1925 ...	92,747,287	163,059,081	9,950,985	265,757	8,200,455
1926 ...	99,301,381	168,104,527	9,162,739	276,569	8,404,561
1927 ...	99,520,075	170,754,134	9,927,353	280,202	8,686,339
1928 ...	102,235,541	169,694,121	10,499,429	282,430	8,901,271
1929 ...	106,338,830	175,468,476	10,790,634	292,598	9,137,581

It is evident that the gas industry, by a policy of energetic salesmanship and enterprising resources in devising new modes of utilising its product has succeeded in holding its own.

Notwithstanding these fundamental changes which have taken place in the economic conditions of the industry, little has been done until recently to bring the legislation under which the industry is regulated into line with modern requirements. The principal enactments under which gas undertakings have been constituted are the Gas Works Clauses Acts, passed in the years 1847 and 1871. The Clauses Acts reflect the view which Parliament entertained of the industry at the time when they were passed, namely, that gas undertakings, seeking monopoly rights, must, as a condition of the grant of such rights submit to special restrictions designed to safeguard their consumers, and to confine their operations strictly to the purposes for which they had been granted incorporation. The result has been that at the present time gas undertakings still find themselves severely hampered so far as their legal status is concerned in their relations with their consumers as well as with one another. Under the Clauses Acts, Parliamentary sanction was required before additional capital could be raised, restrictions were placed upon the formation of reserve funds and the distribution of profits, and dividends were regulated either by a sliding scale by which they were linked up to the price of gas charged to consumers, so that the rate of dividend

advanced as the price of gas was reduced, or by a system of fixed maxima for prices and dividends. Charges were made to depend upon the illuminating quality of gas supplied, and the methods of charge which were established disregarded calorific value.

The industry was carried on under these conditions until, with the coming of the War, the demands of the munitions industry for benzol and tituol induced the Government of the day to take measures to encourage the production of residuals, with disastrous consequences for the shareholders. Accordingly, after the War, the Gas Regulation Act, 1920, a measure of post-war reconstruction, was introduced with the object of remedying this state of affairs and reviving confidence in the industry. For the system of charge by cubic feet of gas supplied there was substituted the thermal system, under which the basis of charge depends upon the heating value of the gas rather than the bulk; and coupled with this system were revised arrangements for testing gas by public gas examiners.

Unfortunately, the Gas Regulation Act, 1920, failed to carry out effectively the objects which it was designed to achieve. The application of the thermal system of charge to any individual undertaking was made dependent upon an application being made to the Board of Trade by the undertakers concerned. Although the Board of Trade had power to make an order for the thermal system to be adopted by any undertaking which made no application within two years of the passing of the Act, some undertakings still retained the old system of charge. Moreover, the provisions for authorising the reorganisation of undertakings and for raising additional capital were subject to the expensive and cumbrous procedure by Special Order, requiring subsequent confirmation by Parliament.

Accordingly an attempt was made in the Gas Undertakings Act, 1929, to remedy some of the shortcomings of the Act of 1920, but while that Act provided a comparatively expeditious mode of raising additional capital and standardised the system of charge amongst the larger undertakings, it has left untouched many features in the existing structure of the industry which seem likely to prevent the industry from making any general appeal to the investing public. The Special Order procedure for effecting amalgamations and workings arrangements between undertakers is not modified, and no additional facilities have been afforded for co-operative working between undertakers. Moreover, nothing has been done to enable undertakers to adopt more modern and effective methods of salesmanship in marketing their product. The National Gas Council has pressed for powers to adopt the "two-parts" or "three-parts" system of charge, by which a consumer may be charged a fixed charge in respect of standing charges incurred by the undertaker in connection with his installation, the remainder of the charge being in respect of the actual quantities of gas consumed. Such methods of charge have been adopted with success in the electric supply industry and in the telephone service; but the gas industry is still restricted to the flat-rate method of charge established by existing legislation.

Furthermore, in the opinion of the National Gas Council, the investing public will not be attracted to the industry until some greater security of the dividend paid on capital invested in gas undertakings than that insured by the present methods of regulating permitted dividends in accordance with charges. It is suggested that power to pay a minimum rate of dividend, so long as funds are available, is necessary to attract new capital. The greatly increased cost of capital works as compared with the cost when the device of the sliding scale was adopted justifies this proposal. Indeed, the whole system of the modified sliding scale under present conditions is open to criticism. As it operates to-day, the basic figure is arbitrarily "pegged" by a percentage increase on the basic figure of pre-War days, and it is believed that this method of relating charges by a fixed percentage addition to the scales current before the War is an active handicap to the more efficient and better managed undertakings who have been successful in increasing their sales and thus reducing the production costs of their output.

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Finally, it has been suggested that the stocks of gas undertakings would, if the industry was placed on more modern foundations, and additional safeguards provided, be suitable for investment by trustees. This suggestion was rejected by the sub-committee of the National Fuel and Power Committee upon the ground that the security for trust funds rather than the interests of any particular industry should be the primary consideration in conferring trustee status. An examination of the present list of authorised trustee securities does not suggest that this principle has always been recognised as the determining criterion for admission to the list. The gas industry presents many of the features which are usually associated with trustee securities. It is a public utility of long standing, operating statutory powers and subject to public control. There seems no reason why adequate security should not be forthcoming if the industry is reorganised on modern lines, and the addition of its stocks to the trustee lists would do much to relieve the embarrassment of trustees who are at present confronted with a gradually narrowing choice of satisfactory trustee investments.

BRITISH CAPITAL ABROAD.—III.

THE estimate of British long-term capital abroad which we arrived at in our last article is lower than some which have been put forward. It is certainly small in relation to our total of overseas investments before the war, which even then were estimated at approximately £4,000 million, and to our position as an exporter of capital in the past ten years. But the extent to which we depleted our overseas assets during the war has probably not yet been fully realised, while many of our investments became wholly valueless as a result of war or revolution, and have had to be omitted from the present calculations. There has also been in many important cases a tendency for loans raised here to be purchased by investors in the borrowing country. But the gradual disposal of loans floated here, equally with the purchase of securities originating elsewhere, are movements which it is impossible to trace. Except when large concerns are purchased outright by foreign interests, the continuous and growing international interchange of existing securities is and must be statistically obscure, a fact which renders any deductions from figures of new capital issues highly precarious.

It is all the more important, therefore, to make certain that the figures in the annual estimates of the national balance of payments are as accurate as possible, so that the balance apparently available should represent our actual investment of capital abroad each year, both on long-term and on short-term account. Hence the most valuable outcome of any investigation of British capital abroad must be the light that it throws on the income annually drawn from that capital. In considering that question it is convenient once more to divide the whole group into British companies, foreign and colonial companies, and Governments and local corporations. The following table, which refers to the first section only, is based for the most part on sample information, but where the industrial group was especially large (foreign railways, for instance) or obviously unhomogeneous (like the debentures of mining companies) the inquiry was made comprehensive. The

figures for debenture redemption, which cover all companies, are based on a comparison between the amounts recorded as outstanding in the 1928 edition of the Stock Exchange Official Intelligence and those recorded in the 1929 edition.

VI.—BRITISH COMPANIES OPERATING ABROAD.

Average rates of Dividend, Interest, and Redemption of Debentures, 1927-28.

(Actual amounts paid, calculated on nominal capital.)

	Dividends.	Interest.	Repayment of Debentures.
	%	%	% p.a.
Dominion, Colonial and Indian Rails	8.58	4.13	2.52
American Rails	4.50	4.00	0.0
Foreign Rails	5.41	4.59	0.75
Breweries	8.87	4.73	6.01
Canals, Docks and Waterworks...	6.29	4.43	0.19*
Commercial and Industrial	6.82	5.30	2.53
Electric Lighting and Power	5.30	4.37	1.45
Finance, Land and Investment...	6.38	4.70	2.97
Gas	6.54	4.37	9.30
Iron, Coal and Steel	2.21	6.07	1.02
Mines	6.16	3.93	11.56
Nitrates	1.37	3.77	8.46
Oil	8.94	5.62	0.84
Rubber	5.21	5.95	1.74
Shipping	6.93	4.47	3.17
Tea and Coffee	16.60	4.23	1.39
Telegraphs and Telephones	6.69	5.03	7.60
Tramways and Omnibuses	4.37	4.72	4.68

* Excluding £1,519,500 of 4 per cent. debenture stock repaid to the Buenos Ayres Great Southern Railway Co.

There is a remarkable variation in the rates of dividend paid by the various industries, which range from 1.37 per cent. in the Nitrates group to 16.60 per cent. in Tea and Coffee. For many years tea plantations have formed a strong item in our capital abroad, many of the older and larger Assam companies having paid well over the average dividend, whereas the last few years have been very lean ones for the Nitrate industry, which has been forced to resort to drastic "rationalisation." Rubber concerns, while paying less than the average for all British companies abroad, still yielded a fair return after a violent boom. The figure for Mines is interesting, in that it represents the average reward of speculation; of the sample of 121 companies on which it is based, 86 paid no dividends at all in 1927-28, whereas one paid 50 per cent. The average would have been further depressed by the inclusion of those many mining companies, including a number in Russia, which have been forced permanently to abandon operations. Very much the same applies to the Oil group. The low debenture yield for Mines, representing as it must do the default of a good many concerns, seems paradoxical at first sight, in view of the average yield on mining shares, but very few companies in the group have issued debentures, and those which have seem on the whole to be among the less fortunate. The figure for iron and steel shares—as, indeed, is true of several other items—probably refers to too small a total of capital to be representative of the industry as a whole. It is noteworthy that Electric Lighting and Power, and Tramways and Omnibuses, two groups which showed exceptionally high ratios of resale to abroad, have a comparatively inferior dividend record.

The variation in the rate of debenture repayment is interesting, but must be viewed in relation to the amounts outstanding. The percentage for Mines, for instance, applies to less than £5 million of capital. The groups with the largest amounts of loan capital outstanding are Foreign Railways, Dominion and Colonial Railways, Financial, Land and Investment, Commercial and Industrial and Tramways and Omnibuses, in that order. The small percentage of repayment in the foreign railway group is therefore of special interest. The total amount repaid was £6,574,000, or 2.04 per cent., of which the British share amounted to about £6,282,000, again 2.04 per cent.

Details of the application of these percentages are shown in the following table:—

VII.—BRITISH COMPANIES OPERATING ABROAD.

British Share of Dividends, Interest, and Redemption of Debentures, 1927-28.

Industry.	£	£	£	£	£
	Share of Capital.	Share of Dividends.	Share of Debentures.	Share of Interest.	Share of Repayment.
Dominion, Colonial & Indian Rails	24,940	2,140	41,980	1,730	1,091
American Rails	800	40	770	30	...
Foreign Rails	205,230	11,100	141,770	6,510	1,069
Breweries	6,780	600	1,340	60	81
Canals, Docks and Waterworks	6,000	580	4,210	190	8
Commercial and Industrial	52,490	3,580	22,810	1,210	598
Electric Lighting and Power	7,220	380	7,690	390	111
Financial, Land and Investment	97,800	6,290	30,780	1,440	914
Gas	7,550	490	2,250	100	209
Iron, Coal and Steel	6,430	140	2,220	130	23
Mines	83,560	5,150	4,470	180	517
Nitrates	10,410	140	3,250	120	275
Oil	97,510	8,720	11,760	660	99
Rubber	81,070	4,220	4,770	280	83
Tea and Coffee	37,090	6,160	2,430	100	34
Shipping	8,490	590	3,820	170	121
Telegraphs and Telephones	4,100	260	1,760	90	134
Tramways and Omnibuses	9,030	390	19,740	930	915
Totals	746,500	50,970	307,730	14,320	6,282

The average rate of dividend over the whole field of shares was 6.83 per cent., and of interest on the debentures 4.67 per cent. Calculated on the whole capital, not merely on the British-held portion, these figures were 6.73 per cent. and 4.72 per cent. The average rate of dividend on the shares held outside this country was only 5.75 per cent., which bears out the observation above that on the whole the less profitable classes of enterprise have been disposed of; indirect profits have provided the attraction in many cases. It is worth noting that in a number of groups the repayment of loan capital during the year exceeded the interest on the amount outstanding, and that in the aggregate redemptions totalled about 44 per cent. of the interest paid. Sir Robert Kindersley has rendered great service in calling attention to the importance of annual redemptions in relation to the balance of trade.

In sum, then, British companies abroad accounted in 1927-28 for about £65.3 million of income and £7.8 million of capital repayments accruing to British residents (including the amount repaid by the Buenos Ayres Southern Dock to the Buenos Ayres Great Southern Railway). It would, of course, be improper to apply the same percentages to the British capital invested in foreign and colonial companies. The nature of the enterprises and the history of the investment have been quite different. However, it has not been found possible here to ascertain the average rates of dividend in the same detail, special investigation having been confined to the largest groups. The results, again for 1927-28, are as follows:—Dominion and Colonial Rails, dividends 7.92 per cent. and interest 3.95 per cent.; Foreign Rails, dividends 2.14 per cent. and interest 2.87 per cent.; Banks and Discount Companies, dividends 13.12 per cent. and interest 5.86 per cent.; Commercial and Industrial, dividends 10.09 per cent. and interest 8.09 per cent.; Electric Lighting and Power, interest 5.54 per cent.; Financial, Land and Investment, dividends 7.05 per cent. and interest 5.92 per cent.; Iron, Coal and Steel, dividends—excluding the United States Steel Corporation, which paid 7 per cent. on both classes of stock—1.56 per cent. and interest 5.40 per cent.; Mines, dividends 12.08 per cent.; and Oil, dividends, 13.75 per cent. These figures cover nearly 90 per cent. of the shares and over 80 per cent. of the bonds and debentures. To all the rest the average rates for the corresponding groups in the British companies table have been applied. The resultant estimate for the income received by British investors in foreign and colonial companies is £31.9 millions in dividends and £21.8 millions in interest.

However, these figures apply to only £888 millions of capital, whereas our estimate on a geographical basis, which we regarded as more satisfactory, was £952 millions. If we raise our figures to correspond with the latter estimate the amount paid in dividends appears to be £33.4 millions and in interest £23.3 millions. These represent averages of 7.9 per cent. and 4.4 per cent. respectively. The average of all information available indicated that the rate of redemption of loan capital in foreign and colonial companies was 1.2 per cent., so that the amount repaid to British residents may be estimated at £6.4 millions. It must be held a considerable demerit of these figures, as of those for British companies, that they refer to rates of distribution made in 1927-28 to amounts outstanding in 1929. This would suggest that as an estimate of income received in 1928 they are possibly too high, but with that warning they must stand as such.

The following table summarises our estimates of income and capital repayments from abroad, together with the corresponding figures ascertained by Sir Robert Kindersley for central and local governments:—

BRITISH INCOME FROM ABROAD, 1928.

	Dividends.	Interest.	Redemption.
	£	£	£
British companies	51.0	14.3	6.3
Foreign and Colonial companies	33.4	23.3	6.4
Governments	...	55.8	12.2
Local corporations	...	6.1	2.9
Totals	84.4	99.5	27.8

Thus our inquiries have brought us to the conclusion that £3,400 millions of British capital abroad yielded approximately £184 millions of distributed income in 1928, together with about £28 millions of capital repayments. All our overseas investments are covered in these estimates except property directly acquired, fixed property overseas of companies operating partly at home, and "private" investments in unlisted securities, though admittedly the figure of £3,400 millions may be a slight under-estimate. However, in 1928 our total investments overseas can scarcely have exceeded £4,100 millions in nominal value, and probably amounted to no more than £4,000 millions. Ten per cent. would be a generous allowance for the income received on the remaining £700 millions, but even on this basis the estimate for total income from capital overseas in 1928 would be only £254 millions. Of course, our figure does not include the undistributed profits of British companies which were not re-invested in the companies themselves but were used to build up security reserves at home; on the other hand a good deal of the capital included in the extra £700 millions did not yield any income in the sense applicable here, the profit which it produced for its owners being inextricably confused in the general profits earned on business at home as well as abroad, and probably to a great extent disguised in the visible balance of trade. The finance of British companies operating abroad is a subject which needs a great deal of further research if our balance of payments figures are to be rationalised.

The estimate of income on overseas investments in the official Board of Trade summary of the national balance of payments was £285 millions, a figure which is stated to exclude income on private investments, and which is net—that is to say, in order to render it comparable with our own estimate it must be raised by the amount of the income paid on foreign and colonial investments in this country. We are therefore forced to the conclusion that the official estimate was too high by something of the order of £30 millions, at least, and that the figure of £149 millions representing the net balance available for capital investment must be diminished by the same amount. On the other hand, £28 millions of capital repayments must be added to the net balance to give us the gross addition to our capital abroad. The results of this inquiry clearly raise most important questions regarding our national savings and our national balance of trade.

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AN IMPRESSION OF RUSSIA.

In the spring of 1927, when an interchange of Notes between Sir Austen Chamberlain and M. Litvinoff was attracting attention in this country to the economic situation and international policy of the U.S.S.R., we endeavoured, in a Supplement to the *Economist*, to present to our readers an objective study of all the available statistical evidence relating to Russia's production, trade and social conditions. Since that date there have been no developments of outstanding importance in the course of Russian commerce with the rest of the world. Save that recently her exports of grain and timber have been to some extent "forced" under pressure of her acute need for foreign credits, Russia has remained, in her international relations, a more or less "insulated" economic phenomenon. But internally a great change has taken place. The period of slow, tentative and contradictory efforts at reconstruction, inaugurated in 1921 by Lenin's so-called New Economic Policy, has given way to a new régime of feverish expansion under the "Plan" for 1928-33, whereby an ambitious attempt is being made to develop Russia's industrial equipment and to revolutionise her agriculture on lines not of "pure Communism" but of what would be generally accepted in Western Europe as Socialist principles.

An account of the progress of this experiment is given in the Supplement which we publish this week, contributed by a Special Correspondent who gives a first-hand description of what he has seen in Russia this summer. The result of his investigations is obviously subject to the limitations that must attach to an individual's impressions. Since Russia is much bigger than the whole of the rest of Europe, the sample that one person can see is necessarily no more than a fraction of the whole; and a good deal of the picture which our Correspondent outlines is dependent on data derived from official sources whose accuracy could not in all cases be checked by personal examination. Nor has he attempted to submit an exhaustive report covering all the aspects of economic and social conditions in the Union. His aim has been to set forth the features which have struck him as being essential to an appreciation of the enigma of contemporary Russia; and the key to that enigma is the estimation to be placed on the prospects of the Piatiletka, or Five-Year's Plan.

On the success or failure of that Plan the whole future of Russia turns; and further, the intensive participation of the State in industrial, commercial and agricultural enterprises, combined with the fact that production and turn-over under the Plan cannot be accurately measured in terms of "capitalist" profit and loss accounts, renders it almost impossible to assess, in "bourgeois" terminology, the real implications of the official budgetary, banking and other economic statistics which the Government of the U.S.S.R. put forth. Hence our Correspondent has concentrated on what seem to him to be the crucial factors in the Five-Years' Plan, to the exclusion of many subsidiary questions, no matter how considerable their individual interest. Even so, his impressions are inevitably based on "sample" investigations and must be read with these limitations in mind.

But when all allowances are made, it is clear that a very remarkable experiment is being made within the

territories of the U.S.S.R. Russia is endeavouring to equip herself with factories and modern implements not by borrowing capital from abroad, but by "putting back into the business" an exceptionally large proportion of a national production which, though it has increased substantially from the nadir of ten years ago, is still exiguous in relation to her enormous and rapidly mounting population. What she appears to be doing is to organise a national accumulation of capital on a gigantic scale and at an extremely rapid rate; and this can only be done by deliberately depressing the level of domestic consumption, a policy which entails tremendous sacrifices, to which the country is being stimulated by intensive propaganda supported in the last resort by the methods of terrorism.

Will the experiment succeed? Our Correspondent, it will be found, refrains from any positive judgment, but his description of what he saw prompts many questions. Even with the help of the most "fool-proof" automatic types of machinery, does Russia possess, or can she train in time, the requisite skilled labour for her programme of mechanisation? Expert testimony suggests that many of the Russian socialised farms are being run much less economically, in terms of machinery and size of staff, than units of corresponding size in North America. Will there emerge in Russia the necessary organising ability to manage efficiently either industrial or agricultural enterprises planned on so large a scale, or will these vast organisations come to grief through megalomania? Above all, will results, even if achieved, come quickly enough to recompense for the deprivations which Russia is now enduring, or will the poverty and stress precipitate another disastrous collapse?

This last is perhaps the crucial question, for though our Correspondent was struck in some places which he visited by the extent to which the Five-Years' Plan has gripped the imagination and stirred the enthusiasm of Young Russia, he was equally impressed with the atmosphere of ominous strain among the older sections of the population, who had already suffered the misery of the Great War and the chaos following the 1917 Revolution, and who are now being asked to shoulder a burden little less onerous. Is the will, whether based on understanding or precariously stimulated by mass suggestion, strong enough to bear these sacrifices steadfastly when inevitable disappointments come? Is enthusiasm for the new order really widespread or confined to a relatively small number? In what appears to us to be a race against time, will a combination of faith in the future and subservience to what is ultimately a rigid dictatorship suffice to induce the masses of the population to persevere?

Our Correspondent does not attempt to foretell the future or pretend at this stage to answer these questions. Nor is it possible in this time of exceptional effort to form any opinion as to the sort of society which would be likely to emerge, if the present economic programme were achieved. At present many Russian institutions are repugnant to the mind of democracy in Western Europe, and it would be a rash man who would assert either that contemporary Russia is a pleasant place in which to live, or that the stability of her present régime is assured. Human nature being what it is, we have still to discover whether an attempt to create a completely new order of society, based on a curious blend of Americanised hustle, idealistic propaganda and methods reminiscent of those of the tyrants of Syracuse, can be crowned with ultimate success. The future of Russia, political, economic and social, appears to-day to depend on her leaders possessing high qualities of resource and adaptability to quickly changing conditions; and it remains to be seen whether Russia has yet grown out of her old genius for disorder. All that can be said at present is that, whether Russia breaks under the strain or succeeds wholly or partly on her present lines of development, she is making an experiment which is of intense interest not only to herself, but to the world at large.

Notes of the Week.

The Government and the Imperial Conference.—Having criticised on a previous page Mr MacDonald's statement of his Government's programme in the House of Commons, we hasten to welcome a passage in that speech, in which he referred to the work of the Imperial Conference. Nothing could have been clearer and more decisive than his analysis of the Preference issue and his statement of the Government's position. Here is the crucial passage:—

If it is going to be a single exchange, our imposing tariffs for the purpose of allowing a wider field of preference to be shown us, the only tariff that we can propose, that is worth anything to the Dominions, is a tariff on food. . . . The first thing that every Premier says, and in some cases not only the first thing but the last thing, is "Tax wheat." We cannot do it.

As for Empire Free Trade, it is, in Mr MacDonald's view, "an absolute fraud." "No honest man, after what has transpired at the Imperial Conference, can pretend that Empire Free Trade is an issue that ought to go before the electors of this country." Having thus rightly and truly disposed of dreams of grand-scale trade diversion, the Prime Minister hastened to emphasise that there are other ways than the tariff way of helping inter-Imperial trade, and in his tone we detect a hope of concrete achievement, which, we are glad to see, was echoed in the address broadcast on Wednesday night by Mr Scullin, the Premier of Australia, in which he claimed that the Conference "is giving a powerful impetus to closer economic co-operation." This means, we hope, that real progress is being made towards the establishment, in the form of a permanent secretariat, of the machinery for continuous consultation between the various members of the British Commonwealth. There is, as we have said before, a vast amount of common ground to be explored. The first step is to arrange for exploitation on systematic lines.

The Viceroy's Dispatch.—A few days ago a morning newspaper published what purported to be a summary of a despatch of the Government of India commenting on the Statutory Commission's report. The statement is presumably entirely unauthorised, and it is very much against the public interest that rumours of this kind should be given currency. The position is an unusual and delicate one. The Commission's report represents the unanimous opinion of Parliament's representatives. These opinions do not, of course, bind the Government, which has agreed to go into conference and discuss the situation freely with the representatives of India. But before taking a step of any kind the Government's first duty was to obtain the opinions of the Government of India on the recommendations that had been made and endeavour to harmonise the views of Whitehall and Delhi—whether on the basis of the Commission's report or on some modification of them; the second to ascertain if any such modifications would be acceptable to the other parties in Parliament, for without their concurrence the Government would be facing the grave risk of the Indian problem becoming a party question. The Prime Minister announced in the House of Commons on Tuesday that the dispatch is to be published, but the wording of his remarks suggests that the document may not be ready until after the Conference has met, seeing that "we are exchanging views with the Government of India on one or two points." This is a most essential procedure, for the Government could hardly place the views of the Government of India on the table as a contribution towards the discussion unless they were prepared to endorse them.

Mr Baldwin's Victory.—At a representative meeting of Conservative Peers, Members of Parliament and Parliamentary candidates, a secret ballot on the question of Mr Baldwin's leadership resulted in his favour by 460 votes to 116. Lord Beaverbrook was present and spoke.

Presumably Mr Baldwin will consider the vote as sufficient justification in continuing in the leadership. If he takes this decision, he will, in our opinion, be right. There is no satisfactory successor in view, and, what is still more important, his resignation would be interpreted as a victory for the Press Lords. Nevertheless, the satisfaction which Mr Baldwin derives from the result of the ballot cannot be complete. A hostile vote of 116 at such a meeting is substantial, and there is room for doubt whether even that figure adequately interprets the uneasiness felt with regard to his leadership. Many votes cast in his favour may perhaps be interpreted as anti-Beaverbrook rather than pro-Baldwin, and the unsavoury episode of the faulty and unauthorised publication of the 44 members' manifesto must have had some effect in swelling Mr Baldwin's majority. The voting, in a word, means that Mr Baldwin stays on with the partial confidence of the party, and, in any case, more confidence than would be placed in any of his would-be successors. But it would be premature to suppose that differences within the party, especially on the fiscal issue, will be early or easily composed, or that the rebels will relapse even into disgruntled acquiescence.

The Revolution in Brazil.—Events in Brazil have moved swiftly during the last week without its being quite certain, even yet, that the movement has come to rest. Owing to the immense size of the country and the number of different fields in which fighting between revolutionary forces and Government forces was taking place, it was impossible, for some time after the revolution had broken out, to obtain any real light on how things were going. Indeed, observers at Rio itself seem to have been almost as much in the dark, up to the last moment, as observers in New York or London. The first hint of a *dénouement* came on Friday, October 24th, when the revolt of the garrison of Rio itself, the Federal capital, forced President Washington Luiz Pereira de Souza to hand in his resignation to the officers of the garrison, who promptly constituted themselves into a Provisional Federal Government in the form of a local military junta. This, however, was by no means agreeable to the leaders of the insurgents in the northerly and southerly States. These revolutionaries had risked their lives; they had been engaged for days in heavy fighting with the Government forces, in which they had just achieved decisive successes, and they were in no mood to put themselves in the hands of men who had rushed to the assistance of the victors after remaining in the service of their adversaries until the eleventh hour. They were not even certain whether the *coup d'état* at the distant Federal capital might not be a "put-up job"—in which Dr. Luiz had officially ceased to reign in the hope of still governing *sub rosa*. Hence they showered ultimatums upon the new Junta at Rio, announcing that they intended to keep their forces in the field, and that they would proceed with their march upon Rio unless Dr. Getulio Vargas—the defeated candidate for the Presidency at the election which was held this last spring—were accepted by the Junta forthwith as provisional President for the unexpired portion of Dr. Luiz's term, with the understanding that thereafter he would be regularly installed as President on inauguration day. Whatever the original intentions of the Rio Junta may have been, they have bowed to the inevitable. On Sunday night, it was announced that they had issued an invitation to Dr. Vargas in compliance with the ultimatum. Meanwhile, two counter-revolutionary movements are reported to have broken out and been suppressed; and the revolutionary leaders are taking no chances. Pending the establishment of Dr. Vargas securely in power at Rio, they are remaining under arms and ordering the remainder of the late Government's armed forces to deliver up their arms and disband, under threat of a resumption of hostilities. Thus the internal situation in Brazil remains unsettled, and there are also certain foreign complications. In the course of the fighting, a German ship in harbour has been shot up and a number of casualties inflicted on the crew. This is the kind of regrettable

accident for which it is possible to make amends. There are possibilities of greater diplomatic difficulty in the fact that Dr. Luiz's régime has been supported during the insurrection, from first to last, by the State Department at Washington. In these circumstances, it is not easy to see how diplomatic relations are to be established between the United States and the new régime in Brazil—whatever that régime may prove to be.

Constitutional Changes in Egypt.—The prognostications of Ismail Pasha Sidki's intended changes in the Egyptian Constitution, which we reported last week, turn out to have been substantially correct. It was also true that the Constitutional Liberal Party, while favourable to the proposals for a change in the electoral law, in the sense of restoring the system of election in two degrees, was hostile to the proposals as a whole. Our announcement, however, that this opposition had led the Prime Minister to drop the main body of his proposals was premature. The whole set of changes is being put into effect; and for the moment Sidki Pasha—or, rather, King Fu'ad, on whose behalf he is acting—has scored a success. He seems to have secured the support of a minority of the Liberals; and although the majority, with Muhammad Pasha Mahmud at their head, have now come out into open opposition, overtures for co-operation between them and the Waft have apparently been rejected by the latter. Meanwhile, the King's Government have presented their case in a "Report on the modifications to be introduced into the Constitution and the Electoral Law" which is worth study, for it is an able document, and is full of common sense—a virtue that is sometimes an admirable cloak for special pleading. This exposé starts with two general contentions which are patently sound: first, that there is no reason to suppose that the latest style of European constitution (*e.g.*, the Belgian Constitution on which the Egyptian Constitution of 1922-3 was modelled) is necessarily suitable for a country which, like Egypt, is a novice in the working of parliamentary institutions; second, that a single-party government, of the type now in power in Italy and Russia and China, may be as autocratic as an absolute monarchy wielded by a single individual. We may go the length of agreeing that the Waft has arrogated to itself in Egypt, as far as it has had the chance, the same monopoly of power as the Fascist Party and the Russian Communist Party and the Kuomintang have acquired in their respective countries. We cannot, however, agree with the Egyptian "King's Friends" when they identify the Waft with autocracy in Egypt *sans phrase*, or when they represent the constitutional changes which they are introducing as being a bulwark against single-party government. As we see it, the present political conflict in Egypt is not between autocracy and national self-government, but between two rival autocracies—that of the Waft on the one side, and that of the Crown on the other; and the main effect of the Constitutional changes, as we see it, will be, and is intended to be, to give the Crown the whip hand. The remedy for "single-party government" is not "palace-government," but the slow process of building up a healthy political life in which alternative policies are represented by separate parties which alternate with one another in office. The healthy line of political progress would be, not for the Waft to be excluded from power by the Crown, but for the Waft itself to break up of its own accord into two parties or more, as soon as the settlement of Egypt's foreign relations has removed the chief incentive to the present *union sacrée*. Thus, though we recognise the ability of the State paper before us, and agree with much of its thesis, we do not sympathise with the policy which it is meant to commend.

The New South Wales Election.—The prospects of Australian financial recovery have been temporarily clouded by an exhibition in New South Wales of that greatest weakness of democracies, the readiness of the electorate to believe in promises which are flagrantly incapable of fulfilment. The extremist Labour leader, Mr Lang, fought the election on a policy of hostility to the pledge of retrenchment and balanced budgets taken

by the State Premiers at Melbourne last August, and gained a substantial majority. This result is particularly disappointing in that it reveals that many Australians have not yet realised that wages cannot be kept up and hours down merely by legislative action, and that the "standard of living" is not a thing which can be "defended" merely by digging in your toes and saying you will not have it touched. The effect of this election, highly disquieting to the investor in Australian securities, many of them trustee investments, and reflected in a sharp fall in these prices on the London Stock Exchange last Monday, has been to give a new impetus to the more extreme section of the Federal Labour Party. In the Party caucus last Monday the Cabinet proposals for balancing the Budget were sidetracked in favour of a long discussion on the nationalisation of banking and a motion was passed condemning the "interference" of Sir Otto Niemeyer in tariff and industrial policy. A movement has been started for the reinclusion of Mr Theodore in the Cabinet, and a proposal for financing both international commitments and home development by inflation is expected to come up for discussion. On the other hand a motion hostile to the Premiers' financial agreement was withdrawn, and moderate opinion is comforting itself with the reflection that the Loan Council will be in a position to apply the brake at a very early stage of Mr Lang's progress. It is, in fact, fairly clear that Mr Lang will be so soon checked by lack of capital in his attempt to fulfil his election promises that the voters of New South Wales will have an early disillusionment, and the cause of retrenchment throughout the Commonwealth may ultimately be the gainer from this interlude. But meanwhile the more moderate elements in the Federal Labour Party must continue their present policy of resisting all talk of inflation, more borrowing and the "maintenance of the standard of living," if Australian securities are to recover and hold the ground they have recently lost.

A Banker on Fiscal Policy.—From the week's many contributions to the discussion of the fiscal issue, two stand out as of peculiar interest. The first is a sturdy Free Trade declaration by Sir Charles Addis, who speaks with peculiar authority as a director of the Bank of England, the chairman of the Hongkong and Shanghai Bank, and a leading economist of wide international experience. The second is a speech by Mr Winston Churchill, in which he is at pains to reconcile the Free Trade proclivities of a life-time with the present fiscal policy or policies of his party. To this delicate task Mr Churchill addresses himself with his usual adroitness, but with a lack of success that was inevitable. In the main, his contention is that we must have a tariff for revenue purposes, and that, this being necessary, "he was all for carrying it out in a resolute and effective manner." Against the Free Trade answer that, if tariffs were imposed for revenue, countervailing excises should be levied. He defended himself with the novel argument that the cost of social services already imposed a countervailing tax on home industry. The only orthodox protectionist argument which Mr Churchill permitted himself was the "mass production" argument, which surely falls to ground before the spectacle of the failure of the motor industry, behind its high tariff wall, to rationalise its production and eliminate its host of uneconomic units. Mr. Churchill is also attracted by the idea of the tariff as a bargaining weapon, and here, it happens, Sir Charles Addis provided the conclusive answer:—"Retaliation will only tend to intensify and to extend the original injury and lead to more retaliation. Great Britain is nowadays in a peculiarly defenceless and ineffective condition to wield the weapon of tariffs as a weapon of offence." On the wider theme, Sir Charles holds that Protection "involves an interference with the national division of labour, which must tend to reduce aggregate production and diminish the national dividend available for distribution among the various economic groups." Nor, like ourselves, is Sir Charles able to see "how you are going to stimulate your foreign trade, on which you ought to

concentrate, by any policy which involves an increase in prices." Having enumerated the risks of entering into "the arena of competing tariffs on the Continent"—risks that are not confined to the economic sphere—Sir Charles reached this conclusion:—"For Great Britain, to whose continued national existence foreign trade is vital, the presumption is in favour of Free Trade, whatever other nations may do." In these days of shifting policies and shallow conviction it is good to see this *tenacem propositi virum*.

The Volume of Overseas Trade.—The misleading effect of the fall in prices upon the statistics of our foreign trade during recent years gives particular value to the recalculation of the trade the first nine months of 1930 at 1924 prices which appears in the *Board of Trade Journal* for October 23rd. The results are summarised below:—

OVERSEAS TRADE. JANUARY-SEPTEMBER.				
	£'s million.			
	Total Imports.	British Exports.	Re-exports.	
1930, as declared	785.2	441.1	67.7	
1930 at 1924 average values	997.9	544.4	83.7	
1924, as declared	909.3	593.1	102.8	

Imports were 9.7 per cent. greater in volume during the first three quarters of this year than in the corresponding period of 1924, but British exports were 8.2 per cent. less and exports of imported merchandise 18.6 per cent. less. If the third quarter of this year be compared with that of 1929, it appears that there has been an all-round decline. Imports fell from 108 to 102.5 per cent. of the level for the same quarter of 1924; British exports from 108.9 to 84.8 per cent., and re-exports from 92.7 to 84.6 per cent. During the past year, the price index for imports, which was substantially higher than that for exports, has fallen 12 per cent., as against a fall of just over 5 per cent. in the price index for British exports, and the price index for exports is now the higher. The volume of retained imports of nearly all raw materials, except raw wool, was less last quarter than a year ago, but there was a rise in the retained imports of many manufactures, including woollen and worsted yarns and manufactures, and oils and fats. Declines occurred *inter alia* in the retained imports of iron and steel, machinery, chemicals and vehicles. The fall in average import values affected manufactured goods much less than the other two classes. An increase in the volume of British exports of food was almost wholly due to an increase in the exports of refined sugar. The volume of manufactured exports in the September quarter was nearly 25 per cent. below last year's level, the only increase occurring in electrical goods and manufactures. Leather, textiles, iron and steel, and the non-ferrous metal groups showed the heaviest declines.

The World Depression.—The severity of the almost world-wide trade depression is well illustrated by the table below, in which we have converted the indices of the physical volume of production of the main industrial countries to a percentage of the average of 1924:—

INTERNATIONAL PRODUCTION INDICES. (1924 = 100.)					
	U.S.A.	Canada.	France.	Germany.	United Kingdom.
	Federal Reserve Board.	Monthly Review of Business Statistics.	Statistique Générale.	Institut für Konjunktur forschung.	Board of Trade.
	(a)	(a)	(b)	(c)	(c)
1929 Av. June qr. ...	130.2	168.3	128.1	158.0	112.0
1929 July.....	130.5	165.2	127.5	151.7	...
1930 Av. March qr. ...	109.8	148.8	131.9	136.2	110.9
1930 Av. June qr. ...	108.4	150.3	132.2	(2)131.5	103.4
1930 July.....	(4)100.0	138.5	129.3	(4)122.5	...

(a) Adjusted for seasonal variations.
(b) Partly adjusted for seasonal variations.

(c) Quarterly index.
(d) Provisional.

In North America and in Germany industrial activity reached its highest level in the early summer of 1929. After that, the volume of production began to decline in these countries, but it continued to expand in France

and even in the United Kingdom, where the highest point was reached towards the end of 1929. Since then, activity in the United Kingdom has shown a marked downward tendency, which became accentuated after the first quarter of 1930, but France, whose production costs are still lower than those in many countries, and whose home market continues to expand, has, so far, been able to maintain a relatively high level of production in the face of the acute and growing world depression. In the United States outstanding recent features are the heavy falls in the output of iron and steel, textiles and automobiles. The most depressed sections of the German industry are the coal and iron and steel industries. The only branches which show a slight decline in France are the coal-mining and rubber industries. Meanwhile the London and Cambridge Economic Service has published its index for the September quarter, which shows that the physical volume of British production in that quarter fell by 10 per cent. on the previous quarter, and was 17 per cent. below that of the corresponding period last year:—

	1927.	1928.	1929.	1930.
First quarter.....	110.8	105.7	108.3	109.6
Second quarter...	108.1	103.7	111.0	100.9
Third quarter ...	105.9	95.4	108.2	89.8
Fourth quarter...	107.4	105.2	114.8	...
Average.....	108.1	102.5	110.6	...

The progressive decline has spread to all spheres of industrial activity. Disregarding 1926, the index for the September quarter is lower than for any corresponding period since the post-war slump in 1921. The setback has been most pronounced in the iron and steel and textile groups, which show a decline on the last quarter of 18 per cent. and 27 per cent. respectively. Judging from the evidence available, it appears that the sharp increase in industrial activity which usually takes place from the third to the fourth quarter will be less pronounced this year, and that the volume of production for the whole year will be below the 1924 average.

The Stock Position.—We discussed last August the statistical position of various raw materials of foodstuffs. Since then the London and Cambridge Economic Service has produced a special memorandum on stocks of staple commodities, based on slightly more recent statistics. The authors' conclusions with respect to the different commodities surveyed vary very widely. The petroleum position is described as relatively good, since consumption has not actually diminished, and it is thought that production can be further restricted. Control of the lead market also has proved fairly effective, and that commodity is in a sounder position than other metals. The spelter position is still weak, and stocks showed a further increase in August. The section of the memorandum dealing with copper is particularly interesting, and the authors, who maintain that the industry will have to adjust itself to a lower level of prices, venture the forecast that the centre of the world's copper production may shift rapidly away from the United States, and that Europe's growing independence of American copper supplies may in future greatly weaken the influence of Copper Exporters, Inc. The tin situation is greatly complicated by the wide differences between costs of production in different centres. Many Malayan companies can produce at below £100 a ton, and therefore are not very eager supporters of restriction schemes when the price is £135 per ton (the fall to £110 took place since this memorandum was written), whereas that price seriously embarrasses producers in other centres and almost puts those in Bolivia out of business. The cotton position still appears thoroughly weak, with the available supply well in excess of the world's needs at the current rate of consumption. Rubber prices also are expected to go still lower, for whereas the increased yield of recent years is probably to be reckoned with as a permanent factor, consumption in the United States has declined, and the use of reclaimed rubber in that country to the extent of nearly half the consumption of crude, seems likely to continue. As for foodstuffs, some slight improvement in the wheat position is anticipated by the authors of the

bulletin, but they consider that equilibrium in the coffee trade will take years to restore and that prices will have to go still lower in order to force out of existence the excess capacity in Brazil. The sugar position they find more equivocal, and though they believe that a small improvement would at once start a recovery they appear to think a further collapse in prices more probable.

The Lancashire Coal Merger.—At a meeting of colliery owners held in Manchester last Monday, it was decided that all Lancashire and Cheshire coal-fields should join together in one common merger. No details are yet forthcoming, and, indeed, the decision is no more than an expression of opinion by the meeting, and can in no way yet be regarded as effective. At the same time, this move, following as it does the creation of several large unified concerns in this area, including Manchester Collieries and the Wigan Coal Corporation, is a logical development. The formation of the new organisation will, if carried out on proper lines, bring with it all the advantages of unified control, especially on the sales and distribution side, and should obviate much unnecessary movement of coal. The scheme is an ambitious one. It affects about £20,000,000 of capital, and in normal times 100,000 workers and an annual output of approximately 20,000,000 tons of coal, and many intricacies will be met with in putting it into operation. It is understood that much of the necessary detail work has already been done, but that while the undertakings to be absorbed will be given shares in the new merger, they will receive no assistance in dealing with their outstanding indebtedness, such as bank overdrafts. If that is correct, there are obvious possibilities of a hitch occurring, and even of opposition developing, but on the other hand, as certain cotton interests have lately discovered, there are obvious difficulties in the way of a new combine taking over all of its prospective constituents' liabilities. From the national standpoint, the proposal follows naturally upon the marketing provisions of the new Coal Mines Act, and marks an important step in the rationalisation which it was the purpose of that Act to promote. The consumer who may feel certain qualms at the possibilities inherent in these new large-scale combinations must pin his faith upon, and insist upon, the efficient working of the machinery which the Act provided for his protection.

Cotton Trade Wages.—Our Manchester correspondent writes:—At a meeting in Manchester of the Central Committee of the Cotton Spinners' and Manufacturers' Association, last Tuesday, at which were present representatives of the weaving section of the Master Cotton Spinners' Federation, it was reported that the District Associations had approved the new wages price list for application where the number of looms per weaver is increased. It was decided to communicate with the Weavers' Amalgamation, and it is expected that a joint conference between the employers and the trade union officials will take place at an early date. It is anticipated that the negotiations between the two sides will be rather protracted. The trade unions are not now against this revision of working in the weaving sheds, but there is likely to be some difference of opinion as to the terms of payment. Under the new system it will be possible for weavers to earn much higher wages when working six, eight or ten looms, but the trade unions are somewhat concerned as to the displacement of labour. Manufacturers contend that the saving in the cost of production will be of great benefit to the industry in the endeavours which are being made to produce goods at prices more competitive in world markets.

Advance in Cotton Prices.—Our Manchester correspondent writes:—During the last two or three weeks there has been a striking advance in raw-cotton prices. On October 10th the spot quotation for Middling American in the Liverpool market reached the low point of 5.54d. per lb. Since then there has been an almost uninterrupted rising tendency, the figure on Wednesday last

being 6.39d. This development in the situation has been due to greater determination on the part of farmers in the Southern States to hold their cotton on the promise of the Farm Board to give additional financial assistance in marketing the crop. The upward movement has been accelerated by the fact that users throughout the world have been caught short and there has been a rush to secure cover. As is usual in a rising market, demand for yarn and piece-goods has been stimulated. This has been particularly noticeable with regard to yarn, and it is apparent from the buying that has taken place that users in Lancashire were very much on the short side. During the last day or two there has been an inclination to anticipate future requirements, and spinners' order lists have been extended. There is some doubt in trade circles as to whether the advance in values is altogether justified in view of the continuance of very unsettled conditions throughout the world and the improbability of any big improvement in trade in manufactured goods. Raw cotton supplies are abundant, and so far this season the world consumption has been very low. Even with some increase in the deliveries to spinners there is every likelihood of a big carry-over of American cotton at the end of this season. The change in the outlook, however, is welcome as it has been a means of stimulating trade in Lancashire; it is a long time since the Manchester market was so active as it has been during the past fortnight.

Railway Wages.—With the impending expiry of the railway wages "truce" on November 12th, both sides have held meetings and prepared statements of a kind which mean that they are busy manoeuvring for position. On Friday, October 24th, a private delegate conference of the National Union of Railwaymen took place, at the close of which Mr. C. T. Cramp issued an official statement. This was to the effect that a minimum wage for all adult workers of £3 a week was to be sought, together with a guaranteed week for railway shopmen, the consolidation of the existing war wage into the basic rates in force in railway workshops, and a six-days' holiday with pay for all grades. Mr Cramp added that the Union's executive was left with the discretion of presenting this programme to the companies "at a favourable opportunity." This week the companies made their move, which consisted of inviting the union representatives to a joint meeting, to be held immediately after the expiry of the truce—very likely on November 13th. At this meeting, wages and conditions of employment are to be considered. There is no ground for supposing that these are other than early moves in the negotiations entailed by the expiry of the truce and by the serious position of the railway companies, or that any sudden crisis will arise. Nor does it follow that any questions that arise will not be settled by direct negotiation between the companies and the unions, without invoking the mediation of the National Wages Board instituted by the 1921 Act. The basic fact is that the railways have ceased to be a sheltered industry, and all parties to the discussion must be prepared to bear their share of the burdens thrust upon them, in common with other members of the community, by the prevailing trade depression.

European Stores Conference.—During the past week representatives of leading stores in nine European countries have been in conference at Harrods. This is the ninth in the series of international conferences to be held since the establishment three years ago of a scheme for the pooling of knowledge and experience among a group of departmental stores in different countries. This is the only group of its kind in existence, though, of course, there are in every country national associations of stores. The group of which Messrs Harrods, Ltd., is the British representative was founded under the auspices of the International Management Institute at Geneva, and includes the following firms:—France, Printemps; Belgium, Innovation; Holland, Byenkorf; Germany, Leonhard Tietz; Spain, El Siglo; Italy, Rinascente; Denmark, Magasin du Nord; Sweden, Nordiska Kompaniet. While giving consideration to general economic conditions, the

chief purpose of the tri-annual conferences is the exchange of practical knowledge and experience regarding methods of distribution, administration, stock-taking, book-keeping, display, advertising, collecting statistical information, etc. Conditions vary essentially in different countries, and a great department store is peculiarly dependent on a quick appreciation of local purchasing mentality; no attempt at collective action is made by the conference, which is purely a voluntary co-operative association, to each member of which it is left to draw from the mutual pool and capitalise the information offered in his own way. However, the existence of such an international pool of technical information marks a significant advance in the development of scientific distribution in Europe.

Railway Accidents in 1929.—The Ministry of Transport have lately issued their usual annual analysis of railway accidents to passengers, railway servants and "other persons (exclusive of trespassers and suicides)." On the whole, 1929 was a relatively fortunate year, for there was only one fatal train accident to passengers, namely, that at Ashchurch, when three passengers and one railwayman were killed. This contrasts very favourably with 1928, when—mainly owing to the Charfield and Darlington disasters—no less than 48 passengers lost their lives in accidents to trains. A complete examination of the returns, however, is less re-assuring, for in 1929 19 accidents in which trains were involved occurred, as against 20 in 1928 and 17 in 1927. It is difficult to resist the conclusion that the extremely light passenger casualty list of 1929 was, to some extent, a matter of luck, and this suspicion is strengthened by the fact that the toll levied last year upon railway servants was much the same as in 1928, and rather above the average of preceding years. If accidents of all kinds are taken into account, 1929 compares favourably with preceding years as regards fatalities, but unfavourably as regards injuries. Thus the year witnessed 417 deaths and 25,364 injuries, as against an annual average for 1918-27 of 470 deaths and 23,148 injuries. Admittedly, the majority of injuries were very slight, but in many cases the dividing line between whether or not an accident had a fatal termination must have been fortuitous. It follows that the main point of interest in the report is not so much the actual statistical details as the comments—all too brief—on the steps taken to prevent the recurrence of the accidents noted in the report. Here the Ministry's Inspecting Officer has a more encouraging tale to tell. The Committee on Automatic Train Control is about to report, and so it can be hoped that one fruitful cause of railway collisions will shortly be dealt with satisfactorily. As regards specific causes of individual accidents, in many cases definite recommendations were made by the Inspecting Officer and have since been acted upon. By far the vast majority of accidents, however, were the direct result of errors committed by the victims themselves. No automatic device can save the passenger who enters a train in motion, or the platelayer who goes about his work without taking the precautions already laid down in the companies' rules, and here the only remedy is better education of the passenger and worker. In short, while there is ground for hoping that constant vigilance and modern inventions are slowly but surely adding to the safety of the railways, there comes a point when the individual must be left to protect himself by the exercise of his own common sense.

Cost of Litigation.—In times of depression such as the present it is not surprising that the old question whether the cost of litigation is too high should have been raised afresh in business circles. The London Chamber of Commerce has been interesting itself closely in the question, and has prevailed upon the Lord Chancellor to receive a deputation. Lord Sankey, who, at the customary dinner to the judges at the Mansion House this year, expressed his sympathy with the action of the Chamber in calling attention to defects in our system of litigation, has now fixed November 6th as the date on which he will receive

the deputation. The basis of discussion will be a memorandum prepared by a committee of the London Chamber and circulated to various other representative bodies in the spring of this year. The memorandum has been widely discussed, and, while some of the further suggestions which have been put forward have been, in matters of detail, at variance with the London Chamber's proposals, the broad idea clearly is to simplify and shorten procedure and to economise both time and actual money expenditure. The establishment of the special procedure of the Commercial List in the King's Bench Division of the High Court and of a special "short cause" procedure in the Admiralty Division were, of course, moves in this direction. Technical rules of evidence are dispensed with, and decisions may be final and not subject to appeal. These arrangements have long been in operation, and apparently are now regarded as not sufficient. To the Admiralty procedure a new provision has just been added designed to enable the Court to act practically in the capacity of an arbitrator. This experiment may help to facilitate dispatch in the settlement of disputes, but meanwhile the London Chamber of Commerce is putting forward its proposals which would largely eliminate oral evidence, and in particular expensive expert evidence, and would also aim at simplifying and shortening the proceedings which precede the actual trial of a case. There is outstanding the further question of a Bill to assimilate proceedings involving the Crown to those in ordinary cases, and it would be interesting to know whether the Lord Chancellor can hold out hope of progress with this measure.

The Deep-Sea Fisheries.—The first-hand value of the wet fish landed by British and foreign fishing boats (including a proportion imported) in the third quarter of this year exceeded £6,000,000, and was rather less than in the corresponding period of last year. In England and Wales, as will be noted from the statistics given below, there was a substantial increase in the quantity landed by British-owned vessels while the aggregate sum realised was less, which would seem to indicate that demand failed to keep pace with supply. A summary of landings of British-caught wet fish for the September quarter, compiled from the returns of the Ministry of Fisheries, is as under:—

July-September.	Weight in Cwts.		Value.	
	1929.	1930.	1929.	1930.
British caught—				
England and Wales...	3,312,735	3,533,371	£ 3,396,461	£ 3,256,260
Scotland	3,075,470	2,358,699	1,822,437	1,602,673
Shellfish	...	...	116,562	104,879
Foreign landings.....	6,388,205	5,892,070	5,335,460	4,963,812
Imports	206,829	240,996	292,824	295,378
	274,111	244,979	818,493	813,254

The average value of British-caught wet fish was only 18s. 5d. per cwt. as compared with 20s. 6d. in the September quarter of last year. In Scotland there was a reduction in both volume and total value, though the average realised was higher, namely, 13s. 7d. per cwt. against 11s. 10d. per cwt. The figures for the nine months are as follows:—

January-September.	Weight in Cwts.		Value.	
	1929.	1930.	1929.	1930.
British caught—				
England and Wales...	8,710,562	9,584,047	£ 9,521,330	£ 9,543,719
Scotland	6,082,523	5,242,610	3,855,873	3,461,751
Shellfish	...	...	287,513	287,494
Foreign landings.....	14,793,085	14,826,657	13,668,716	13,292,964
Imports	1,086,079	1,251,384	846,377	895,006
	1,746,903	1,605,721	3,012,037	2,771,130

As a set-off against the imports from abroad we exported in the nine months 562,220 cwts. of wet fish, having a f.o.b. value of £778,865, as compared with 564,360 cwts., and £767,901 in the same period of last year. In addition we sent abroad fish cured or salted (chiefly herrings) to

the value of £3,549,788 against £4,154,151. Imports under this head were only £466,686, against £684,176. Imports of canned fish, however, were considerable and were valued at £2,888,775, as compared with £3,226,939. The British fishing industry is now about to make a bid in this direction. A large steamer is at present fitting out at Hull with a view to fishing for crayfish off the Coast of Africa. The fish will be caught by a fleet of small boats attached to the parent ship which has vats on board for boiling the fish, and facilities for canning it ready for market.

Overseas Correspondence.

UNITED STATES.

Stock Exchange — Foreign Trade — Gold Imports —
Credit — Industry — Prices — Profits.

(FROM OUR CORRESPONDENT.)

NEW YORK, October 21.

WHILE the country at large is preparing for a winter of even greater unemployment than that which existed last year, Wall Street is finding some relief from the heavy liquidation of securities. Markets have shown no convincing rallying power, but the volume of selling has declined and the tone is steadier for the moment on intelligence that, pending eventual liquidation, financial aid has been extended to a number of Street houses. After all, the recent weakness in security markets, inducing a fresh wave of pessimism, is a consequence of the boom of last year rather than a reflection of an unfavourable turn in the business situation or of a keener realisation of the sort of business we are having. A large number of Stock Exchange firms went too far beyond their regular commission business by using their capital for stock promotions, the formation of the so-called investment trusts, the underwriting of new securities, and much of the other business usually performed by the securities affiliations of the banks or by houses of issue which concentrated on that sort of operation.

Trade statistics do not disclose or forecast any decided improvement. Foreign trade was larger in September than in the preceding month, but the usual large gains for the beginning of the autumn were not there. Merchandise exports of \$318,000,000 were \$18,000,000 higher than for August, but more than a third lower than for last September. Imports of \$227,000,000 were \$9,000,000 larger than in August, but also a third less than September, 1929. The usual increase of September exports over August is \$40,000,000 to \$60,000,000. For the nine months export trade is nearly \$1,000,000,000 less than in the corresponding period of 1929, and is the smallest since the post-war depression, but the export balance of \$558,000,000 is larger than that of recent years.

"Favourable" merchandise trade has been accompanied by a large gold inflow. The excess of imports for the nine months amounts to \$185,815,000. To this must be added a net gain in release from earmark at the Federal Reserve Bank of \$20,492,000. The Federal Reserve Bank has published no figures on gold held under earmark for foreign account since the end of 1928. At that time the amount was \$79,765,000. Periodic reports are made on changes, a recapitulation of which shows the figure above mentioned, and the amount now held under earmark is \$114,673,000. Considerable fresh supplies of gold are expected during the next few weeks. About \$18,000,000 is known to be under way or near consignment from South America, and some \$12,000,000 is understood to be ready for shipment from Japan, while no large outward shipments are in sight.

Because there has been no need for it the year's increase in gold supply has not been made the basis of credit expansion. Federal Reserve Bank credit outstanding is slightly above \$1,000,000,000, or 371

millions lower than a year ago. Loans of reporting member banks in leading cities are 533 millions below last year's level, though investments have risen by 1,144 millions. These reporting banks comprise approximately 40 per cent. of the country's banking resources. Federal Reserve Bank policy continues to be one of maintaining ease in the money markets without attempting to pump fresh credit into circulation. For the third consecutive week commercial loans by member banks have risen, the increase amounting to 56 millions. In the same period liquidation of loans backed by stock and bond collateral has amounted to 250 millions. Member bank borrowings at the Reserve rose nearly 40 millions for the week of October 15th, reflecting the mid-month settlements, but this bulge was partially offset by a drop of 25 millions in Reserve holdings of bankers' bills. The reserve ratio stood at 80.9 per cent., against 73.1 per cent. a year ago. Circulation, which usually begins to rise from the middle of August, has this year risen only 40 millions, and this, together with the gold imports, has made credit so redundant that the banks have been forced into the bond market on a large scale.

The new issue market was somewhat taken aback this week by the reception of the City of New York's corporate stock issue. Bids had been asked to cover an issue of \$75 millions, but the banks declined to submit bids for that sum, which was subsequently cut to \$50 millions. Only one large institution, the Chase Bank, made a bid for the entire amount. Reluctance of the other large banks to bid and the absence of bids from the small houses was due partly to the recent weakness in the municipal bond market. Dealers had over-bought the market in anticipation of larger demand than developed, while numerous houses have been compelled to dispose of bonds to support shares which they had sponsored. The incident does not reflect any change in the fundamental ease of the money market or in the robustness of the bond market.

Motor production in September, at 230,888 vehicles for the United States and Canada, was slightly below that of August and 46 per cent. below that of September last year. The totals, furnished by the Department of Commerce, correspond closely to recent estimates of the National Automobile Chamber of Commerce. The steel industry continues to recede, the operating rate for all mills now averaging about 55 per cent. of capacity. Railroad traffic is rising slowly, but is far below normal for this season. Commodity prices, on the other hand, are steadier. The Bureau of Labour statistics index stands at 84.2 for September, compared with 84 in August and 97.5 a year ago. Farm prices were up $\frac{1}{2}$ per cent. in spite of weakness in grains and cotton, the gains occurring in the livestock, egg and garden produce groups. Foods as a whole were up nearly $2\frac{1}{2}$ per cent. The changes by groups follow:—

Groups.	Sept. 1929.	Aug. 1930.	Sept. 1930.
Farm products	106.6	84.9	85.3
Foods	103.2	87.1	89.2
Hides and leather products	110.8	98.9	99.1
Textile products	93.1	77.7	75.5
Fuel and lighting materials	81.1	75.4	76.3
Metals and metal products.....	104.1	92.7	91.8
Building materials	97.5	87.4	86.4
Chemicals and drugs	93.9	87.3	86.6
House furnishing goods	97.1	95.9	95.4
Miscellaneous	81.7	71.2	69.7
Raw materials	98.9	81.8	82.1
Semi-manufactured articles	97.6	78.1	76.5
Finished products	97.0	86.4	86.8
All commodities	97.5	84.0	84.2

Corporation profits for the third quarter are about what was expected. The first fifty industrial concerns show net earnings about 34 per cent. below those for the corresponding three months of 1929, whereas in the second quarter the average drop was 35 per cent. Since earnings last year had begun to fall in the third quarter, the record indicates that this year profits declined during the summer and early autumn, making allowance for the season. As more and more companies report current earnings at less than present annual dividend rates, appre-

hensions of reductions are kept alive and anxiety among investors is increased by the continual hacking away of rates. At the same time, the yields on the soundest stocks with assured dividends are rising to a point at which they should offer increasing competition with the capital market.

It can be reliably stated that no conferences have been held by bankers or Government officials here on the question of a moratorium for foreign debt payments or German reparations. Dr. Schacht is now touring the country, delivering a series of addresses of which the theme is Germany's willingness but inability to meet the payments contemplated under the Young Plan and a plea for revision. However, in responsible quarters much more attention is being given to the strengthening of the present Berlin Government than to Dr. Schacht's ideas.

FRANCE.

Politics — Frontier Defence — Railway Finance.

(FROM OUR CORRESPONDENT.)

PARIS, October 29.

PARLIAMENT is to reopen on Tuesday, and there is every prospect of an unusually lively session. Socialists and Socialist Radicals both appear determined to spare no effort to bring about the overthrow of M. Tardieu, but exactly what kind of Ministry would follow the present Cabinet remains a distinctly open question.

A good many leading Radicals are generally believed to be now quite prepared to shake off all pretence of attempting to collaborate with the Socialists and to support a Cabinet of the Centre—even, possibly, with M. Tardieu as its leader—provided it were sufficiently strong to be able to exist without the support of the Louis Marin Nationalists. The key to the whole situation lies in the fact that, as old parliamentary hands are convinced, from careful analysis of the present Chamber, there are three possible majorities in the present House: (1) a majority composed of the Centre and the Right, which would comprise 327 units; (2) one consisting of the Centre and the Left, numbering 354 units and comprising the Socialist Radicals, but not the Socialists; and (3) a combination of the Left (the Painlevé-Briandists, the Radical Left, and the Socialist Radicals) and the Extreme Left (represented by the Socialists), numbering 322 deputies. M. Blum, who a year ago scouted the possibility of the second of these groupings, has now apparently, since the Grenoble Radical Congress, changed his opinion on this point; this may or may not be significant. M. Tardieu maintains an entirely satisfied attitude, notwithstanding all the shouting that is going on as to his "pending overthrow." He has reason to be content with his present majority, failing one composed of parties further to the Centre, as to which his attitude towards M. Herriot and his friends continues to be that of the immortal Barkis—with the difference that he insists that he himself, and not his potential Socialistic Radical associates, should have the deciding voice. The dark horse of the immediate situation is M. Briand, who is still on the sick list. The date of the important debate on the foreign situation, which usually opens the session and which on this occasion is expected in some quarters to result in a surprise, has consequently not yet been fixed.

M. Tardieu and the Ministers for the Budget, Finance and other departments appeared last week before the Finance Commission of the Chamber and were heard at length on various salient factors in the country's financial situation. Among the more important subjects on which information was asked by the Commission was the present situation of the national aviation defences, about the defective development of which there is a good deal of nervousness at present; the situation of the railways; and the Government's programme in regard to the pending "massive" conversions of war debt issues. On this last point, M. Reynaud, the Finance Minister, intimated that the Government would be the sole judge of the moment when it considered that the indispensable technical conditions for conversion had materialised, while he very

naturally evaded a reply to questions whether Parliament would be consulted before the conversion plans are applied. The question of the creation of a Ministry of Transport was also briefly discussed. The statements made by the various Ministers were, as usual, regarded as private.

With a view, apparently, to allaying the alarm that has been felt throughout the country since the German general elections, and to a much less important degree by the bellicose declarations of M. Mussolini, the Government has allowed the publication in the *Matin* of a remarkable series of articles setting forth in some detail the comprehensive plan of general reorganisation of the German and Italian frontiers that has been in course of completion during the past three or four years. The articles show that these two frontiers have been enormously strengthened by an intense and entirely modern system of defences, based closely on experiences during the last war. The old method of huge and more or less isolated fortresses at the various strategic points has been replaced by an entirely new system of underground defences, all linked up together and provided with vast subterranean shelters for the massing of first-line troops, the whole constituting an impregnable and more or less continuous line of strongholds, impervious to heavy artillery or aerial attack. Briefly put, the new French frontier defences may be described as a reconstitution, in permanent form—mostly in reinforced concrete, and deep underground—of the Allied defensive line on the Western Front by which the enemy was held at bay for nearly four years.

The financial situation of the railways appears from the details given in statements made before the Finance Commission to be much more serious than public opinion has hitherto realised. All the lines, both State and private, have been worked since 1921 under a National Council, the basic factor of the financial organisation being a common fund, contributed to annually by the paying companies, for the benefit of the lines showing deficits. With the application of the new system, the Government guarantee to the shareholders ceased, and was replaced by conventions under which the Government undertakes to come to the rescue in time of need. This, the Bourse quotations show, has been accepted as of equal value to a direct guarantee. The new system has so far worked well. The lines have been developed to a point never before reached, and have responded satisfactorily to the ever-increasing demands of the nation. The heavy annual deficit occasioned by the War (which in 1921 alone amounted to over £16,000,000) was transformed into a net profit of over £4,500,000 in 1926. Last year the profit was £2,400,000. Unfortunately, although the gross profit on working has risen from £2,936,000 in 1922 to £27,000,000 in 1929, increased capital charges and a still more rapid rise in the cost of efficient operating have nullified the benefits from larger receipts. The current year's working, it is now known, will result in a total deficit of between £12,500,000 and £13,500,000 (of which between £8,000,000 and £9,000,000 is accounted for by increased labour cost, owing to last year's substantial rise in the scales of pay). For 1931, when the new wage scales and national insurance and other obligations will come fully into effect, a total deficit of £25,000,000 is anticipated.

The real cause of this situation is that, although wages and other working costs have been raised to correspond to the new value of the franc, fares and goods rates have not. In view of the loud outcry already existing as to the "enormous rise" in railway charges, from the point of view of a public which persists in refusing to take into account the drop of the franc to one-fifth of its old value, no real increase in fares and goods rates is thinkable. Ministers explained to the Finance Commission that the alternatives favoured are a sufficient advance by the State to the railway common fund or an adequate issue of railway bonds, the interest and redemption service of which shall be a charge on the State. Another method suggested is the suppression of the transport tax, so far as the railway companies are concerned, leaving fares and goods rates at the present level, so that real increases would not be noticed by the public.

GERMANY.

Grain Duties — Demands for Other Agricultural Duties — Commercial Policy — Reich and State Politics.

(FROM OUR CORRESPONDENT.)

BERLIN, October 28.

THE Cabinet has raised the wheat duty from 185 Reichsmarks to 250 Reichsmarks per ton, and the duty on barley from 150 Reichsmarks to 200 Reichsmarks. No decision of the Reichstag was needed, as since last spring the Government has been legally empowered to raise duties by decree. Since this last rise German grain prices have reached a level which would have been regarded a year ago as fantastic. The world price of wheat is only about 110 Reichsmarks; the German duty alone amounts to more than twice that. Even the previous duties were so far prohibitive that only a relatively small quantity of foreign wheat for blending purposes was imported, and this can hardly be reduced very much further even by the new rates.

The raising of the barley duty is primarily intended to induce an extended use of rye and potatoes as swine fodder, but it is doubtful if this will be successful, for as the price of pigs is plainly approaching a record low level, the consumption of fodder is bound to decline, and as barley has great technical advantages there is no certainty that a rise in its price will benefit the competitive products to any extent. The Government therefore is only achieving a very doubtful measure of protection to agriculture while preparing serious political difficulties for itself.

The Government programme includes an attempt at a reduction of prices and wages. The very first important move in that direction produced the costly strike of the Berlin metal workers, which has now lasted a fortnight. The unions reiterate that they will only tolerate a reduction of wages when the Government has brought about a perceptible fall in the cost of living. They will not trust to promises, but insist on accomplished facts, and have no faith in index numbers, which show a fall of 7 $\frac{1}{2}$ points since the 1929 maximum, pointing out that falling prices of the means of production are only handed on very slowly, and that the prices of commodities of general consumption alone are relevant to wages policy. These, however, consist largely of foodstuffs, and if the Government now raises the cost of living far above the level in other countries by these immense tariffs, it will render impossible its task of reducing prices and wages to the world level.

The Cabinet has, of course, given due weight to this serious consideration, and its decision to raise the grain duties notwithstanding must be attributed to the fact that the agricultural situation in the Eastern provinces threatens to grow substantially worse. The price of rye is in the neighbourhood of 140 Reichsmarks per ton, about 20 marks below the pre-war price. Until the elections the Food Minister had maintained the spot price at 187 Reichsmarks by State purchases, and the futures prices at an even higher level. In order to make possible this policy he had exhorted the farmers to bring as little as possible to market at that price. Those who followed his advice have lost heavily, and the people who gained are the section of the trade which speculated from the beginning on the collapse of valorisation. It is therefore easy to understand the tactical considerations which are inspiring the desperate attempts of the Food Minister and the Cabinet to prevent a further collapse of rye prices and to secure in the satisfaction of the wheat growers some offset to the disappointment of the producers of rye.

From the purely economic point of view, however, there is ground for considerable anxiety. In addition to the fall in the price of rye, there has been a glut of potatoes following an exceptional crop, while a very substantial source of demand for potatoes, that of the distilleries, has shrunk considerably owing to the decline in the use of potato spirit. The Government brandy monopoly will this year allow the distilleries to produce to 70 per cent. of their capacity, and will take over the resultant output, whereas last year the proportion was 80 per cent., and in previous years has been 100 to 130 per cent. Even with a 70 per

cent. quota the monopoly will have to contend with great marketing difficulties, and it is proposed to attempt some mitigation of these by a legal compulsion to mix potato spirit with motor spirit. The consumption of potatoes as well as of rye is suffering from the decline in pig raising.

Germany is not likely to be involved in international political difficulties by her new grain tariff itself, but now that fodder grains are to be so much dearer in Germany than in the world market the Government will have to grant new duties to the cattle-raisers. This will touch German commercial policy at its most sensitive point—doubly sensitive now in view of the energetic attempts of the States of Eastern Europe to improve by political means their position in the Continental European markets, of which the German market is the most important. In the interest of German industrial exports it is urgently necessary to build up a system of stable tariff relations, on a basis of moderate duties, with those countries whose principal exports are butter, cattle and eggs. Roumania also exports a considerable quantity of wheat, and so is directly affected by the new scale of German grain duties.

The agrarian groups, however, show little disposition to take account of this consideration. The action the Government has so far taken, in connection with grain duties, meets only a small part of their requirements. The Agrarian Party, to which the Food Minister belongs, brought up in the short meeting of the Reichstag a set of new proposals as to commercial policy. It would like the Government to be empowered to raise by decree all duties on agricultural products, not only those on grain, and all treaty obligations affecting duties on agricultural products to be denounced. In place of the present more moderate requirements it would like to see a strict regulation that all wheat flour sold should contain 90 per cent. of home-grown grain, and it would like, further, a compulsory admixture of rye and potato flour. The inclusion in trade treaties of the most-favoured-nation clause would, according to this programme, be strictly forbidden except where agricultural products were expressly excluded from its scope. These proposals will presumably not be carried as they stand, but the farmers will be able to exercise extremely strong pressure on the Government when the Reichstag reassembles in December. The chances of the success of this new protectionist movement are increased by the fact that Germany feels that the rest of the world is shutting itself off more and more, so that there is no hope of maintaining the so far satisfactory development of German exports. Particular stress is laid, in support of this argument, upon the movement for closer tariff union within the British Empire.

The Prime Minister of Prussia has called for the resignation of Professor Waentig, formerly Minister of the Interior, and replaced him by Herr Severing, a former Reich Minister for the Interior. This does not mean any change in the political composition of the Prussian Cabinet for both Ministers belong to the Social Democratic Party. Nevertheless this appointment has attracted great attention and is generally regarded as a strengthening of Social Democratic influence, as, indeed, Herr Braun presumably intended it to be. By nominating the strongest available person to this office, and, consequently, to the command of the Prussian police, he intended to make it clear that he proposed to counter-balance the weakening of the constitutional parties in Parliament, which followed the Reichstag election, by an all the more energetic use of the forces at the disposal of the Government for the protection of the Republic. In this he was evidently supported by his Democratic and Catholic colleagues, for, ruthlessly as Herr Braun is accustomed to dealing with his opponents, he is exceedingly careful to keep in line with his allies, especially those of the Catholic Party, so that Herr Severing's appointment must have received the sanction of the latter. As the Chancellor of the Reich belongs to the Catholic Centre, the support by the Prussian Ministers of the Centre of this powerful gesture of Herr Braun might influence the policy of the Reich. Another member of the Centre Party, the Reich Minister of the Interior, Dr. Wirth, is showing himself hostile to the Brunswick Government

because it includes a National Socialist. In the second largest of the States, Bavaria, a *rapprochement* is being brought about, after years of bitter enmity, between the Bavarian People's Party, which is close to the Centre, and the Social Democrats. Signs are thus multiplying, even though there is no definite evidence, that the December meeting of the Reichstag may be characterised by a *rapprochement* between the Catholic groups and the Social Democrats.

ITALY.

Bonifiche Ferraresi — Warnings by Signor Mussolini — Bourse — Increasing Investment by Banks — Bank of Italy.

(FROM OUR CORRESPONDENT.)

TURIN, October 13.

THE Società delle Bonifiche Ferraresi affair discussed in my last letter has had a sequel. Several creditors, including a few important banks, opposed the sentence of the tribunal of Ferrara initiating the procedure of composition with creditors (*concordato preventivo*), alleging that the tribunal having jurisdiction over the case was that of Turin, where the company had its legal seat. The issue has been brought to-day before the Court of Cassation, Italy's highest court. In the meanwhile, other serious disclosures have been made. The chairman of the biggest Italian agricultural company, the Istituto dei Fondi Rustici, denounced to the magistrate two of its directors, Signor Anselmi, the managing director, and Signor Clerici, as guilty of having deflected to their private benefit a sum of seven million lire. The dividend was therefore passed and Signor Anselmi arrested. Signor Clerici, who was also a managing director of several other joint-stock companies, mostly in the hotel line, managed to escape. The fall of the Bonifiche Ferraresi threatened to entail the collapse of a co-operative bank (Banca del Piccolo Credito Novarese), which is said to have lent a sum of 50 million lire to the Bonifiche. To avoid panic spreading among 81,000 small depositors (the bank had at the end of 1929 166.6 million lire deposits and 235 millions due to correspondents), a merger was hurriedly arranged with the Banca Popolare di Novara, a big local bank with 70.6 million lire capital, 67.1 millions reserves, 536.9 millions deposits, and 788.8 millions due to correspondents. Thus the panic was stopped in time.

In the meantime, in his speech inaugurating the new Corporations Council, Signor Mussolini spoke strongly on the subject of bad finance. The Government have aided the reorganisation of the Cosulich Navigation Company, and allied concerns, of the Southern Cotton Company (Cotonerie Meridionali), a big firm with over 10,000 hands, the merger of some Catholic banks and of other banks; but were not prepared to lend their aid indiscriminately. Bad financiers should and would be severely punished. Every reader was able to fit the names to his very transparent allusions. A few days after the speech several directors of a Piedmontese bank, the Crédit Valdôtain, were sent to prison. A short *communiqué* of the official Stefani Agency announced that Signor Gualino, the former president of the world-wide rayon concern Snia Viscosa, had settled his debts with the Banca Agricola Italiana of Turin. This bank had, as of December 31, 1929, deposits of 646.7 million lire. It was rumoured that from 250 to 300 millions out of these deposits had been loaned to Signor Gualino and his many affiliated companies. Signor Gualino, until yesterday a big man with artistic leanings (he collected a wonderful gallery of paintings and subsidised the Turin Comedy Theatre), was obliged to hand over to the Bank of Italy his investments in industrial companies, for instance, in the Turin chocolate combine "Unica," his racing stable, landed property, picture gallery, etc. Through this settlement the Banca Agricola Italiana will

be able to meet the demands of its depositors and to turn its banking activity to the agricultural field, from which its name and most of its deposits are derived.

A pointed commentary on Signor Mussolini's warnings can also be found in the conclusion of a libel action which Signor Belloni, a former Mayor of Milan, brought before the Cremona tribunal against Signor Farinacci, a former secretary-general of the Fascist Party. Signor Farinacci charged Signor Belloni with having accepted, during his tenure of the mayoralty, bribes in connection with the American loan by Dillon, Read and Company to the Milan municipality, of having received a regular yearly fee of 250,000 lire (£2,700) from the Credito Italiano, etc. The Court, considering that the charges had been substantiated, acquitted Signor Farinacci. As a consequence, Signor Belloni was expelled from the Fascist Party.

It is no wonder that these ominous events, following in quick succession, together with the general unsettled state of the foreign stock exchanges and the wholesale crumbling of commodity prices, had a very bad influence on the bourses. Not a single security escaped the bears' attack. The general index of share prices published by the Milan Economic Council (basis 100 = December, 1925), which at the end of 1927, 1928 and 1929 was respectively 80.3, 88.3 and 81.2, and rose to 84.4 on March 1, 1930, fell to 77.2 on August 1st, to 73.8 on September 27th and to 27.8 on October 4th. The next index will be still lower. The only buyers left are the banks, their subsidiary holding companies and the interested groups.

How far this process of buying-in of joint-stock shares and debentures by other companies has gone may be gauged by some interesting figures contained in the twelfth issue of the "Notizie Statistiche" published formerly by the Credito Italiano and now by the Joint-Stock Companies Association. At the end of 1929 the 4,181 companies included in the statistics had a share capital of 42,555.9 million lire and debentures issued to the amount of 5,621.7 million lire. On the assets side, investments in securities total 15,454.9 million lire. This means much interchanging of securities between companies. The principal items in the balance sheets of 269 reporting banks and financial holding companies may be summarised as follows at the end of 1929:—

(Million Lire.)			
LIABILITIES.		ASSETS.	
Share capital	6,636.8	Cash and discounts	17,549.8
Debentures	841.4	Advances on securities and others.....	3,554.2
Total reserves and carry-forward.....	1,411.6	Investments (securities and participations).....	11,148.1
Deposits	9,791.2	Other debtors	14,107.4
Correspondent creditors	22,411.9		
Circular cheques	773.1		
Creditors	4,417.1		

It must be observed that Italian banks, like German banks, have always been in a much closer relation with industry than British banks. Current deposits appear to be very well protected by cash and discounts. During the present year the policy of the banks was one of reducing advances and improving the liquidity of their situation. Nevertheless, the heavy items of investments and other debtors require very careful handling.

Intervention by the Bank of Italy in aid of distressed industrial concerns and banks has so far left no trace on its balance sheet. On September 20, 1930, discounts of the Bank of Italy totalled 2,752.3 million lire, against 3,699.5 million lire at the corresponding date of 1929 and 2,997.8 million lire in 1928. The figures for advances were 1,301.5, 1,490.6 and 1,090.8 million lire on September 20, 1928, 1929 and 1930. On the same dates, the credit of the bank against the Istituto di Liquidazioni, a subsidiary body created for the winding-up of affairs of the rescued concerns, was respectively 1,237.1, 897.5 and 630.5 million lire. The position of the bank appears, therefore, to be steadily improving.

From the decline in the figures quoted above, it can only be inferred that assistance to concerns in difficulties is largely offset by decreases in current operations. This is to be expected during a period of falling prices and

restricted turnover. As long as Governor Stringher is at the helm of the Bank of Italy the public is confident that aid is given only against very strong collateral. Twice during his long tenure of office has Signor Stringher borne the brunt of bad times, and twice has the Bank of Italy emerged stronger from the struggle. Let us hope that his banking career will be crowned with a third success.

HUNGARY.

Politics — Monsieur Flandin in Budapest — Agriculture — Credit — Trade.

(FROM OUR CORRESPONDENT.)

BUDAPEST, October 13.

PARLIAMENT will reassemble after the summer recess on October 20th. Domestic politics are mainly centred on economic problems. The troublesome developments in the sphere of German and Austrian internal politics had practically no effect in Hungary, where Count Bethlen's Government in its tenth year of administration is as stable as ever. Discontent is naturally influencing Hungarian politics owing to the depressed economic conditions, but in spite of the passionate outbursts of the Opposition, agrarians, industrialists and bankers equally realise that no change of Government would improve the economic and financial prospects. Count Bethlen did well to remind the country at the beginning of the political season that the Government cannot produce prosperity by legislation, and that difficulties in the economic and financial situation brought about by the world crisis must be faced in Hungary as elsewhere. The Prime Minister declared that Hungary is willing to co-operate with the neighbouring agrarian countries to improve the agricultural situation because only concerted action of the interested States can bring relief to the farmers. Negotiations with Roumania and Yugoslavia have been going on for some months without much practical result, and the resolutions of the Warsaw Conference of the Central European States, to which Hungary was a party, did not amount, for the time being, to very much more than pious hopes.

The world-wide slump in the price of cereals is keenly felt in Hungary, where the farmers are suffering from American and Russian competition. Wheat prices have fallen below the Chicago quotations, and the export of the cereal surplus is hampered by the high tariffs of the neighbouring industrial countries. It is of paramount importance to the agrarian interests of Hungary as well as of Roumania and Yugoslavia that they should arrive at a definite agreement as to how to safeguard their interests against Austria, Czechoslovakia and Germany—States which are the natural outlets for the surplus wheat of the Danubian countries. Nothing but concerted bargaining can induce the industrial States to give preferential treatments to cereals and livestock.

The money market is easy. The rise of the German Bank rate did not affect the market. Short-term foreign funds are abundantly offered, but owing to the business depression there is not much demand for them. Owing to the scarcity of demand the rate for prime commercial paper is as low as 5½ per cent., that is to say a trifle lower than the official discount rate of the National Bank, which is 5½ per cent. The outstanding event of the money market is that for the first time since the war mortgage bonds have been successfully issued in Switzerland. Although the amount issued, Swiss fr 15,000,000, is comparatively small, with a rate of interest of 7 per cent. and an issue price of 98, the Hungarian Commercial Bank of Pest may undoubtedly be content with its transaction. On the other hand it is a great pity that negotiations for the centralisation of the mortgage loan issues in London and in New York with the Guaranty Trust Company of New York and Hambros Bank failed after several months of discussion. It is to be hoped that the centralisation scheme of mortgage issues, as far as New York and London are concerned, will not be abandoned, for the piece-meal borrowing of Hungarian financial institutions is against the interests of the country.

Foreign trade returns are very satisfactory. In the first eight months of 1930 imports totalled 550 million pengös, and exports amounted to 591.7 million pengös, leaving an export surplus of 41.7 million pengös as against an adverse balance of 149.3 million pengös in the corresponding period of 1929. The improvement in exports is mainly due to the increased export of livestock. As crops were not so favourable this year as in 1929, the export surplus of cereals will be considerably lower in the following months than it was in the previous year. The fall in imports is due to the diminished purchasing power of the population owing to the low agricultural prices. As foreign borrowing was very moderate in 1930, there was no stimulus to the importation of foreign commodities.

The prospects for the winter are not very bright. Unemployment is likely to increase, as there is little hope for an economic recovery so long as agricultural prices do not improve. The Government is anxious to help the depressed industries and the unemployed by placing contracts for public works, such as road building, railway improvements, electrical implements and housing. The Stock Exchange is dull, and quotations in all categories have declined, the chief sufferers being industrials and collieries.

SOUTH AFRICA.

Production — Swaziland — Railway Finance — Industrial Census.

(FROM OUR CORRESPONDENT.)

JOHANNESBURG, September 17.

THE gold-mining industry is once more to come under the official microscope; yet another commission is to "inquire into and report upon the mining of low-grade ore on the Witwatersrand, and matters in connection therewith." The formal business of the Commission has just been opened, and in view of the generality of the terms of reference the proceedings may easily be lengthy. It is rather freely commented, inside and outside the industry itself, that there can be very little new information to be got on the subject. Apart from purely technical difficulties with which the mines' officials are the best people to deal, the industry has to contend with an unwise labour policy, a tariff policy which is astounding for a country of small population and purely primary resources, and a level of real wages to skilled Europeans which exceeds both the producing capacity of the country and their economic value in relation to the rest of the community.

Almost at the same time as the gazetting of the Commission, there appeared the new volume of the Official Year Book of the Union of South Africa, containing a fresh estimate by the Government Mining Engineer of the future gold production of the Union. The statement refers explicitly to the Union, but appears to deal with the Witwatersrand—a point of no practical importance at present, although the distinction may be vital in years to come. The ore deposits in various parts of the Transvaal are but vaguely known so far. The estimate allows for an output of £43,500,000 in 1930, £39,000,000 in 1935, £25,500,000 in 1940, £15,500,000 in 1945 and £10,000,000 in 1949. The estimate is based on present costs, and assumes that six new mines (three on the East Rand and three on the West Rand) will begin crushing between 1935 and 1940. The Government Mining Engineer is careful to point out that the estimate depends for validity on the maintenance of present conditions. This is a severe but wholly unavoidable qualification of the value of the estimate.

In this connection the native labour position is by no means free from anxiety. At present the unusually large number of British South African natives available has obscured the effect of the operation of the 1928 Convention with the Government of Mozambique. The number of East Coast natives employed on gold mines has fallen from 91,034 in September, 1928, to 74,913 at August 31st, and when the British South African numbers return to

normal the position is likely to become serious. The Government are apparently not disposed to lift the ban on tropical labour for two reasons: they propose to exert pressure on natives who by preference or good fortune abstain from working in mines, farms or industries; and they are dallying with the idea of compelling employers to engage unemployed whites in industry and on mine surface work.

The question of the incorporation of Swaziland in the Union has arisen in an unexpected manner. The tobacco growers of Southern Swaziland have had difficulties—like growers elsewhere—in making satisfactory arrangements for the disposal of their crops. In particular, the Union Government, harried by its own tobacco growers, has asked for an agreement excluding tobacco from the free trade arrangements between the territories, and suggesting that Swaziland growers should enter the Union co-operative sales agencies. At a meeting at Hlatikulu, in southern Swaziland, the tobacco growers asked that in certain circumstances (including these complications in the tobacco trade), the Prime Ministers of Great Britain and of the Union should discuss terms of incorporation. The northern Swaziland Europeans are strongly opposed to incorporation at the present time. One extraordinary result of the position was that the Governor-General, on his last official visit to Mbabane, was presented with two official addresses of welcome from the respective sections. Friends of the natives and the natives themselves are, of course, strongly opposed to incorporation, whilst the Union Government would almost certainly welcome the idea.

The financial position of the South African Railway Administration is causing some alarm in official quarters. The figures for the first few months of the current financial year (from April 1st) show a heavy decline in revenue, and the deficit on working for the months of April, May and June approaches £500,000. For this there are various reasons—the depression in agriculture and trade generally, the amount of high-rate traffic which now goes by motor lorry, and the employment of European unskilled labour—the cost of which should, of course, be charged to consolidated revenue and not to the railways. One of the proposed remedies is the curtailment of "local allowances" in the interior, which railway servants are to share with servants of other Government departments. Although annoying to the officials concerned, some action of this sort has become inevitable. The local allowance system is an arrangement, long outworn, originally designed to counteract the high living costs which ruled in the interior of South Africa many years ago. Coastal costs have increased much more than others; the cost-of-living index figures town by town in relation to pre-war levels vary almost inversely with the distance from the coast. Had the Government found itself in a position to afford increases, the policy might well have been to level up the coastal salaries and consolidate the allowances. The scale of salaries in Government departments is hardly sufficient to attract to the service a fair proportion of able or outstanding employees. In present circumstances, however, the Government have retained the local allowance principle and reduced the up-country allowances.

The preliminary report of the industrial census for the year 1928-29 shows a continued advance in the output of industry. The total declared value of land, buildings and plant is now £65,500,000. Employees number 89,236 Europeans and 217,660 of other races, and their earnings amount to £19,630,000 for the former and £6,916,000 for the latter. The value of materials used was £59,000,000 and the value added to materials £54,500,000. These figures all include Government establishments. It may be mentioned in connection with our industrial progress that, at the recent Congress of the Federated Chamber of Industries, the Acting Prime Minister, Dr. Malan, uttered a warning in regard to the continued demands for further protection. He and some other speakers also dwelt on the wide dissemination and small scale of individual establishments in similar trades.

JAPAN.

Money Market — Agriculture — Crops — Foreign Trade — Prices.

(FROM OUR CORRESPONDENT.)

Tokyo, October 10.

ON Tuesday the Bank of Japan lowered its official minimum rate to 5.11 per cent. from 5.48 per cent., at which it had stood since October 9, 1927. The announcement came as a surprise, since the immediate monetary outlook is one of stringency rather than ease in view of the outflow of gold and the approach of winter. The court of the bank is understood to have thought it advisable to do something to relieve the growing apprehension about year-end negotiation in view of a further sharp fall in the price of rice and other commodities, the recent substantial depreciation in Japanese funds, the renewed slump in the stock market, and a continuous shrinkage in foreign trade. Though the lower Bank rate was generally welcomed, it has failed to inspire confidence, and a recovery in the stock and securities market has proved short-lived. The gloom that hangs over the business atmosphere remains undisputed.

The most disquieting feature at the moment is a further heavy fall of rice prices upon the official forecast of a bumper crop, which is accentuating still more the dire distress under which the agricultural districts are labouring. Rice is now quoted at around 15 yen per koku, or about 12 yen below the mean price during last year, and is the lowest since 1917. The farmers' loss of income from rice at the ruling price is roughly estimated at 350 million yen in comparison with 1929, together with a loss of 313 millions from cocoon. Such a substantial reduction in the purchasing power of the farming population, which represents the bulk of the nation, is a factor that is certainly operating to retard an early revival of trade. The Rice Board is going to buy the surplus on the one hand and try to market abroad part of its stock. The export of rice in any large quantity is a novel experiment in this country.

The Department of Agriculture and Forestry's forecasts of the rice crop for the country as of September 20th, made public on October 2nd, placed the year's crop at 66,867,000 koku, a heavy increase of 7,314,000 koku (+ 12.3 per cent.) upon last year's actual yield and 7,416,000 (+ 12.5 per cent.) above the five years' average. The Korean crop also promises remarkably well, and is put at 19,296,000 koku, or an increase of 40.8 per cent. upon the actual yield of 1929. The wheat, however, has been poor this year. The actual yield of wheat (except that of Hokkaido) totalled 18,952,000 koku, a decrease of 1,509,000 koku (- 7.4 per cent.) as against last year, and is 2,226,000 koku (- 10.5 per cent.) below the quinquennial average.

According to a report of the same Department the output of spring cocoon totalled 56,084,000 kamme, an increase of 5,489,000 kamme (+ 11 per cent.) against last year, but its value was estimated at 210,288,000 yen, disclosing a marked decline of 144,403,000 yen (- 41 per cent.). The estimated crop of summer and autumn cocoon was put at 45,797,000 kamme, a decrease of 5,701,000 kamme (- 11 per cent.) upon the actual output of 1929. The combined cocoon output for the year amounts to 101,881,000 kamme, as compared with 101,733,000 kamme for last year, the gain in the spring crop being nearly offset by the loss in the summer and autumn crops.

The foreign trade figures for September record no improvement in trading conditions. Both imports and exports have declined heavily as compared with a year ago, imports falling in value by 42.9 million yen, or 31.7 per cent., and exports by 60 millions, or 31 per cent. The shrinkage is more conspicuous in the case of staples: imports of raw cotton fell by 71.7 per cent., iron and steel by 59 per cent., and machinery by 35.6 per cent., while exports of raw silk decreased by 36.3 per cent. and cotton manufactures by 47 per cent. There was, however,

a small but welcome increase in imports of raw wool and in exports of rayon products.

The downward movement of commodity prices was again accelerated last month. Following the fall of 0.6 per cent. in August, the Bank of Japan's wholesale index number for September registered a further sharp drop of 2.4 per cent. on the month, and is now 21.2 per cent. lower than a year ago.

Letters to the Editor.

A POLICY FOR INVESTORS.

TO THE EDITOR OF THE ECONOMIST.

SIR,—In view of the depression which has been sweeping the commercial and stock markets of the world, it would appear opportune to survey the underlying features of the present economic stock market position.

Statistical analysis suggests that English business is now well advanced in the "collapse" phase of the typical business cycle, whose six main distinctive phases are normally:—

	Normal duration (about)		Normal duration (about)
Prosperity	2 years.	Collapse	1 year.
Boom	1 year.	Depression	1½ years.
Strained bank credit... 9 mos.		Revival.....	1 year.

The present trade collapse began early in 1929 and has now lasted approximately eighteen months. Business is 12 per cent. less in volume than in 1928 (American business is 22 per cent. less); wholesale raw-material prices (which measure general demand in relation to supply) have fallen 15 per cent. in the last twelve months; and there is as yet no upturn in any of the five main indices of trade, namely: Employment, railway traffics, bank clearings, imports of raw materials, commodity prices.

"Revival," as such, has clearly not yet begun, and the "collapse" stage of the business cycle appears hardly yet to be over. If the cycle pursues its normal course, depression as such will last another year.

The fall in raw-material prices, although causing consternation and losses on inventories, has done good by lowering manufacturing costs of production; but the immediate reactions are not favourable. It is true that the fall in the costs of production, coupled with intensified competition, is inducing manufacturers to lower their selling prices, but retailers have, in consequence, become nervous, fearing a further depreciation on their existing stocks. Retail inventories are therefore being allowed to run off below normal and few replacement orders are being given to producers.

Consumers, too, for similar reasons, are holding off the market. This is the paradox of the falling market: Falling prices tend to check demand, although low prices eventually stimulate it.

Forces, however, are at work to bring on the delayed consumptive purchases.

(1) In most cases raw materials are now selling well below average costs of production; little further fall is therefore likely. Indeed, rises are now becoming more likely than falls, and this is removing one source of nervousness.

(2) Retail prices are falling in the wake of wholesale prices, which is making the fixed-income classes automatically "really" richer; they are thereby enabled to buy a greater volume of goods (boots, textiles, cinema tickets, &c.), although they do not expend more money.

(3) The banking position in England has of late been made more liquid as a result of the trade slump. The decline in employment, in retail trade and in private incomes has reduced the public's requirements for legal tender for wage paying, pocket money and till-money purposes; legal tender has consequently flowed back into the banks and this has strengthened their cash positions. Banking ratios have thus improved and the bank rate has fallen from the 6½ per cent. level to which it was raised in October, 1929, to 3 per cent. in May, 1930. A further fall to 2½ per cent. is by no means impossible.

(4) The trend of long-term interest rates, too, is altering, which is a matter of vital importance in all trade slumps.

Although short-term interest rates have fallen a full 3½ points since November, 1929, long-term rates have not yet appreciably fallen. The gilt-edged index has, in fact,

only risen 5 per cent. from bottom, indicating a decline of not more than $\frac{1}{2}$ per cent. in the long-term rate of interest. This lag in the fall in long-term money is a typical phenomenon of the trade cycle.

THE PRESENT STOCK MARKET POSITION.

At the present moment the banks throughout the country are suffering from a glut of funds for which they can find no profitable outlet in the short-term market—i.e., bills. They are therefore likely gradually to switch the funds which they would normally have placed in bills and "trade advances" into "investments." This means an influx of money into the Stock Exchange and an accelerated rise in gilt-edged securities.

Another factor which will hasten the improvement in fixed-interest securities is the fact that approximately 50 per cent. of the total deposits of the joint-stock banks (see the Midland bank figures, which are the only ones published, but which are probably representative) are on fixed, as distinct from current, deposit; and the deposit rate in the banks is only 3 per cent. down to 1 per cent. As soon as the owners of these funds see a boom in Government securities maturing they will switch part of these funds off deposit into gilt-edged securities, where $4\frac{1}{2}$ per cent. can be obtained as opposed to the meagre 1 per cent. or 2 per cent. now being earned "on deposit." The total money in the country on fixed deposit is probably in the region of £800 millions, and only a diminutive switch of the foregoing nature is capable of causing a sharp upward movement in gilt-edged securities and a consequent fall in long-term interest rates.

Indeed, it is not impossible that on the first unexpected propitious economic or political event—for instance, a fall in the bank rate, a reparations moratorium, a political change, etc.—an upturn of five or more points will occur in the gilt-edged stocks and in leading industrial debentures within a few weeks, and that the Stock Exchange will suddenly experience an unexpected "fixed interest" boom.

This movement is likely to boil over rapidly into the ordinary share market. It will not, of course, be possible to say that the trade slump has definitely ended until the five main indices of prosperity turn upwards, i.e., employment, railway traffics, bank clearings, raw material imports and commodity prices. Ordinary shares, however, usually move upwards (and downwards) six to twelve months in advance of trade, partly because of intelligent anticipation, and partly because of the influence on all security prices of falling (and rising) long-term interest rates. The result is that any investor who delays buying ordinary shares until the above five chief indices of trade have turned upwards is likely to miss the bottom by about nine months, or, say, 30 per cent. To act, however, before these five indices turn upwards is to run the risk of buying too soon.

If the investor waits until the following conditions are fulfilled he is probably not running much risk in buying shares, although the trade indicators have not yet turned upwards.

(i) Until a fall has occurred in the index figure for ordinary shares of approximately 40 per cent. from highest. This is the normal fall in each cycle.

(ii) Until the fall in ordinary shares has lasted about 18 months—which is the normal length of most Stock Exchange crises.

(iii) Until the yield on ordinary shares is well above that obtainable on debentures—thereby making the former more attractive as soon as trade becomes likely to revive.

(iv) Until the long-term rate of interest has begun to fall (as indicated by a rise of say 5 per cent. in the index of fixed interest bearing securities), thus tending to make people buy gilt-edged securities for a further rise.

(v) Until the bank rate, and above all the bank deposit rate, has fallen to well below the yield on government stocks, thereby encouraging the taking of money off deposit and its investment in the Market.

(vi) Until most raw commodities have fallen to well below average costs.

(vii) Until retail prices have clearly started falling, thus stimulating purchases; and

(viii) Until the national index figure for ordinary shares has risen from lowest by something exceeding the normal short-run fluctuation, say 7 per cent. (thus indicating that general sentiment in favour of ordinary shares is once more reviving).

AN IMMEDIATE INVESTMENT POLICY.

If the investor waits until these conditions are fulfilled he will probably not be wrong in switching part of his funds out of fixed interest securities into ordinary shares, even though the chief indices of trade have not yet all turned upwards.

He should, however, at the present phase of the trade cycle, concentrate mainly, for safety's sake, on those industries which, because of their basic economics, are unlikely to suffer even if the present trade slump continues for longer than the investor has hoped or anticipated, namely:—

I. Rapidly expanding utilities—especially those of a monopolistic nature, and sheltered from both foreign and home competition, e.g., electric supply (preferably in rapidly expanding areas), underground railways, and life insurance (as distinct from industrial insurance).

II. Rand gold mining companies—which can sell the gold produced in unlimited quantities at the permanently fixed price of 85s. per ounce to the Bank of England; and which enjoy falling costs of materials as general commodity prices fall. Kaffirs also enjoy an increasing labour supply as agriculture and industry in South Africa become progressively depressed.

III. Companies producing foodstuffs, household necessities—whose consumption, in the nature of things, tends to fall little during trade slumps, and which, if they sell their product at a stereotyped selling price, enjoy the benefits of falling raw material costs (unless they are vertical combines). Such companies tend to enjoy a positively increasing demand if they cater mainly for the fixed income classes who become "really" richer as general retail prices fall.

For instance: matches, soap, dairies, margarine, food stuffs (sauces, biscuits, pickles, etc.), laundries, caterers (like Lyons), cotton, textiles, and (in England) breweries, which are largely government-protected local monopolies.

IV. Another favourable group to select is rapidly growing industries which are satisfying an ever expanding demand (provided that high earnings-yields are obtainable), e.g., aircraft, cinemas, electric cable makers, telephone manufacturers, cements.

V. A proportion of funds might also be put, as a long lock-up only, into the leading shares of established, though slightly depressed industries, provided they are bought only in a period of temporary Stock Exchange depression, and show high earnings-yields of say 8 per cent., even after allowing for a 20 per cent. drop in profits since 1928-29, e.g., stores, pharmacy, road transport, road making, printing, chemicals, electric manufacture, bricks, wall paper, paint and art silk. The shares should have strong finances, and should also be free markets.

Shares in heavily depressed manufacturing industries which are not yet showing signs of revival should probably be avoided until either the five chief indices of general trade turn upwards, or until the single industries concerned themselves show signs of reviving, e.g., railways, shipping, merchant companies, cable and wireless, constructional engineering, iron and steel, and super luxuries. Market price, however, must play its part in determining whether an immediate purchase is justified.

Raw materials (unless the products are selling well below average costs) should in most cases be avoided until either the five general trade indices turn upwards, or until there is some sign of revival in the individual trades concerned, e.g., rubber, nitrates, copper, platinum, lead, timber, cotton, etc.

Until trade has revived for about a year a proportion of funds should be kept as a reserve and for safety's sake, in fixed interest bearing securities with a low nominal rate of interest, standing well below redemption prices, since these securities will rise with the fall in long-term market rates of interest.

As regards the Stock Exchange as a whole, it is not impossible that the bottom of the present cyclical depression in shares as distinct from in trade, has already been reached (October, 1930), and that we may now look forward to four or five years of generally rising share prices. Industrial revival, as measured by the five main indices, may not occur before the Autumn of 1931, but share prices are likely to move some nine or more months in advance.

It is not impossible that the Stock Exchange index of ordinary shares will suddenly rise 30 per cent. within a short period of about six months (as in the 1921 recovery). Indeed, it is to be noted that in the majority of past trade cycles, the rise from bottom has been 40 per cent. in less than 18 months.

The boomlet will probably commence on small volume, initiated by professionals; but eventually the public, after a rise of about 12 per cent. in the index, is likely to come in and thus give a further fillip to the upward movement. After such a rise, caution will once more probably invade the stock market, for investors will realise that different industries will revive at different periods, and much analytic care will be exercised in selecting only those groups of shares where revival is clearly becoming probable. Indeed, a highly selective market is likely to commence after the first initial boomlet

(lasting, say, six months). Some groups of shares will then remain stationary or react, while others will continue to rise rapidly. For a period of up to two years from the present—after the first general upturn—a patchy market of this nature is probable; after which, general trade revival is likely once more to cause all markets to move up more or less simultaneously.—I am, yours, etc., L. L. B. ANGAS.
London, E.C.
October 29, 1930.

"THE BANKERS' MANIFESTO."

TO THE EDITOR OF THE ECONOMIST.

SIR,—May I hope that the reference to "the Bankers' Manifesto" at the foot of page 695 of last Saturday's *Economist* was written *currente calamo*, and that the *Economist* is not prepared to dignify the Resolution of July 2nd at Hambros Bank as a manifesto of the bankers?

Mr Henry Bell, at Midhurst, very promptly denounced the document, prematurely published by the Protectionist Press, as "couched in the sloppiest English" he had ever read; and on September 1st a reply, in terms of the strongest arguments against tariffs, was made to the Hambro Resolution, bearing the signatures of Lord Grey, Lord Ashton, Lord Gainsford, Lord Bradbury, Sir Hugh Bell, Sir Charles Hobhouse and the following bankers: R. L. Barclay, Allan H. Bright, R. D. Holt (all of Barclays Bank), Henry Bell and Howard Fox (of Lloyds Bank), Sir A. A. Haworth and Hugh L. Roxburgh (of the Midland Bank), Walter Runciman (Westminster Bank), M. O. Fitzgerald (National Provincial Bank) and seven other well-known bankers, as well as fourteen eminent publicists and financial authorities, including Harold Cox, F. W. Hirst and Sir G. Paish. These weighty names were supported by the directors of more than three score famous mercantile and manufacturing firms.

But this later manifesto has been ignored by the Protectionist Press, who still frequently impress upon their readers the importance of "the Bankers' Manifesto," by which they mean the Hambro Resolution.

No effort should be spared to inform the electors of the fact, as stated by Mr Henry Bell, that "the bankers of the world, including America and every country in Europe, are in dead opposition to the Manifesto" of July 2nd last.—Yours very faithfully,
H. JAMES ROBINSON.
Southall, Middlesex.
October 20, 1930.

THE RETURN TO THE GOLD STANDARD.

TO THE EDITOR OF THE ECONOMIST.

SIR,—May I draw attention to one point in Mr Loveday's essay, published in your current Supplement, as to which his argument, to an amateur, does not seem convincing? Dealing with the currency factor, he points out that Denmark, Norway and Sweden, in spite of deflation, have increased the gold value of their exports to an even greater extent than have those countries which debased their currencies, and also than ourselves. But should not the nature of the trade and the position of customers' currencies be taken into account? Without definite figures, I strongly suspect that the Scandinavian countries find their chief markets among countries which are also on a gold basis, whereas our customers, and which are also on a gold basis, are very largely countries those of France, Italy and Germany, are very largely countries whose currencies are unstable. For example, our Far Eastern textile trade is very much at the mercy of the relation between gold and silver. But Denmark sends her eggs and butter to us and is paid in gold. I am not able to estimate the effect of this difference, but pass on the suggestion for your consideration that such a difference must have a considerable effect.—Faithfully yours,
F. J. NEWBOULT.

17 Chesham Street,
Bradford.

PEPPYS AND PESSIMISM.

TO THE EDITOR OF THE ECONOMIST.

SIR,—History repeats itself! Does the following amuse you?
Pepys' Diary, December 11, 1663:—
" . . . I to the Coffee-house, and there among others had good discourse with an Iron Merchant, who tells me of the great evil of discouraging our natural manufacture of England in that commodity by suffering the Swede to bring in three

times more than ever they did and our own Ironworks be lost, as almost half of them, he says, are already. . . ."—Yours, etc., J. A. HARRISON.

23 Ashtofts Mount, Guiseley, Leeds.

October 27, 1930.

[Had Mr Pepys been able to foresee the huge expansion of Britain's heavy industries under Free Trade, he would have added "And so to bed with better heart than of late."—Ed., *Econ.*]

Books and Publications.

THE AGE OF THE CHARTISTS.

In the three great social studies which began with *The Village Labourer*, Mr and Mrs Hammond drew the picture of the English working-class as it was at the time of the early industrial revolution, when it was being driven off the land and herded into the new towns and the new factories, of what it was feeling and what its masters were feeling about the Age of Gold. The result of their labour was to make plain the meaning, say, of Peterloo—to turn it from an isolated fact, noted in small type in a history book, into a phase of civilisation. In their new book,* they are performing the same service for the period immediately following, and trying to show what were the conditions and what were the thought and feeling of the second generation of factory-dwellers, the generation which followed on the Reform Act. The question which they set themselves to answer, in fact, is: How was it that the Reform Act, the emancipation of Trade Unions, the gaining, in effect, of many of the demands of those who met at Peterloo, seemed to satisfy them so little, so that the next twenty years are full of riots and strikes and movements of revolt? And, quite rightly, their book, in spite of the suggestion of its title, gives very little space to the Chartists themselves. It is not the details of these pitiful uprisings that matter, it is the sense of wrong and injustice that made them, or as the lines of Shakespeare have it:

Th' oppressor's wrong, the proud man's contumely,
The pangs of despised love, the law's delay,
The insolence of office, and the spurns

That patient merit of the unworthy takes.

What were the "spurns" which galled the spirits of the men who followed Owen and O'Connor?

In many respects, of course, the tale of woe is the same in this as in the early period. The squalor and filth of towns, the absence of education and amenities, the grinding hours of factory work, the harsh pressure of the law upon the poor, had not vanished, though some of them were modified. But the impression which this book leaves is that, on the whole, of less brutality, but more dreary, deliberate ugliness. The law was certainly less cruel to the Chartist rioters than it was to the early Radicals and the labourers of 1830; the whip-and-gang slavery of the factories had been mitigated; even to the colliers mercy was coming; and, in general, the worst brutalities, legacies mainly of the eighteenth century, were being mitigated by the growth of nineteenth-century humanitarianism. But this humanitarianism did not aim at making life any more pleasant or more beautiful for the poor; there was practically nobody who did not believe that a poor man who walked in a park, or looked at a picture, or listened to a piece of music, was not wasting his time; and, meanwhile, the new towns grew larger and uglier and more depressing every year. The difference can be best noticed by comparing the prison which Howard set out to reform with the prison which Charles Reade attacked: the former slew the bodies of prisoners with typhus fever and turned young offenders into criminals, but the latter slew their souls with solitary confinement and turned them into lunatics. Few episodes in this book are more revealing than that for which John Hullah sought some government assistance for the music classes which he was giving to adults in the evenings, only to be beaten by the combined forces of church and

* "The Age of the Chartists." By J. L. and Barbara Hammond. Longmans. 12s. 6d.

chapel—forces which also, to the best of their ability, withheld education from the children of the poor. There can be few episodes of history in which the fervour of religious persons was displayed more illiberally and to less human advantage than in the Battle of the Schools which this book chronicles.

For the rest, the telling is as vivid and the documentation as thorough as readers of Mr and Mrs Hammond have learned to expect from them; nor do they omit, through all the gloom of their picture, to draw attention to the slow beginnings of improvement, of which the passing of the Ten Hours' Act, in the teeth of the economists and business prophets, is not the least. All students of English history who desire to know something of the soil from which the Chartists sprang, will be grateful for this book.

BOOKS RECEIVED.

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

(It would be a convenience to our readers if publishers would make a point of notifying us of the prices of books sent for inclusion in this column.)

Reparation Reviewed. By Sir Andrew McFadyean. (London) Ernest Benn, Ltd., 154, Fleet Street. 8s. 6d. net.

A critical history of the reparations question which differs from most other works on the subject in that it is designed—and successfully so—to be read and not merely used as a book of reference.

Bankers' Advances. By Francis R. Stead. Third edition. By C. R. W. Cuckson. (London) Sir Isaac Pitman and Sons, Ltd., Parker Street, Kingsway. 6s. net.

A useful book for bankers, business men, and for advanced students of banking who wish to pursue the subject in more detail than is provided by general banking text-books.

Economics of Empire Trade. By Douglas H. Smith. (London) George Routledge and Sons, Ltd., 68-74, Carter Lane. 4s. 6d. net.

Consists largely of an analysis of the import and export statistics of the various countries of the Empire.

South America. By Clarence F. Jones. (London) George Allen and Unwin, Ltd., 40, Museum Street. 21s. net.

A very useful and full text-book of the economic geography of the South American Continent.

More Points of View. (London) George Allen and Unwin, Ltd., 40, Museum Street. 4s. 6d. net.

A series of broadcast addresses by the Archbishop of York, Lord Grey, Sir James Jeans, Dame Ethel Smyth, Sir Josiah Stamp, Sir Henry Newbolt and Mr. Hilaire Belloc.

Number, The Language of Science. By Tobias Dantzig. (London) George Allen and Unwin, Ltd., 40, Museum Street. 10s. net.

An attempt to expound the fundamental philosophical ideas behind mathematics.

The Principles and Finance of Fire Insurance. (London) Effingham Wilson, 16, Copthall Avenue. 7s. 6d. A convenient and compact text-book.

Bulletin de l'Institut International de Statistique. (The Hague) Institut International de Statistique, 2, Oostduin Can.

A record of the proceedings of the eighteenth session.

Snelling's Practical Income Tax and Sur-tax. Tenth Edition. By C. W. Chivers. (London) Sir Isaac Pitman and Sons, Ltd., Parker Street, Kingsway. 3s. 6d. net.

A handbook in which compactness is combined with an unusual amount of helpful detail.

Planeuropa. By Andreas Fleissig. (Munich and Leipzig) Verlag von Duncker and Humblot. 7.50.

An interesting discussion of the future of European co-operation.

Annali di Economia. (Milan) Università Bocconi Editrice. Includes an article by Professor Mortara on the commercial relations between Italy and the British Empire.

Un Trentennio di Lotte Politiche. (1894-1922.) By A. De Viti De Marco. (Rome) Collezione Meridionale Editrice.

A collection of speeches and lectures grouped under the headings "Economic Liberty," "Political Liberty," and "The War and After."

Alcuni aspetti fondamentali del Federal Reserve System negli Stati Uniti dell'America del Nord. By Giuglio Scagnetti. (Rome) Tip. Terme, Piazza Terme, 6.

An Italian article on the banking system of the United States.

Le Tasse. By Mario Pugliese. (Padova) Casa Editrice Dott. A. Milani, Via Japelli 5.

Taxation in theory and in Italian positive law.

Annals of Collective Economy. Edited by Edgard Milhaud. (Geneva) 6, Rue Pécolat. Annual subscription, £1.

The majority of the articles deal with Soviet Russia. There is one on the control of broadcasting in Australia.

The Economic Record, Supplement, August, 1930. The Economics of Australian Transport. (Melbourne) Melbourne University Press. 5s. net.

What is a Pound? By Rev. Dom Patrick Nolan. (London) Sands and Company, 15, King Street, Covent Garden. 2s. 6d. net.

The author is disconcerted by the lack of "intrinsic" value in modern money.

One Job For Price. By Frank Holmes. (Boston) Meador Publishing Co., 27, Beach Street. \$1.00.

Ascribes the anomaly that economic groups seek wealth by promoting scarcity to the fact that price is called upon to perform a double function.

The "Rez." By J. F. Darling. (London) P. S. King and Son, Ltd., Orchard House, Westminster. 2s. net.

A scheme for an Empire currency.

Same Currency. By A. S. Baxendale. (London) Cecil Palmer, 49, Chandos Street. 2s. 6d. net.

National Insurance: Its Inherent Defects. By J. Redman Ormerod. (London) Stone and Cox, Ltd., Africa House, Kingsway. 3d. net.

The Malta Crisis. By the Right Rev. Monsignor Enrico Dandria. With a preface by the Rev. Francis Woodlock. Malta Press and Advertising Agency, 22, Gray's Inn Road, W.C. 6d.

An exposition of the clerical case against Lord Strickland.

Statement on the Recommendations of the Indian Statutory Commission. By the Landholders of India. (Calcutta) British Indian Association.

Vierteljahrshefte der Polnischen Landwirtschaft. (Warsaw) Gesellschaft für Landw. Bildungswesen Landwirtschaftliche Buchhandlung, Howy Swiat, 35.

Annuaire Téléphonique International, 1930. (London) Rassey Bros., Bevois House, 28, Basinghall Street.

OFFICIAL PUBLICATIONS RECEIVED.

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

Colonial Reports: No. 1496. *British Guiana, 1929.* 1s. 3d. net; No. 1500. *Gilbert and Ellice Islands Colony, 1928-29.* 1s. net; No. 1501. *Swaziland, 1929.* 6d. net.

British Sugar (Subsidy) Act, 1925: Statements of Companies which Manufactured, in Great Britain, in 1929-30, Sugar and/or Molasses from Home-grown Beet. 4d. net.

Department of Overseas Trade: Economic Conditions in Germany, July, 1930. 4s. 6d. net.

Colonial Office: Information as to the Conditions and Cost of Living in the Colonies, Protectorates and Mandated Territories. 3s. net.

Ministry of Labour: Working Hours—Legislation in Austria, Belgium, Czechoslovakia, France, Luxembourg and Spain, and Proposed Legislation in Germany and Italy. Cmd. 3647. 3s. net.

The Stock Exchange.

THE STOCK EXCHANGE OUTLOOK.

We publish in our correspondence columns this week a letter from Mr L. L. B. Angas, which will interest all classes of investors. Mr Angas is the author of a provocative book on "Investment," which was reviewed in the *Economist*, of June 28, 1930. In this book Mr Angas was at pains to expound a "technique" of trading in shares for profit. We gather from the lengthy letter which he has written to us that he is endeavouring to apply the rules which he elaborated in this book to the present situation on the Stock Exchange. As he arrives at conclusions which to many investors will appear somewhat startling, we propose to submit this argument to some criticism, and perhaps to consider the stock market outlook from a more conservative point of view.

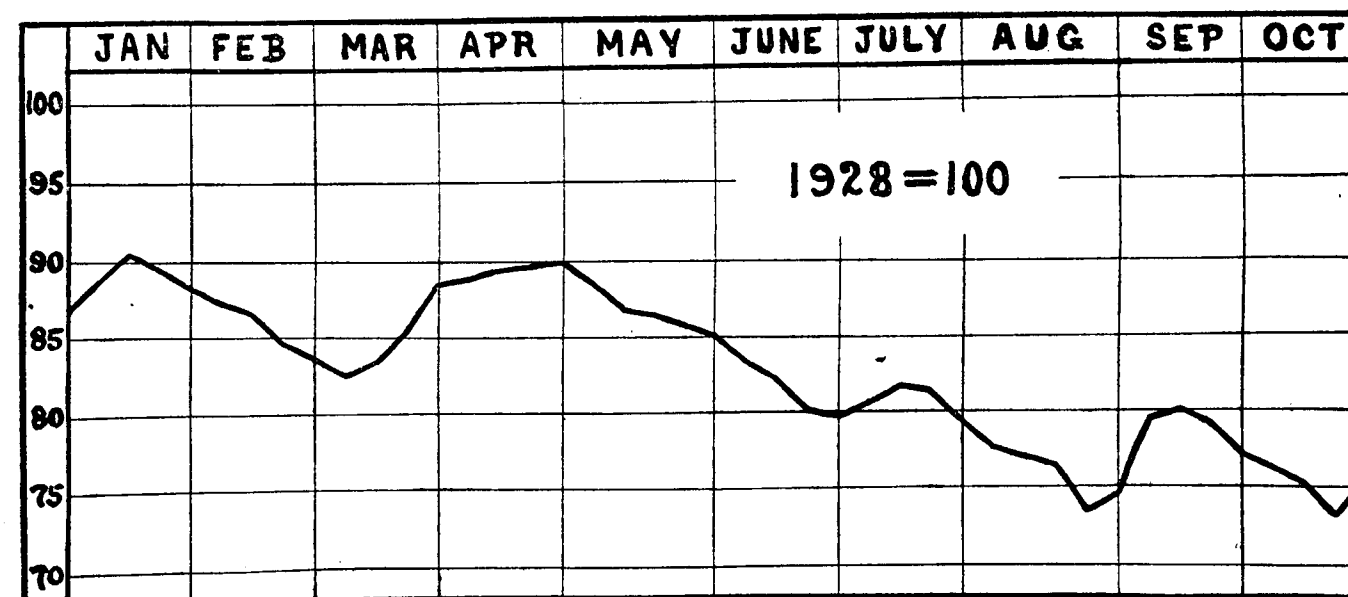
The recent course of security prices on the London Stock Exchange can best be viewed from the following chart showing the weekly average price indices of thirty British industrial ordinary shares as compiled by the *Financial News*:—

long-term interest rates have at last begun to feel the downward "pull" of short-term rates. For these reasons Mr Angas concludes that "it is not impossible that the bottom of the present cyclical depression in shares, as distinct from trade, has already been reached, and that we may now look forward to four or five years of generally rising share prices. Industrial revival as measured by the five main indices may not occur before the autumn of 1931, but share prices are likely to move some nine or more months in advance."

There are certain features of the stock markets which Mr Angas assumes to be in his favour. In the first place, the index for industrial ordinary shares, using the *Investors' Chronicle* figures, has fallen about 40 per cent. from the highest point reached in 1929, and Mr Angas regards 40 per cent. as the "normal" fall in each trade cycle. Secondly, ordinary shares have been falling for twenty-one months, and Mr Angas regards eighteen months as the normal length of a Stock Exchange cycle

WEEKLY AVERAGE PRICE OF THIRTY BRITISH INDUSTRIALS, 1930.

(*"Financial News."*)



It will be seen that the prices of British industrial ordinary shares, after a period of decline and recovery early this year, have been falling steeply since April, with only two breaks—first, a minor rally in the first part of July; and, secondly, a more substantial recovery in the last week of August and the first part of September. This latter may be regarded as a "bear squeeze" initiated by the hope that there would be some sort of trade revival in the autumn. Technically the recovery was justified, for there was no doubt that markets generally were at that time over-sold. When the bear squeeze had spent its force, prices resumed their downward course for the remainder of September, and a large part of October. Last week, however, a change of sentiment was noticeable, and prices again recovered. Is this third recovery likely to hold? Is it safe to say that the great "bear" market on the London Stock Exchange, which began in February, 1929, has at last run its course?

Mr Angas is inclined to believe that if the stock markets have not already seen their worst, they are very near the bottom of the depression. Forces are at work, he argues, making for a trade recovery. For example, raw materials are now selling well below their average costs of production—making price recoveries much more probable than price reductions—retail prices are following (if but slowly) in the wake of wholesale prices, money is plentiful and

of this kind. Thirdly, the yield on leading ordinary shares is well above that obtainable on debentures. Fourthly, gilt-edged securities have been active for some considerable time, the yield on some long-dated British Government stocks being down to 4½ per cent.

We suggest, however, that Mr Angas is assuming too much by way of premise, that he is ignoring political and business influences external to the Stock Exchange, and that he may be mistaking the influence of cheap and plentiful money on the Stock Exchange for the influence of market sentiment about trade. Why must one assume that the normal duration of a trade cycle is seven-and-a-quarter years? Economics since the war period have been so complicated by politics and currency problems that we have not really had enough experience to measure the probable duration of a trade cycle in the post-war period, or even to be sure that there is a "normal" period at all. Mr Angas may therefore be assuming too much when he argues that 40 per cent. is the normal fall of ordinary shares in a trade cycle, or that eighteen months is the normal period for a decline in ordinary share prices during a trade slump.

In the second place Mr Angas appears to ignore the possibility of adverse external influences such as politics or industrial strife. The only "political" event which he appears to take into calculation is a propitious one, which, he imagines, may cause a sudden up-turn of five or

more points in the gilt-edged market. But why should there not be an unpropitious "political" event? Though few observers desire an early general election, the "risk" is one which no analyst of market contingencies can afford to omit altogether from his calculations. What, again, would be the outcome if the railways pressed claims for a reduction of wages, or an attempt were made, in view of the recent fall in commodity prices, to lower money wages over a wider area?

Finally, what evidence is there to suggest that the recent recovery on the Stock Exchange has not been due mainly to the influence of plentiful money? The gilt-edged market has been enjoying a "money" boom for some considerable time, and each month, while the trade depression lasts, the money position becomes stronger. New issues, which absorb new savings that are not going into private business, have been somewhat below normal this year. Individual investors are bound to become dissatisfied sooner or later with an income of 1 per cent. from money left on deposit with their banks. Moreover there is still a fairly large "bear" account outstanding on the Stock Exchange, and, while dealers are short of stock, a little buying has a disproportionate effect upon prices. Mr Angas admits that the normal trade indices are not yet favourable for investment in equity shares, nor is there any evidence in the speeches of company chairmen to suggest that "insiders" may be taking an interest in the stock markets. We therefore conclude that the recent tone of markets is rather to be regarded as a monetary phenomenon than as a permanent change in the trend of market sentiment.

As regards the detailed suggestions which Mr Angas makes for an immediate investment policy, there are obvious points for discussion which our readers may desire to develop in our correspondence columns. Some observers may make out at least a theoretical case for the purchase of public utility shares in companies sheltered from foreign and home competition, or of the shares of leading gold-mining companies, whose output may be stimulated in a period of falling commodity prices. But when Mr Angas commends the purchase of the equity stocks of companies producing foodstuffs and household necessities, or breweries, "which are largely government-protected local monopolies," he is obviously inviting controversy, and the more numerous the individual recommendations he makes, the greater are his possibilities of error.

THE WEEK IN THE MARKETS.

THE LONDON STOCK EXCHANGE.

SETTLING DAYS.

TICKET.	ACCOUNT.
November 4.	November 6.

The markets, if not exactly relapsing after last week's signs of increased activity, lacked vitality to carry on the movement. The public, which had begun to nibble at one or two issues, discreetly withdrew, leaving the more speculative markets to the professionals and the more solid to the larger financial interests. The outstanding feature was the strength of gilt-edged stocks, particularly during the early days of the week, when Five per Cent. War Loan conversion prospects were being somewhat eagerly canvassed, and a few optimistic persons were discussing the possibility of a Bank rate reduction. Political news, which has played a disproportionately large part in the bond market recently, was of mixed character, the turning out of a Government in New South Wales having precisely the opposite effect to the more violent overthrow of the *ancien régime* in Brazil. The day-to-day and week-to-week fluctuations of the markets, in short, reflect the uncertainties of an uneasy period, poised between stagnation and latent recovery, and afford a

happy hunting ground for the prophets. In this respect, the thesis put forward by a reader on page 813 may arouse interest.

After a quiet opening, the gilt-edged market developed considerable strength, especial support being forthcoming for 3½ per Cent. Conversion, 4 per Cent. Consols, and Funding Loan. A good demand was reported for India loans, but Mr Lang's victory in New South Wales was a bear point for Australians, which were extensively marked down. The market was at one time largely nominal, dealers quoting five-point margins. The position is discussed on page 822.

Brazilians were marked up all round on the overthrow of the Federal Government, but the gains were not fully held. Chinese bonds, especially those of 1912, were speculatively purchased, and Japanese obtained support.

Home Rails failed to consolidate last week's rise, the market being less sanguine regarding the wages outlook. The week's traffic returns were only moderately satisfactory, though revenue losses remained below the average of a few weeks ago. Undergrounds again ruled firm, satisfactory unofficial reports being current regarding the "Green Line" coaches. Argentine Rails experienced more cheerful conditions than for some weeks on the firmness of the peso and the better crop outlook. Canadian Pacific were irregular in sympathy with Transatlantic conditions, but strengthened on the improved revenue figures discussed on page 824.

Industrial markets were irregular, business shrinking appreciably, though prices suffered but a small decline. Electric supply shares again made the best showing, but equipment shares did not hold their gains. Scattered buying took place of textiles, but investors lacked courage, artificial silk shares being an uncertain quantity. Motor shares lost their exuberance, Austins falling off on the cryptic remarks of the financial director, at the meeting, regarding the necessity of retaining large cash balances against the possibility of bad times. Tobaccos sagged slightly and breweries moved irregularly. In the provision group, International Tea showed a small rise on the report that negotiations with Allied Stores were being resumed. The Gramophone Company meeting (reviewed on page 823), left speculators little to go for and the shares came on offer, while Columbias were sold on balance. Cables and Wireless lost their recent improvement. In the shipping group, P. and O. were sold on the return to the dividend level of 1925-27. Insurance shares were again a firm feature, but bank shares showed no decided trend.

Rubber shares began to respond to the improvement in the price of the commodity, the duration of which had taken some dealers by surprise. Rubber Trusts enjoyed quiet support, despite the passing of the interim dividend, and Anglo-Dutch benefited to a smaller extent. Business in tea shares was exceptionally small, even for that market. Budla Betas relapsed on the announcement of a further reduction in crop owing to bad weather. Idle conditions obtained in oil shares, developments in the industry in America being unfavourable. The V.O.C. interim dividend and profit announcement is dealt with on page 824.

The volume of trading in the mining share market was restricted, and the few changes which occurred were of little significance. In the Kaffir section, Sub Nigel was depressed, despite a good quarterly report. Modderfontein were prominent and moved up, while Randfontein also improved. With an almost complete absence of Paris or Cape support, however, several issues were lower. Northern Rhodesians were uninspiring, after a sharp rise in mid-week on professional buying in a market short of supplies. Rumours of negotiations in America regarding copper restriction, with Union Minière as a consenting party, were treated with caution, but a rise in the metal caused a firming up in Tintos. Tin shares were active, but prices showed no definite trend. De Beers advanced, and Ashanti were in fair demand.

"FINANCIAL NEWS" DAILY BARGAIN INDEX.

(Approximate number of Bargains recorded in Stock Exchange Lists.)

	Oct. 23, 1930.	Oct. 24, 1930.	Oct. 27, 1930.	Oct. 28, 1930.	Oct. 29, 1930.	Oct. 30, 1930.
Government and Municipal Loans.....	1,271	1,434	1,829	1,523	1,427	1,472
Transport, Communications, and Public Utilities.....	1,024	1,096	1,265	1,016	970	1,080
Commercial and Industrial Banks, Insurance and Financial.....	1,779	1,941	2,310	1,843	1,745	1,870
Mines (including Nitrates).....	510	555	692	539	584	493
Oil.....	482	391	480	304	303	316
Rubber, Tea and Coffee.....	127	133	173	133	123	106
Total.....	81	109	245	188	156	185
Total.....	5,274	5,659	6,994	5,546	5,308	5,522

* Including iron and steel and breweries.

"FINANCIAL NEWS" DAILY AVERAGE OF 30 INDUSTRIAL ORDINARY STOCKS. (1928 = 100.)

Highest of 1930. (Apr. 17).	Lowest of 1930. (Aug. 26).	Oct. 23, 1930.	Oct. 24, 1930.	Oct. 27, 1930.	Oct. 28, 1930.	Oct. 29, 1930.	Oct. 30, 1930.
90.6	72.6	76.3	77.1	76.5	76.2	75.9	76.2

FOREIGN STOCK EXCHANGES.

NEW YORK.

The New York markets were in an undecided frame of mind, small-scale operations on both the "bull" and "bear" tack leaving prices somewhat better on balance. Some people were inclined to buy cautiously, but the possibility of forced sales of fair blocks of good-class issues was always present, and tended to limit any incipient recovery. The consensus of opinion was that the markets had before them an appreciable period of irregular price movements within a narrow zone. The U.S. Steel Corporation reported third quarter earnings of \$24 millions, against \$32 millions in the previous quarter, and \$51½ millions in the corresponding quarter of 1929. Only the regular dividend of \$1.75 was paid on the Common stock, but the absence of the \$1 extra dividend was not altogether a surprise to the market. The reduction in steel industry operations from 52 to 50 per cent., brought this group of shares under selling pressure. The weakness of Eastman Kodak came as an unwelcome surprise. Oils remained sluggish, further crude price cuts being announced in Texas and Oklahoma. Copper stocks, by contrast, were good, the market attaching considerable importance to the willingness of the Union Minière to discuss restriction, though not on Guggenheim lines. Leading railroad stocks enjoyed good investment buying, the September earnings being above expectation.

	Oct. 16, 1930.	Oct. 23, 1930.	Oct. 30, 1930.	Oct. 16, 1930.	Oct. 23, 1930.	Oct. 30, 1930.
U.S. 3½% T. Bds.	106½	106½	106½	Natl. Biscuit.....	78½	76½
Do. 4½% T. Bds.	112½	112½	113½	Phelps Dodge.....	27	24½
Do. 4½% 32-47	101½	101½	101½	Pullman.....	59	55
Do. 4½% 32-47	102½	102½	102½	Sears-Roebuck.....	53½	51
Do. 4½% 35-38	103½	103½	103½	Studebaker.....	25½	22½
Atchafalpa.....	201	195½	200	Un. Fruit.....	72	69
Ches. & Ohio.....	42½	40	43	U.S. Leather.....	6½	6½
Erie.....	36½	30½	33½	U.S. Rubber.....	13½	13½
Illinois Central.....	102½	98	99½	U.S. Steel.....	150½	146½
N.Y. Central.....	141½	134½	140	Westinghouse.....	114	103½
Pennsylvania.....	67½	65½	67½	Woolworth.....	63½	62
Southern Pacific.....	106½	103	104½	Worthington Pump.....	83	78
Southern Ry.....	74	71	71	Am. Tel. & Tlg.....	199	198
Union Pacific.....	199	195	196	Electric P. & L.....	52½	47½
Am. Can.....	119	115	118½	Int. Tel. Tlg.....	29½	28
Amer. Smelting.....	56	53	54½	Radio Corp.....	23½	22½
Anacosta.....	37½	33½	36	Utilities P. & L.....	26½	26½
Bethlehem Steel.....	17½	16½	18½	W. Union Tlg.....	14½	136½
Chrysler Motor.....	78	76½	78	Associated Gas "A".....	26½	23½
Corn Products.....	192	187	171½	Pan Amer. B.....	47½	46½
Eastman Kodak.....	54½	50½	51½	Standard Oil.....	14½	13½
Gen. Electric (New).....	35½	34½	35	Std. California.....	53½	51½
Gen. Motors.....	63½	61½	60½	Do. N.J.....	57½	53½
Int. Harvester.....	24½	24½	20			
Montg. Ward.....						

By courtesy of the Standard Statistics Company, Inc., of New York and 13, Copthall Avenue, London, we print

the following index figures of American values calculated on closing prices (1926 = 100) :—

	1928.		1929.		1930.		
	Lowest.	Highest.	Lowest.	Highest.	Beginning of Year.	Oct. 22.	Oct. 29.
335 Industrials	132.5	186.4	134.8	218.9	146.0	109.9	113.8
33 Rails	120.5	139.7	127.8	173.5	134.3	106.4	108.7
34 Utilities	128.3	180.6	177.6	330.4	202.2	175.1	182.0
Total, 402 Stocks ..	130.5	178.9	140.3	228.1	153.0	119.6	123.7
Average yield of 50 Industrial Common Stocks..	3.32%	4.42%	3.10%	5.23%	4.83%	5.82%	5.55%

DAILY AVERAGE OF 50 INDUSTRIAL COMMON STOCKS (1926 = 100).

Highest of 1930. (Apr. 10.)	Lowest of 1930. (Oct. 22.)	Oct. 22, 1930.	Oct. 23, 1930.	Oct. 24, 1930.	Oct. 25, 1930.	Oct. 27, 1930.	Oct. 28, 1930.	Oct. 29, 1930.
202.4	129.5	129.5	131.9	136.8	135.6	136.7	137.1	134.4

TOTAL DEALINGS IN NEW YORK.

	Oct. 23, 1930.	Oct. 24, 1930.	Oct. 25, 1930.	Oct. 27, 1930.	Oct. 28, 1930.	Oct. 29, 1930.	Oct. 30, 1930.
Stock Exchange—Shares (Thous.)	2,658	2,758	1,149	1,808	2,013	1,669	1,907
Bonds (Value—Thous. \$).....	10,475	11,069	4,804	7,470	9,193	9,277	8,107
Over-the-Counter—Shares (Thous.)	590	507	341	407	433	398	355

* 2-hour session.

INVESTMENT NOTES.

Home Rails and Wages.—Stockholders in the "Big Four" railways have noticed with considerable relief that the precipitate decline in gross traffic receipts has received something of a check during the past few weeks. In the *Economist* of September 20th we showed that, if the eighteen weeks ended September 6th were divided into three periods of six weeks each, the total decline in receipts for the first period was £982,000, for the second period £1,814,000 (an "acceleration" of £832,000), and for the third period £2,103,000 (an "acceleration" of £289,000). For the six weeks ended October 18th, however, the aggregate decline was only £1,753,000, a "deceleration" of £350,000. In the following table, the results of the four railways for the first 43 weeks of the current year are compared with those of 1929 :—

	(000's omitted.)	L.M.S.R.	L.N.E.R.	G.W.R.	S.R.	Total.
43 weeks.	£	£	£	£	£	£
1929	60,415	45,648	25,774	19,146	150,983	
1930	56,389	42,944	24,604	18,638	142,575	
Decrease,	4,026	2,704	1,170	508	8,408	
Decrease, %	6.7	5.9	4.5	2.7	5.9	

Whereas at one time it seemed that the aggregate fall in receipts for 1930 would be little less than £12 millions, an estimate based on present tendencies would suggest £10½ millions as a more accurate computation. The improved "traffic" position, however, is accompanied by uncertainty as to the outcome of the forthcoming wage negotiations. The six months' truce, which followed the restoration of the 2½ per cent. cut made in August, 1928, is due to terminate on November 12th, and demands and counter-demands are now in process of completion. So far, of the three unions concerned, only the National Union of Railwaymen has formulated its policy—a claim, *inter alia*, for a minimum wage of £3 per week. At the same time, while no official announcement has been made, a rumour has been current in the markets that the companies may apply for a 5 per cent. cut all round, which would mean roughly £2 millions off the wages bill of the Midland and Scottish and something over £1,500,000 off that of the North Eastern. While in

(Continued on page 822.)

LONDON ACTIVE SECURITY PRICES AND YIELDS.

NOTE.—Shares with a New York quotation, or with definite American interest, are distinguished by italics.

In calculating the yields on the stocks and shares quoted below allowance is made for interest accrued since the last payment. Where stocks are definitely redeemable at a certain date the yield includes any profit or loss on redemption; where stocks are redeemable at or before a certain date the final date of repayment is taken when the stock stands at a discount and the earliest date when the quotation is above par. The return on ordinary stocks and shares is calculated on the dividends paid by the company during the last year.

Year 1929.		1930 (to date).		Name of Security.	Oct. 22, 1930.	Oct. 29, 1930.	Rise or Fall.	Present Yield.	Year 1929.		1930 (to date).		Name of Security.	Oct. 22, 1930.	Oct. 29, 1930.	Rise or Fall.	Present Yield.
High.	Low.	High.	Low.						High.	Low.	High.	Low.					
56 1/2	52	58	52 1/2	British Funds.	57 1/2	57 1/2	...	4 6 11	5 1/2	3 1/2	4 1/2	1 1/2	Foreign Ryse-cont.	1 1/2	1 1/2	...	20 0 0
88 1/2	84 1/2	92 1/2	82 1/2	Consols 2 1/2 %	87 1/2	87 1/2	+ 1 1/2	4 7 5	85 1/2	82 1/2	88 1/2	3 1/2	G.W. of Brazil £10...	1 1/2	1 1/2	...	20 0 0
100 1/2	96 1/2	104 1/2	96 1/2	Conv. Loan 3 1/2 %	100 1/2	100 1/2	+ 1 1/2	4 6 5	98 1/2	95 1/2	101 1/2	3 1/2	In Ry. C.A. No. 100...	1 1/2	1 1/2	...	20 0 0
100 1/2	96 1/2	104 1/2	96 1/2	Do. 4 1/2 % 1944-64...	100 1/2	100 1/2	+ 1 1/2	4 9 0	98 1/2	95 1/2	101 1/2	3 1/2	Do. 5 1/2 % Cum. Pr. Stk.	1 1/2	1 1/2	...	20 0 0
91 1/2	82 1/2	94 1/2	85 1/2	Funding 4 1/2 % 1960-90	93 1/2	94 1/2	...	4 5 0	91 1/2	88 1/2	94 1/2	3 1/2	Nitrate Ryse. (£10)	55 1/2	55 1/2	...	9 14 9
100 1/2	96 1/2	104 1/2	96 1/2	Treasury 4 1/2 % 1932-34	100 1/2	100 1/2	+ 1 1/2	4 0 6	100 1/2	97 1/2	103 1/2	3 1/2	Paraguay Gen. D. B.	25 1/2	24 1/2	- 1 1/2	21 19 8
101 1/2	97 1/2	103 1/2	101 1/2	Treasury 5 % (B) ...	103 1/2	103 1/2	...	4 3 0	101 1/2	98 1/2	101 1/2	3 1/2	Salvador Ord. (£10)	70 1/2	70 1/2	...	20 16 9
95 1/2	90 1/2	96 1/2	91 1/2	Victory Bonds 4 1/2 %	96 1/2	96 1/2	...	4 15 0	95 1/2	92 1/2	98 1/2	3 1/2	San Paulo Ord. Stk.	149	160	+ 11	7 10 10
103 1/2	99 1/2	105 1/2	100 1/2	War Loan 5 % 1929-42	105 1/2	102 1/2	+ 3 1/2	3 19 0	103 1/2	100 1/2	106 1/2	3 1/2	Talita Ry. Ord. £5	77 1/2	77 1/2	...	7 14 0
101 1/2	97 1/2	103 1/2	101 1/2	War Loan 4 % 1929-42	101 1/2	101 1/2	...	4 8 11	101 1/2	98 1/2	104 1/2	3 1/2	Utd. Havana Ord. Stk	4 1/2	4 1/2	...	NH
65 1/2	60 1/2	67 1/2	61 1/2	Local Loans 3 1/2 %	66 1/2	67 1/2	+ 1 1/2	5 5 3	...	...	...	...	...	...	...	...	...
51 1/2	44 1/2	49 1/2	40 1/2	India 2 1/2 %	47 1/2	47 1/2	...	5 5 3	...	...	...	...	...	...	...	...	...
51 1/2	44 1/2	49 1/2	40 1/2	Do. 3 1/2 %	47 1/2	47 1/2	...	5 5 3	...	...	...	...	...	...	...	...	...
71 1/2	60 1/2	68 1/2	55 1/2	Do. 4 1/2 % 1958-68...	66 1/2	66 1/2	- 1 1/2	5 7 8	...	...	...	...	...	...	...	...	...
92 1/2	80 1/2	90 1/2	78 1/2	Palestine 5 1/2 % 42-67	104 1/2	104 1/2	...	4 12 0	...	...	...	...	...	...	...	...	...
106 1/2	99 1/2	106 1/2	100 1/2	Sudan 5 1/2 % Bonds...	107 1/2	107 1/2	...	4 2 10	...	...	...	...	...	...	...	...	...
94 1/2	88 1/2	95 1/2	87 1/2	Ulster 4 1/2 % 45-75...	95 1/2	95 1/2	...	4 17 10	...	...	...	...	...	...	...	...	...
99 1/2	90 1/2	95 1/2	79 1/2	Dom. & Colonial Govts.	86 1/2	81 1/2	- 4 1/2	6 7 3	...	...	...	...	...	...	...	...	...
91 1/2	86 1/2	94 1/2	86 1/2	Australia 5 1/2 % 1945-75	86 1/2	81 1/2	- 4 1/2	6 7 3	...	...	...	...	...	...	...	...	...
107 1/2	102 1/2	106 1/2	102 1/2	Canada 4 1/2 % 1940-60	94 1/2	94 1/2	...	4 7 7	...	...	...	...	...	...	...	...	...
97 1/2	91 1/2	95 1/2	92 1/2	Ceylon 6 1/2 % 1936-51...	105 1/2	105 1/2	+ 1 1/2	5 6 0	...	...	...	...	...	...	...	...	...
104 1/2	99 1/2	104 1/2	99 1/2	Gold Coast 4 1/2 % 1956	95 1/2	95 1/2	...	4 16 7	...	...	...	...	...	...	...	...	...
99 1/2	94 1/2	104 1/2	94 1/2	Kenya 5 1/2 % 1948-58...	103 1/2	104 1/2	+ 1 1/2	4 14 0	...	...	...	...	...	...	...	...	...
104 1/2	98 1/2	104 1/2	98 1/2	Nigeria 6 1/2 % 1950-60	104 1/2	104 1/2	...	4 17 4	...	...	...	...	...	...	...	...	...
104 1/2	98 1/2	104 1/2	98 1/2	N.S. Wales 5 1/2 % 35-55	104 1/2	104 1/2	...	4 14 5	...	...	...	...	...	...	...	...	...
100 1/2	99 1/2	100 1/2	99 1/2	N. Zealand 5 1/2 % 1946	100 1/2	100 1/2	...	6 14 10	...	...	...	...	...	...	...	...	...
100 1/2	99 1/2	100 1/2	99 1/2	Queensland 5 1/2 % 40-60	100 1/2	100 1/2	- 6 1/2	4 17 0	...	...	...	...	...	...	...	...	...
104 1/2	99 1/2	104 1/2	99 1/2	S. Africa 5 1/2 % 1945-75	103 1/2	103 1/2	...	4 17 9	...	...	...	...	...	...	...	...	...
97 1/2	93 1/2	98 1/2	93 1/2	Stras. Set. 4 1/2 % 35-45	98 1/2	98 1/2	...	4 17 9	...	...	...	...	...	...	...	...	...
88 1/2	83 1/2	89 1/2	82 1/2	Foreign Governments	86 1/2	87 1/2	+ 1 1/2	5 6 9	...	...	...	...	...	...	...	...	...
103 1/2	98 1/2	103 1/2	98 1/2	Argentina 4 1/2 % Recla...	104 1/2	104 1/2	...	5 13 4	...	...	...	...	...	...	...	...	...
62 1/2	54 1/2	60 1/2	54 1/2	Belgian 7 1/2 % 1920	55 1/2	55 1/2	...	6 6 0	...	...	...	...	...	...	...	...	...
100 1/2	95 1/2	100 1/2	95 1/2	B. Aires (Prov.) 3 1/2 %	112 1/2	112 1/2	...	6 6 0	...	...	...	...	...	...	...	...	...
91 1/2	84 1/2	92 1/2	81 1/2	Bulgaria 7 1/2 % Loan	81 1/2	81 1/2	- 1 1/2	9 8 6	...	...	...	...	...	...	...	...	...
90 1/2	71 1/2	87 1/2	62 1/2	Brazil 5 1/2 % Fund. 1914	89 1/2	89 1/2	+ 3 1/2	7 3 9	...	...	...	...	...	...	...	...	...
102 1/2	94 1/2	104 1/2	94 1/2	Do. 6 1/2 % (1927) ...	102 1/2	102 1/2	...	9 6 0	...	...	...	...	...	...	...	...	...
95 1/2	89 1/2	99 1/2	85 1/2	Chili 6 1/2 % (1929) ...	86 1/2	86 1/2	+ 3 1/2	10 10 6	...	...	...	...	...	...	...	...	...
55 1/2	41 1/2	52 1/2	27 1/2	China 5 1/2 % (1912) ...	41 1/2	41 1/2	...	7 12 0	...	...	...	...	...	...	...	...	...
114 1/2	105 1/2	115 1/2	109 1/2	Czechoslovakia 8 1/2 %	101 1/2	101 1/2	+ 1 1/2	3 14 0	...	...	...	...	...	...	...	...	...
71 1/2	65 1/2	76 1/2	61 1/2	Danish 5 1/2 %	82 1/2	82 1/2	...	8 12 0	...	...	...	...	...	...	...	...	...
86 1/2	78 1/2	86 1/2	72 1/2	Danish 6 1/2 %	82 1/2	82 1/2	...	8 12 0	...	...	...	...	...	...	...	...	...
95 1/2	85 1/2	92 1/2	73 1/2	Egypt Unified 4 1/2 %	73 1/2	73 1/2	+ 1 1/2	5 7 0	...	...	...	...	...	...	...	...	...
100 1/2	90 1/2	100 1/2	93 1/2	Estonia 7 1/2 % 1927...	75 1/2	75 1/2	+ 2 1/2	9 4 3	...	...	...	...	...	...	...	...	...
19 1/2	16 1/2	21 1/2	19 1/2	Finland 6 1/2 % 1923...	94 1/2	94 1/2	...	6 9 0	...	...	...	...	...	...	...	...	...
21 1/2	18 1/2	21 1/2	20 1/2	French 4 1/2 % (British)	20 1/2	20 1/2	...	5 0 6	...	...	...	...	...	...	...	...	...
107 1/2	100 1/2	109 1/2	99 1/2	Do. 5 1/2 % 1927...	20 1/2	20 1/2	...	6 18 1	...	...	...	...	...	...	...	...	...
93 1/2	84 1/2	93 1/2	86 1/2	German 7 1/2 %	101 1/2	101 1/2	...	6 18 0	...	...	...	...	...	...	...	...	...
103 1/2	95 1/2	104 1/2	98 1/2	Greek 6 1/2 % Sub. Lz.	104 1/2	104 1/2	...	6 18 0	...	...	...	...	...	...	...	...	...
103 1/2	95 1/2	104 1/2	98 1/2	Do. 7 1/2 % Refugee...	104 1/2	104 1/2	...	7 11 8	...	...	...	...	...	...	...	...	...
102 1/2	95 1/2	102 1/2	95 1/2	Hungary 7 1/2 %	101 1/2	101 1/2	...	5 17 0	...	...	...	...	...	...	...	...	...
100 1/2	95 1/2	102 1/2	98 1/2	Japanese 5 1/2 % 1935-65	94 1/2	94 1/2	...	5 18 0	...	...	...	...	...	...	...	...	...
36 1/2	22 1/2	26 1/2	16 1/2	Do. 6 1/2 % (1924)...	101 1/2	101 1/2	+ 1 1/2	5 15 0	...	...	...	...	...	...	...	...	...
105 1/2	101 1/2	104 1/2	100 1/2	Mexican 5 1/2 % (1899)...	20 1/2	20 1/2	...	8 7 0	...	...	...	...	...	...	...	...	...
107 1/2	100 1/2	106 1/2	95 1/2	Norwegian 6 1/2 % 1921	103 1/2	104 1/2	+ 1 1/2	9 1 0	...	...	...	...	...	...	...	...	...
93 1/2	83 1/2	92 1/2	79 1/2	Pern 7 1/2 % 1922...	97 1/2	95 1/2	- 2 1/2	4 17 6	...	...	...	...	...	...	...	...	...
106 1/2	99 1/2	107 1/2	101 1/2	Poland 7 1/2 %	80 1/2	82 1/2	+ 2 1/2	4 2 0	...	...	...	...	...	...	...	...	...
80 1/2	75 1/2	86 1/2	77 1/2	Siamese 6 1/2 % 1934-64	104 1/2	104 1/2	...	10 1 6	...	...	...	...	...	...	...	...	...
104 1/2	98 1/2	106 1/2	98 1/2	Swedish 5 1/2 % 1908...	87 1/2	87 1/2	...	...	...	...	...	...	...	...	...	...	...
23 1/2	17 1/2	21 1/2	18 1/2	S. Paulo Coffee 7 1/2 %	107 1/2	107 1/2	+ 4 1/2	...	...	...	...	...	...	...	...	...	...
93 1/2	81 1/2	89 1/2	81 1/2	Turkish 4 1/2 % Unified	101 1/2	101 1/2	- 1 1/2	...	...	...	...	...	...	...	...	...	...
82 1/2	78 1/2	86 1/2	82 1/2	Uruguay 5 1/2 % 1919...	82 1/2	82 1/2	...	6 2 0	...	...	...	...	...	...	...	...	...
96 1/2	86 1/2	96 1/2	76 1/2	Corporation Stocks.	77 1/2	79 1/2	+ 1 1/2	8 0 7	...	...	...	...	...	...	...	...	...
105 1/2	99 1/2	105 1/2	99 1/2	Berlin 6 1/2 % 1932-57...	105 1/2	105 1/2	...	4 10 11	...	...	...	...	...	...	...	...	...
105 1/2	99 1/2	105 1/2	99 1/2	B'ingham 5 1/2 % 1948-56	105 1/2	105 1/2	- 1 1/2	4 14 0	...	...	...	...	...	...	...	...	...

NEW ISSUE PRICES.

Stock or Share.	Issue price.	Amt. paid.	Price, Oct. 23, 1930.	Price, Oct. 30, 1930.
Ayr 5% 1947-57	101	5	2½-2½ pm	2½-3 pm
Buenos Ayres Gt. Southern Ry. 4% deb. stk.	74	24	1-1 pm	1-1½ pm
Central London Ry. 5% deb.	99½	25	2½-3 pm	2½-3½ pm
Ceylon 4½%	95	5	2½-2½ pm	2½-2½ pm
General Electric 5% deb.	98	25	2½-2½ pm	2½-2½ pm
Grosvenor House (Park Lane) 7½% cum. pref. £1	par	10/-	3/6-2/6 dis	3/3-2/3 dis
India 6% 1935-37	100	5	2½-2½ pm	2½-3½ pm
Kelly's Directories 6½% deb.	98½	ty. pd.	103½-10½	104-105
London Electric Railway 5% deb.	99½	50	2½-3½ pm	3-3½ pm
Treasury Bonds 4% 1935-46	100½	10	¾-¾ pm	1-1½ pm
Yorks Electric Power	98½	...	...	101½-102½

(Continued from page 819.)

general it is the practice of the unions, faced with forthcoming demands for wage reductions, to formulate a strong policy in the hope at least of maintaining the *status quo*, it seems probable that on this occasion the rank and file of the railwaymen may endeavour to press their claims with vigour. The companies are naturally anxious to achieve a settlement of differences as soon as possible, and have invited the unions to meet their representatives immediately after the truce expires on November 12th.

Australian Finance.—A week ago we pointed out that much importance attached to the results of the New South Wales elections. Mr Lang, with his extremist Labour views, has obtained an electoral victory, and Australian Government stocks have suffered a further depreciation in market value, bringing their yield in many cases well over 6 per cent. :—

	High, 1930.	Oct. 29, 1930.	Flat Yield.	Redem. Yield.
Commonwealth 5%, 1945-75 ...	95½	81½	6½	6½
N.S. Wales 4%, 1942-62	77½	62½	6½	7½
N.S. Wales 5½%, 1947-57	96½	80½	6½	7
Queensland 6%, 1930-40	100½	95½	6½	7
S. Australia 5%, 1945-75	91½	80½	6½	6½
W. Australia 4½%, 1935-65 ...	83½	78	5½	6½
Tasmania 5%, 1945-75	93½	88½	5½	5½

Mr Lang has declared that he has no intention of advocating repudiation, but the policy which he presented to the New South Wales electorate, carried to its logical conclusion, would produce a state of affairs which stockholders in London and Australia could scarcely view with equanimity. Mr Lang showed himself opposed to drastic curtailment of Government expenditure, and was emphatic that the standard of living must be maintained. Mr Lang is not the only disturber of the peace of markets. The Federal Labour Party Caucus is sitting at Canberra, and is considering such subjects as the nationalisation of banking and a measure of inflation. For Mr Scullin's Ministry, Mr Lyons, the Acting Treasurer, put forward proposals for balancing the Budget by special taxation on administrative salaries and "sheltered" incomes, by higher Customs and Excise duties, and by an increased property tax. Mr Lyons declared that an internal conversion loan for £22,000,000 would be necessary before the end of the year. The Caucus's acceptance of some, at least, of the Ministry's financial proposals, on Thursday, was in the nature of a personal victory for Mr Lyons and the Ministry. Mr Scullin, in London, stated in an interview that the newly elected Labour Government in New South Wales would honour its obligations, and it is hoped in responsible quarters that Mr Lang's Government will conform into the general borrowing policy which, through the Federal Loan Council, is operating over the whole of Australia.

Brazilian Stocks—A Partial Recovery.—The news of the overthrow of the Washington Luis Government, in Rio de Janeiro, reached the Stock Exchange shortly before the close of business on Friday of last week. Though the initial assumption of the "House" that the event provided a solution of the political problems of Brazil proved somewhat premature, the prospect it

afforded of a termination of protracted and costly civil war was hailed as a bull point for Brazilian securities. Though the final clearing up of the political position remains to be effected, at the time of writing, Brazilian securities have shown a welcome recovery :—

	Oct. 3.	Oct. 15.	Oct. 23.	Oct. 29.	Oct. 30.	Fall since Oct. 3.
Brazil 4½%, 1888	68	48½	51½	54½	13½	13½
Brazil 5%, 1895	61	52	52½	54½	6½	6½
Brazil 4% Resen.	58½	41½	47½	48½	9½	9½
Brazil 5%, 1903	81½	69½	71	75	6½	6½
Brazil 5%, 1908	98½	80	87	90	8½	8½
Brazil 4%, 1910	47	40	41	41½	5½	5½
Brazil 4%, 1911	75½	54	62½	66½	9	9
Brazil 5%, 1913	58½	49	50½	52½	6½	6½
Brazil 5%, 1914	75½	65	69	72½	2½	2½
Brazil 6½%	80½	59	68½	72½	8	8
Rio State 5½%	77½	67	65	67½	10	10
San Paulo 7½%	82½	65	69½	73½	9½	9½
San Paulo 7%	91½	73	72½	77½	14½	14½
San Paulo 6%	62	45	52½	56½	5½	5½
Lepoldina Railway ...	29½	22	25	26½	3	3
San Paulo Railway ...	163	150	149	160	3	3
Brazil Traction	35½	24½	25	28	7½	7½

Although the rally in numerous cases has been substantial, and most welcome, it will be seen that quotations in every case remain below those prevailing at the beginning of October.

The Ford Motor Company.—We are authoritatively informed, with regard to our article of October 18th last on "British Motor Shares," that it is not accurate to say that Mr Ford's plans envisage more or less free competition between the Detroit and the Dagenham works for the European market. The facts advertised in the prospectus of the Ford Motor Company, Ltd. (of Great Britain), at the time of its incorporation, showed that Mr Henry Ford and the Ford Motor Company of America sold, and the British company acquired, the exclusive manufacturing and selling rights in the Ford product, present and future, for all time, in respect of Europe (not including Russia), and certain other territories. We understand that it is not the intention that the Dagenham and Detroit works should compete for the supply of Ford product to European countries. In point of fact, the British company already is, and has been for some considerable time, exporting to Associated Companies engines and other portions of the complete Ford vehicle, the price charged to them being the same as they would have to pay were the article purchased from America. The Associated European Ford Companies have the right to buy their requirements in the cheapest market, subject to certain safeguards. The companies, indeed, are already purchasing many of their requirements from local markets, and, to safeguard the name of the Ford product and the interests of the British company, such purchases are co-ordinated, i.e., passed and approved by the British company. Expressed in terms of volume, the existing business acquired by the British company from the American company was approximately 125,000 vehicles per annum. The production capacity of Dagenham is 250,000. In order to employ this capacity, the former volume of business must be approximately doubled. Those closely concerned with the company, however, are optimistic that this result will be achieved when Dagenham is producing and selling vehicles at American prices, since the economies of the Associated companies as regards packing, inland and ocean freight, and other charges, when reflected in the retail price, will be very considerable. We would ask our readers carefully to note the facts in this article, which may remove possible misapprehension, and, concurrently, throw valuable light on the position of the British Ford Company in the motor trade of Great Britain and Europe.

Coal Company Profits.—The publication of encouraging results by a number of colliery companies during the past few weeks is welcome to shareholders, whose lot has not recently been an over-happy one. In the following table are set out the profits and dividends for this year and last

of eight companies which have issued their balance sheets since the beginning of September :—

Company.	1929. Net profits. £	Ord. Div. %	1930. Net profits. £	Ord. Div. %
Denaby and Cadeby Main Collieries	546	Nil	108,586	5
Fernhill Collieries	Dr. 3,323	Nil	17,767	Nil
Hamstead Collieries	25,488	10	26,316	13½
New Monckton Collieries ...	5,975	Nil	36,095	2½*
Old Silkstone Collieries ...	Dr. 4,643	Nil	22,361	Nil
Sheepbridge Coal and Iron	52,089	2½	93,723	5
Sneyd Collieries	31,372	7½	61,982	12½
Staveley Coal and Iron ...	266,118	5*	266,094	6*

* Tax free.

The aggregate profits of the eight companies this year total £631,924, compared with £973,622 in 1928-29, and six companies have paid a dividend, against four during the preceding year. Two companies have turned a debit balance into a profit, while one, Denaby and Cadeby Main Collieries, has recorded an advance in earnings from £546 to £108,586. In judging the significance of these results, however, it must be remembered that seven out of eight of the above companies closed their books on June 30th last, and in their financial year included a period of comparative prosperity which in 1930 has not been fully maintained. The tale should be read in conjunction with the figures of national production and export, which are given below :—

	Production (in thousands of tons).	Exports (excl. bunkers) (in thousands of tons).	Value of exports (in thousand £'s).
	Monthly average.	Monthly average.	Monthly average.
1927	20,936	4,262	3,794
1928	19,814	4,179	3,255
1929	21,393	5,022	4,051
1929 (Jan.-Sept.) ...	21,117	4,903	3,916
1930 (Jan.-Sept.) ...	20,249	4,641	3,881

Not only do the monthly average output and export figures show a general fall in 1930 as compared with 1929, but the actual monthly statistics are still exhibiting a steady downward trend. At the same time, the average price per ton of export coal, which in January of this year reached 17s. 8d. per ton, was down to 16s. 2d. in August. Shareholders will probably prefer to await the results of the Coal Mines Act before attempting to estimate the future earning power of the industry.

The Gramophone Company.—Mr Alfred Clark, the new chairman of the Gramophone Company, said nothing to encourage market speculators but much to encourage shareholders at the company's general meeting this week. It is evident that the company is being conservatively and skilfully managed. The new capital which was raised in July of last year was required mainly for the development of the company's business, but signs of the coming of the trade depression caused the directors to curtail their plans for expansion. As a result, the company to-day has a large cash balance. This, Mr Clark added, was none too large for the safety of the company, but it enabled the management to take advantage of any trade development when the right moment arrived. The dividend of 20 per cent. which the company had paid represented a distribution of some 74 per cent. of the year's profits. The average distribution over a period of 28 years, according to Mr Clark, was 61 per cent. of the net profits. The directors felt that by increasing the distribution to 74 per cent. they were going as far as conservative finance would permit. The net profits last year, although appreciably reduced, amounted to 15 per cent. on the increased net assets, an earning power which at the present time was not being equalled by many industrial concerns. Mr Clark made several interesting statements about the company's trading policy. The company had made a profit on the talking films it had produced jointly with a film company, but it had decided to withdraw from the film production field, which it regarded as too speculative for a company which did not own its own distribution. As a result of the

acquisition of the wireless manufacturing interests of Marconi's Wireless Telegraph, the company was developing a new line of business, but the percentage of profit on radio sets was not yet on a par with that earned on gramophones. Any idea that the mechanical type of gramophone had already been superseded by the electrical reproducer must be discarded when it was appreciated that out of some eight million homes in Great Britain only about two million were "electrified." Mr Clark saw no signs at present of a change in the general trade situation. He declared that there were just as many buyers to-day, but that they had less to spend. Consequently the higher-priced instruments and records had suffered, while sales in the more popular lines had increased. But there were still millions of homes without gramophones, all of which he regarded as potential customers.

Fairfield Shipbuilding and Engineering.—The report of this old-established Glasgow company for the financial year ended June 30th last, reflects the acute depression which prevails in practically all shipbuilding yards. The balance at profit and loss account, after providing for taxation, amounts to £12,503, against £52,192. After payment of debenture interest, requiring £23,750, there is a debit balance of £11,247, which compares with a net profit last year of £28,442. After deducting £15,000 for preference dividend, there remains £66,729, against £92,976, to be carried forward.

Year to June 30.	1928. £	1929. £	1930. £
Net profit	31,167	28,442	Dr. 11,274
Preference dividend	15,000	15,000	15,000
No. of times covered	2.1	1.9	...
Ordinary capital :			
Earned	16,167	13,442	...
Paid	12,500	12,500	...
Earned, %	6.5	5.3	...
Paid, %	5	5	...
Carried forward	92,034	92,976	66,729

In the following table the percentage earnings and payments on the £250,000 of ordinary capital are set out for the past eight years.

Year to June 30.	Earned %	Paid %	Year to June 30.	Earned %	Paid %
1923	8.1	Nil	1927	4.1	5
1924	Nil	Nil	1928	6.5	5
1925	7.2	5	1929	5.3	5
1926	Nil	Nil	1930	Nil	Nil

The auditors' report states that no depreciation has been provided on fixed plant and machinery for the year to June 30, 1930. The balance sheet fails to reveal a clear liquid position, available assets amounting to £158,105, against sundry creditors and reserves of £576,503. General reserve stands at £200,000. The cash item has shrunk from £194,973 in the last balance sheet to £66,612.

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GOVERNMENT, MUNICIPAL,
RAILWAY, PUBLIC UTILITY,
INVESTMENT TRUST AND
INDUSTRIAL FINANCING

Canadian Pacific Railway Prospects.—Two months ago, when reviewing the possibility that the Canadian Pacific Railway would earn as well as pay a 10 per cent. dividend this year, we declared that the most important factors in the problem were, firstly, the autumn crop position, and, secondly, the company's ability to make further economies in expenditure. Subsequent developments have been encouraging from the stockholders' point of view. It is now known that the Canadian wheat crop will be largely in excess of last year's meagre total, and as the process of reducing railway expenditure has made further headway, the September net revenue figures come out at a higher level than for some years past. The monthly gross and net receipts since 1927 are shown below:—

	C.P.R. EARNINGS. (Million dollars.)					
	Gross Earnings.			Net Earnings.		
	1928.	1929.	1930.	1928.	1929.	1930.
January.....	15.3	15.9	12.7	1.9	1.9	0.7
February.....	15.0	14.5	12.1	2.6	1.8	0.9
March.....	16.8	17.5	14.2	3.6	4.0	2.1
April.....	15.3	17.5	14.0	2.4	3.2	1.7
May.....	17.8	17.9	14.7	3.1	2.5	1.2
June.....	17.5	18.3	15.5	2.9	3.0	2.8
July.....	18.0	19.1	14.9	3.7	3.9	3.2
August.....	19.5	17.7	15.5	4.8	2.9	3.3
September.....	21.4	19.6	19.2	6.3	5.0	6.7
Total, 9 months	156.6	158.0	132.8	31.3	28.2	22.6
October.....	22.0	20.2	...	10.0	7.3	...
November.....	24.4	16.1	...	7.3	4.6	...
December.....	21.1	15.5	...	3.2	3.2	...
Total, 12 months	224.0	209.7	...	51.7	43.1	...

It is now more than possible that the Railway will offset in the last three months of this year at least a substantial part of the deficiency shown in the earlier months. If, for argument's sake, it be presumed that a further \$4,000,000 is recouped in this way before the end of the year, the total decline in railway revenue for the whole of 1930, as compared with 1929, will be no more than about \$1,500,000. On the conservative assumption that total "special" receipts from investments, steamship services, hotels, telegraphs, etc., merely attain last year's level, the total revenue available for fixed charges and dividends may be approximately \$57,000,000. Allowance must be made for increased debenture and preference requirements. The Canadian Pacific Railway, for instance, has placed £1,000,000 of 4 per cent. debentures and £2,500,000 of 4 per cent. preference stock in London this year, including £1,000,000 of the latter placed this month and available in the market at 80½, free of stamp. Allowing for this factor, the above figure would show earnings in the neighbourhood of 10 per cent. on the common stock. Business has been done in the latter at 176 this week, at which price a 10 per cent. dividend would yield 5.68 per cent.

Venezuelan Oil Concessions.—By declaring an interim dividend of 5 per cent. in respect of the financial year ending December 31, 1930, the directors of the Venezuelan Oil Concessions, Ltd., make good the promise of the chairman at the last shareholders' meeting. The announcement is also made that the aggregate profits for the year 1930 will be approximately the same as those earned in the previous year. The 1929 earnings amounted to 20.1 per cent on a preferred and ordinary share capital of £5,398,795. The capital has since been increased to £7,198,795 by the issue of 1,800,000 new shares at par in May, 1930, which rank for the 1930 dividend. The directors' announcement is, therefore, tantamount to a forecast of 15 per cent. earnings on the new capital. Whether the final dividend is to be 10 per cent. cannot, of course, be determined at this stage. Next month the interim dividends of the Royal Dutch, Shell Transport and Anglo-Persian are due to be announced. It is expected that the previous rates will be maintained, namely, 10 per cent., 10 per cent. tax free, and 5 per cent. respectively.

Gold Fields Rhodesian.—Our mining correspondent writes:—An interim dividend having been paid at the rate of 10 per cent. per annum, which has prevailed for some time past, considerable disappointment was aroused by the decision of the directors to make no final distribution for the year ended June 30th last. This course was necessitated chiefly by heavy depreciation in the company's holdings since the date of the accounts; but at £116,700 the net profit falls £64,900 below the 1928-29 total, while on the present occasion income tax swallows up £21,500. Hence the interim disbursement actually absorbed the bulk of the past year's earnings, the carry-forward being no more than £21,000 up at £71,800. As regards the balance sheet, advances and loans have expanded some £65,000 to £114,700. Apart from this item the surplus of cash and debtors over creditors stands at £154,000. One of the newer interests of the company is in the Wanderer Consolidated, whose first annual report has just been issued. This document shows an operating profit of £18,000 in respect of nine and a half months' running. Monthly profits of £6,000 are looked for, but the consulting engineer estimates that such an amount could be more than doubled by duplication of the treatment plant. The question is under consideration. Certainly, the existing reduction works are hardly adequate to the ore reserves, even though these, at 648,000 tons, show a decline of 102,000 tons upon the original computation, the value of 5½ dwts. being the same as before. Reverting to the Gold Fields Development, note may be taken of the acquisition of an interest in the Rhodesia-Katanga Company and in the Victoria Prospecting Syndicate—the latter formed to operate in Southern Rhodesia.

New Jagersfontein.—This diamond enterprise paid no final dividend for the past year. The accounts emphasise the point that developments since March 30th were chiefly responsible for this decision. Actually the earnings, at £253,400, showed an increase of £18,100; but after the date of the accounts the demand for stones fell off in a very serious degree, and the company's reserve fund of £100,000, plus £25,000, had been invested in the shares of the Diamond Corporation, a concern formed to nurse the surplus supplies. Irrespective of diamond stock at cost of production (£22,100) the cash surplus at March 31st, amounted to no more than £28,100. A renewed decline occurred in the average yield from the ground washed, and the average price received fell from 90s. to 70s. per carat. The latter figure, however, arose entirely from the washing of debris and old gravels, which yielded a much larger profit than the diamonds extracted from blue ground. At the meeting held in Kimberley, the chairman, Colonel Sir David Harris, indulged in some pointed criticism of the attitude of the Union Government towards the diamond industry of the Transvaal. The outlook during the current year cannot readily be forecast at the present moment.

Company Meetings of the Week.—On later pages of this issue will be found the reports of the following companies:—Argentine North-Eastern Railway, Entre Rios Railways, Taltal Railway, Austin Motors, Gramophone Company, Goode Durrant and Company, and Kern River Oilfields of California. Presiding at the annual meeting of Austin Motors, Sir Herbert Austin stated that since the commencement of the new financial year on August 1st, the company's sales for the home market had exceeded those of the same period of last year by nearly 30 per cent., while practically the whole of the programme of production for next season's home sales had been contracted for by their agents. The company's financial director discussed the strength of the company's financial position, and the necessity for retaining a large cash balance. At the annual meeting of the Taltal Railway, Mr Frank Henderson referred to the fact that a national company had been formed under Chilean law to acquire the interests of all the nitrate concerns in Chile, and reorganise the industry from top to bottom. The abolition of the nitrate export duty, which was part of the scheme, would have a very important effect upon the cost of nitrate deliveries in consuming markets.

CAPITAL ISSUES.

The public offerings of the week were three in number, the borrowers being the *London and North-Eastern Railway*, the *Central Argentine*, and *Frank Myatt*. All took the form of debenture stock with a yield of 5 per cent. or more, and were well-received. Rather more than three-fourths of the proceeds of the Frank Myatt issue will be used to pay off existing debentures with a higher yield. There have, in addition, been various private "placings" of new capital, including £2,000,000 5 per cent. debentures of the Underground Electric Railways, £1,000,000 of 4 per cent. non-cumulative preference stock of the Canadian Pacific Railway (available at 80½, free of stamp), and £150,000 of 5 per cent. debenture stock of Edmundson's Electricity Corporation (available at 99½). The present is an unfavourable period for the Argentine Railways, the Central Argentine having to offer a flat yield of as much as £5 14s. 3d. on its debentures.

ISSUES OF THE WEEK.

By Prospectus or Offer for Sale.

Net total recorded, January 1 to October 25, 1930, £218,089,555.
Total, including conversion recorded, January 1 to October 25, 1930, £398,190,786.

National Savings Certificates.

Net sales, week ended October 25, 1930, £350,000.
Total receipts, April 1, 1930, to October 25, 1930, £4,350,000.

	Nominal Capital.	Conversions or Repayments.	New Money Cash Subscription.	First Payment.	Further Liability.
To the Public.					
Central Argentine Rly.....	3,000,000	...	2,625,000	150,000	2,475,000
London & North-Eastern Rly.	3,000,000	...	2,700,000	150,000	2,550,000
Frank Myatt.....	400,000	307,200	84,800	20,000	372,000
Total issued to the public, week ended Nov. 1, 1930.....	6,400,000	307,200	5,717,000	320,000	5,397,000
To Shareholders only.	NIL	NIL	NIL	NIL	NIL
Total Offered for Subscription—	Including Conversions.	Excluding Conversions.	Including Conversions.	Excluding Conversions.	
Jan. 1 to date.....	£	£	£	£	
1930.....	404,564,986	223,849,355	488,764,940	285,239,400	
1929.....	242,592,935	204,267,335	693,100,056	269,058,073	
1928.....	504,011,033	329,981,302	...	365,165,970	
1927.....	...	288,814,024	...	230,782,600	
1926.....	...	187,511,826	...	232,214,500	
1925.....	...	188,190,597	...	209,326,101	
1924.....	...	166,718,122	...	271,399,173	
1923.....	...	251,490,921	...	573,675,653	

By Stock Exchange Introduction.

	Amount of Capital Introduced.	Prices at which Dealings Began.	Total Cash Involved.
Amount previously recorded.....	16,467,378	...	18,152,707
Total, week ended November 1, 1930.....	NIL	...	NIL
Total to date, 1930.....	16,467,378	...	18,152,707
Total to date, 1929.....	31,073,581	...	42,953,893

Central Argentine Railway.—Issue of £3,000,000 5 per cent. Debenture Stock, 1967-87, at 87½ per cent. Proceeds to be applied towards repayment of temporary advances from the Company's Banks, the cost of new works, the acquisition of further rolling stock, and general purposes.

London and North Eastern Railway Company.—Issue of £3,000,000 4½ per cent. Sinking Fund Debenture Stock at £90 per cent. A cumulative sinking fund will be set aside and applied each year in the redemption of stock by purchase on the market at or under par, or by drawings at par, so that the whole of the stock will be repaid by July 1, 1970. The first application of this sinking fund will be made in respect of the year ending December 31, 1931. The proceeds of the loan are required towards meeting the expenditure on works now being executed in connection with the Railway Passenger Duty Scheme and the Development (Loan Guarantees and Grants) Act, 1929. The issue offers a flat yield of £5 per cent.

Frank Myatt.—Issue of £400,000 5½ per cent. guaranteed Mortgage Debenture Stock at £98 per cent. The stock will be redeemed by means of a cumulative sinking fund of 1 per cent. per annum, commencing December 31, 1931, calculated to redeem the whole of the stock by December 31, 1966, by annual drawings at par, or by purchase in the market at any time at or below par. The company reserves the right on or after December 31, 1935, to redeem the stock, in whole or part, on six months' notice, at 101 per cent. if redeemed on or before December 31, 1955, and at par if redeemed after that date. The amount of £307,200 6 per cent. tax free First Mortgage Redeemable Debentures will be paid off out of the proceeds of this issue. The company was registered on June 30, 1920, to acquire as going concerns the businesses of Frank Myatt and Company, and the Old Wolverhampton Breweries.

Folkestone Waterworks Company.—Offer for sale by tender of £33,558. Five per cent. Perpetual Debenture Stock. Minimum price, £98 per £100 stock, yielding at that price £5 2s. per cent.

Particulars of the following are issued for information only with a view to Stock Exchange introduction. **Bank of New Zealand.** Particulars of an issue of £500,000 5 per cent. Long Term Mortgage Debenture Stock.

[Other Stock Exchange information, including the latest dividend announcements, profit and loss figures, shorter notices and weekly traffic returns, will be found on page 834 under the heading "Company News."]

OIL OUTPUTS.

THE BRITISH BURMAH PETROLEUM COMPANY, LTD.—Production of crude oil by this company for the month of September, 1930, was 32,123 barrels.

BRITISH CONTROLLED OILFIELDS, LIMITED.—Production for the week ended October 8th:—Venezuela, 35,835 barrels; Trinidad, 19,119 barrels; total, 54,954 barrels. Production for September:—Venezuela, 157,123 barrels; Trinidad, 77,375 barrels; total, 234,498 barrels. Deliveries for September:—Venezuela, 145,422 barrels; Trinidad, 82,827 barrels; total, 228,249 barrels.

DACIA ROMANO PETROLEUM.—Production for September 7,064 tons, this being the company's allowable quota under present restriction regulations.

THE KERN RIVER OILFIELDS OF CALIFORNIA, LTD.—The total production during the month of September amounted to 110,564 barrels, or approximately 15,795 tons.

THE MEXICAN EAGLE OIL COMPANY, LTD.—The production for the week ended September 20, 1930, was 236,000 barrels. The production for the week ended Sept. 27, 1930, was 230,000 barrels. The production for the week ended October 4, 1930, was 229,000 barrels. The production for the week ended October 11, 1930, was 230,000 barrels. The production for the week ended October 18, 1930, was 229,000 barrels.

SERVICE PETROLEUM COMPANY.—Production from the company's oil wells at Gura-Ocnitzei, Ceptura and Moreni for the week ended September 21st was 5,083 tons (35,581 barrels). Production from the company's oil wells at Gura-Ocnitzei, Ceptura and Moreni for the week ended October 12th was 5,017 tons (35,119 barrels).

STEAUA ROMANA (BRITISH), LTD.—Production of the Steaua Romana Company, Bucharest, for September was 60,100 tons.

TAMPICO OIL, LTD.—The total production on the company's properties in Mexico during September was 21,288 barrels, in respect of which the royalty due to Tampico Oil, Ltd., amounted to 1,597 barrels.

TRINIDAD LEASEHOLDS.—Oil produced September, 28,500 tons; oil purchased in September from other companies, 59,550 tons.

THE VENEZUELAN OIL CONCESSIONS, LTD.—Production for week ended September 27th was: Bolivar district, 99,780 m. tons; Maracaibo district, 12,414 m. tons; total, 111,194 m. tons. Production for the week ended October 11th was: Bolivar district, 94,088 m. tons; Maracaibo district, 13,462 m. tons; total, 107,550 m. tons.

BARCLAYS BANK

LIMITED

HEAD OFFICE: 54 Lombard Street, London, E.C.3.

TRUSTEE DEPARTMENT.

CHIEF OFFICE: 37 King William St., London, E.C.4.

BRANCHES:

London (City) 37 King William St., E.C.4.
(West End), Piccadilly Circus,
27 Regent Street, S.W.1.
Birmingham: 67 Colmore Row.

Bournemouth: 61 Old Christchurch Road
Brighton: 170 North Street
Manchester: York Street.

The Bank has power to act as EXECUTOR and TRUSTEE under Wills and Settlements, and as Trustee for Debenture Holders. A Pamphlet stating terms and conditions for transacting business may be obtained from the Manager of the Trustee Department, or from any Branch Manager.

ENTRE RIOS RAILWAYS COMPANY, LIMITED.**ADVERSE FACTORS DURING PAST YEAR.**

The ordinary general meeting of the Entre Rios Railways Company, Ltd., was held, on the 27th ultimo, at River Plate House, Finsbury Circus, London, Mr Follett Holt (chairman of the company) presiding.

The Chairman, in moving the adoption of the report and accounts, said: When I addressed you last year I had just returned from Argentina and was able to tell you, after a personal inspection, that Entre Rios had not suffered from the drought so severely as other parts. The wheat crop, however, was affected and did not give a good yield either in quantity or quality, but, fortunately, the linseed turned out well. Our passenger and livestock traffics were satisfactory, but the commercial depression ruling throughout the country affected general receipts, although to a much less degree than it affected the larger railways operating in other parts of the Republic.

It is difficult to compare the happenings of the year with those of the previous period owing to changes which occurred in the origin and routing of part of our traffic. We were deprived of the important grain and other tonnage arising from the Hasenkamp line, which on the first day of the twelve months passed over to the State, although, on the other hand, we had the use of the money received as part of the sale price. Then, again, we placed into service the "Carmen Avellaneda," the third of the new Diesel train-ferry ships, and we had to carry the heavy cost of working this additional vessel as well as the expense of our important terminal in Buenos Aires.

In result the saving in the cost of working the fully developed Hasenkamp line was more than offset by the heavier cost of working the direct Buenos Aires traffic, which is only at the commencement of its development. If it had not been for these changes I have no doubt that the fall in our receipts would have been met, in some measure, by a reduction in operating expenses.

We are very satisfied with the preliminary results of the new terminal enterprise, and in its absence I doubt very much whether our receipts would have held so well during such a bad year for Argentina.

RESERVES AND DIVIDEND.

Although as the result of the twelve months' work we were able to allocate the usual proportion of the gross receipts to renewals reserve, we were not able to make a transfer to general reserve, which in the previous year, you will remember, received £100,000. We must always expect in a cereal district to have ups and downs in receipts; so I think that the only real adverse feature of our accounts is the loss of £31,717 on remittances, and this loss, with what it might mean in the future, had a considerable bearing on our recommendation to you to reduce the dividend for the year on the ordinary stock from 7 per cent. to 6 per cent., although the carry-forward is increased by some £8,000.

The present devaluation of the currency and its remedy is one of the urgent problems before the new Government. The country is faced also with other most interesting, but, I think, not too difficult problems, and in the new national determination to deal with these I need hardly say that Argentines will find ranged with them all those foreigners, if we can be so described, who, as a result of long and happy experience, share the fullest confidence in the future of their wonderful country.

The heavy rains in October and May helped to throw hundreds of miles of earth roads—and, incidentally, our competitors who use them—temporarily at least, out of business. To meet competition we are gradually increasing the use of Sentinel-Cammell self-propelled passenger cars for auxiliary services on the railway, with satisfactory results, and, in addition, have already some thirty cargo lorries on the roads serving our clients, and with these we are gaining valuable experience. Our observance of the laws of maintenance, coupled with the organising faculties possessed by our staff, will help us, I am sure, to continue to hold our important share in the transport world of Entre Rios.

I am pleased to be able to report that we have not lost ground for the first three months of the new financial year. A cable advice on Saturday from our general manager informs us: "Prospects generally to-day showing some improvement over those obtaining during several months past. Harvest coming along satisfactorily under favourable climatic conditions, but will be later than usual owing to delay sowing. Marked advance condition grazing camps and livestock; resumption shipments latter expected early December."

If the crops turn out well, as anticipated, then much will depend on the course of exchange, and here we must hope for the best, and I trust that when we meet you next year we shall be able to report that the company is still maintaining and even improving its position.

The resolution was carried unanimously.

TALTAL RAILWAY COMPANY, LIMITED.**DIVIDEND MAINTAINED—LARGE RESERVES.**

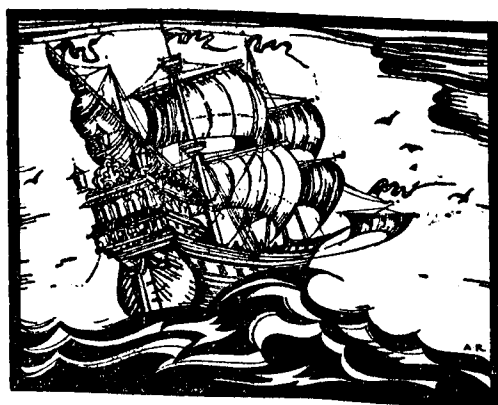
The forty-ninth annual general meeting of the Taltal Railway Company, Ltd., was held on the 27th ultimo, at River Plate House, London.

Mr Frank Henderson (the chairman) said that the gross receipts for the past year amounted to £162,336, as against £164,055 in the previous year, there having been a net reduction of 6,100 tons in the chief items of traffic, equal to about 3 per cent. While they had gained in bulk traffic at ordinary goods rates, they continued to lose small consignments at parcel rates and passengers. The working expenses at £95,397 showed an increase of £789, and the net receipts were £66,939. The directors recommended a final dividend of 4 per cent., making 6 per cent., free of income tax, the same as for the previous year. The actual earnings, including income from investments, represented just about 5½ per cent. on the capital, after providing for income tax, but the directors on this occasion felt justified in maintaining the dividend, firstly because they saw no reason to anticipate that the current year would not be as good as the past year, and secondly, because of the very large reserves shown in the balance sheet. If, however, the receipts should not be quite maintained, they did not think it would be wise again to recommend a dividend in excess of the rate actually earned.

Referring to the fact that a national company had been formed under Chilean law to acquire the interests of all the nitrate concerns in Chile and reorganise the industry from top to bottom, the chairman said that the abolition of the nitrate export duty—which was part of the scheme—would have a very important effect upon the cost of nitrate delivered in consuming markets; other economies should follow, and it was hoped that when the new company was fully established in control the Chilean nitrate industry would be given a new life in its struggle for existence.

It was rather difficult to give an idea of the prospects for the coming year, because there were many unknown factors. A bull point for the railway was the existence of an unusually large stock of nitrate in the interior, which must, of course, eventually find its way over the company's line, and this, coupled with the fact that the rate of production of the oficinas in Taltal still working was not diminished, made him hopeful that their receipts would not be less than in the year just closed.

The report was unanimously adopted.

**ENTERPRISE!**

¶ The intrepid enterprise of Columbus over four centuries ago opened up all the possibilities of an undeveloped Continent.

¶ Since then, the enterprise of succeeding generations has resulted in phenomenal development of the vast resources of the New World.

¶ To-day a great and growing volume of overseas trade is transacted annually by the Latin American Republics, and complete facilities for every description of modern banking business are afforded by

**THE ANGLO-SOUTH
AMERICAN BANK LTD**
117 OLD BROAD ST. LONDON, E.C2

ARGENTINE NORTH EASTERN RAILWAY COMPANY, LIMITED.**INCREASED NET EARNINGS.**

The forty-second ordinary general meeting of the Argentine North Eastern Railway Co., Ltd., was held, on the 27th ultimo, at River Plate House, Finsbury Circus, London, Mr Follett Holt, chairman of the company, presiding.

The Chairman, in moving the adoption of the report and accounts, said: Unique among the Anglo-Argentine railways, our company, the Cinderella, is able to show not only increased receipts, but a small increase in net earnings for the year. Our traffic, although still small in volume as compared with other Argentine railways, is very diversified, and this fact has helped to carry us through a bad period for the country. We were able to hold our own with passenger and parcels, livestock, yerba, and even to increase to the somewhat amazing total of 61,000 tons the traffic in oranges. Cereals at present make up between them no very large volume, and it is here that we have hopes for the future. Traffic in total judged by ton-miles constitutes a record in the company's long history. As the result of the railway's earnings, after placing £53,000 to the renewal reserve, being £4,000 more than in the previous year and providing a non-recurring amount of £21,800 to cover a settlement of mileage charges for the past six years, also meeting a loss of £16,900 on exchange, we were able to meet our "A," "B" and "C" debenture charges in full and carry forward £30,780 to our next accounts. In the circumstances of the present times I think this is not a bad performance, though we do not lose sight of the fact that there is over 2½ millions of money invested in the ordinary stock of the company which receives no remuneration whatever.

To put this right is a somewhat difficult task you have set us to perform, and to succeed we must still, I think, have some years of grace and normal events. We know that as trade develops and traffics increase we must expand more on the railway, but we also know that in both Corrientes and Misiones there is ample room for more population and more enterprise.

The railway is quite an interesting proposition; when one remembers what a bad financial position it was in a few years ago, and its rather antiquated operating elements, the way it has extricated itself shows that not only the zone it serves but the property have merits. It is worked very closely with the Entre Rios Railways, and by degrees will reach, we hope, the same standard of physical condition.

The report and accounts were unanimously adopted.

KERN RIVER OILFIELDS OF CALIFORNIA, LIMITED.**UNREMUNERATIVE PRICES.**

The twenty-first ordinary general meeting of the Kern River Oilfields of California, Ltd., was held, on the 30th ultimo, at Kingsway Hall, London, W.C.

Mr William Ivey (the chairman) said that the year's working had resulted in a profit, which was appreciable but not sufficient to enable them to pay a dividend. In 1927 he had foretold the present condition of things. They were then on the eve of a price war, with over-production and almost a state of chaos in the oil trade, and, in his opinion, the only possible way to cope with the situation then was for all the oil-producing companies in the world to shut down their wells, stop drilling and producing, and simply to mark time until the production position had become normal. That would have meant, of course, that no profits would be made and no dividends earned. Of course, this company could not have done such a thing as that unless the whole of the producing companies in the world did the same thing.

Finally, the position had been arrived at when a restriction of output had to be agreed to. The difficult position was the result of the fact that more oil was being brought to the surface of the earth than people were ready to buy at a fair price. Some shareholders might ask them why they agreed to restrict at all and why they did not carry on and sell their oil for the best prices possible. That suggestion sounded all right, no doubt, and they could doubtless have refused to restrict output because it was only a voluntary undertaking. Indeed, there was now a question in the United States of America as to whether the agreement between the companies would hold good in law, but, supposing this company had decided not to agree to join in the restriction of output, they would have been treated as outcasts and they would doubtless have suffered a lot of damage to their wells.

In spite of the restriction, this company had produced nearly 200,000 more barrels of oil in the year under review than in the previous year, and, also in spite of restriction, there had come a time when they could not sell their oil at all, companies and persons

who had been taking oil from them for years under contract, telling them they could not continue to take it even at a reduced price.

As the result of a meeting of the whole of the independent producers in Los Angeles, a resolution was passed forming an association of the independent producers, and a meeting was arranged between them and the big companies. Three days afterwards the big companies issued a notice stating that they refused to sell gasoline to any company or person who did not agree to refrain from selling it at less than 19½ cents per gallon. Although he believed that everyone was not adhering strictly to that, it had the result of improving the position considerably.

The report was adopted.

GOODE DURRANT AND COMPANY, LIMITED.**DIFFICULT CONDITIONS IN AUSTRALIA.**

The thirty-second ordinary general meeting of Goode Durrant and Company, Ltd., was held, on the 28th ultimo, at 27 Milton Street, London, E.C.

Owing to the unavoidable absence of the chairman (Mr J. A. Williams), Mr W. E. Pennick (vice-chairman) presided, and, in the course of his remarks, said:—From the publicity which has recently been given to the conditions of affairs in Australia, you will know that the past year has been one of unprecedented difficulty. It is not necessary to review the economic condition of the Commonwealth, but reference must be made to the artificial prosperity enjoyed for some years, which was the outcome of the high prices received for their primary products.

Now, with world-wide depression, Australia has to face a serious adverse trade balance, due to the low prices of raw materials and the heavy commitments for interest on loans. When the present Government came into power they adopted drastic measures to remedy the situation by the imposition of higher tariffs, prohibitions and increased taxation, all of which have added to the difficulties of traders. We have no doubt that ultimately the Dominion will be established on a sound basis, but there is no indication at present of any improvement.

STRONG LIQUID POSITION

In the balance sheet you will notice that we continue to depreciate freehold and leasehold properties, furniture, fixtures and plant. Stock is £28,500 less than a year ago and has been discounted to market value. Sundry debtors and bills receivable are approximately the same. Bills payable and creditors are £12,000 less at £265,000 and with £160,000 notes outstanding make a total of £425,000, against liquid assets of £354,000. The small profit for the year is accounted for by contraction of trade, heavy discounting of stock and the high rate of exchange.

The directors' report and audited balance sheet for the financial year ended July 20, 1930, were received and adopted, and it was resolved that the transfer of the sum of £10,000 from the general reserve fund be sanctioned and that the payment of the dividend at the rate of 7 per cent. per annum on the preference shares be approved.

Mr J. A. Williams and Mr G. P. Schooler were re-elected directors of the company, and the auditors, Messrs Newman, Ogle, Ashworth and Bevan, were reappointed.

A vote of thanks to the chairman and the staff in London and Australia terminated the proceedings.

Government Returns, &c.**NATIONAL ACCOUNTS.**

As is shown from the Treasury Return printed below, the total ordinary revenue for the week ended Oct. 25, 1930, amounted to £13,338,000, against ordinary expenditure of £10,447,700. After allocating £1,269,600 to the Sinking Fund, and having allowed for an increase in Exchequer Balances of £117,707, the week's operations, as shown below, reduced the National Debt by £1,402,000 to £7,673,206,000:—

(000's omitted.)

Treasury Bills	+ 1,447	Public Department Advances ...	2,750
National Savings Certificates ...	+ 350	P.O. and Tel. Money	450
	+ 1,797		3,200

A complete analysis of the National Debt at the end of last quarter was printed in the *Economist* of October 4.

Date.	Amount Offered.	Amount Applied For.	Treasury Bills at 3 Months. Average Rate.		
1930.	£	£	£	s.	d.
Oct. 3	40,000,000	57,820,000	2	4	2.98
Oct. 10	40,000,000	2,505,000	2	6	83
Oct. 17	40,000,000	61,505,000	2	1	9.11
Oct. 24	45,000,000	64,420,000	2	1	7.87

The OCEAN ACCIDENT and GUARANTEE CORPORATION, Limited.

ASSETS	-	-	-	£9,046,500
CLAIMS PAID	-	-	-	£56,933,000

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

Head Office: 38-44 MOORGATE, LONDON, E.C.

The Bankers' Gazette.

BANK OF ENGLAND.

Return for Week ended Wednesday, October 29, 1930.

ISSUE DEPARTMENT

Notes Issued—		\$	
In Circulation	355,626.061	Government Debt	11,015,104
In Banking Department	63,877,611	Other Government Securities	232,892,933
		Other Securities	11,627,222
		Silver Coin	4,464,735
		Amount of Fiduciary Issue ..	260,000,000
		Gold Coin and Bullion	159,503,672
	\$419,503,672		\$419,503,672

BANKING DEPARTMENT.

Proprietors' Capital	14,553,000	Government Securities	37,666,24
Res.	3,101,754	Other Securities	
Public Deposits	20,970,446	Discounts and Advances	\$4,248,890
Other Deposits—		Securities	22,367,152
Bankers	\$55,693,833	Notes	26,616,04
Other Accounts	35,001,938	Gold and Silver Coin	5,877,61
			1,163,25
7-Day and other Bills	90,695,771		
	2,187		
	\$123,393,158		

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

Both Departments.	Amount, Oct. 29, 1930.	Inc. or Dec. on Last Week.	Inc. or Dec. of Last Year.
	£	£	£
Note circulation.....	355,626,061	+ 1,098,182	— 3,193,788
Public deposits.....	20,970,446	+ 6,962,544	+ 5,686,488
Bankers' deposits.....	55,693,833	+ 188,963	+ 2,412,141
Other deposits.....	35,001,938	+ 902,795	+ 3,123,188
Seven-day bills.....	2,187	— 290	— 1
Total, outside liabilities.....	467,294,465	+ 4,772,334	+ 2,142,644
Capital and rest.....	17,654,574	+ 11,940	+ 24,970
Government debt and securities.....	281,574,279	— 3,969,872	— 33,653,322
Discounts and advances.....	4,248,890	— 729,860	+ 1,641,977
Other securities.....	33,994,381	— 601,837	+ 4,971,211
Silver coin in issue department.....	4,464,739	— 95	+ 368,033
Coin and bullion (bank's reserve).....	160,666,930	+ 541,270	+ 28,525,107
Reserve of notes and coin in banking department.....	65,040,869	— 556,912	+ 31,718,897
Proportion of reserve to outside liabilities.....			
(a) Banking department only ("proportion").....	58½ %	+ ½ %	+ 28½ %
(b) Gold stocks to deposits and notes ("reserve ratio").....	34½ %	— ½ %	+ 6 %

(000's omitted.)									
Date.	Issue Department.		Banking Department.			Gold in or out of Bank.	Bank Balance.	Total.	%
	Notes Issued.	Circulation.	Public Deposits.	Bankers' Deposits.	Other Deposits.				
1930.	\$	\$	\$	\$	\$				
Sept. 10	415,546	361,328	9,013	67,166	34,137	267 in	267	100	100
17	416,420	357,768	8,934	65,308	33,786	653 in	653	100	100
24	416,305	355,769	13,310	64,174	34,195	155 out	155	100	100
Oct. 1	415,619	359,386	21,645	61,318	34,789	748 out	748	100	100
8	417,477	359,560	12,861	67,447	34,251	1,856 in	1,856	100	100
15	417,624	357,061	12,397	66,163	36,067	250 in	250	100	100
22	418,942	354,528	27,933	55,505	34,099	1,114 in	1,114	100	100
29	419,504	355,626	20,970	55,694	35,002	553 in	553	100	100

(000's omitted.)

Date.	Issue Department.		Both Depts.		Banking Department.						
	Govt. Debt and Securities.	Other Securities.	Gold Coin and Billon and Reserve Ratio.		Govt. Securities.	Dis-counts & Advances.	Other Securities.	Reserve & the "Proportion."			
1930.	#	\$	#	%	#	\$	#	\$	%		
Sept. 10	243,910	11,629	156,574	33%	45,911	5,770	21,641	65,247	56%		
17	243,906	11,629	157,511	33%	38,766	5,377	23,409	69,743	55%		
24	243,906	11,629	157,427	33%	41,056	5,672	21,586	61,658	55%		
Oct. 1	243,910	11,627	156,803	33%	44,535	11,917	22,155	57,417	48%		
8	243,913	11,628	158,683	33%	44,666	4,879	22,530	59,123	52		
15	243,912	11,627	159,021	33%	42,301	5,128	22,682	61,261	54		
22	243,908	11,627	160,126	34%	41,636	4,979	22,969	65,598	55%		
29	243,908	11,627	160,667	34%	37,686	4,249	22,367	65,041	56%		

BANKERS' CLEARING RETURNS (000's omitted).

	Town.	Metropolitan.	Country.	Total.
1930.	£	£	£	£
January 1 to October 15.....	31,262,428	1,446,611	2,369,675	35,078,714
Weak ended October 22.....	726,140	33,860	55,968	815,968
Weak ended October 29.....	699,727	32,715	50,289	782,731
Total to date, 1930.....	32,668,295	1,513,186	2,475,932	36,677,413
Total to date, 1929.....	33,165,499	1,568,237	2,559,535	37,293,271
Increase or decrease in 1930.....	- 477,204 = 1.4%	- 55,051 = 3.5%	- 83,603 = 3.3%	- 615,858 = 1.6%
Total for year, 1929.....	39,935,924	1,881,789	3,078,764	44,896,477
Do, 1928.....	39,311,117	1,854,190	3,039,422	44,204,729
Increase or decrease in 1929.....	= 624,807 = 1.6%	+ 27,599 = 1.5%	+ 39,342 = 1.3%	+ 691,755 = 1.6%

PROVINCIAL CLEARING RETURNS.

(000's omitted).

	Week ended Oct. 25.		Month of September.				Aggregate Weekly Totals Jan. 1 to Oct. 25.	
	1929.	1930.	1929.	1930.	Inc. or Dec.	1929.	1930.	
Number of working days	£	£	25	26	£	£	£	
BIRMINGHAM	1,909	1,914	9,340	8,484	-17.0	109,359	100,905	
BRADFORD	1,041	540	4,011	3,203	-26.6	48,963	36,125	
BRISTOL	1,091	1,018	4,472	4,461	- 5.0	49,936	47,167	
DUBLIN	4,170	4,642	...	...	...	205,123	204,185	
HULL	728	712	3,215	3,212	- 1.7	36,276	35,623	
LEEDS	959	636	3,453	2,784	-24.0	38,779	29,636	
LIVERPOOL	690	589	2,835	2,628	-19.7	33,750	29,622	
MANCHESTER	6,995	5,310	30,361	23,361	-25.3	333,583	271,121	
NEWCASTLE	11,565	8,518	48,837	38,131	-17.6	534,007	446,571	
NOTTINGHAM	1,428	1,247	5,841	5,196	-19.0	63,255	59,055	
SHEFFIELD	472	496	2,359	2,249	-29.0	26,700	24,849	
SHEFFIELD	657	529	4,114	3,551	-13.2	42,731	37,693	
Total	31,705	26,120	118,936	96,860	-18.8	1,525,505	1,329,551	

OVERSEAS BANK RETURNS.

NOTE.—The latest Return of the Bank of Portugal appeared in the *Economist* of August 30; Denmark and the Bank for International Settlements on October 11. Danzig, Japan, Egypt, Lithuania, Russia, Czechoslovakia, India, and Italy in October 25.

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

RESOURCES.	Oct. 31, 1930	Oct. 9, 1931	Oct. 16, 1932	Oct. 23, 1933	Oct. 30, 1934
Total gold reserve	923,000	2,976,530	2,979,340	3,016,610	3,037,190
Total bills discounted	3,020,950	173,170	210,440	191,980	201,600
Bills bought in open market	339,890	211,020	185,490	176,590	165,660
Total U.S. Govt. securities...	292,690	600,440	681,610	602,030	601,440
Total bills and securities ...	1,648,740	990,900	1,003,820	979,600	975,020
Total resources	5,754,360	4,833,100	5,104,780	4,884,980	4,866,180
LIABILITIES.					
Federal Reserve notes in actual circulation	1,880,190	1,365,400	1,372,210	1,368,510	1,354,880
Deposits—Member banks					
serve account	2,651,610	2,407,760	2,440,360	2,437,090	2,468,280
Total deposits	2,696,470	2,466,110	2,491,870	2,489,420	2,519,410
Capital paid in and surplus	421,420	447,490	447,430	447,340	447,380
Total liabilities	5,754,360	4,833,100	5,104,780	4,894,980	4,866,180
Ratio of total reserves to deposits and Federal Reserve note liabilities combined	69.4%	81.6%	80.9%	82.1%	82.4%

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

	Oct. 31, 1929.	Oct. 9, 1930.	Oct. 16, 1930.	Oct. 23, 1930.	Oct. 30, 1930.
Total gold reserves	...	986,010	989,030	1,083,100	1,137,280
Total bills discounted	246,120	25,650	57,790	31,840	45,600
Bills bought in open market	131,280	56,400	56,400	42,870	42,870
U. S. & Govt. securities	15,810	166,240	187,340	187,340	187,340
Total bills and securities	152,080	299,980	306,110	266,100	273,010
Deposits — Memberbank — reserve account	1,198,820	1,001,690	1,006,610	1,028,220	1,088,350
Ratio of total res. to dep. and Fed. Res. note liability on hand	71.8%	83.7%	82.6%	87.2%	87.6%

STATEMENT OF CANADIAN BANKS.—In \$'s (000's omitted).

	July 31, 1929.	Apr. 30, 1930.	May 31, 1930.	June 30, 1930.	July 31, 1930.
ASSETS.					
Cash and bank balances	433,058	419,709	381,292	440,493	376,261
Bank balances abroad	136,482	82,260	89,723	105,352	114,182
Call and short loans	577,466	415,182	417,282	435,183	421,799
Securities	469,552	427,790	431,416	444,138	447,028
Loans in Canada	1,439,491	1,477,927	1,468,037	1,432,639	1,395,645
Loans abroad	244,941	255,858	242,557	243,577	224,780
Other assets	195,504	197,203	199,783	194,392	193,035
LIABILITIES.					
Note circulation	170,113	154,747	164,710	165,954	152,177
Deposits—					
Government	198,612	119,061	130,911	149,844	105,969
Public in Canada	2,146,060	2,085,209	2,007,093	2,034,054	2,007,310
Foreign	431,485	386,539	393,794	415,157	383,624
Bank balances—					
Canadian	12,443	17,357	15,943	17,557	11,348
Foreign	106,975	79,742	74,310	76,497	71,426
Bills payable, &c.	104,538	98,512	111,132	104,726	102,362
Capital and res.	292,942	305,042	305,291	305,506	305,603
Other liabilities	5,418	5,751	7,937	5,026	6,479

SOUTH AFRICAN RESERVE BANK.—In £'s (000's omitted).

	Oct. 4, 1929.	Sept. 5, 1930.	Sept. 12, 1930.	Sept. 19, 1930.	Sept. 26, 1930.	Oct. 3, 1930.
ASSETS.						
Gold coin and bullion	7,726	6,604	6,556	6,435	6,694	6,962
Subsidiary coin	74	175	182	187	189	182
Bills discounted	8,718	7,832	7,595	7,667	7,440	7,594
Investments	639	1,404	1,404	1,398	1,398	1,398
LIABILITIES.						
Capital	1,000	1,000	1,000	1,000	1,000	1,000
Reserve	600	720	720	720	720	720
Notes in circulation	9,199	8,175	7,528	7,149	7,743	8,424
Government deposits	1,302	1,664	1,955	2,036	2,065	705
Bankers' deposits	4,738	4,746	4,536	4,840	4,444	4,793
Ratio of cash reserves to liabilities to public	50.3%	44.7%	45.2%	45.7%	47.6%	49.8%

BANK OF FRANCE.—In francs (000's omitted).

	Oct. 25, 1929	Oct. 3, 1930	Oct. 10, 1930	Oct. 17, 1930	Oct. 24, 1930
ASSETS.					
Gold	35,843,536	49,100,819	49,448,031	50,567,354	50,642,645
Foreign assets—					
Sight deposits	7,136,160	6,551,853	6,567,842	6,474,757	6,504,524
Bills discounted	18,763,167	19,046,371	19,074,550	19,168,948	19,154,016
Commercial bills dis-					
counted at home	9,210,914	5,008,366	4,696,946	4,851,595	...
Advances against sec-					
urities—					
To the State	8,811,552	8,504,399	8,504,399	8,504,399	8,504,399
Other advances	2,433,828	2,946,377	2,886,498	2,883,796	2,799,200
Other assets (exclud-					
ing forward exch.)	2,627,045	3,339,282	3,583,154	3,261,142	...
LIABILITIES.					
Notes in circulation	56,146,090	74,515,935	73,968,455	73,301,796	72,657,560
Public deposits	13,065,325	9,930,836	10,905,666	11,653,933	19,070,170
Private deposits	7,171,349	7,075,504	7,202,726	8,122,863	8,955,533
Other liabilities	2,443,438	2,925,202	3,684,573	2,233,398	...

THE REICHSBANK.—In Reichsmarks* (000's omitted).

	Oct. 23, 1929	Oct. 7, 1930	Oct. 15, 1930	Oct. 23, 1930
ASSETS.				
Reichsbank shares not yet issued.....	177,212	177,212	177,212	177,212
Gold and bullion	2,219,953	2,465,503	2,180,465	2,180,353
Of which deposited abroad.....	149,788	149,788	149,788	149,788
Reserve in foreign currencies.....	353,885	136,215	173,882	162,533
Bills of exchange and cheques.....	1,987,011	2,038,743	2,066,823	1,938,555
Silver and other coin	126,009	146,528	167,925	183,920
Notes of other German banks	25,675	15,553	18,015	22,874
Advances	41,999	60,123	66,412	61,574
Investments	92,562	102,493	102,993	102,475
Other assets.....	635,702	639,452	511,998	493,943
LIABILITIES.				
Reduced capital	122,788	122,788	122,788	122,788
Increase of capital (shares not yet issued)	177,212	177,212	177,212	177,212
Notes	319,608	371,339	371,339	371,339
Reserve in circulation	4,110,471	4,501,352	4,188,762	3,980,705
Other daily maturing obligations.....	554,500	347,359	355,445	419,856
Other liabilities	374,429	239,472	249,877	251,399

* Equal to one billion paper marks or one Rentenmark.
The gold reserve is calculated in accordance with the new legal prescription of one pound of fine gold equals 1,392 Reichsmarks.

NATIONAL BANK OF BELGIUM.—In Belgas (000's omitted).

	Position, May 28, 1914.	Oct. 24, 1929.	Oct. 2, 1930.	Oct. 9, 1930.	Oct. 16, 1930.	Oct. 23, 1930.
ASSETS.	(b)					
Gold.....		1,027,490	1,267,928	1,292,277	1,293,685	1,295,257
Foreign Bills and Balances Abroad.....	232,650	581,377	851,438	863,615	875,841	870,493
Silver and other coin Securities.....		1,920	4,094	3,451	4,518	4,700
	697,600	810,466	742,647	745,363	758,588	739,332
LIABILITIES.						
Notes in circulation.....	934,150	2,665,346	3,129,676	3,141,616	3,124,464	3,107,109
Current accounts.....	112,125	123,670	68,689	111,634	130,309	158,941

(b) In thousand francs.

NETHERLANDS BANK.—In florins (000's omitted).

ASSETS.	Position, May 30, 1914.	Oct. 28, 1923.	Oct. 6, 1930.	Oct. 13, 1930.	Oct. 20, 1930.	Oct. 27, 1930.
Gold.....	16,035	44,255	395,466	415,533	425,483	425,512
Silver.....	8,436	20,724	23,391	23,584	23,899	24,415
Home Bills discounted.....		57,830	53,062	47,391	47,027	46,536
Foreign Bills.....		209,210	244,239	250,276	250,431	250,460
Loans and advances in current acc'ts.....	153,504	87,455	83,966	81,173	82,434	83,265
LIABILITIES.						
Notes in circulation.....	316,632	325,737	840,880	826,731	816,770	815,702
Deposits.....	5,016	21,008	16,903	42,649	54,178	53,708

BANK OF JAVA.—In florins (000's omitted).

ASSETS.	Position, May 30, 1914	Oct. 26, 1929	Oct. 4, 1930	Oct. 11, 1930	Oct. 18, 1930	Oct. 25, 1930.
Gold	22,971	146,292	171,800	170,400	170,900	171,700
Silver	29,785	24,048				
Discounts, advances, and other investments	77,567	190,107	106,100	107,300	105,800	103,400
Notes in circulation	109,499	306,178	260,500	264,900	260,800	256,700
Deposits and bills payable	11,280	63,647	38,400	30,900	34,100	41,200

SWISS NATIONAL BANK.—In francs (000's omitted).

	Position, May 1,	Oct. 23, 1914,	Sept. 30, 1930,	Oct. 7, 1930,	Oct. 15, 1930,	Oct. 25, 1930,
ASSETS.						
Gold	171,175	533,681	639,638	639,690	639,695	664,542
Foreign Bills and Balances abroad.....	...	261,205	334,736	334,439	356,677	356,184
Discounts	...	128,336	29,786	25,352	24,583	24,324
Advances	103,000	56,634	40,635	30,790	37,708	37,668
LIABILITIES.						
Notes in circulation.....	275,925	866,778	986,677	944,641	921,115	916,924
Deposits.....	33,750	116,517	156,657	181,709	228,250	247,881

BANK OF SWEDEN.—In kronor (000's omitted).

	Oct. 26, 1929.	Oct. 4, 1930.	Oct. 11, 1930.	Oct. 18, 1930.	Oct. 25, 1930.
ASSETS.					
Gold	241,534	242,082	242,359	241,948	241,888
Government securities—Swedish	3,367	15,959	14,032	11,504	10,514
" Foreign	70,211	65,992	65,992	65,992	65,992
Other Swedish bonds quoted on foreign bourses	166	84	84	84	84
Bills payable in Sweden	177,979	73,708	53,460	42,856	36,172
" abroad	61,353	96,310	88,067	85,933	90,316
Balance abroad	105,505	239,111	244,793	257,760	246,566
Advances made on Government securities and bonds	54,786	39,899	28,404	27,111	27,634
LIABILITIES.					
Notes in circulation	504,259	584,015	548,241	534,717	524,092
Government deposits	153,873	105,738	99,996	103,748	104,975
Private deposits	4,636	31,791	37,187	40,051	37,809

† The sum of the items "Bills payable in Sweden" and "Advances made on Government Securities and Bonds" excludes advances and cash credit which are not available as cover for the note issue.

BANK OF NORWAY.—In kroner (000's omitted).

ASSETS.	Position, May 31, 1929.	Oct. 22, 1929.	Oct. 7, 1930.	Oct. 15, 1930.	Oct. 22, 1930.
Gold and bullion—Gold	19,145	19,145	146,487	146,454	146,415
Balance abroad and foreign bills	28,533	47,486	29,712	26,741	28,891
Norwegian and Foreign Government securities	8,816	23,443	54,868	55,198	55,942
Discounts and loans	76,911	242,613	206,461	202,275	206,352
LIABILITIES.					
Notes in circulation	113,484	300,357	308,609	306,779	308,504
Deposits at sight	7,188	92,432	63,913	57,196	66,629

BANK OF SPAIN.—In pesetas (000's omitted).

ASSETS.	Position, May 31, 1929.	Oct. 25, 1929.	Oct. 4, 1930.	Oct. 11, 1930.	Oct. 18, 1930.	Oct. 25, 1930.
Gold	521,775	2,564,923	2,475,535	2,475,749	2,475,928	2,476,206
Silver	728,600	704,780	706,523	702,228	701,053	702,522
Loans & Discounts	800,725	2,314,158	2,300,783	2,241,282	2,253,611	2,244,291
Spanish 4% stock	344,475	344,475	344,475	344,475	344,475	344,475
Advances to Treasury	150,000	150,000	150,000	150,000	150,000	150,000
LIABILITIES.						
Share capital	901,550	4,442,219	4,639,132	4,662,675	4,664,036	4,668,993
Reserve fund	477,500	913,589	820,839	803,403	815,706	818,468

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

ASSETS.	Oct. 23, 1929.	Sept. 30, 1930.	Oct. 7, 1930.	Oct. 15, 1930.	Oct. 23, 1930.
Cash Reserve—					
Gold coin and bullion	168,634	214,599	214,487	214,338	214,338
Foreign exchange	202,851	217,626	216,756	217,639	227,000
Other foreign exchange	327,324	478,531	478,043	479,183	499,440
Bills discounted	277,324	95,517	82,892	68,010	61,882
Govt. debt	109,531	101,347	101,301	101,301	101,301
LIABILITIES.					
Share capital	43,200	43,200	43,200	43,200	43,200
Reserve fund	9,283	10,272	10,272	10,272	10,272
Notes in circulation	938,054	1,007,736	951,592	909,929	881,369
Deposits	150,843	103,334	145,336	174,228	226,356

† In dollar and sterling only.

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

ASSETS.	Oct. 23, 1929.	Sept. 30, 1930.	Oct. 7, 1930.	Oct. 15, 1930.	Oct. 23, 1930.
Metal reserve—					
Gold coin and bullion	162,743	162,649	162,650	162,651	162,652
Drafts and notes	34,756	24,768	19,860	14,629	11,584
Silver coin and bullion	7,827	10,919	9,721	9,431	9,243
Inland bills, warrants and securities	300,043	188,516	191,575	189,429	222,858
Advances to the Treasury	88,671	69,377	69,348	69,348	69,348
LIABILITIES.					
Share capital (gold crowns 30,000,000)	34,756	34,756	34,756	34,756	34,756
Notes in circulation	414,271	429,571	404,386	391,066	388,748
Current accounts, deposits, &c.	148,113	28,187	40,783	39,657	56,024

* Calculated at pre-war parity of exchange.

NATIONAL BANK OF JUGOSLAVIA.—In dinar (000's omitted).

ASSETS.	Oct. 22, 1929.	Sept. 30, 1930.	Oct. 8, 1930.	Oct. 15, 1930.	Oct. 22, 1930.
Cash Reserve—					
Gold	94,362	98,034	98,079	98,116	98,140
Other coin and notes	18,426	18,282	17,966	17,932	18,182
Foreign credits	268,573	188,551	208,729	180,633	164,923
Bills	1,311,169	1,273,922	1,284,853	1,296,095	1,292,902
Government advances	4,213,365	4,074,754	4,074,754	4,074,753	4,074,759
LIABILITIES.					
Notes in circulation	5,608,289	5,535,749	5,651,640	5,511,285	5,401,876
State credits	227,884	148,267	148,267	148,267	148,273
Deposits	1,325,629	1,106,101	1,020,568	1,042,100	1,045,903

Cash reserve is calculated as follows: One gold dinar as one dinar, one pound sterling as 25 dinars, one dollar as 5 dinars, one lire as one dinar, one Swiss or French franc as one dinar, &c.

NATIONAL BANK OF ROMANIA.—In lei (000's omitted).

ASSETS.	Oct. 19, 1929.	Sept. 27, 1930.	Oct. 4, 1930.	Oct. 11, 1930.	Oct. 18, 1930.
Gold & gold exchange	15,345,545	10,888,710	10,888,871	10,888,860	10,970,671
Commercial bills	8,896,365	7,577,228	7,674,938	7,657,157	7,526,855
State debt, advances to State, &c.	6,902,509	5,349,056	5,099,057	5,099,057	5,099,057
LIABILITIES.					
Notes in circulation	21,752,440	19,306,859	19,206,473	19,316,285	19,167,121
Other sight liabilities	10,759,786	6,806,256	6,989,391	6,881,255	6,941,153

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

ASSETS.	Oct. 15, 1929.	Sept. 23, 1930.	Oct. 7, 1930.	Oct. 15, 1930.
Gold and silver holdings	1,560,135	1,602,986	1,603,710	1,434,805
Balance abroad and foreign currencies	1,633,326	1,201,791	1,163,817	1,044,310
Discounts and advances	1,716,040	749,732	782,044	764,237
Advances to the Treasury	3,545,635	3,279,302	3,279,302	3,279,302
LIABILITIES.				
Capital paid up	500,000	500,000	500,000	500,000
Reserves	1,150,145	1,253,987	1,253,638	1,212,218
Bank notes in circulation	4,396,696	5,696,013	5,660,474	5,745,134
Sight liabilities	2,126,629	1,353,830	1,375,479	1,269,599
Deposits	449,475	283,056	283,044	283,038

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

ASSETS.	Oct. 15, 1929.	Sept. 23, 1930.	Oct. 7, 1930.	Oct. 15, 1930.
Gold	628,582	521,460	522,364	523,296
Gold exchange	4,865,181	3,626,906	3,707,153	3,649,614
Other foreign exchange	985	39,492	39,803	39,930
Bills discounted	65,304	148,924	151,359	148,319
Advances	113,565	169,481	172,889	176,075
Debt to the State	3,596,758	3,588,763	3,588,763	3,588,763
LIABILITIES.				
Capital paid up	400,000	400,000	400,000	400,000
Notes in circulation	5,462,469	4,925,080	5,077,273	5,075,278
Deposits and current accounts	1,437,387	1,690,336	1,679,926	1,663,663
Foreign exchange liabilities	2,020,067	804,191	750,381	729,223

CENTRAL BANK OF CHILE.—In \$'s (000's omitted).

ASSETS.	Sept. 20, 1929.	Sept. 5, 1930.	Sept. 12, 1930.	Sept. 19, 1930.	Sept. 26, 1930.
Gold at home	63,031	63,031	61,722	61,711	61,699
Gold abroad	470,158	349,041	347,176	362,848	362,038
Discounts and advances	97,857	54,624	48,165	37,116	32,290
LIABILITIES.					
Notes of the bank in circulation	345,192	326,386	315,202	323,399	316,025
Deposits	228,859	61,515	70,216	66,200	69,477
Paid-up capital	90,778	90,832	90,832	90,832	90,832

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

ASSETS.	Oct. 20, 1929.	Sept. 20, 1930.	Sept. 30, 1930.	Oct. 10, 1930.	Oct. 20, 1930.
Gold	673,318	703,505	561,885	561,912	561,936
Of which held abroad	240,885	219,046	77,396	77,396	77,396
Foreign currencies	519,289	296,739	437,082	414,423	407,210
Bills discounted	738,513	654,123	704,758	720,250	708,256
Loans against securities	78,832	82,680	88,591	85,455	84,933
Reserve fund securities	74,611	86,570	86,570	86,411	86,401
Liability of the Treasury	25,000	25,000	25,000	25,000	25,000
LIABILITIES.					
Share capital	150,000	150,000	150,000	150,000	150,000
Reserve funds	100,000	110,000	110,000	110,000	110,000
Notes in circulation	1,275,041	1,258,509	1,372,964	1,336,499	1,291,327
Current accounts	509,895	272,020	192,142	205,908	227,376
Government accounts	75,000	75,000	75,000	75,000	75,000

* As from October 13, 1927, 8-91 zlotys equals 1 U.S. dollar.

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

ASSETS.	Position, May 30, 1914.	Oct. 15, 1929.	Sept. 30, 1930.	Oct. 8, 1930.	Oct. 15, 1930.
Gold	55,091	303,789	301,432	301,248	301,106
Balance abroad and foreign bills	50,379	555,851	1,067,546	1,079,703	1,094,901
Subsidiary Estonian coin		21,826	344,852	375,617	376,195
Home bills discounted		105,151	1,438,731	699,414	698,251
LIABILITIES.					
Notes in circulation	123,941	1,398,446	1,350,219	1,345,818	1,322,308
Deposits at notice	21,225	100,699	60,718	58,299	120,228

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

ASSETS.	Oct. 15, 1929.	Sept. 23, 1930.	Sept. 30, 1930.	Oct. 7, 1930.	Oct. 15, 1930.
Gold coin and bullion	6,354	6,542	6,546	6,546	6,548
Net foreign exchange	20,914	17,077	16,958	17,012	17,005
Subsidiary Estonian coin	400	1,488	1,520	1,521	1,542
Home bills discounted	13,845	13,809	14,057	13,675	13,846
Loans and advances	12,856	10,524	10,886	10,098	10,679*
LIABILITIES.					
Notes in circulation	34,682	34,292	33,638	32,468	32,385
Sight deposits and current accounts	16,637	12,644	13,615	13,836	14,223
Ratio of reserve to current liabilities	53.13%	50.32%	49.74%	60.88%	50.53%

* Includes Ekr. 6,441,488-77 guaranteed by the Government.

LONDON RATES.

	Oct. 23, 1930.	Oct. 24, 1930.	Oct. 25, 1930.	Oct. 27, 1930.	Oct. 28, 1930.	Oct. 29, 1930.	Oct. 30, 1930.
Bank rate (changed from 3% May 3, 1930)	3%	3%	3%	3%	3%	3%	3%
Market rates of discount—							
60 days' bankers' drafts	2½	2½	2½	2½	2½	2½	2½
3 months' do.	2½	2½	2½	2½	2½	2½	2½
4 months' do.	2½	2½	2½	2½	2½	2½	2½
6 months' do.	2½	2½	2½	2½	2½	2½	2½
Discount (Treasury Bills)—							
2 months'	2½	2½	2½	2½	2½	2½	2½
3 months'	2½	2½	2½	2½	2½	2½	2½
Loans—Day to day	1½	1½	1½	1½	1½	1½	1½
Short	1½	1½	1½	1½	1½	1½	1½
Deposit allowances: Bank	1	1	1	1	1	1	1
Discount houses at call	1	1	1	1	1	1	1
At notice	1½	1½	1½	1½	1½	1½	1½

Additional to those offered by tender in the preceding week.

Comparison with previous week—

	Bank Bills.			Trade Bills.		
	3 Months.	4 Months.	6 Months.	3 Months.	4 Months.	6 Months.
1930.						
Oct. 9	1½-2	2½	2½	1½	2½	2½
" 16	1½-2	2½	2½	1½	2½	2½
" 23	1½-2	2½	2½	1½	2½	2½
" 30	1½-2	2½	2½	1½	2½	2½

RATES OF EXCHANGE

London on		Usance.	Par.	Oct. 31, 1929.	Oct. 23, 1930.	Oct. 30, 1930.
New York.....	dollars to £1	Cable	4.86	4.87½-½	4.85½-½	4.85½-½
Montreal.....	dollars to £1	Cable	4.86	4.87½-½	4.85½-½	4.85½-½
Paris.....	francs to £1	T.T.	124.21	123.82-85	123.81-83	123.81-83
Berlin.....	marks to £1	T.T.	20.43	20.38-9	20.38-9	20.38-9
Amsterdam.....	dollars to £1	T.T.	12.107	12.08½-9	12.06½-9	12.06½-9
Brussels.....	belgas to £1	T.T.	35.00	34.66½	34.64½-85	34.64½-85
Milan.....	lire to £1	T.T.	92.46	93.11-14	92.81-84	92.79-81
Zurich.....	francs to £1	T.T.	25.22	25.16½-173	25.01-02	25.02½-25.03
Oslo.....	kronor to £1	T.T.	18.159	18.20½-203	18.15½-164	18.15½-164
Stockholm.....	kronor to £1	T.T.	18.159	18.20½-203	18.15½-164	18.15½-164
Copenhagen.....	kronor to £1	T.T.	18.159	18.20½-203	18.15½-164	18.15½-164
Madrid.....	pesetas to £1	T.T.	25.22½	34.25-26	33.37-37	33.38-43
Lisbon.....	escudo to £1	T.T.		1084-8	1084-8	1084-8
Vienna.....	schilings to £1	T.T.	34.58½	34.69-71	34.43-47	34.44-47
Frankfurt.....	krone to £1	T.T.	1642	1641-3	1638-9	1638-9
Belgium.....	francs to £1	T.T.	25.22½	275½-6	275½-6	275½-6
Budapest.....	pengo to £1	T.T.	27.82	27.89-92	27.74-78	27.75-78
Bukarest.....	leu to £1	T.T.	813.6	815.87	817.79	817.819
Sofia.....	leva to £1	T.T.	25.22½	668.678	668.678	668.678
Athens.....	drachmas to £1	T.T.	375	1032-1038	1032-1038	1032-1038
Constantinople.....	piastres to £1	T.T.	110	1347-47½	1347-47½	1347-47½
Moscow.....	roubles to £1	T.T.	9.46	9.47-99	9.43-94	9.43-94
Varsaw.....	zloty to £1	T.T.	43.38	43.47-49	43.38-49	43.38-49
Hankow.....	F. marks to £1	T.T.	193.23	193½-4	192½-193½	192½-193½
Kobe.....	lires to £1	T.T.	48.66	48.66	48.66	48.66
Riga.....	kronor to £1	T.T.	18.159	18.17-24	18.20-27	18.20-27
Algeria.....	lata to £1	T.T.	25.22½	25.17-27	25.17-27	25.17-27
Alexandria.....	piastres to £1	T.T.	813.6	815.87	817.79	817.819
Buenos Aires.....	pesce to £1	T.T.	47.682	47.682	47.682	47.682
S. de Janeiro.....	pesce to mls.	90 days	16	51-52	41-5	41-5
Montevideo.....	pesce to peso	T.T.	51	51-52	41-5	41-5
Valparaiso.....	pesce to £1	90 days	40	39-39	38½-38	38½-38
Santiago.....	pesce to £1	90 days	40	39-39	38½-38	38½-38
Calcutta.....	Eng. to Per. £1	90 days	par	19½-19½	16.17	15.45
Bombay.....	pesce to £1	T.T.	18	19½-19½	16.17	15.45
Madras.....	rupee to £1	T.T.	18	19½-19½	16.17	15.45
Hong Kong.....	ster. dollar	T.T.	1/5½-½	1/5½-½	1/5½-½	1/5½-½
Shanghai.....	ster. to tael	T.T.	1/5½-½	1/5½-½	1/5½-½	1/5½-½
Singapore.....	ster. to dollar	T.T.	2s. 4d.	2/2½-3½	1/7 1/7½	1/7½-8
Canton.....	ster. to yen	T.T.	24.582	24.582	24.582	24.582
Manila.....	ster. to peso	T.T.	24.0662	24.0662	24.0662	24.0662
Santo Domingo.....	pesos to £	T.T.	9.76	9.76	9.76	9.76
San Pedro de Macoris.....	ster. to baht.	T.T.	21.818	21.818	21.818	21.818

Company News.

WEEKLY TRAFFIC RETURNS.

RAILWAYS OF GREAT BRITAIN AND IRELAND.

(b) Week ended Oct. 25, 1930. (c) Week ended Oct. 24, 1930.	Miles Open.	Week ended Oct. 25, 1930. (000's omitted.)					Aggregate 43 weeks, 1930. (000's omitted.)				
		Passen- gers, &c.	Merchandise, &c.	Coal and Coke.	Total Goods.	Total for Week.	Passen- gers, &c.	Merchandise, &c.	Coal and Coke.	Total Goods.	Total Receipts.
Great Western...	3,751	207,217	116,333	540	104,664	9,087	5,053	14,140	24,504		
Do. for 1929...	3,751	214,223	119,342	556	108,388	9,599	5,337	14,936	25,774		
Lon. & N. Eastn. (c)	6,362	315,405	251,656	971	155,258	16,548	10,871	27,419	42,944		
Do. for 1929...	6,361	323,464	273,737	1,060	161,411	17,966	11,541	29,507	45,948		
Lon. & Mid. & Scot.	6,956	423,525	243,768	1,241	230,242	22,535	10,729	33,365	56,389		
Do. for 1929...	6,957	422,600	252,853	1,345	243,600	24,504	11,550	36,055	60,415		
Southern...	2,179	277,821	29,111	388	14,061	3,309	1,268	4,577	18,638		
Do. for 1929...	2,175	289,841	28,112	401	14,383	3,370	1,393	4,763	19,146		
Total of above	19,244	1,272,132	639,186	3,140	630,741	51,579	27,921	79,501	142,575		
Do. for 1929...	19,244	1,318,137	672,204	3,362	657,222	55,439	29,821	85,261	150,983		
Metropolitan (c)	59	32.4	4.0	...	36.4	139.7	170.7	...	1570.4		
Do. for 1929...	59	33.7	4.1	...	37.8	139.0	165.8	...	1556.8		
† Undgd. R. R. (c)	...	309.6	...	...	309.6	129.3	...	...	12.973		
Do. for 1929...	...	309.6	...	...	309.6	129.3	...	...	12.973		
Lon. & Sub. Gr. up	...	46.9	...	...	46.9	186.1	...	...	186.1		
Do. for 1929...	...	44.5	...	...	44.5	176.2	...	...	176.2		
B. I. & C. Co. D. w. c.	80	2.0	...	...	2.8	120.9	31.8	...	152.8		
Do. for 1929...	80	1.9	...	...	2.9	119.9	38.0	...	157.9		
* Great Northern b.	562	9.8	16.2	...	26.0	...	...	...	1174.4		
Do. for 1929...	562	11.1	16.0	...	27.2	...	...	...	1204.6		
Great Southern b.	2,187	22.6	46.4	...	68.7	...	...	...	3092.6		
Do. for 1929...	2,187	24.8	46.1	...	74.3	...	...	...	3239.6		

* Aggregate 42 weeks.

† Includes receipts from independent omnibuses during current year.

OVERSEAS RAILWAY RECEIPTS.

Name.	Weeks.	Ending.	Present Receipts.	Gross Receipts for Week.		Total Gross Receipts.	
				1930.	+ or -	1930.	+ or -

INDIAN.

Name.	Weeks.	Ending.	Present Receipts.	Gross Receipts for Week.		Total Gross Receipts.	
				1930.	+ or -	1930.	+ or -
Assam Bengal	38	Sept. 20	1,306	Rs. 4,56,000	- 9,503	Rs. 1,153,840	- 500,175
Barelly L. Ry.	26	27	202	48,400	+ 8,800	10,55,900	- 2,24,900
Bengal & N. Western	26	27	2,079	6,79,315	- 1,64,519	1,64,519	- 12,38,505
Bengal N. Eastern	25	20	1,139	14,58,000	- 2,83,442	3,88,82,852	- 37,75,733
Bombay Bar. & C.I.	25	Oct. 11	3,094	18,02,000	- 2,28,000	5,35,86,000	- 39,99,000
Madras & S. Mahr.	36	Sept. 13	3,229	13,05,000	- 40,22,56	3,63,60,573	- 74,87,931
† Rohilk. & Kumaon	24	20	561	78,099	- 2,920	29,70,094	+ 1,42,357
South Indian	26	27	2,371	1,21,372	+ 5,048	30,91,466	+ 1,47,405

† Including Lucknow-Bareilly State Railway.

CANADIAN.

Name.	Weeks.	Ending.	Present Receipts.	Gross Receipts for Week.		Total Gross Receipts.	
				1930.	+ or -	1930.	+ or -
Canadian National	42	Oct. 21	20,290	4,75,345	- 10,96,445	182,453,514	- 37,173,983
Canadian Pacific	42	Oct. 21	15,470	3,696,000	- 10,70,000	143,704,000	- 28,001,000

SOUTH AMERICAN.

Name.	Weeks.	Ending.	Present Receipts.	Gross Receipts for Week.		Total Gross Receipts.	
				1930.	+ or -	1930.	+ or -
Antofagasta (Chili and Bolivia)	43	Oct. 26	804	£8,830	- 12,860	£1,153,840	- 500,175
Argentine N. E.	17	25	753	13,900	+ 4,700	250,200	+ 11,500
Argentine Trans. dn.	17	25	111	5,630	+ 345	55,521	+ 11,938
B.A. and Pacific	17	25	2,806	120,000	- 20,000	1,992,000	- 550,000
B.A. Central	17	26	...	12,019	- 148	231,167	- 6,751
B.A. Gt. Southern	17	25	5,009	193,000	- 8,000	3,117,000	- 610,000
B.A. Western	17	25	1,926	67,000	- 13,000	1,130,000	- 283,000
Central Argentine	17	25	3,559	193,000	- 47,000	3,282,000	- 951,000
Central Uruguayana	17	25	273	38,342	+ 4,126	486,019	+ 54,413
C. Urug. (East. Ext.)	17	25	311	8,291	+ 1,444	97,457	+ 10,310
C. Urug. (N. Ext.)	17	25	185	4,684	+ 1,168	55,679	+ 5,813
C. Urug. (W. Ext.)	17	25	211	2,955	- 139	47,978	+ 4,890
Cordoba Central	17	25	1,218	54,000	- 5,000	1,085,000	- 61,000
Entre Rios	17	25	804	24,400	+ 2,500	407,800	+ 21,500
G. Western of Brazil	43	25	1,035	15,200	- 11,700	561,800	- 187,700
Leopoldina	43	25	181	...	...	12,150,000	+ 126,000
Nitrate (monthly)	194	15	410	16,979	- 22,125	341,515	- 319,430
San Paulo	45	26	1,534	33,203	- 15,779	1,750,105	- 373,761
United of Havana	17	26	1,369	30,824	- 15,112	600,001	- 254,595

* Traffic interrupted by storms.

† No returns owing to Brazilian situation.

OTHER OVERSEAS.

Name.	Weeks.	Ending.	Present Receipts.	Gross Receipts for Week.		Total Gross Receipts.	
				1930.	+ or -	1930.	+ or -
Gt. Southn. of Spain	42	Oct. 18	104	£82,977	+ 8,914	4,141,083	- 917,165
Mexican Railway	15	14	483	£230,700	- 5,300	3,455,900	- 116,000
Paraguay Central	17	25	274	3,310	- 530	65,690	- 5,610
Salvador	17	25	100	1,778	- 2,282	36,269	- 25,160

TRAMWAYS WEEKLY GROSS RECEIPTS.

Name.	Weeks.	Ending.	Present Receipts.	Gross Receipts for Week.		Total Gross Receipts.	
				1930.	+ or -	1930.	+ or -
Anglo-Argentine	42	Oct. 22	329	£80,696	- 6,918	£3,439,740	- 181,710
B. Aires Lacrosse	17	26	...	12,019	- 233	197,259	- 12,402
Liverpool Corp.	39	25	124	29,790	+ 176	898,951	+ 341
Madras Electric	41	15	41	50,006	- 3,383	886,532	- 49,226
L.O.C. Tramways	30	23	166	84,091	- 360	2,425,862	- 20,586

* Including motor buses.

† Monthly. ‡ Fortnightly figures.

NOTICES.

Barclays Bank, Ltd., announce the opening of a new branch at 42 Station Square, Petts Wood, Orpington, under the management of Mr. A. R. Doust, who is also manager of Orpington branch.

DIVIDEND ANNOUNCEMENTS.

Name of Company.	Rate % per Annum, except where marked % or Stated in Cash. * Interim div. † Final div.			Dividend for Whole Years.	
	Interim or Final.	Date of Payment.	Method of Payment.	Latest Year.	Previous Year.
RAILWAYS.					
Bengal Doonars Railway.....	4%†	plus bonus of 3%	...	11	11
TEA AND RUBBER.					
Battalgalla Estate.....	5%*	Nov. 25	...	...	...
Ellawatte Ceylon Tea.....	7½%*	Nov. 8	...	...	...
Craig Tea.....	5%*	Nov. 31	...	...	...
Craighead Tea.....	5%*	Nov. 6	...	...	...
Kunuvu (Ceylon) Tea and Rubber	5%*	Nov. 6	...	...	...
Nuwara Eliya Tea.....	8%*	Nov. 4	Less tax	...	...
Sablas (North Borneo) Rubber...	...	...	...	Nil	2½
MINING.					
Gaika Gold Mining.....	...	...	...	2½	Nil
New Jaegersfontein Mining.....	...	...	...	10	20
OTHER COMPANIES.					
Aberdeen Market.....	7½%†	...	Less tax	12½	...
Aberdeen Trust.....	6%†	...	...	9	8
Andhra Valley Power Supply ...	...	...	...	3	2
Anglo-Celtic Trust.....	3%*	Nov. 7	...	...	...
Backus and Johnston's Brewery	...	...	Tax free	7	7
Bankers' Investment Trust (def.)	2½%*	Nov. 15	...	...	...
Birrell.....	2½%†	...	...	5	5
Brampton Brewery.....	5%*	Nov. 17	Tax free	...	...
Bristol College Green Hotel.....	5%*	...	...	...	...
Bristol Housing.....	...	...	Less tax	5	...
British Cyanides.....	5%*	...	...	...	...
Butlers Wharf.....	5%*	...	...	...	...
Canadian General Investment ...	\$1 p.a.	Nov. 1	...	10(d)	10(c)
Carlton Hotel.....	7%†	...	...	6	6
Castellbellingham Breweries.....	9%†	Oct. 30	...	15	15
Cinzano.....	7½%†	Nov. 13	Less tax	...	...
Clydesdale Investment.....	2%*	Nov. 25	...	5	5
Continental Union Trust.....	15%*	Nov. 1	...	12½ p.s.	10
Drake and Gorham.....	7½ p.s.†	...	...	7	7
Dubarry Perfumery.....	12½%*	...	...	...	...
Dunville and Company.....	4%*	Dec. 1	...	10	15(b)
Electric Supply of Victoria.....	...	...	...	12	7½
Garrard Engineering and Manuf.	...	...	...	10(c)	10(c)
Gordon Selfridge Trust.....	7%†	...	...	...	...
Henkel and Kennedy.....	4%*	Dec. 1	...	...	...
Herbert Morris.....	...	...	...	...	...
Hodgson's Kingston Breweries.....	...	...	...	...	...
Horden Collieries.....	3½%†	Dec. 4	...	...	...
Hughes-Johnson Stampings.....	5%†	...	...	...	...
Imperial Continental Gas.....	7½%*	Nov. 15	...	...	...
Investment Trust Corp. (Def.)	8%*	Nov. 5	...	...	...
John Yeo and Company.....	5%*	Dec. 1	...	6	12½
Kayan (F.M.S.) Coconut.....	6%*	Dec. 1	...	...	...
Lake View Investment Trust.....	6%*	Oct. 30	Less tax	...	...
Malikins Tiles (Burslem).....	5%*	Oct. 31	...	...	...
Malmesbury and Parsons' Dairies	5%*	...	...	...	...
Manchester Dry Docks.....	2½%*	...	...	...	...
Mangles Bros. Coorg Coffee Est's	5%*	...	...	...	...
Mansell Hunt Catty.....	4%*	Oct. 31	...	10	...
Matthew Brown.....	...	...	...	12½	14
Meters.....	5%*	...	...	...	...
Metropolitan Industrial Dwellings	...	...	Tax free	6	6
North of Scotland Milling.....	...	...	Less tax	8	10
Oriental Gas.....	4½%†	...	Tax free	5	7½
Packing Materials Association	2½%†	Dec. 15	...	10	12
Phoenix Assurance.....	7½ p.s.†	...	...	...	...
P. & O. Deferred.....	50c. p.s.	Nov. 20	Quarterly	5	5
Power Corporation of Canada.....	2½%†	...	Less tax	100	100
Railway & General Investment	2d. p.s.†	...	...	4	3
R. J. Lea.....	...	...	...	7½	7½
Russian Corporation.....	...	...	...	...	...
Sadler and Co.....	4%†	...	...	...	...
Scottish and Dominions Trust....	5%†	...	...	...	...
Second Industrial Trust.....	...	...	...	...	...
Second Industrial Trust.....	...	...	...	...	...
Securities Trust of Scotland.....	7%*	Dec. 1	...	12	12
Smedley's Hydropathic.....	8%*	...	Tax free	14½	5
South African & Genl. Investm't	3%†	...	Less tax	4	10
Stanton Ironworks.....	4%*	Dec. 10	Tax free	10(e)	...
Steel Ceilings.....	...	...	Tax free	7	7
Tata Hydro Electric Power.....	2%†	Nov. 1	Less tax	8	10
T. B. and W. Cooke.....	...	...	Less tax	...	...
Tecoa (Argentina), Land.....	3½%†	Nov. 18	...	6	...
Third Caledonian Trust.....	2½%*	Nov. 10	...	10(a)	10(a)
Val de Travers Asphalt Paving.....	...	...	...	...	...
William Longmore and Co.....	...	...	...	5	7½
W. Goodacre and Sons.....	...	...	Less tax	3/10 p.s.	3/9 p.s.
William Stones.....	...	...	...	...	...

REPORTS AND NOTICES.

BANKS.

THE INSTITUTE OF BANKERS.—The Inaugural Address of the President, Mr R. M. Holland-Martin, C.B., a director of Martins Bank, Ltd., will be delivered in the Goldsmiths' Hall (by kind permission of the Goldsmiths' Company), Foster Lane, E.C.2, on Wednesday, November 5th, at 5.30 p.m. A few visitors' tickets are available on application to the Secretary, 5, Bishopsgate, E.C.2.

MISCELLANEOUS.

ARGENTINE SOUTHERN LAND COMPANY.—Net profit for year ended June 30 amounted to £7,189, against £51,626 in the previous period and with £70,054 obtained in 1927-28. With £30,940 brought in, there is an available balance of £38,129, as compared with £78,640 a year ago, but of this the directors recommend a dividend of 4 per cent., less tax, absorbing £21,800, against a dividend of 6 per cent., less tax, requiring £32,700 previously. No allocation is made to reserve, against £15,000 last year, and the amount carried forward is £16,329, against £30,940.

ASSOCIATED BRITISH MALTSERS, LIMITED.—Profits for the year ended August 31, 1930, amounted to £133,883, against £114,938 for the previous year, and after providing for tax and preference dividends, an allocation of £20,000 to general reserve and a maintenance of the ordinary dividend at 15 per cent., less tax, the carry-forward is increased from £22,900 to £24,170.

BURBERRY, LTD.—Trading profits amounted to £174,366 for the year to March 31, 1930, compared with £205,985 for the previous year. Including interest and rents received, the total was £179,718. After deducting interest, depreciation, income tax and other charges, including loss on exchange of £9,239 (against a profit of £319 for 1928-29), the net balance works out at £127,153, as against £165,997. The directors have written £8,500 off freehold premises, while £25,000 (against £50,000) is placed to reserve. It is proposed to pay a dividend of 5 per cent. (last year 7½ per cent.) on the £650,000 of "A" and "B" ordinary capital. The fixed preference dividend absorbs £75,000, leaving £43,503 to carry forward, compared with £57,350 brought in.

SUDAN PLANTATIONS SYNDICATE.—The report covering the year ended June 30, 1930, shows that total profits were £442,007, against £933,795, and that, after providing for all outgoings, there remains a net profit of £227,347, a reduction of £429,009 from the previous year's net figure. A final dividend of 5 per cent. is recommended, making 10 per cent. for the year, against 25 per cent. paid for the past two years, and leaving £486,951 to be carried forward, against £484,605 brought in.

TRINIDAD LEASEHOLDS, LIMITED.—Oil profits for year to June 30 were £428,860, against £636,022, and after adding other income and providing for depreciation and expenses, there remains £252,514, compared with £432,840. The interim dividend of 7½ per cent. absorbed £98,367 and provision for income tax takes £70,000, while £75,000 is taken to reserve, leaving £106,730 to be carried forward, in contrast with £101,501 brought in. No final dividend is paid, so the year's dividend is 7½ per cent., as compared with 30 per cent.

WALLPAPER MANUFACTURERS, LTD.—The directors announce that the profit for the year ended August 31st last is £672,916 5s. 9d. After payment of debenture interest and preference dividend and providing for taxation, they recommend a final dividend of 5 per cent. on the ordinary shares, making, with the 5 per cent. interim dividend already paid, 10 per cent. for the year; a final dividend of 10 per cent. on the deferred shares, making, with the 5 per cent. interim dividend already paid, 15 per cent. for the year; an allocation to various staff and employees' pension funds of £20,000; and an allocation of £100,000 in reduction of the book value of goodwill, patents, processes and trade marks, carrying forward a balance of £260,996 5s. 3d. The general meeting of the company will be called for November 27, 1930. The report and accounts will be sent to the shareholders on November 17, 1930, and it is proposed to post the ordinary dividend warrants on November 29th and the deferred warrants on December 13, 1930.

Commercial Reports.

THE CORN TRADE.

Mark Lane, Thursday evening.

Climatic conditions over the United Kingdom during the past week have facilitated field work, occasional showers providing sufficient moisture for ploughing and preparing seed-beds. The area under cultivation is expected to equal that of last year, despite the extremely low level of prices current, as farmers anticipate some measure of Governmental support before the next crops are harvested. Meanwhile, threshings proceed slowly and yields in many instances prove disappointing, consequently only light supplies were available at the Statute markets. Prices as a rule are well maintained, especially for good milling samples, which are relatively higher than foreign descriptions. On the import market, values have fluctuated within narrow limits in unison with overseas cables, and earlier attempts on the part of North American sellers to advance quotations were discounted by larger Russian shipments, and favourable prospects of new Southern Hemisphere crops. Soviet offerings have continued on a liberal scale, and while samples up to British standard moved off steadily, inferior lots were difficult to place. Competition from this source is likely to be maintained for some while ahead in view of a resumption in chartering for November loadings. In these circumstances, importers are assured of ample supplies of grain until new Australian and Argentine crops are in circulation. Business has already resulted in the latter at 29s. 3d. December to March shipment on Italian account, while offers of Plates are also on the market. Provided no serious damage occurs to these crops, extremely heavy supplies will be pressing on the market early in the New Year, resulting in a low price level. Home milled flour remained unaltered with a fair business passing, but firm offers from Canada, also the United States, were quite out of line with market parity here, and met with scant attention. Values of feeding stuffs further declined on selling pressure and continued large shipments of maize and barley to Europe. Buyers, however, were more in evidence at the lower levels, and a fair business resulted in maize on United Kingdom account. Oats dull and weaker.

WHEAT.—Quiet. No. 1 hard Manitoba, ex ship, 31s. 9d.-32s. 3d.; No. 1 Northern Manitoba, ex ship, 31s.-32s.; No. 2 ditto, 30s. 3d.-31s.; No. 3, 30s.; No. 4, 29s.; No. 6 Manitoba, 24s. 3d.; No. 2 mixed Durum, 30s.; Barusso, 61½ lbs., ex ship to arrive, 27s.; Australian, 30s. 9d.; choice white Karachi, 30s.; Russian on sample, ex ship, 25s. 6d.-27s. per 49½ lbs.; English, new, 6s. 6d.-7s. per 112 lbs.

FLOUR.—Quiet. London, straight run, 28s. per sack for country deliveries, and 27s. London area. Of imported, Manitoba patents, 26s.-28s.; Buffalo, ditto, 25s.-27s. 6d.; Australian, 23s. 6d.-24s., ex store, per 280 lbs.

MAIZE.—Weak. Plate, landed, 20s. 9d.; ex ship, 19s. 3d.; October-November, also November-December, 18s. 6d.; No. 2 white flat African, ex ship, 18s. 9d.; landed, 20s. 3d. per 480 lbs. Yellow maize meal, £6 15s., f.o.r. London. Yellow African, ex ship, £5 10s.; white, £4 15s. per ton.

BARLEY.—Easy. Californian, old, landed, 30s.-35s.; new, ex ship, 30s.-41s., as to sample; Chilean brewing, landed, 30s.-35s.; Chevalier, 38s.-44s.; Australian, 32s.-42s.; Smyrna, 30s.-32s. per 44½ lbs.; Black Sea, ex ship, 13s. 3d.; landed, 15s. 3d.; Danubian, ex ship, 13s. 3d.; Persian, new, landed, 14s. 6d. per 400 lbs.; English, new, malting, 6s. 3d.-14s. 6d.; feed, 5s. 6d.-5s. 9d. per 112 lbs.

OATS.—Dull. Plate, landed, 12s. 3d.; ex ship, 11s. 3d.; Chilean, tawny, ex ship to arrive, 12s. 9d.; landed, 13s. 9d.; best whites, ex ship, 19s. 3d.; landed, 20s. 6d.; mixed Canadian, ex ship, 10s.; landed, 10s. 9d.; North Russian, ex ship to arrive, 12s. 6d.-14s. 6d.; landed, 13s. 6d.-15s. 3d., as to sample, per 320 lbs.; English, new, 5s. 8d.-6s. 4d. per 112 lbs.

COMPARATIVE AVERAGES OF GRAIN.

The following table gives the estimated sales of home-grown wheat during the harvest years 1930-31, 1929-30, 1928-29, 1927-28:—

	1930-1931.	1929-1930.	1928-1929.	1927-1928.
Estimated sales of home-grown wheat—				
1 week to Oct. 25	Cwts. 132,210	Cwts. 264,302	Cwts. 300,645	Cwts. 310,116
8 weeks to Oct. 25	1,169,129	2,492,879	2,476,109	2,004,007
Average price of English wheat per cwt.	s. d. 7 0	s. d. 9 7	s. d. 9 9	s. d. 10 6

The following is a statement showing the Quantities Sold and the Average Price of British Corn in the past two weeks, and for the corresponding week in each of the years from 1926 to 1929:—

Weeks ended.	QUANTITIES SOLD.			AVERAGE PRICE PER CWT.		
	Wheat.	Barley.	Oats.	Wheat.	Barley.	Oats.
Oct. 18, 1930.	Cwts. 128,777	Cwts. 411,536	Cwts. 56,509	s. d. 6 11	s. d. 9 8	s. d. 6 2
Oct. 25, 1930.	132,210	528,955	55,159	7 0	10 0	6 1
Oct. 25, 1926	349,114	606,816	95,522	11 5	11 9	8 0
Oct. 29, 1927	310,116	576,469	99,303	10 6	13 8	9 2
Oct. 27, 1928	300,645	723,084	84,458	9 9	10 10	8 10
Oct. 26, 1929	264,302	688,459	70,629	9 7	10 2	7 9

AMERICAN WHEAT MARKETS.

The following table shows wheat quotations in recent weeks with comparative figures for 1929:—

NEAREST FUTURE.	Jan. 2, 1929.	Oct. 30, 1929.	Jan. 2, 1930.	Oct. 15, 1930.	Oct. 22, 1930.	Oct. 29, 1930.
Winnipeg (No. 1 Manitoba)	122	139	148½	72½	74½	72½
—Cents per 60 lb.						
Chicago (No. 2 Winter)	116½	128½	130½	78½	80½	79½
—Cents per 60 lb.						

The visible supply of wheat in Canada, at 69,017,000 bushels, shows a decrease on the week of 1,050,000 bushels. Supplies a year ago stood at 80,415,000 bushels.

THE COAL TRADE.

Our Sheffield correspondent writes:—Developments in connection with the new Act tend to restrict export business and few contracts are being fixed up. Prices, however, are firm at 15s. 6d. to 16s. f.o.b. for best South Yorkshire steams. Industrial consumption is unsatisfactory and has fallen off lately. There is still a surplus of small fuel which can be bought at cut rates. The household demand is below the normal, but the best qualities sell freely at high prices. No improvement can be recorded in the position of blast-furnace coke, consumption being at a very low ebb and no idle furnaces are being put into commission.

Our Workington correspondent writes:—The coal trade makes slow progress to normal seasonal recovery, the Scottish competition in the Irish market and that from Northumberland and Durham being severe. Cross-Channel shipments are lower than they usually are at the end of October, and several of the pits are working short at the time. Prices are steady. Best round is 20s. 6d.; washed doubles 19s.; washed singles 18s.; smalls 16s. 6d., all f.o.b. Best house coal is 30s.; house nuts 28s. 4d.; gas coal 28s.; West Coast coke is from 17s. 9d. to 18s. 3d. per ton.

Our Glasgow correspondent writes:—There has been no improvement in conditions in the coal trade. Demands generally run on quiet lines and prices are maintained with difficulty. In the home market household coals are still selling at summer prices. The shipping trade is depressed, and last week's total of 206,000 tons handled at the ports was one of the lowest weekly tonnages this year. It is understood that the committee dealing with the district scheme under the new Act have now remodelled their plans and that the revised scheme is now being considered by the coalowners. To-day's shipping prices are approximately as follows:—LANARKSHIRE.—Ell best, 13s. 6d.; splint best, 15s. 3d.; splint second, 14s.; navigation, 15s. 6d.-16s.; navigation second, 14s. 6d.; Hartley, 15s.; steam, 12s. 6d.; trebles, 12s. 6d.; doubles, 12s.; singles, 10s. 6d.; pearls, 10s. 3d.; dross, 9s. 6d. FIFE.—Screened navigation, 16s. 6d.-17s. 6d.; first-class steam, 11s. 6d.; third-class steam, 10s. 6d.; trebles, 13s. 6d.-16s.; doubles, 12s. 6d.; singles, 10s. 6d.; pearls, 10s. LOTHIAN.—Prime steam, 11s.; secondary steam, 10s. 9d.; trebles, 13s. 3d.; doubles, 12s. 3d.; singles, 10s. 6d.; pearls, 10s. Ayrshire.—Unscreened navigation, 16s.; jewel, 16s.; steam, 13s.; trebles, 13s.; doubles, 12s. 3d.; singles, 11s.; pearls, 10s. 6d.; dross, 10s. 6d.

Our Cardiff correspondent writes:—The general position on the Cardiff coal market is unchanged. The output of the coalfield is still averaging between 10 per cent. and 12 per cent. less than in the corresponding period last year, while in the export trade the decrease is slightly greater. Shipments of anthracite coal from Swansea are fairly active and prices are firmly maintained, but the market is weak for practically all classes of bituminous coals with the possible exception of sized grades. The new coal marketing scheme became operative on Tuesday, but it involved no disturbance of existing marketing conditions, and the first quota under the scheme will probably not be determined for some weeks. Meanwhile, the old minimum prices are being maintained. The

negotiations in connection with the new wages agreement are still in progress, but no definite proposals have yet been submitted by either side, although in the discussions which have so far taken place the owners have emphasised the need for wage economies to meet the extra cost of production which they say is temporarily inseparable from the shortening of the working day as from December 1st. Large contracts have been placed by the French railways for supplies over 1930, but it transpires that a larger quantity than usual has been bought from Newcastle. The following are the current approximate quotations: Best Admiralties, 20s.; seconds, 18s. 9d. to 19s. 9d.; best dries, 18s. 6d. to 19s. 3d.; Black Veins, 18s. 3d. to 18s. 6d.; Western Valleys, 18s. to 18s. 3d.; Eastern Valleys, 17s. 6d. to 17s. 9d.; best small steams, 13s. to 13s. 3d.; cargo smalls, 12s. to 12s. 6d.; coking smalls, 13s. 3d. to 13s. 6d.; best anthracite large, 36s. to 37s. 6d.; Red Vein large, 22s. 6d. to 27s. 6d.; machine-made cobbles, 40s. to 45s.; French nuts, 43s. to 46s.; stove nuts, 39s. 6d. to 43s. 6d.; rubbly culm, 9s. 6d. to 10s.; foundry coke, 29s. to 35s.; patent fuel, 20s. to 21s. 6d.; pitwood, ex ship, 24s. 9d. to 25s.

IRON AND STEEL.

We extract the following from the weekly report of the London Iron and Steel Exchange:—The demand for iron and steel is still lethargic, but at the weekly meeting of the Exchange on Tuesday there was a fair attendance of members and the impression seemed to prevail that some of the overseas markets which have been disturbed by political troubles are at length showing signs of settling down. Business in pig iron has been disappointing for some time, and although the quantities of Continental iron imported have been comparatively small, the fear is expressed that the foreign manufacturers are again beginning to find a foothold in the British market. The British producers, however, in spite of heavy stocks, show no inclination to reduce their prices in the present state of business. Comparatively few transactions have been reported in semi-finished steel. Competition for orders is exceptionally keen, and the prices of Continental material have steadily declined until now they are well below the pre-war level. This, however, has not resulted in stimulating much interest in the market. Business in the finished steel department has been disappointing and a certain amount of inquiry which came on the market last week did not result in much fresh business. Many of the works are badly off for orders in spite of the low rate of production. If, however, more settled conditions develop in the overseas markets, some improvement is anticipated, as stocks abroad are understood to be unusually low.

Our Middlesbrough correspondent writes:—The market for Cleveland iron continues quiet, although there is a feeling in some quarters that an early improvement in business may be experienced. The statistical position is satisfactory, the current make continues to pass into consumption and stocks are being reduced, so that any extra demand coming forward would have an immediate effect on the market position. Against this, however, the competition of Continental foundry iron, which is being offered at much below local prices, must be kept in mind. Very little business was transacted at Tuesday's market, and no change was made in the official prices, viz.:—No. 1, 66s.; No. 3, 63s. 6d.; No. 4 foundry, 62s. 6d.; and No. 4 forge, 62s. f.o.b. or f.o.t. The demand for hematite maintains a steady improvement, both for home and export. The quantities that are being purchased are not of large volume so far, but cover a wider range, and are expected to expand further. Makers adhere to 71s. for mixed numbers for delivery over two or three months, but for very prompt delivery a little less would be accepted. Shipments of pig iron are ahead of last month, the total cleared to 28th inst. being 20,398 tons, against 14,130 tons for the whole of September. In the finished departments a few orders have been placed since the announcement by the British Steel-makers that there would be no reduction in prices, and more are expected to follow. More business is being placed in the electrical lines amongst which are the two important orders secured by C. A. Parsons, Ltd., of Newcastle, for electric generating plant, etc., of the total value of between £180,000 and £190,000, one for Copenhagen

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representing about £150,000 and the other for the South African Railways estimated at between £30,000 and £40,000. Dorman Long & Co., Ltd., are expecting to receive confirmation of the contract for widening the Putney Bridge, for which they have submitted the lowest tender. The amount involved is estimated at £433,000. There is practically no new business in ore. Best Bilbao rubio is quoted at 17s. c.i.f. for delivery a few months ahead, but odd prompt cargoes can be secured at 16s. 6d. The freight Bilbao/Middlesbrough for prompt tonnage is about 5s. per ton. Coke is in very poor request, and although producers are trying to maintain 17s. as the price for good furnace qualities, delivered at consumer's works up to the end of the year, it would be possible in some cases to buy at 16s. 9d. The total number of furnaces in blast on the North East Coast is unchanged at 24.

Our Sheffield correspondent writes:—The general position of the local steel industry has not improved although there is somewhat increased activity in certain lighter and finished lines. If anything, the open-hearth steel department continues to recede and there is a great amount of idle plant, not only in the Sheffield area, but also in North Lincolnshire. Substantial improvement must await the revival of overseas trade and there is no sign of this at present, business being to a large extent suspended with the principal foreign and Colonial markets. Good business, however, is reported with the Irish Free State. Continental competition is keen in semi-manufactured iron and steel, but is easier in highly finished materials. Demand for shipyard steel continues to decline; work for the home railways is being maintained at former levels. Makers of alloy steels, including stainless, are showing activity in developing new types to suit special engineering requirements. This is one of the most hopeful branches of Sheffield trade. The tool branch is steady so far as the home demand is concerned, but quiet overseas. Increasing business is coming forward from the home market for cutlery and spoons and forks. Best silver and plated hollowware are very quiet.

Our Workington correspondent writes:—Demand has ebbed so considerably in the North West Coast hematite pig iron trade that only eight furnaces now remain in operation between Workington and Ulverston, and two of these are on alternate blast. East Coast competition has made the position very difficult for makers in this district. Customers have been temporarily lost in the Midlands and in Scotland. South Wales consumers are out of the market, and as Continental needs are small, the restricted production is considerably in excess of requirements. A further complication is that the two steel-making centres at Workington and Barrow are idle, with little prospect of having more than spasmodic employment for some months to come. Stocks are so heavy that a further curtailment of output may become necessary. Notwithstanding all the difficulties, makers present a firm front to attempts to further reduce prices, and Bessemer mixed numbers, quoted at 70s. per ton at works, are at the same figure as obtained before the slump set in. Low-phosphorus iron is the customary 2s. 6d. to 5s. per ton above the price already named. Malleable iron is unchanged at £6 2s. 6d. per ton delivered at Birmingham. Stocks of manganese alloys are considerable, and the last of the furnaces that was in draught at Oldside at Workington has been closed. It is stated that the smelting of manganese alloys will be transferred to the Derwent furnaces at Workington. The outlook in the steel trade is poor. What work may be done at the rail mills during the next two months will be yielded by unexecuted contracts. Native ore at 16s. 6d. to 18s. 6d. per ton is in fairly steady local request. Scottish and East Coast demand is meagre.

Our Glasgow correspondent writes:—In the West of Scotland business remains very quiet and in no department is there any decided improvement discernable. While there has been no further reduction in the number of plants in operation, it has in many cases been found difficult to find sufficient work to justify a continuance. The Continental competition in semis is still keen and prices quoted for immediate delivery are exceptionally low. Local structural engineers keep fairly well employed and during the present week a considerable tonnage has been booked locally for Colonial requirements. Export business in both black and galvanised sheets remains poor, but there is no falling off in the home demand.

Our Cardiff correspondent writes:—Depressed conditions continue in the Welsh tinplate market and the political disturbances in South America have increased the difficulties of trade in that market. Conference prices for tinplates have ruled between 17s. and 17s. 3d. per basis box, but makers outside the Conference are reported to be offering supplies at slightly less than 17s. Welsh and foreign bars are unchanged, and quotations for galvanised sheets are stable on the basis of £11 12s. 6d. per ton.

OTHER METALS.

TIN.—Movements in the standard market displayed a good deal of irregularity, prices advancing under a better demand and improved Eastern cables, but with sellers subsequently showing more disposition to press sales, top points were not maintained. Dealings in standard cash were on a small scale at £118-£118 15s.-£118 5s. and £118 15s., forward positions being mostly in request, and three months fluctuated between £121 and £119 5s. and £120 5s. In the East, sales were reported at £125 10s.-£125 15s. and £124 7s. 6d. per ton c.i.f.

COFFEE. Market generally firmer with rather more inquiry for near positions. Standard cash changed hands at £41 13s. 9d. to £43 13s. 9d., and three months £41 5s. to £43 15s. and £43 10s. per ton.

LEAD opened firmer, but later prices became irregular on larger offerings. Good soft foreign pig, December, sold £15 10s. to £15 8s. 9d.; January, £15 10s.-£15 6s. 3d. and £15 12s. 6d.; February, £15 7s. 6d. to £15 5s. per ton.

SPelter irregular but closed firm. November sold at £14 7s. 6d. to £14 5s. and £14 15s.; December, £14 10s. to £14 8s. 9d.; January, £14 15s. to £14 12s. 6d. and £15 2s. 6d.; February, £14 15s. to £15 3s. 9d. per ton.

ALUMINIUM maintained. Home trade and export, £85 per ton.

ANTIMONY steadier, and a fair demand was reservedly met. English regulus, £38 to £45. Chinese regulus, spot, £26 10s.; October-November, £24 per ton c.i.f.

ANTIMONY OXIDE, October-November, £26 10s. ton c.i.f.

ANTIMONY ORE, 60 per cent. October-November, 3s.; ditto 50 per cent., 2s. 6d. per unit c.i.f.

WOLFRAM quiet and barely steady. Chinese, October-November, sellers 18s. 6d. per unit c.i.f.

QUICKSILVER maintained. Spot, £21 15s. to £22 per bottle.

TIN PLATES steady, with moderate inquiries. I.C. coke, prompt and forward, 17s. per box, f.o.b. Swansea.

THE COTTON TRADE.

LIVERPOOL: October 29.

On the week prices show a smart advance, mainly due to a good demand from the trade overtaking hedge selling. Rains have interfered with picking and marketing of the crop and offerings in consequence have been light. There is still a considerable short interest in the market, but there is also a large portion of the crop still to be sold. Spot sales for the week 23rd to 29th (inclusive) are 30,000 bales, of which 14,250 bales are American, 2,150 Brazilian, 800 Argentine, 5,500 Peru, 3,150 Egyptian, 2,300 African, 1,450 East Indian and 400 sundries. Imports for the same period are 58,491 bales, of which 49,135 bales are American, 500 Argentine, 684 Peruvian, 4,271 Egyptian, 486 African, 1,430 East Indian and 1,976 sundries. Quotations to-day are: American Middling, 6-39; Egyptian Sakel, 10-05; Uppers, 7-18; Brazil Fair, 6-34; Peru Smooth, 6-89; West African Middling, 6-39; East African G.F., 7-34.

MANCHESTER: October 29th.

The feature of the market has been the sharp rise in raw material prices, and spinners and manufacturers have been compelled to advance their quotations. This development in the situation has stimulated demand and the market has been more active than for a long time back. The upward movement in values has caught numerous traders short and there has been eagerness to secure cover. In piece-goods for abroad freer operations have occurred for China in standard makes and fancies, there being rumours of some big contracts. On the other hand, India has been disappointing. A steady business has been done for Madras and Karachi, but there are few indications of more activity for Calcutta and Bombay. Buying has increased for several minor outlets, including the Near East, the West Coast of Africa and South America, and more orders have been booked in home trade fabrics. Demand in American and Egyptian yarns has been on a bigger scale and an extensive business has been done.

Statement of the Cotton Trade.

	1930.				Corresponding Date.	
	Oct. 8.	Oct. 15.	Oct. 22.	Oct. 29.	1928.	1929.
Raw Cotton—Mid. American per lb.	5-56	5-75	5-87	6-39	10-46	9-87
" Sakelidia Fully Good Fair						
" Egyptian per lb.	9-45	9-50	9-40	10-05	17-75	15-25
Yarns—32's twist per lb.	10-1	10-1	10-1	10-1	16-1	15-1
" 40's twist per lb.	10-1	10-1	10-1	10-1	16-1	15-1
" 60's twist (Egyptian) per lb.	17-1	17-1	17-1	18-1	28-1	24-1
32-in. Printers, 118 yds., 16 by 16, 32's and	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
50's 19 0	19 0	18 9	18 9	19 2	25 6	24 6
36-in. Shirtings, 75 yds., 19 by 19, 32's and						
40's 21 4	21 4	21 0	21 0	21 4	28 6	27 3
38-in. ditto, 38 yds., 18 by 16, 10 lb.	11 10	11 10	11 10	11 9	15 0	15 0
39-in. ditto, 37 yds., 16 by 15, 8 lb.	10 7	10 7	10 7	10 10	13 9	13 4

THE WOOL TRADE.

Our Bradford correspondent writes:—There is a healthy demand for wool in all the Colonial selling centres, and this is particularly gratifying, as big sales are taking place regularly. All good straight combing wools are maintaining their selling value, and the only cause for complaint is in respect to dusty, burry, badly grown clips. Perhaps this partly arises from the fact that there is a fair proportion of this class of staple in the Australian wool this season. On the whole, however, withdrawals are small, and prices are now keeping steady. This is certainly needed, for all classes of wool are now quite cheap enough. Meanwhile, there are steady offerings in South Africa, French buyers being keen. The current clip of combing will be much less than last year, many sheep being shorn in March and April when they had only six months' wool on their backs. Probably there will be a good deal of shearing in autumn. The most pleasing feature in connection with the consumption of

wool is that during the past two weeks larger sales of crossbred tops have been effected. It has been possible to buy 46's carded at slightly under 1s., but fully that price is now wanted, and for spot delivery quotations are exceedingly firm. Quite another tale would have to be told about prices for delivery next year. Importing topmakers apparently expect to be able to lift the New Zealand and South American new clips very cheaply, and there is no doubt that at the present time there is more encouragement for the consumption of merinos. Stocks of this quality of tops in Bradford are not large, and the output from the combs is steadily maintained. The demand for yarn does not exactly correspond, but even here there is just a fair turnover.

THE JUTE TRADE.

DUNDEE: October 29th.

Depression still continues in the jute trade, and business is so small in volume in all sections that lower prices are inevitable. The reducing of values, however, proves no inducement for consumers to increase their wants. Demand is simply not there, and no matter to what extent prices may be cut, spinners and manufacturers cannot find an outlet for even their greatly curtailed output. Spinning works are being closed down owing to the unprofitable state of trade. The Indian jute mills are off all this week in accordance with their agreement to work one week less each month, which goes on till the end of March next year. The whole trade is in a miserable state of depression, from the raw material down to the finished article. Sellers of the fibre were showing some reserve, owing to supplies being held back up-country in India, but now that the imports into Calcutta have increased, there is again more disposition to sell, and at lower prices. The value of First Marks is down to £19 to £20, according to mark, and Lightnings vary from £17 to £18, while Daisee assortment rules from £14 10s., threes from £14, and fours from £13 5s., with Tossa assortment offered at £16 10s., threes at £16, and fours at £15, and even £14 10s. named for good marks of the last named, all November-December shipment. The nominal values of hessian yarns are 1s. 11d. for common 8-lb. cops and 2s. for 8-lb. spools, and fair ordinary spins are not obtainable at less. Only the merest trifles are being bought. Twist is from 3½d. to 4d. for 3-ply 8-lb. Rove is weakening to £25 for 48-lb. and £17 for 200-lb., but fine yarns remain steady and unchanged. Carpet qualities are occasionally dealt in at from 3½d. for 14-lb. warp. Sacking yarns are slow at 2½d. for 24-lb. weft and 3½d. for 8-lb. chains. Disappointing results are still in evidence in the cloth market and prices are really dependent upon the size and suitability of the orders placed. These are usually for only small quantities, for which 2½d. is generally paid for 10½-oz. 40-in. hessians and 1½d. for 8-oz. Linoleum hessians are dull and nominal and makers of heavy goods are still grumbling of a lack of trade. Calcutta hessians are offered at 17s. 3d. for 10-oz. and 14s. for 8-oz., November-December, and 17s. 6d. and 14s. 3d. for January-March. Heavy goods have declined to 54s. 6d. for Liverpool twills and 46s. for "B" twills for shipment November-March.

HIDE, LEATHER AND ALLIED TRADES.

There has been no improvement in the position of values in connection with hides and skins, and at the sales held in the North during the earlier part of the week further reductions were recorded in connection with ox and heifers in the clear class, together with cows. Calf skins were steady at the previous week's figures. Although a moderate amount of business has been done in connection with imported hides the turnover has not been sufficiently large to maintain prices for all descriptions, and while the market is best described as steady, a weaker undercurrent is apparent. In the South American market B.A. Frigorific ox have changed hands on the basis of 6½d., with cows sold at 6½d., and Montevideo ox at 6½d. Business has been difficult in connection with dry River Plates, but a few sales have been negotiated in B.A. Americanos at 7½d., and M.V. Americanos at 8d., and Cordobas at 5½d., with only a trifling interest taken in other classes. With steady prices ruling for Capes, a fair amount of business has been put through, drys having sold at 7½d. and 6½d., for firsts and seconds, and dry salted 20-30 lbs. at 7d. and 6d. There has also been rather more life in the market for Australian hides, with a moderate amount of trade done. Slightly less business has transpired in connection with sole leather this week, but at the same time prices remain firm, and any falling off in the demand is considered to be of a temporary character. The enquiry for dry hide bends for manufacturing purposes has been up to the average of recent weeks, and some good business has been effected in weights of 7 to 10 lbs. average. English and wet-salted bends have not been quite so good a market, particularly so far as concerns the repairing section of the trade. Regular day to day orders is the experience of most producers and merchants of upper stock, with the bulk of the enquiry still concentrated on willow calf and black and brown glacé kid.

OVERSEAS PRODUCE.

SUGAR.—A subdued tone was observable, business on consumption account being comparatively small in the main, as trade buyers operated with freedom for several days past. British standards were advanced 3d. per cwt. Pending ratification of the Cuban scheme, the market has little else to go upon, and the speculative side of the commodity, while sensitive, manifests a good deal of irregularity at times. Raw sugars still sparingly offered. Terminal sections unsettled, but business in raw proceeded

with fair freedom. December delivery, sold 5s. 6½d. to 5s. 8½d.; March, 6s. 8½d. to 6s. 9½d. and 6s. 9½d.; May, 7s. 6s. 11½d., 7s. 0½d.; August, 7s. 1½d. to 7s. 2½d.; December, 7s. 5½d. Parcel foreign, 96 per cent., November, to the United Kingdom, sold 6s. 4½d. c.i.f. Cuban receipts last week 29,510 tons against 21,807 same time last year; exports, 59,837 against 55,756; stocks, 1,007,346 against 374,364 last year. Messrs. Willett estimate stock on plantations and in transit to ports at 1,185,000 tons. Stocks of raw sugar in the three chief ports of the United Kingdom for week ending October 25th amounted to 100,923 tons against 151,706 last year.

COFFEE.—Stability continues regarding the spot market, and chief inquiry is for the finer mild liquoring qualities. These realise full rates owing to only limited quantities available. Brazilian kinds for shipment largely nominal.

COCOA.—The small transactions on spot proved at mostly unaltered prices. Forward positions steady, though business moved quietly. Accra F/F, December-February, London contract, quoted 26s. 6d. f.o.b.; G/F, November-January to January-March, sold 29s. 6d. to 28s. 6d. c.i.f. Continent. In Terminal section, December delivery sold 29s. 9d.

TEA.—Indian auctions during the week amounted to 59,365 packages. There was quite a good demand for commoner qualities which realised full prices, but otherwise market disclosed some irregularity, while frequently easier except for really fine leaf teas. These cleared readily at full rates, partly on export account. Java and Sumatra met a fair demand at about steady rates. Owing to late shipments of new season's China, there is a good demand for old import at full prices. Lapsang souchong in request at 2s. 4d. to 2s. 6d. lb.

RICE.—Previous prices held good for all qualities, but trade slow.

BEANS AND PEAS.—Market in beans dull. Butters, new crop, afloat, quoted 24s. 9d. Peas experienced moderate support and market firmer forward. Spot quiet. Japanese current crop, spot, London, 16s. 9d.

POTATOES.—The market has been depressed, and prices show a decline on last week.

SPICE.—Pepper in generally quiet request, but prices tolerably steady. Lampong, August-October, also October-December, quoted 6½d.; Muntok white, August-October, 10d.; October-December, 9½d.; and January-March, 9½d. London stocks of black reduced 40 tons on the week to 568 against 1,273 same time last year, white being 57 down at 156 against 1,107. Zanzibar cloves, spot, 1s. 5d.; forward, 1s. 1½d. Pimento and tapioca nominally the same.

FRUIT (DRIED).—Currants. Market firm on light supplies. Pyrgos, 30s. 6d. to 32s.; Australian, spot, 35s.-40s. Sultanias steady. Smyrna, 34s.-50s. Raisins quiet. Valencia, quarter-



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

LONDON, TUESDAY.		FRUIT (continued)		WOOL—		HIDES—	
CEREALS AND MEAT.		Spanish Onions,		English Southdown, washed		Wet salted—Australian	
GRAIN, &c.	s. d.	Valencia—	s. d.	per lb.	s. d.	per lb.	s. d.
Wheat, No. 3, N. Man. 496 lb. ...	30 6	case 4s.	5 9 6 0	Lincoln hog, washed	14	West Indian	0 41 0 41
Eng. Gaz. av., per cwt.	7 0	case 5s.	6 6 7 3	Queensland, scd. super cmbg.	22	Cape	0 33 0 44
Barley, Eng. Gaz. av.	10 0	Onions, Oporto	case 0 0 0 0	N.S.W. greasy, super	11	Dry and Drysalted Cape	0 61 0 8
Oats, ...	6 1	Chestnuts, Naples	bags 22 0 25 0	N.Z., gray, half-bred 50-56	9	Market Hides, London—	
Maize, La Plata, landed, 480 lb.	21 0	Grapes, Lisbon	boxes 0 0 0 0	Crossbred 40-44	8	Best heavy ox & heifer	0 51 0 77
Flour, Lon. stan. ex mill, ...	s. d.	Almeria	barrels 10 6 25 0	Top—		Best cow	0 31 0 51
280 lb. ...	26 6	Irish bladders	70 0 80 0	Merino 70's	27	Best calf	0 81 0 101
Rice, No. 2 Burma, per cwt. ...	9 6	American boxes 56 lbs.	64 9 65 3	64's	25		
Sago, Pearl, per cwt. ...	19 0	SPICES—		Crossbred 48's	12½		
Tapoca, per cwt. ...		Pepper, per lb.—		46's	12		
E.I. Sake, fair spot ...	17 6 0 0	Muntok, fair White	0 0 1 11				
Medium pearl	20 0 0 0	Black Lampung	0 0 0 12				
Potatoes, good English,	5 0 6 6	Cinnamon—1st sort, per lb.	0 10 0 10				
Beef, per 8 lbs.	4 10 5 6	Ginger—Zanzibar per lb.	0 0 1 5				
English long sides	4 8 4 10	Ginger—per cwt.—					
Argentine chilled hinds.	6 0 7 4	African	40 0 0 0				
Mutton, per 8 lbs.	3 6 4 6	Jamaica, ord. to good	60 0 90 0				
English wethers	3 6 4 6	Mace	1 10 2 6				
Pork, English, per 8 lbs.	5 0 8 4	Nutmegs 65's	1 2 0 0				
		SUGAR—					
		(Duty, 11s. 8d. per cwt.)					
		B.W.I., crystallised	19 6 22 0				
		Java, white, c. f. India					
		Nov-Dec.	8 0 0 0				
		REFINED—London—					
		Yellow Crystals	19 7½ 0 0				
		Cubes	24 0 24 6				
		Crushed	22 6 23 0				
		Granulated	20 3 21 1½				
		HomeGrown (Nov-Dec.)	19 9 20 3				
		TEA—					
		Indian & Ceylon—per lb.					
		Pekoe	8 8½ 2 5				
		Broken Pekoe	0 9 2 2				
		Orange Pekoe	0 10 2 5½				
		Broken Orange	0 9½ 2 8½				
		TOBACCO—					
		(Duty 8/10-11/2½ per lb.)					
		Empire growths, 6/9½					
		per lb.					
		Virginia leaf—					
		Common to fine	0 10 2 6				
		Rhodesian leaf	0 6 1 3				
		Nyasaland leaf	0 7 1 0				
		East Indian leaf	0 4 0 6				
		strips	0 5 1 0				
		COTTON—					
		Mid-American	6-39				
		Sakellaridis, f.g.d.	10-05				
		Yarns, 32's twist	10½				
		60's twist	18				
		FLAX—					
		Livonian ZK	per ton 40 0 0 0				
		Pernau HD	37 0 0 0				
		Shanets Medium 1st sort	39 0 0 0				
		HEMP—					
		Italian P.C.	per ton 37 0 0 0				
		Manila, Nov-Jan, "J2"	23 0 0 0				
		Sisal African, Oct-Dec.	21 10 20 10				
		Mexican	0 0 23 10				
		JUTE—					
		Native 1st mks.	per ton 15 15 6				
		Nov-Dec.	15 15 6				
		Dec-Jan.	15 17 6				
		SILK—					
		Canton	per lb. 7 6 9 0				
		Tussah	5 0 8 0				
		Japan	10 0 13 0				
		Italian—Baw, fr.	Milan 10 0 12 6				

boxes, 38s.-63s. Dates maintained. Evaporated Fruits: Firm for plums, but other descriptions move off quietly on about former terms.

CANNED GOODS—Fruit: English continue in good request and a better demand was in evidence for Australian varieties. Californian descriptions move off rather quietly, but quotations remain steady, and signs are not wanting if an improvement in the near future, as traders stocks are reported to be running low. Fish: Sardines steady, but trading restricted apart from some inquiry for lower grades. Salmon in better supply. Lobsters and crab unchanged. Meat: Market generally unchanged and demand quiet.—Condensed Milk and Milkpowders: Market steady. Quotations: Dutch condensed milk, full cream, sweetened, 5 cwt. casks, 34s.; machine skimmed ditto, 22s.; full cream, sweetened, 56 lb. drums, 52s. 6d. English condensed milk, full cream, sweetened, 5 cwt. casks, 36s.; machine skimmed ditto, 22s. 3d. Honey: Market dull, with ample supplies on offer. Jamaican white, 40s. to 45s.; San Domingo, good to fine, 32s. to 37s.

MEAT—According to the Smithfield Market official report, supplies of meat during last week amounted to 9,598 tons, as compared with 9,111 tons in the corresponding week last year. Imported beef, principally Argentine, formed 82.5 per cent. of the supplies, as against 80.0 per cent. a year ago, and imported mutton, mainly New Zealand, formed 77.7 per cent. of the total supply, as against 72.6 per cent. last year. The prices of beef and pork show a slight advance on last week, but those of mutton are scarcely changed.

RUBBER—Stability was the distinguishing characteristic, and a fair amount of business was effected. Deliveries from London and Liverpool wharves are proceeding apace, in fact, signs are not wanting, as to a high level record being established this week. French destinations figured largely in same, against the contingency of a higher import duty on the commodity in that country. Standard sheet, spot, and November, sold 4½d. to 4¾d.; December, 4½d. to 4¾d.; January-March, 4½d. to 4¾d.; April-June, 4½d. to 4¾d.; July-September, 4½d. to 5d.; October-December, 5d. to

5½d. London stocks reduced 884 tons on the week: landings, 2,000; deliveries, 2,884; stocks, 82,218, against 46,819 last year. Liverpool stocks 1,134 tons higher; landings, 1,373; deliveries, 239; stocks, 38,345 tons, against 12,665 last year.

HEMP—Manila qualities held with more reserve and market the turn firmer. For K grade, November-January, buyers at £22; January-March, £22 5s. c.i.f. African sisal, No. 1, f.a.q., October-December, sellers £21 12s. 6d. c.i.f. Receipts last week cabled 25,000 bales, against 32,000 last year and 22,000 in 1928. Estimate for next week 24,000, and week after 25,000. Shipments from Manila last week: United Kingdom, 8,000 bales; Continent, 3,000; United States, 5,000; Japan, 7,000; others, 1,000; and local consumption, 1,000; making stocks 120,000.

VEGETABLE OILS AND OLSEEDS—Steadier conditions prevail and there is more desire to do business. Linseed is in better demand by crushers both here and on the Continent, and old crop Plate in near positions is firmer, up to £12 1s. 3d. having been conceded for first-half November shipment to Hull. Current value on spot and for October is around £12 2s. 6d. Later positions are at a discount and business in new crop Plate to Hull, January loading, is reported at £11. The second official estimate of the area under linseed in Argentina varies only slightly from the original estimate, and a yield of two million tons is generally anticipated. Demand for cottonseed has revived and a good trade in black Egyptian for shipment has been done at £6 5s. to £6 7s. 6d., while other oilseeds also show some appreciation in value. In the oil section linseed oil for near delivery is scarce and firmer, current quotation for raw oil on spot ex Hull mill being £27 5s., and for November-December £25 10s. Cotton oil is firmer, crude Egyptian having advanced to £23 10s. and common edible to £26. The demand for oilcakes and meals is improved, but still below normal for the time of year. A fair demand for copra was reservedly met and prices responded. F.M.S. Straits, November, also December, to Rotterdam, quoted £17; Dutch E.I. ditto also £17; Ceylon, £17 17s. 6d. Palm kernels, November-December £9 Hamburg, £11 15s. c.i.f.

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WEEKLY COMMERCIAL TIMES,

Bankers' Gazette and Railway Monitor

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THE MONEY MARKET.

EARLY in the week there was a definite shortage of money. On Tuesday up to 2½ per cent. was paid, and it was thought that the market narrowly escaped borrowing at the Bank. The common explanation of the shortage was that, owing to its being exactly three months after August bank

holiday, there were no Treasury bill maturities, and so the market was deprived of the funds it normally obtains in that way, and on the other hand, it had the normal quantity of new bills to pay for early this week. If this were the sole explanation, however, it would have been natural for money to have become more plentiful later in the week, but this was not the case. Money was still wanted on Wednesday and Thursday, as is shown by the fact that, on the latter day, $2\frac{1}{2}$ per cent. was commonly paid.

Discount rates remained fairly steady during the first part of the week, $2\frac{1}{8}$ per cent. being the ruling rate on Wednesday for three-months' bills, with 2 per cent. still quoted for shorter bills, and $2\frac{3}{8}$ for those with four and six months to run. On Thursday, however, rates hardened as the result of the news of impending gold shipments to France, discussed below. $2\frac{1}{2}$ per cent. consequently was quoted in some cases for three months' bills, with the ruling rate $2\frac{3}{8}$ per cent. It is believed that early in the week the Bank bought some bills at $2\frac{1}{2}$ per cent., and this was possibly done to help the market over the stringency then prevailing. It was also reported that some American banks had been buying gilt-edged stocks heavily, and that this helped to account for their strength.

	Oct. 16, 1930.	Oct. 23, 1930.	Oct. 30, 1930.	Nov. 6, 1930.	Previous Rate and Date Changed.
Bank Rate	$\frac{3}{8}$	$\frac{3}{8}$	$\frac{3}{8}$	$\frac{3}{8}$	$\frac{3}{8}$ (May 1, '30)
Banks' Deposit Rate	1	1	1	1	$1\frac{1}{4}$ (May 1, '30)
Discount of Call	1	1	1	1	$1\frac{1}{4}$ (May 1, '30)
Houses (Notice	$1\frac{1}{2}$	$1\frac{1}{2}$	$1\frac{1}{2}$	$1\frac{1}{2}$	$1\frac{1}{2}$ (May 1, '30)
Market rate (3 months' bills)	$2\frac{1}{8}$	$2\frac{1}{8}$	$2\frac{1}{8}$	$2\frac{1}{8}$	...

The French banking troubles, noted upon a later page, have had a speedy and pronounced effect upon the London Money Market. Many French banks have felt it necessary to strengthen their cash resources, in view of any possible trouble, and so have drawn heavily upon their foreign balances. This has driven sterling down to Frs. 123.65, which is a rate low enough to permit of gold withdrawals on French account from the Bank of England. No gold was withdrawn on Wednesday, but late on Thursday afternoon a report was current to the effect that withdrawals amounting to £3,000,000 had been arranged, to be spread over ten days, in order to permit of its refining.

In interpreting this report, it must be remembered that, even if it is correct, all or part of the arrangements can be cancelled at any time, if the exchange improves sufficiently to warrant it. In actual fact, similar arrangements have been made on occasions before, and then cancelled after only a small amount of gold had been withdrawn. Still, as £295,337 of bar gold was withdrawn from the Bank on French account on Thursday afternoon, it is clear that initially the arrangements have held good. In any case, the Bank is well equipped to withstand the loss of the full amount mentioned. Mainly owing to the arrival of a million sovereigns from Australia, the Bank's gold holdings have risen by £875,000 to £161,542,000. Furthermore, in addition to the shipments being made from Spain, £1,506,000 of gold is known to have arrived during the week from Brazil. This gold has as yet been neither turned into the Bank nor disposed of on the open market, and so may be regarded as at the moment constituting a hidden reserve, out of which Paris demands, if necessary, can be satisfied.

The only changes of note in the week's Bank return are contractions of £1,593,000 in Public Deposits, and of £2,576,000 in Government securities. The latter movement, following a decline of nearly £4 millions last week, has resulted in bankers' deposits falling by a further £61,000 to £55½ millions, notwithstanding the disbursement of interest on Government stocks at the beginning

of the month. The increase in the Bank's gold stocks has been almost entirely off-set by an expansion in the note circulation, and the Reserve is consequently unchanged.

NEW YORK.

Call money has remained easy, with 2 per cent. the ruling rate. The New York Stock Exchange reports a contraction during October of \$925,329,000 in brokers' loans. The current figure is \$2,556,124,000, as against \$6,108,825,000 a year ago. Immediately after the election, a report, attributed to Senator Glass, was current that the proposed investigation into the Federal Reserve system would be begun early in December.

THE STOCK MARKETS.

The leading feature in the stock markets was the continued strength of the longer-dated gilt-edged stocks, on sustained demand from the large financial institutions, and, to some extent, from the general public. The slight reaction which occurred in the middle of the week was regarded as healthy. Australians lost ground on the announcement of Mr Fenton's intention of budgeting for a deficit, but foreign bonds were firmer all round. Home Rails received discriminative attention. Business in domestic industrials was sufficient to maintain values, but Internationals were affected by further liquidation from New York. Insurance shares were a strong and active market. Dealings in tea and rubber shares were reduced to small proportions. Oil shares showed effective resistance to depressing influences from New York and Paris. Mines were inactive by reason of the irregularity of base metal prices.

THE COMMODITY MARKETS.

There has been an improvement in the market for house coal, but the demand for industrial fuel continues restricted, and exporters show no signs of an early expansion. Activity in all sections of the iron and steel industries is still on a low level. Raw cotton values have not been maintained, and business in manufactured goods have been less in volume. The steadier tendency of wool prices has resulted in a slight improvement in the Bradford market. The downward movement in the price of hides continues, although the consumption of leather has not fallen off appreciably. Wheat prices suffered a sharp decline.

THE FOREIGN EXCHANGES.

The Foreign Exchange market was very quiet this week, with sterling weak against several currencies, notably the franc and the dollar. New York went from 4.85½ to 4.85½, Paris, for reasons discussed in the preceding column, improved by 16 points to 123.66, and Brussels also went against us to 34.83½ from 34.85½. Milan lost a point at 92.81, but the peseta again improved, gaining 30 points at 43.10. Amsterdam weakened a little at 12.06½, but Berlin gained ½ at 20.88½. Switzerland was weaker at 25.03. Stockholm lost ½ at 18.10½, Oslo gained ½ at 18.15½, and Copenhagen lost ½ at 18.16½. The South American currencies improved all round, Rio gaining ½ d. at 5d., Buenos Aires ¾ d. at 38¾ d., and Montevideo ¾ d. at 39¾ d. In the Far East, the yen lost ¾ d. at 2.04¾ d., and Batavia gained ¼ at 12.06½. In the forward market, New York went to discounts of ¾ and 1½ cent. Paris was quoted at discounts of 6 and 8 centimes, whilst Brussels went from 7 premium to par for both periods. The discounts for forward lire widened to 16 and 40 centesimo, while the premium on forward Madrid narrowed a little to 2 and 4 centimos. Amsterdam was more wanted at ½ and ¾ cent premiums, but Berlin was weaker at 3½ and 10½ pfennigs discount. Silver improved by ¼ d. for spot and ½ d. for forward delivery, as a result of Indian and Chinese buying, coupled with limited supplies. Of the China silver exchanges, Shanghai improved by ½ d. to 1s. 7½ d.

ECONOMIST INTELLIGENCE BRANCH.

Our Intelligence Branch, which has been amalgamated with Moody's Investors Service, Ltd., is available to our readers for the supply of economic, statistical and other information, at a charge proportionate to the work involved. Inquiries should be addressed to Moody's Economist Services, 6, Boulevard Street, London, E.C.4.

A CHALLENGE TO INERTIA.

To make no bones about it, the salaries which our six hundred legislators, leaving out of account ministerial emoluments, have earned during the first fortnight of the Parliamentary Session, represent very poor value to a heavily-taxed nation. The whole tenor of the debates on the Address, with their atmosphere of artifice and unreality, recalls irresistibly Plato's myth of the Cave. As one reads in Hansard (little need is there of the cynic's "crib to read it with") the sorry tale of dull Governmental apologia, futile and self-contradictory criticism from two disunited Oppositions, all fencing for tactical advantage, one is reminded by our Parliamentarians of the conversation of the prisoners who could see nothing but the shadows cast on the Cave's inner wall by the "manufactured objects" passing between them and the artificial light. Yet all the while, outside the Cave, daylight beats on the cold, hard fact of 2,300,000 unemployed.

Chiefly, therefore, because its authors are not afraid to face, nor are blinded by, that daylight, we commend to our readers a careful and unprejudiced study of the brochure* setting forth the findings and proposals of the three Liberal representatives who have conferred with the Cabinet, on the Prime Minister's invitation, with a view to framing jointly, on a non-party basis, policies directed to alleviating the grave unemployment crisis. To whatever criticism in detail they may be open, whatever room there may be for difference of opinion regarding some of the assumptions on which they depend, these findings and proposals are the sole constructive contribution which has been vouchsafed, since Parliament re-assembled, towards the betterment of our economic troubles; and, as such, they deserve close examination.

The salient features of the brochure can be summarised briefly enough. It begins with an analysis of the composition and causes of unemployment in Great Britain. Following (though with undue emphasis, we suggest, on the "deflation" factor) the broad lines of the study by Mr A. Loveday, published recently as a Supplement to the *Economist*, the pamphlet reaches the conclusion that, setting aside the cyclical unemployment directly attributable to the world-wide trade depression, the hard core of peculiarly British unemployment—the "refractory million"—is a consequence of our attempt "to ensure to the nation a standard of life higher than our present relative national effort and efficiency justify." Given the hide-bound conservatism of British managerial practice, the rigidity of trade union rules of work, the inelasticity of nominal wages, and the grievous dead-weight of rates and taxes, it is difficult to gainsay the correctness of this diagnosis. Nor do we think that there is any convincing answer to the next proposition in the brochure—that, however superficially attractive may be the conception of an "insulated" home market, entertained (with a variety of reservations) by the Conservative Party and the Labour Left, no salvation in quotas, import boards, or protective tariffs, all entailing necessarily an increase in domestic costs of production, is to be sought by an island like ours, so densely populated and so dependent on competitive exports for the maintenance of life.

The unpalatable truth, therefore, logically emerges that, if we are to regain lost ground, British costs of manufacture must be reduced. This postulate necessitates, on the one hand, drastic retrenchment of unproductive State expenditure and a lightening of the tax-burden. The outlay on social benefits, "pursued on a scale appropriate only to times of real and increasing prosperity," must be curtailed; the costs of inflated departmental staffs must be subjected to a new "Geddes Axe"; the abuse of the principle of insurance against unemployment must be stopped by restoring the Fund to a sound actuarial basis;

and, in short, the Government must give a courageous lead to a proportionate sacrifice of income all round.

This negative prescription, however, of abstinence from unnecessary spending is rightly regarded as representing only one side of a sound economic policy. On the other side the proposals are made (1) that "self-help" on the part of industrialists should be encouraged by the creation of an "industrial bank" (if the Big Five, after careful consideration, consider it improper or impracticable to widen their activities in financing new or smaller concerns), the restoration of the Trade Facilities Act, and the establishment of an Institute to "bridge the gulf between science and industry"; (2) that, in order to establish "a better balance in the national economy, by employing a larger proportion of our total population in food production upon our own soil," the State should acquire land and establish thereon "family farms" of the 3-10 acres size, should facilitate financially the reconditioning of farming estates, and should promote cheaper transport and better marketing for agricultural produce; (3) that the vigorous development of roads, regional planning and housing, telephones (for whose administration a body similar to the B.B.C. is recommended) and electricity should be pursued rapidly on the lines proposed in "We can Conquer Unemployment"; and (4) that, to begin with, a national development loan of £250 millions should be raised to finance the foregoing projects.

This bald summary does scant justice to a thesis which no one concerned with the situation of this country can afford lightly to dismiss. Relief works, as such, obviously afford no cure for the obdurate ills in the economic structure of the country; and though we do not accept the extreme view that even in times of depression, when huge sums are being paid out to the unemployed, all capital expenditure by the State, no matter how "productive" the objects, or how negligible the consequential increase in the rate of long-term interest, must entail a corresponding diminution in the activities of other enterprises, we are alive to the danger lest money expended by the Government on "development," with unemployment relief as the immediate aim, may be spent with prodigal haste. Moreover, the brochure is inclined to burke the question whether wages should, in fact, be reduced proportionately to the decline in the price of commodities. There are also some assumptions made that we should hesitate to accept, and there is ample room for difference of opinion in regard to particular suggestions. Also, though we have a task to do at home, the present crisis is most evidently an international one, and national action, though it may palliate, cannot cure it. Nevertheless, when all is said, the signal merit of the Liberal "plans" is that they recommend, with clarity and courage, a re-focusing of national expenditure—from the easy road of "doles" to that of reconstruction and concerted effort. Questionable details apart, their authors aim at the key solution of our troubles—a national "drive" towards greater efficiency.

The tragedy is that, as matters stand in the political arena, these proposals are put forth with little hope of positive results. To judge by this week's debates in the House, Mr Chamberlain and Mr Baldwin, recognising, but reluctant for electoral reasons to avow, the truth about British wages and production costs, intend to cling to the singular fallacy that a predominantly exporting nation can save itself by a price-raising tariff; the Liberal Party, self-immolating in Division, are content, for tactical reasons, with the *quos ego* type of classic threat; and the Labour Left Wing, divided curiously between ambitions to outdo Lord Beaverbrook in "controlling" foreign imports, and zeal to outrun Mr Lloyd George in "progressive" capital investment by the State, beats vainly against the inertia of the Government.

For it is idle to pretend, as the authors of the Liberal brochure do in their Preface, that their schemes have been "accepted in principle" by the Government, and that differences are limited merely to the relative "speed

* "How to Tackle Unemployment." By D. Lloyd George, The Marquis of Lothian and B. Seeborn Rowntree. 6d.

of progress" to be realised. In truth, neither this Government nor this Parliament shows any sign of having the capacity to mobilise (and rapidly would be an essential condition of such mobilisation) anything like the sort of national effort which the Liberal plans contemplate. The extenuation of inertia by spending "just a little more"—most fatal of all forms of extravagance—is all, we fear, that can be expected; and Mr Aneurin Bevan, in a forcible, brief speech on Tuesday night, said truly that Parliament's attitude of hopeless ineffectiveness in face of a great emergency is steadily impairing public confidence in the political institutions of this country.

Inertia is the enemy; and to that inertia the policy sponsored by Mr Lloyd George and his colleagues comes as a challenge. We believe we do not exaggerate if we assert that on the reception of that challenge (we speak not of debatable details but of the broad principle of an organised national "drive") depends ultimately the issue whether Britain, "from lack of imagination, lack of initiative, lack of leadership," is gradually to decline or is to regain firm hold of the greatness, economic and political, which may so easily slip her grasp.

TOWARDS PEACE OR WAR.

THIS week, the Preparatory Commission for the League of Nations' Disarmament Conference is meeting again, and meeting for the last time—for good or evil. If the Commission's work this time enables the Council of the League to convene the Disarmament Conference, well and good. The first landmark on the road to international peace, towards which we have been directing our steps since the Peace Conference of Paris, will then at last have been reached. On the other hand, if the Commission fails to make any better progress in this session than it has made in the many sessions that have gone before, it is recognised on all hands that it will be useless to make any further attempt, on these lines, to agree upon the technical bases for disarmament, and that the Disarmament Conference itself will then have to be postponed *sine die*. If this happens, it will mark the close of the "post-war" epoch of European history. It will mean that we have taken a wrong turning out of the road to peace and that our feet are once more set on the same paths that brought us to destruction in the epoch which ended in August, 1914. At this grave moment, it is worth noting what is being said and done by some of the statesmen who find themselves responsible for the conduct of European international relations.

The speech which was delivered on October 24th, at Newcastle, by our own Secretary of State for Foreign Affairs commends itself by its clear thought and its sober, non-partisan spirit. Mr Henderson's theme was the continuity of British foreign policy through adaptation to the new circumstances of the "post-war" international situation. We are still pursuing our traditional policy of protecting the liberties of the weaker peoples. We still believe that, in this policy, British interests coincide with the cause of peace and civilisation. But since the Great War, the interdependence of interests between the peoples of the world has been enshrined in an international instrument, the Covenant of the League, and the method by which Great Britain has to pursue her permanent international aims has been transformed in accordance with the transformation in the international environment. "The conception of a policy of splendid isolation has for all time been abandoned by formal treaty."

Mr Henderson went on to lay down three parallel lines along which our traditional policy, now adapted to the new circumstances, has to be carried on. First, we have, as always, to work steadily towards diminishing specific points of friction between us and this or that country in particular. We achieved this *vis-à-vis* France in 1904 and Russia in 1907. As illustrations of our "post-war" efforts along this line, Mr Henderson cited our dealings with China and Egypt, our settlement of our debts to the United States, and the liquidation of the reparation question and the Rhineland Occupation *vis-à-vis* Ger-

many. In the second place, we have to promote all those movements towards international co-operation and solidarity in the economic, social and cultural spheres which have gained a fresh impetus since the war and have been crystallising round the various organs of the League of Nations. The last and most important line of advance, as Mr Henderson pointed out, is to strengthen, improve and complete the machinery of the League.

Speaking three days later, at Rome, Signor Mussolini took up the tale in a very different tone. Referring to his speeches of last summer, which had such an adverse effect upon the prospects of an Italo-French naval understanding, he explained that these gestures had been intended to tear the mask off the face of a hypocritical Europe which "babbles of peace at Geneva and prepares for war everywhere." The most interesting—and ominous—feature of this part of Signor Mussolini's speech was his conscious, and indeed emphatic, equation of the present position of Fascist Italy with the pre-war position of Imperial Germany. He drew the excruciatingly familiar picture of a young nation, bursting with life and rightly demanding that "place in the sun" to which she is entitled, and who finds herself surrounded by a hostile ring of old effete nations determined to crush her by force because they cannot hold their own against her by fair means. Moral war had been declared against Fascist Italy long ago—a war of calumny—and here the Duce prognosticated that the Italians would soon be accused of the atrocities of which the Germans were accused in 1914. This war of slander might prove to be the preparation for a war of arms; and here Signor Mussolini referred to military preparations on the French side of the Franco-Italian frontier which have been in progress (according to his statement) since 1927. In this context, there is not much comfort to be got out of the Duce's assurance that "Fascist Italy will never take the initiative in making war"; for, on his showing, if Italy went to war with her neighbours to-morrow she would claim to be fighting a war of defence as stoutly as Germany made the same claim in 1914-18.

Such language in the mouth of a European statesman with Germany's example consciously in his mind makes one almost despair of the human capacity to learn from the experience of others. Yet there were points in the speech—and points which have a permanent place in Italian foreign policy—which will command the approval and support of that very element in European public opinion which is most alienated by the thumping jack-boot and the clanking sabre. Signor Mussolini once again declared—and we have no right to question his sincerity—that "Fascist Italy is arming relatively to the others, because all are arming," and that "she will disarm if all disarm." Further, he repeated his previous declarations of faith in treaty revision; and we can echo his sentiment that this is "not a predominantly Italian interest, but an interest of Europe and the world." Here he made a telling point by bringing treaty revision and disarmament into relation. The real violators of the Covenant, he suggested, are those who have created and sought to perpetuate at Geneva two categories of states—the armed and the unarmed. "What juridical or moral parity can exist between an armed and an unarmed man? How can this comedy be prolonged indefinitely?" Some who usually deprecate Signor Mussolini's vigour of speech would be inclined to use even stronger language here—substituting "fraud" for "comedy," in view of the assurances which were given to Germany by the Principal Allied Powers that the unilateral disarmament of Germany and her allies was to be the prelude to disarmament all round.

Two other points in Signor Mussolini's speech are significant. First, Fascism is of universal application in its ideas, doctrine and realisations. Second, the pacific expansion of Fascist Italy will be eastward. When we take all these points together, how are we to interpret them in concrete terms? Do they portend a military alliance against France between a Fascist Italy and a Fascist Germany, with a bevy of East European satellites—Bulgaria, Albania, Hungary, Austria—to balance Poland and the Little Entente? No doubt there

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is a real danger to-day of Continental Europe being once again divided into two hostile armed camps, as it was during the quarter of a century ending in 1914; and, if this situation takes shape, we shall once again have to fear a European war in which the whole world may be involved. Fortunately, we are not at that point yet. The rigidity of French policy may relax; the bellicosity of Italian policy may be moderated; the Nazis may never come into power in Austria and Germany; and, finally, the weaker countries of Eastern Europe may not prove willing to lend themselves again as pawns in the game between the Great Powers. While Italy and France are competing for hegemony in the Balkans, as Russia and Austria competed in the past, the Balkan peoples themselves have been meeting in conference at Athens; and, from the account sent by our Athens correspondent, which we publish in another column, it looks as if the foundations for a Balkan co-operative system may have been laid. The organisation that has been set up is partly on the lines of Monsieur Briand's wider scheme for the whole of Europe, and partly on the lines of certain non-European developments such as the Institute of Pacific Relations. Like the latter, the new Balkan organisation is unofficial; and this may prove a source of strength in a movement which has influential people behind it in all the participating countries. Moreover, the Balkan statesmen have been doing their part. Half-a-dozen years ago, who would have dreamed that in 1930 Monsieur Venizelos would be visiting Angora in order to bury the hatchet between Greece and Turkey? If the small countries of Eastern Europe show this kind of wisdom, there is hope for Europe after all.

THE EXTRA YEAR.

SIR CHARLES TREVELYAN's new Bill for raising the age of compulsory attendance at school from 14 to 15 in the main follows the lines of a previous Bill introduced into the House of Commons last May and debated there for two days. Like its predecessor, the present Bill will arouse acute controversy. Dispute, however, will centre not on the desirability of extending educational facilities, but on the present capacity of the Exchequer to bear the cost, and still more, upon the principle involved of giving maintenance grants to parents to enable them to obey the new law.

Fortunately, many long years have passed since any considerable body of opinion ranged itself against the idea that the provision of equal educational opportunity to all children is a proper aim of the State and one on which expenditure is, on the broadest grounds, reproductive. Scoffers at systematised education there will always be, and even Mr Winston Churchill (whom, of course, we do not rank among them) has recently told the world of his own unsatisfying experiences at the hands of pastors and masters. Nevertheless, we may assume in these days a

fairly general agreement that, be the faults of all public education systems what they may, it is a wise function of the State to give the best it can provide, and the best it can afford, to all its citizens of the future. Nor can there be many who would aver that 14 is the magic age at which the education of a child is satisfactorily and properly completed.

The desirability of the main aim of the Bill is, therefore, scarcely in dispute. But in hard times like the present, with the taxpayer depressed by his burdens and apprehensive of an increase, it is very proper to ask the question, "Ought we to do this desirable thing now, or ought we to wait for better days?" In attempting to answer this question, let us leave out of the argument for the moment the vexed question of maintenance allowances. The extension of the school age by one year involves the provision of extra teaching staff and accommodation. For these services a financial memorandum attached to the Bill estimates that the cost would eventually be stabilised at about £2½ millions after 1938. (The immediate cost is not estimated.) We say without hesitation that if this were the sole expenditure involved, it would be right to incur it, without further ado, though it remains to be seen whether it is administratively possible to inaugurate this extension of educational services by April 1, 1931. That the extended education should in itself be socially reproductive is not the only consideration. Although much extravagant talk has been current as to the large absorption of older labour to which the reduction of juvenile entrants to the labour market would lead, there is no doubt that it would result in some substantial diminution of the unemployment total. The State would therefore actually get back a considerable part of its expenditure through a decline in the burden of unemployment relief, and it would have the satisfaction of holding back the youngest of its would-be workers from the risk of starting workaday life with a period of demoralising idleness.

But, unfortunately, this is only a part of the cost which the Government proposes to place upon the shoulders of the taxpayer and ratepayer—chiefly the former. It is further proposed that the parent of any child in the 14 to 15 class shall be compensated, in cash, for the postponement of his child's earning period, and shall be entitled to claim five shillings per week during the extra year, provided his means do not exceed a scale prescribed by the Board of Education. The income test ranges from £3 per week for a claimant who has not more than two children, to £5 5s. per week where a claimant has seven or more. Since no provision is made in the Bill, or can well be made, for checking claimants' statements of income, this means something very much like universal provision of maintenance grants.

This raises two vital questions, one of principle and one of cost. The cost is estimated at £3½ millions for the first full year (1932-33), rising to £5,375,000 in 1934-35 and £5,500,000 in 1935-36. There is also the ominous admission that the cost of maintenance allowances is "not

susceptible of close estimation," and long experience reminds us of the frequency of under-estimates in rough initial estimates of this kind. It appears, therefore, that if the Bill passes in its present form, an item of at least £8 millions and possibly £10 millions will be added to the public cost of social services. It is a formidable addition and we take the view quite definitely that, in the present state of the Exchequer, the nation cannot afford it.

What, then, is the alternative? Can we not have the extra year at school at a more modest cost? The proponents of the Bill argue that maintenance grants are essential. We agree to this extent, that to force all parents to keep their children at school for an extra twelve months might create many cases of hardship, and that the State should take cognisance of these where they arise. This, of course, could be done by a system of exemption in difficult cases; but such a course is unsatisfactory because it might debar from the new facilities many children who might benefit the most. In a proportion of cases, then, relief to parents must be granted. In one shape or another,

through scholarships, bursarships, sizarships, and other methods, assistance is already arranged for needy scholars through the whole range of education right up to the universities. We believe it to be possible to arrange some scheme in connection with Sir Charles Trevelyan's Bill which would provide for hard cases without imposing an intolerable burden upon the taxpayer. Nor is the saving of public money the sole merit of a restricted scheme for the relief of hard cases. We support the principle that the State should be expected to compensate for exceptional hardship which it creates. But we cannot subscribe to the principle that it is morally or socially right for the State to offer universal (or almost universal) grants to any section of the community to enable it, or encourage it, to observe the laws enacted by Parliament. Electorally, no doubt, it is expedient to do so. But that is another matter, and one that cannot be taken into consideration in examining the merits of the Bill from the point of view of the national advantage.

INTERNATIONAL MIDDLE CLASS LIVING COSTS.

In the hope that it will prove of interest to readers of the *Economist*, we print below a study prepared for Unilever Limited, and aimed at the ascertainment of the comparative cost in various European countries of maintaining "typical" English standards of life corresponding to English "earned" incomes ranging from £500 to £3,000 per annum.

The conclusions at which the authors of this study have arrived should be read with a number of qualifications in mind. In the first place, the difficulty of the task of constructing an "average" English budget obviously increases progressively in proportion to the rise in annual expenditure, and a number of the items making up each of the sample budgets given below may be open to criticism. In the second place, it should be appreciated that, as the authors of the study admit, many objects of middle-class expenditure in England are not available abroad in precisely corresponding form. For example, differences in forms of educational institutions render it impossible to calculate the "equivalent" cost abroad of typical English education costs. Thirdly, an element of statistical inaccuracy is introduced into the calculations by the fact that the items of rent, etc., and taxation are estimated on the basis of the calculated "equivalent" salary.

A final and more important qualification lies in the fact that the study cannot be regarded as providing in any way true indices of comparative middle-class living costs in different countries. That is to say, it should not be supposed that it costs a professional worker in France 1.2 per cent. more to maintain a social status and standard of comfort *relatively to normal accepted conditions in France*, than it costs his "opposite number" in England. The truth is that, within the range of incomes covered by the study, social habits differ so profoundly in various countries, that comparative living costs as between *natives* of each country cannot be statistically measured. Thus, what the study really does is to analyse

—within such limits of accuracy as are possible, given the amount of estimation and approximation necessarily entailed—the comparative amounts which would be spent in various countries by a member of what may be described as the "international salariat" who moved from one capital city to another and endeavoured in each to maintain, subject to some local variations, more or less the kind of life which, with his particular income, he would live in London. If these qualifications be borne in mind, the results of the investigation which Unilever Limited have caused to be carried out disclose many interesting features.

Equivalent Salaries in European Countries.

Of recent years there have come into existence large concerns conducting business on an international scale, with many employees in well-paid positions who may be frequently in touch with one another. In such a case the necessity arises to fix scales of remuneration for various posts of equivalent standing and responsibility, and to do this reasonably and equitably the question of comparative costs of living at once arises. Considerations such as these induced Unilever, Ltd., to ask the writers to carry out an investigation into the comparative cost of living in various European towns, and in respect of a scale of incomes ranging from £500 to £3,000.

The unit we have taken is the married couple with two children—a boy of 15 and a girl of 11. We have included in our calculations the cost of food, servants, clothing, rent, rates, etc., direct taxation, motor cars, education and sundry items, including expenses of travelling to business, of medical attendance, subscriptions and charities, etc. We have assumed that the income is entirely earned, and have, therefore, eliminated all income from investments. The information forming the basis of our calculations was obtained from a number of sources. In respect of England the figures were compiled partly by reference to authoritative statistics and partly (where no such statistics are available) by estimation based on fairly well-known social and economic facts. To obtain the necessary data for the Continent a questionnaire was sent to the various Continental offices of Unilever, and the information so obtained was checked in various ways.

INDICES OF COST OF MAINTAINING IN CERTAIN EUROPEAN COUNTRIES "AVERAGE" ENGLISH SALARY STANDARDS.
(Cost in England = 100).

English Salary Scale.	Belgium.	France.	Denmark.	Sweden.	Norway.	Holland.	Germany.
£							
500	87.4	105.4	124.2	138.4	135.0	97.4	126.4
600	87.0	104.2	124.3	137.3	136.8	97.7	127.3
700	86.6	104.3	125.3	135.6	137.9	99.1	127.7
800	85.8	106.3	126.3	130.4	137.1	99.9	122.5
900	85.3	104.6	124.7	126.6	133.9	98.6	119.0
1,000	85.2	104.2	120.8	121.8	133.9	99.6	116.7
1,250	81.7	101.6	116.6	115.3	129.3	96.1	112.7
1,500	81.7	101.2	113.9	111.1	125.6	95.3	110.4
1,750	79.7	99.8	111.3	108.5	122.5	93.8	108.1
2,000	78.1	97.1	106.7	104.5	119.4	93.7	105.1
2,500	74.7	96.5	103.1	99.1	112.6	89.4	102.6
3,000	73.3	96.0	101.6	96.6	109.3	88.5	102.7

ESTIMATED YEARLY EXPENDITURE OF AN "AVERAGE" ENGLISH FAMILY, TOGETHER WITH THE CORRESPONDING COST OF MAINTAINING A SIMILAR STANDARD IN CERTAIN EUROPEAN COUNTRIES:—

A. WHEN THE ENGLISH STANDARD IS THAT OF £500 PER ANNUM SALARY.

	England.	Belgium (Antwerp).	France.	Denmark (Copenhagen).	Sweden (Stockholm).	Norway (Oslo).	Holland (Rotterdam).	Germany (Berlin).
Housekeeping:—	£	£	£	£	£	£	£	£
Food	125	90	112	133	149	151	109	137
Servants and general household expenses (not elsewhere included).....	30	23	28	31	33	32	26	33
Clothing	50	50	45	55	73	61	50	50
Rent, rates, property taxes, house insurance, heating, lighting and water.....	110	100	135	150	189	150	107	196
Taxation	7	21	50	76	60	100	30	45
Motor-car upkeep (including chauffeur, if one is employed)	...	...	...	...	...	...	...	...
Education	30	20	20	35	40	33	20	30
Sundries*	66	51	55	59	66	66	63	59
Total	418	355	445	539	610	593	405	550
Add: Surplus for savings and such items as life insurance, entertainments, clubs, recreations and holidays	82	82	82	82	82	82	82	82
Grand Total	500	437	527	621	692	675	487	632
Index — England = 100.....	100	87.4	105.4	124.2	138.4	135.0	97.4	126.4

B. WHEN THE ENGLISH STANDARD IS THAT OF £1,500 PER ANNUM SALARY.

	England.	Belgium (Antwerp).	France.	Denmark (Copenhagen).	Sweden (Stockholm).	Norway (Oslo).	Holland (Rotterdam).	Germany (Berlin).
Housekeeping:—	£	£	£	£	£	£	£	£
Food	195	140	175	207	232	250	170	214
Servants and general household expenses (not elsewhere included).....	140	105	128	143	152	155	123	156
Clothing	112	112	100	123	162	150	112	111
Rent, rates, property taxes, house insurance, heating, lighting and water	205	210	268	300	292	285	231	317
Taxation	171	86	261	313	197	461	158	265
Motor-car upkeep (including chauffeur, if one is employed).....	102	100	105	95	122	...	105	110
Education	105	42	40	75	40	33	69	30
Sundries*	172	132	143	155	172	172	163	155
Total	1,202	927	1,220	1,411	1,369	1,506	1,131	1,358
Add: Surplus for savings and such items as life insurance, entertainments, clubs, recreations and holidays	298	298	298	298	298	382	298	298
Grand Total	1,500	1,225	1,518	1,709	1,667	1,888	1,429	1,656
Index — England = 100.....	100	81.7	101.2	113.9	111.1	125.9	95.3	110.4

C. WHEN THE ENGLISH STANDARD IS THAT OF £3,000 PER ANNUM SALARY.

	England.	Belgium (Antwerp).	France.	Denmark (Copenhagen).	Sweden (Stockholm).	Norway (Oslo).	Holland (Rotterdam).	Germany (Berlin).
Housekeeping:—	£	£	£	£	£	£	£	£
Food	290	208	261	308	345	351	252	318
Servants and general household expenses (not elsewhere included).....	285	214	261	292	309	304	251	318
Clothing	202	202	180	222	293	246	202	200
Rent, rates, property taxes, house insurance, heating, lighting and water	329	314	385	385	379	340	373	397
Taxation	561	187	680	690	413	906	380	730
Motor-car upkeep (including chauffeur, if one is employed)	259	240	265	258	270	250	265	270
Education	225	56	50	75	40	33	97	30
Sundries*	308	237	256	277	308	308	293	277
Total	2,459	1,658	2,338	2,507	2,357	2,738	2,113	2,540
Add: Surplus for savings and such items as life insurance, entertainments, clubs, recreations and holidays	541	541	541	541	541	541	541	541
Grand Total	3,000	2,199	2,879	3,048	2,898	3,279	2,654	3,081
Index — England = 100.....	100	73.3	96.0	101.6	96.6	109.3	88.5	102.7

* Includes:—Travelling (to business, &c.), doctor, chemist and dentist, subscriptions and charities, and other items, such as expenditure on tobacco, beverages, &c., &c.

We have endeavoured to estimate the comparative salaries required to maintain in various European countries given English standards of life, except in so far as certain objects of expenditure usual in England are not available abroad. Thus, the dietary standard adopted for foreign countries is that of the English family budget for the various incomes concerned. A similar method has been adopted in arriving at the figures under the heading "Servants and General Household Expenses." Wages of servants in the different countries have been obtained from Unilever's Continental offices.

The comparative expenditure on clothing (both male and female attire) in the several categories has been a difficult item with which to deal. The figures obtained from the Continental offices did not give much assistance. We therefore consulted several international distributive clothing firms and associations and, whilst they were not able to provide us with an index of comparative international clothing costs, based on definite statistical analysis, yet the information they gave, taken in conjunction with estimates we received from other authoritative sources, enabled us to estimate fairly closely the cost of maintaining in the different countries the average English style of dress, adjusted to suit special local conditions—e.g., in Scandinavia a fur coat is a necessity, in France a luxury.

With regard to the items of Rent, Rates, Taxes, Heating, Lighting, Water, etc., information has been received from Unilever's Continental offices, supplemented from other sources. The type of house inhabited is estimated in each case on the basis of the calculated "equivalent" salary.

Estimated taxation, in respect of England, is based upon the scale salaries, and in respect of the other countries is calculated so as to leave a "net" income sufficient for the maintenance of the "equivalent" standard. The amounts shown are those assessed according to the tax laws and regulations existing in the countries in question. We understand, however, that in some countries these regulations are not strictly applied.

With regard to "Motor-car Upkeep" we have consulted a well-known international motoring authority, and have received information from them relating to the minimum salary at which the "average" person living in the countries under consideration with two children, purchases his first motor car. Motor car depreciation has not been included in the upkeep expenses. Since the minimum salary at which the average person first becomes the owner of a car varies in the different countries, the comparison of the total figures relating to expenditure, and before dealing with the "Surplus," becomes to some extent distorted. Certain adjustments have, therefore, been made in the "Surplus" item, as described below.

In respect of Education, the estimates for foreign countries are necessarily based on what typical families in the various income grades would spend.

With regard to "Sundries," the Continental figures corresponding to the English basis have been arrived at by a somewhat arbitrary combined index of the individual items so far as information is readily available. Obviously, these items are so heterogeneous in character that a more thorough treatment would entail much more research than the item warrants, at least so far as its effect on the final results is concerned.

It will be observed from the specimen tables that the difference between (a) the annual English salary, and (b) the annual expenditure in England on the items enumerated above as constituent parts of the standard of living budget, has been shown separately under the heading of "Surplus for Savings, and such items as Life Insurance, Entertainments, Clubs, Recreations and Holidays."

This "balance" in the English column has been repeated throughout for the other countries in the respective salary grades, but with certain adjustments as described below. The items included under this heading are to such a large extent a matter of individual taste and inclination that we think this course will be found justified.

The adjustments relate to the anomaly which presents itself in connection with the upkeep of a motor car (see above). Experience proves that at the lower salaries the maintenance of a motor car causes some restriction in other branches of expenditure, particularly in such items as entertainments, recreation, etc., included in the "Surplus." A motor car enters into the English budget at the £900 per annum grade, and if the above method for dealing with the surplus were followed strictly, a somewhat anomalous position would arise for most of the European countries, where the equivalent salaries of £900 and even £1,000 do not carry an allowance for the upkeep of a motor car. To surmount this difficulty we have calculated what the surplus item would have been in England had there been no expenditure on motor cars, and inserted such adjusted item for the salary grades and the countries in question in those cases where no provision is made for such expenditure.

The results of our investigations are shown in tabular form. Three detailed tables for the salaries of £500, £1,500 and £3,000, respectively, indicate the way in which the index numbers, given in the final table, have been computed.

LOMBARD STREET AND ITS RIVALS.

WHAT changes has the past decade brought in the London discount market? Will London retain her position as the world's leading banking centre? In a series of three articles, appearing in the October 4th, October 18th, and November 1st issues of the *Economist*, we gave an account of the endeavours of a number of Continental banking centres to develop a discount market of their own. We showed that, although both Amsterdam and Switzerland have succeeded in introducing the use of bankers' acceptances and in establishing a market in them, the possibilities for the expansion of both these markets are restricted, both on account of the limitations of their resources and also because the conservative policy of their authorities is opposed to a spectacular expansion. As for the other minor discount markets, they are of a local character and are not likely to rise to international prominence. None of these centres—not even Amsterdam—can be regarded as serious rivals to London. Although they may divert a certain amount of business from this market, the major part of their business is of a type which does not appeal to London in any case. They specialise largely in smaller countries of Central and South-Eastern Europe, whose credit facilities are comparatively restricted in the London market.

The only new discount market which has proved to be, so far, a strong rival to London is New York. Although it is essentially a post-war creation, the volume of its outstanding acceptances has already grown to a figure approximately equal to that of London. The dollar bill has undoubtedly proved to be a dangerous rival to the sterling bill as a means of financing overseas trade. At the same time, it is beyond doubt that, though the amount of outstanding acceptance credits in New York may be as high as the corresponding figure in London, the turnover in the New York market is much inferior to that of the London market. Dealing in bank bills is not nearly as active in Wall Street as in Lombard Street. Notwithstanding the propaganda activity of the American Acceptance Council, the market for brokers' loans remains a more important section of the New York Money Market than the discount market. Whenever there is a boom, liquid resources are diverted to loans on securities, and the discount market shrinks into the background. The American authorities themselves do not seem to be particularly anxious to encourage the development of the New York discount market. The demand made by the Acceptance Council and an important section of the banking community for the introduction of fortnightly settlement on the Stock Exchange—which would divert liquid funds from brokers' loans to the discount market—has met with no response in official quarters. Nor has the special tax on interest earned by foreign corporations on funds employed in the United States been repealed, so as to encourage foreign demand for dollar bills. New York is thus handicapped in her competition with the London discount market. In spite of this, she is a formidable opponent.

Paris is the youngest, but the most ambitious of the rival discount markets. French banking interests and the authorities have realised the necessity of creating adequate facilities for investing the liquid resources of the French banks, and have set themselves the task of establishing a discount market. Some of the leading banks have taken up the acceptance business, and a new institution has also been created for specialising in acceptance credits. Although the movement is of too recent origin to enable us to form a definite judgment as to its prospects, there is reason to believe that Paris as a discount market will never develop into a serious rival to London. In spite of its substantial resources, it is not likely to rise much beyond the dimensions of either Amsterdam or Switzerland. The chief obstacle lies in the mentality of the French bankers themselves. In London the executive officials of banks are in a position to take decisions as to granting acceptance credits or discounting bills of a comparatively large amount. In Paris, decisions as to much smaller amounts have to be deferred until the next board meeting, after which those

who approached the French bank will probably be told that it is prepared to undertake, say, one-fifth of the amount suggested, or that a syndicate will be formed, if possible, to deal with the whole amount. The habit of French bankers to think in small figures—irrespective of the fact that one million francs to-day are only equal to 200,000 pre-war francs—together with the slowness of their procedure and delays in their decision, is decidedly a handicap in international competition. An even more important handicap is the influence of political considerations. On two occasions within less than two years—in April, 1929, and in September, 1930—French banks called in German credits on a large scale owing to considerations of a purely political nature. Other things being equal, would-be borrowers will always prefer to deal with a market where they are not exposed to such surprises.

Both Paris and New York confine their activities almost entirely to acceptance credits under the guarantee of the local banks of the borrowers. London still enjoys practically a monopoly as to credits given direct to overseas customers without the guarantee of foreign banks. French and American banks realise that they do not possess a sufficient amount of experience to dispense with the guarantee of a leading foreign bank, which, of course, reduces the profit on the transactions to no slight extent. The London joint stock banks, which have taken an increasing interest in acceptance business since the war, have adopted the same policy. On the other hand, accepting houses have continued to carry on business on pre-war lines; thanks to their specialised knowledge of foreign countries, and to their well-established connections with leading foreign firms, they are at an advantage as compared with the newcomers in acceptance business.

It is to be regretted that, in their efforts to expand their acceptance business, London banking interests should have adopted a policy of rate-cutting which is calculated to do more harm to the London accepting houses than to the foreign rivals of the London market. If the object of reducing the acceptance commission charged to first-class banks for three months' credits—a reduction to $\frac{1}{8}$ per cent., against $\frac{1}{4}$ per cent. before the war—was to divert business from New York and other rival markets to London, those responsible for the change have certainly failed to attain their end. American and other foreign banks engaged in acceptance business have promptly followed their example, and $\frac{1}{8}$ per cent. has become the standard rate for acceptance credits granted by commercial banks under the guarantee of leading foreign banks. The result of this rate-cutting was that foreign firms found it in many cases cheaper to conclude acceptance credits in London and elsewhere through the intermediary of their local banks than to deal direct with a London accepting houses. On balance, the reduction of the acceptance commission has resulted in a loss of business for the London market as a whole; while part of the business lost by accepting houses was acquired by London banks, part of it was captured by foreign banks, to the detriment of the London discount market.

Fortunately, the London accepting houses are able to hold their own in spite of cut-throat competition both at home and abroad. They are likely to retain a great part of their *clientèle*. Leading foreign business houses are proud of being able to obtain direct acceptance credits in London; they are anxious to remain independent of their local banks. Those who believe that eventually all acceptance credits will be transacted through the intermediary of local banks seem to overlook these two facts. So long as our rivals confine their activities to acceptance credits under the guarantee of foreign banks, London will retain a monopolistic position in regard to a highly important part of acceptance business, which in itself is sufficient to secure for this bill market a considerable activity.

It would be idle to pretend that the development of a number of discount markets, large and small, has left the position of the London discount market unaffected. Although the rival markets are fed to some extent by new kinds of business—especially by accepting and discounting finance bills—they have certainly captured some of our pre-war customers. At the same time, not-

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withstanding keen competition abroad, London has remained the only really good bill market, where the margin between buying and selling rates is fractional and where large amounts of bills can be bought and sold at a moment's notice. In this respect, the London discount market of to-day is by no means inferior to the pre-war market. Nor is it to the interest of other financial centres to undermine the superiority of London. If the volume of activity of this market were divided up among several centres, as a result none of the centres would have a sufficiently large volume to secure a steady supply of bills and to attract a regular demand. Instead of one good market, there would be three or four inadequate markets. This would be anything but desirable from the point of view of foreign banks desirous of maintaining part of their idle reserves in a highly liquid form. So long as the total volume of good-class bills is not sufficiently large to be able to keep several markets adequately active, and so long as the rival centres are unable to capture the greater part of London's business, it is to the interest of all parties concerned that the bulk of the activity should be concentrated in the hands of London.

THE BALKAN CONFERENCE.

(FROM OUR ATHENS CORRESPONDENT.)

THE importance of the First Balkan Conference, held recently in Athens, may be grasped if it be remembered that for the first time in history representatives of Albania, Bulgaria, Greece, Roumania, Serbia and Turkey, hitherto divided by age-old racial struggles, sat together around a conference table in a sincere effort to forget the past and co-operate in the future. In a resolution of the meeting, the necessity of a union of the Balkan States is recognised with a view to consolidating peace, furthering the work of the League of Nations—in the spirit and within the frame of which it is declared the projected union should be established—and promoting the economic and cultural interests of the Balkan countries for the good of their peoples.

An imposing number of subjects was contained in the agenda of the Conference, and was apportioned among six permanent committees: (1) for the organisation of the Balkan Union, (2) for political questions, (3) for intellectual co-operation, (4) for communications, (5) for economic and financial subjects, and (6) for social policy. The principal difficulty, however, in the way of a *rapprochement* of the Balkan nations is the problem of minorities. For the present, this stumbling block has been circumvented by a declaration of the Conference that nationalism should be respected, that all the obligations devolving upon each State from the peace treaties, including, of course, those regarding minorities, should be honestly fulfilled, and that the Balkan Union should have the character of a group of independent nationalities, with the sovereignty of the States composing it remaining unimpaired.

As a beginning it was decided that the way should be paved for this union by eliminating all obstacles and bringing the peoples concerned closer to each other. To this end, and with a view to making fuller investigation of all the problems presented in this connection, the Balkan Conference organised itself into a permanent body.

governed by a Council composed of three delegates from each country. According to its statutes a general meeting shall be convened once every year in each of the Balkan States in rotation, and the Conference shall be composed of the various national groups to be constituted from the delegates of each State and from a number, as large as possible, of representatives of the political parties, the professional organisations, the intellectual institutions, the Press, and the women's organisations in each country. The Secretariat of the Conference shall be its executive organ, and shall be divided into various sections corresponding to the functions of the Conference. These sections may be transformed into separate institutes, especially those concerning intellectual co-operation and economic and financial matters.

Parallel with this yearly meeting, the Conference resolved that the Foreign Ministers of the Balkan States should meet once every year in order to exchange their views and consider the means of bringing together their respective peoples. The Council of the Conference has been instructed to address a questionnaire to the various national groups on the form and the details of organisation of a Balkan Union, while a special committee of the Council has been authorised to consider a draft scheme of a Balkan Covenant proclaiming war unlawful, and providing for the solution by peaceful means of all disputes arising among the participant States, and for mutual assistance in case of violation by any State of its obligation not to resort to war. The replies of the various national groups to the aforesaid questionnaire, and the report of the special committee, shall be laid before the next assembly of the Conference.

The Conference has adopted an ambitious programme for economic co-operation between the Balkan countries, including such aims as (1) abolition of hindrances to trade and the transport of goods; (2) unification of the nomenclature of tariffs, and of the classification of goods; (3) study and elaboration of commercial agreements among the Balkan States themselves, and between them as a whole and other States; (4) investigation of the possibility of common digression from the "most-favoured-nation" clause in favour of Balkan States; (5) adoption of a commercial policy with a view to finding outlets for Balkan products; (6) institution of a committee of experts to suggest measures for the protection of oriental tobacco; (7) promotion of the co-operative movement and pursuit of close collaboration among the co-operative organisations of Balkan States; (8) study of the measures indicated for bringing about a Balkan monetary union; and (9) collaboration of the credit institutions of the Balkans for facilitating economic intercourse, particularly through the expansion of bank credits. In addition, most of the suggestions of the Committee on Communications aim also, directly or indirectly, at fostering the economic intercourse of Balkan States and improving their economic situation.

Encouraging as all the resolutions and aims are, however, their immediate practical importance is somewhat dimmed by the rather academic character of the Conference which, though composed of statesmen and prominent persons, is none the less a private movement, and is not, therefore, legally binding upon the governments concerned. On the other hand, it is consoling to recall that the Conference was convened with the assent, and almost with the support, of the Balkan Governments, and that the constitution of the Conference and its future programme of action have been laid down in such a way that it is likely gradually to develop a more and more official character.

Another encouraging sign is the goodwill, with which the proceedings of the Conference were carried out from beginning to end, and, last but not least, the hearty welcome granted by the Athenians to the delegates of all the Balkan States, and also to the athletes, especially the Turks, who visited Athens for the Inter-Balkan games. On leaving Greece all these delegates without exception expressed their high satisfaction at the results of the Conference, and the great hopes they carried away with them for the future co-operation of the Balkans.

Notes of the Week.

The American Elections.—Though the complete results of the Congressional elections in the United States have not been published at the time at which we go to press, the effect of the election is already clear. In the new Senate, the strengths of the Republicans and the Democrats will be equal; in the new House of Representatives, the Republicans will, at best, retain a bare majority, but since this cannot be of more than ten, they will no longer be in a position to control the House, let alone the Senate. The Democrats have won a signal victory; for, with these gains in Congress, they will be in a position to paralyse the Republican Executive. In fact, President Hoover, during the second half of his term of office, will find himself in the same predicament that President Wilson suffered from during the second half of his second term. Presumably the present remarkable turnover in North American party politics is a reaction to the world-wide economic malaise—a malaise which is resented more keenly in the United States than elsewhere because the American people had come to feel that in this matter of prosperity they were "not as other men are," but were somehow miraculously destined to go on from strength to strength while the rest of the world went under the harrow. President Hoover personified this semi-religious faith in American economic impregnability—for Presidents are always emblematic figures as well as cogs in the political machine. For this reason, the break, when it came, shook his prestige and reduced his chances of winning personal popularity to a peculiar degree. The situation is one which will try President Hoover's mettle. His task will be to conjure constructive measures of economic relief and reconstruction out of the moves which are certain to be made by his opponents in Congress with anything but a constructive intent. The constitution of the United States will be on trial too; for the present situation is an outcome of the checks and balances which were deliberately introduced into the constitution by its designers. Under the stress of the same world-wide economic crisis, the Latin-American countries react in revolutions which change the whole personnel of Government and Congress at one fell swoop; the Central European countries put the fear of God into their bourgeois Governments by returning strong contingents of Communists and Nazis; while the United States elects a Congress which checkmates the executive without having power to give the executive the *coup de grâce*. This "Anglo-Saxon" reaction is very respectable, and unrevolutionary; but how is it going to work during the next two years?

The Round-Table Conference.—On Wednesday of next week the King himself, as is most fitting, will inaugurate the proceedings of the fateful conference between the representatives of the Imperial Parliament, British India and the Indian States on the future constitution of India. With the problems which confront the conference we shall have ample occasion to deal in due course, for no one can expect that in such a complicated and far-reaching issue the negotiations can be brought to any useful conclusion in a few weeks. Here we desire simply to emphasise what is true of all conferences, and particularly true of this, that on the wise and careful choice of procedure, on preliminary preparation of concerted plans, and, perhaps above all, on the exercise of high qualities of chairmanship, much depends. It is essential not only that Mr MacDonald should be free to devote to the conference the whole of his time and energies, but that he should keep in the closest possible touch with all the members, irrespective of party, composing the British delegation, and that that delegation, under his leadership, should endeavour, so far as possible, to act as a corporate body, representing Parliament, but "seconded" for special duty in a sphere whose atmosphere should be kept as far re-

moved as possible from Parliament's domestic troubles and factions. The conference will work the better, the more the British representatives succeed in forgetting how near St. James's Palace is to Westminster, and in focusing their minds on Delhi.

Paddington and After.—Orthodox Conservative cheers after Mr Baldwin's victory at the party meeting had hardly died down when the gilt was rudely removed from that victory by the success of Lord Beaverbrook's candidate at the South Paddington by-election. It is perhaps too much to say that the latter event completely neutralised the former, for some recent rebels, notably Sir Henry Page Croft, have accepted the Caxton Hall verdict and renewed their allegiance to Mr Baldwin. Nevertheless, the Paddington result is significant and important. It has proved that in a certain type of constituency it is possible for a whirlwind platform and Press campaign to "put over" the Empire Free Trade "stunt" in spite of the unpopularity of the food taxes which it involves. It is possible that had the electors known of Mr Baldwin's victory before and not after the poll had opened, the result would have been different, but, even so, their success will doubtless encourage Lord Beaverbrook and his "Crusaders" to redouble their efforts and attack any constituency except those where food taxes might be presumed to be too crippling a handicap. So the Conservative split continues, and neither the end nor the upshot is visible.

The Liberal Party Split.—In spite of all efforts to close the ranks, unity has never in recent times been more of a reality in the Liberal Party than in the other two political camps. But the depth of the split has this week been revealed in a dramatic manner. Mr Lloyd George carried the majority of his Parliamentary party with him when he decided upon what one might call a malevolent neutrality towards the Government. His view, in a word, is that the Government is ineffective and disappointing, but that a change of Government just now is undesirable. So his tactics are to stimulate the Government, but on no account to turn it out. These tactics were translated into a Party decision to abstain from voting on the Conservative amendment to the Address. But nine Liberal members strayed from the fold. Mr Runciman and four colleagues showed their anxiety lest the Government should be defeated by voting in the Labour Lobby. The other four, among whom were Sir John Simon and the Liberal Whip, Sir Robert Hutchinson, registered dissatisfaction with the Government by voting with the Conservatives. The latter has promptly resigned his post, while Sir John Simon has written a letter to Mr Lloyd George in which he disapproves of the Party's decision, and expresses the view that the Government's record is so bad and its new programme (especially the projected repeal of the Trades Disputes Act) so unsatisfactory that Liberals should no longer support it, even if defeat is threatened. Sir John's attitude is intelligible, and it is in keeping with a career noted for courage and integrity. We share his view of the Government's record, and his anxiety as to the proposal to repeal the Trades Disputes Act. But we do not consider that, with such alternatives as there are in sight, a change of Government would in any way serve the national interest. As it happens, the recent developments do not carry any immediate threat to the life of the Government; for the opposite reactions of the Runciman and Simon groups more or less cancel out.

Fiscalities.—Not a day passes without a substantial addition to the vast volume of discussion on the fiscal issue. The debate on the Address yielded a full measure of the interchange of hard-worn party arguments, relieved by the intervention of Sir Hilton Young, who, in his alarm at the failure of our new industries to keep pace with world expansion, would, if we read him aright, class them as "infant industries" and shelter them with a tariff. (But is it not just some of these newer industries that are enjoying and have in recent years enjoyed high

protection under the Safeguarding machinery?). Mr Baldwin, intent upon his policy of "a free hand," emphasised his concern over Mr Graham, with his Tariff Truce activities, and was comforted by the latter's answer that, if the Truce does not fulfil hopes of tariff reductions, we shall be free to give notice of withdrawal on February 1st to take effect (*absit omen!*) on April 1st. Of deeper interest was the debate, raised on a private member's motion, on the iron and steel industry. A plea from the Conservative benches for a subsidy was refused by the Government, on the grounds that if it were granted the claims of other industries to similar help would be irresistible; it will be remembered that in 1925 Mr Baldwin refused to propose a tariff for iron and steel, partly on similar grounds and partly because of the repercussion on other industries. Less directly concerned with the fiscal issue, but by no means less welcome on that account, are the representations made to the Imperial Conference by the Federation of Chambers of Commerce of the British Empire. Following in the footsteps of the Federation of British Industries and Council of Trades Union Congress, this important body lays main stress on the institution of an "Imperial Economic General Staff," or in other words, for a permanent secretariat for continuous study of the problem of inter-Imperial markets and for effective liaison between the members of the British Commonwealth. We welcome this weighty support for an important and practical proposal and hope to find that the Conference has not turned a deaf ear.

The Municipal Elections.—This year's municipal elections are noteworthy for the fact that they have broken the steady run of Labour gains that began as long ago as 1923. How great was the progress made by Labour during this period is indicated by the following brief table, which also shows the extent of the present setback:—

Year.	Labour Gains (+) or Losses (—).	Year.	Labour Gains (+) or Losses (—).
1923	+ 69	1927	+ 114
1924	+ 53	1928	+ 127
1925	+ 75	1929	+ 149
1926	+ 148	1930	— 84

Unlike the other parties, the Labour Party has always fought as such in municipal as well as in parliamentary elections, and, indeed, it is one of the fundamental principles of Labour strategy that the parliamentary and municipal battlefields are complementary. This, of course, cuts both ways, and it is impossible to avoid the belief that the present Labour setback in the municipal field springs largely from the growing feeling of disappointment at the Government lack of success in the national field. It may be, too, that depressed trade and the increasing financial stringency the depression is inflicting upon large numbers of ratepayers has assisted to swell the anti-Labour vote, while it is further suggested that the revision of assessments under the 1925 Valuation Act has led many to scrutinise more carefully the way in which the rates are spent, and to view with greater disfavour candidates whose policy will add to their burdens. Apart from this, it would be unwise to dogmatise too much, especially as the results of municipal elections are notoriously an unsafe guide to the prospects of political parties in the parliamentary field.

The Coronation at Addis Abeba.—The coronation of the Emperor of Ethiopia last Sunday does not inaugurate any change of *régime*; for, as the Regent Ras Tafari, the present King of Kings has been governing Abyssinia with remarkable ability and success for many years. Long may he remain on the throne which he now occupies with the full style and title of the Ethiopian Monarchy; and meanwhile, the pageant of his coronation may serve to remind the world what a remarkable country Abyssinia is. To begin with, it is the only Oriental Monarchy of the traditional type that survives intact in these latter days when the Manchu Son of Heaven and the Ottoman Padishah have passed into limbo, while other Oriental potentates have learnt to reign without governing—some under the agis of European protectorates and others under

the shadow of native parliaments. Again, Abyssinia is the only completely independent State, of any constitution that can be found, at this moment, on the map of Africa. In the third place, Abyssinia is the only indigenous Christian country in Africa (for Liberia and South Africa have both been Christianised by modern immigrants). Surrounded on all sides by Muslims and Pagans, Abyssinia has maintained her Christianity for no less than sixteen centuries. During this long span, the vicissitudes of her relations with Muslims and Christians have been curious. Islam owes Christian Abyssinia a permanent debt of gratitude because the first disciples of Muhammed were given asylum by the Ethiopian Emperor of the Prophet's generation when the infant Islamic community was being persecuted in its native Mecca. On the other hand, the Abyssinians have little reason to be grateful to their fellow-Christians; for they have twice been compelled to resist an attempt at domination on the part of Christian Powers by force of arms—a Portuguese attempt in the seventeenth century, an Italian in the nineteenth. The Abyssinians' salvation has lain in their mountains, for the Abyssinian plateau is a vastly larger edition of the Kenya highlands—a temperate country in the equatorial zone. But no mountains would have saved them if they had not been lusty men-at-arms. It is not for nothing that the Negus Negusti calls himself "the Lion of the Tribe of Judah." But, alas, these splendours are doomed, and this week's coronation ceremony has perhaps hastened their disappearance. Have we not read that the streets of Addis Ababa were illuminated for the occasion with electric light and thronged with motor-cars? The alien mechanic is destined to conquer, with spanner and magneto, those Ethiopian hills which no foreign soldier—Christian or Muslim—has ever conquered with sword and bow.

Australian Finance.—This week's news makes it clear that Australia is finding it easier to preach than to practise economy, and that the Government in its wish to implement the decision taken at the Premiers' Conference last August is meeting with much opposition from its own supporters. The New South Wales elections, on whose results we commented last week, provided the first definite sign that much educative work in the country remained to be done, while the decisions taken within the last few days at the Federal Caucus of the Labour Party are somewhat disquieting. The Caucus appears in the first instance to have proposed that the Commonwealth Bank should create sufficient credit to finance (a) all Commonwealth Government requirements in connection with services covered by Parliamentary appropriations; (b) such proportions of internal loans maturing within the current year as have not been otherwise provided for; (c) State and Commonwealth loan works programme up to £20,000,000; and (d) the provision, through the banks, of accommodation for State financial institutions for the productive purposes of primary and secondary industries. Other proposals were apparently made to the effect that credit under the various heads should be available at a rate not greater than 5 per cent. and that external exchange rates should be fixed so as to give primary producers the full benefit of the exchange premium on their exports to compensate for diminished market prices. Subsequently, the Caucus carried, against the wishes of the Acting-Premier and the Commonwealth Treasurer, a resolution that the repayment of the internal loans maturing this year shall be postponed—except as regards small investors—for twelve months. This must precipitate a crisis in the Government and make it extremely difficult for Mr Fenton to carry on until Mr Scullin returns. The story shows that the Caucus is living in a complete atmosphere of unreality, and that, regardless of the post-war experience of Germany, Austria and other countries, they are relying upon a policy of naked inflation. It is in such circumstances and backed by such supporters that the Government, further handicapped by the absence of Mr Scullin, has had to do the best it can; and the financial recommendations published last Thursday illustrate the difficulties under which it is labouring. In brief, to meet a deficit of £8-10 millions, economies of only £2,230,000 are to be effected this year.

New taxation, to yield in a full year £4,820,000, is to be imposed at once, while a sinking fund adjustment is to release this year £1,950,000. Even so, and admitting for the moment the Government's justification of the reduction of the allocation to the sinking fund, this year will end with a deficit, amounting at the best to over a million. So partial a measure of success will hardly be deemed good enough, and until full success is attained it will be vain for Ministers to complain, as they are doing, of the flight of capital from Australia or to threaten to take measures to prevent it. In short, the Australian Labour Party is still living in a fool's paradise, which means that there is a danger that the good work accomplished by the Niemeyer mission may be seriously impaired.

Our Index Number.—At the end of October our index number of wholesale prices, at 72.4 (1927 = 100), registered a further decline of 1.1 per cent., as compared with a fall of 3.8 per cent. in September, 1.9 per cent. in August, and 1.5 per cent. in July. The current level of the index figure is 19.7 per cent. lower than a year ago.

AVERAGE, 1927 = 100.

End of	Oct., 1929.	July, 1930.	Aug., 1930.	Sept., 1930.	Oct., 1930.
Cereals and meat	94.4	84.2	82.5	79.5	76.8
Other foods	85.0	76.3	75.2	74.5	73.7
Textiles	85.2	63.6	61.7	56.9	55.8
Minerals	94.6	82.1	81.5	79.5	79.1
Miscellaneous	90.7	81.5	79.7	76.7	77.7
Complete Index	90.2	77.6	76.1	73.2	72.4

It would be premature to conclude that last month's retardation in the rate of fall indicates that the long and catastrophic decline is definitely reaching a turning-point. At the same time, the next table, which shows changes in the price of each of the individual commodities embraced in our index number, reveals one or two encouraging features. Such important commodities as sugar, cotton and rubber appreciated substantially during the month; the fall in the price of imported wheat was at least temporarily arrested; and though lead and tin prices weakened again, copper was firmer. Other movements were irregular, declines predominating. Thus maize, rice and meat cheapened considerably, and the price of wool, silk and jute fell still further; but English barley, Danish bacon, hemp and house coal all rose.

	Inc. (+) or Dec. (-) per cent. compared with			Inc. (+) or Dec. (-) per cent. compared with	
	Month Ago.	Year Ago.		Month Ago.	Year Ago.
Wheat, Foreign	+ 0.8	-41.2	Hemp	+ 4.5	-34.3
Wheat, English	- 2.4	-26.9	Jute	- 6.6	-44.3
Flour	- 5.3	-23.9	Textiles	- 1.9	-34.5
Barley	+16.6	- 1.7	Pig Iron	...	-12.4
Oats	+ 1.3	-21.5	Steel rails	...	...
Maize	-14.6	-40.1	Iron bars	...	...
Rice	-13.6	-30.9	Tinplates	...	- 9.3
Potatoes	-11.0	- 6.6	Coal, Welsh exp.	...	- 0.6
Beef, English	- 3.3	- 5.1	Coal, Durham gas ..	...	- 9.7
Beef, Argentine	-15.6	- 5.1	Coal, household	+ 7.0	+ 9.5
Mutton, English	- 2.0	-12.9	Lead	- 6.9	-29.2
Mutton, New Zealand ..	+ 9.8	-30.5	Copper	- 5.7	-37.5
Bacon, Danish	...	...	Spelter	+ 1.1	-38.0
Cereals and meat	- 3.4	-18.6	...	...	-34.4
Tea	-11.7	+ 4.3	Minerals	- 0.5	-16.4
Coffee	- 1.7	-12.5	Timber, English	...	- 5.3
Cocoa	- 3.7	-16.1	Timber, Swedish	...	...
Sugar, cane	+ 9.2	- 8.1	Cement	...	...
Sugar, refined	+ 7.8	-11.7	Hides	+ 1.6	...
Cheese, Canadian	- 1.9	-20.0	Leather	- 2.2	+ 4.4
Butter, Danish	+ 2.7	-23.5	Petrol No. 1	...	-11.4
Coco oil	- 1.9	-21.2	Petroleum oil	...	- 4.2
Tobacco	...	- 6.7	Fuel oil	...	...
Other foods	- 1.1	-13.3	Linseed oil	- 2.7	-38.8
Cotton A	+ 9.5	-36.8	Tallow	...	-28.4
Cotton E	+ 2.1	-34.5	Rubber	+20.0	-52.0
Cotton yarn	+ 5.3	-24.1	Soda, crystals	...	-24.1
Cotton cloth	- 1.2	-18.0	Sulphate of ammonia ..	+ 3.4	-14.8
Wool, Australian	- 6.7	-39.1	Creosote	...	...
Wool, English	- 4.3	-29.0	Miscellaneous	+ 1.3	-14.3
Wool tops	- 7.7	-27.3	...	...	...
Silk	-13.5	-45.1	Total	- 1.1	-19.7
Flax	...	-35.5			

The next table shows the trend of our index number converted to a percentage of the average level of 1913:—

AVERAGE, 1913 = 100.

Date.	Cereals and Meat.	Other Foods.	Textiles.	Minerals.	Miscellaneous.	Complete Index.
Average, 1924	168.5	215.8	214.7	149.3	122.6	166.2
" 1928	152.9	189.7	165.0	115.2	111.2	140.9
" 1929	143.0	173.5	144.7	119.6	105.0	132.8
End Oct., 1929	139.3	171.9	133.7	118.3	105.3	129.6
" Sept., 1930	117.3	150.7	89.3	99.4	89.0	105.2
" Oct., 1930	113.3	149.0	87.6	98.9	90.2	104.0

If 1924 be taken as 100, the current figure of our index numbers works out at 62.6, as compared with 63.3 at the end of September, and 78.0 a year ago. Whether the recent diagnosis of the F.B.I., that "the forces responsible for the world collapse in prices appear almost to have spent themselves" is correct, the trend of the next few months should demonstrate.

The Scandinavian Coal Market.—The report of the British Coal Delegation to Sweden, Norway and Denmark represents an attempt to recover for the British coal trade a market over which in pre-war days it possessed a virtual monopoly. The reasons why this market has been partially lost are traced in the earlier portions of the report. The Peace Treaty transferred to Poland the major portion of the Upper Silesian coalfield and also gave her free access to the Baltic, and in 1925 the outbreak of a tariff war with Germany forced Poland to seek in Scandinavia new markets for coal which previously had been consumed in Germany. By an unfortunate coincidence, the following year witnessed the great British coal stoppage, and this gave Poland her chance not only to gain a footing in Scandinavia, but to consolidate her position. How serious her competition has become is shown by the Scandinavian coal import statistics for 1929, which disclose that Great Britain's share of the trade was 6,072,298 metric tons, and Poland's 5,154,156 metric tons. In 1913 it may be noted British coal exports to Scandinavia came to almost exactly ten million tons. To-day Poland is able to hold her trade mainly because lower production costs, preferential railway rates, and cheaper dock charges enable her to quote lower prices. The intrinsic quality of British coal, the report adds, is not in question; but there is an allusion to certain complaints regarding grading and cleaning, to the growing desire among consumers to purchase coal on a guaranteed analysis, and especially to the excessive breakage that occurs in loading coal on board ship, and to the delays caused to vessels by unsatisfactory arrangements at the docks. As regards recommendations, the Delegation obviously regrets the disappearance of the export levy provisions contained in the original Coal Bill of last year, though it admits that now that the Bill has become law, the establishment of a Central Council of Coal Owners should facilitate negotiations with kindred national organisations abroad. The Delegation alludes to the possibility, now being explored by the Economic Committee of the League, of establishing some form of international co-operation in the coal trade, but holds that this is at present a remote and uncertain remedy. Among more practicable remedies, the Report calls for the overhaul of loading arrangements at the docks, of grading and cleaning arrangements at the pits, for the improvement of marketing arrangements, and for the adoption of standard methods of coal analysis and sampling of a kind acceptable to users of British coal. On the all-important question of price, the Report unfortunately can find little useful to say, beyond an expression of opinion as to "the advisability of affording assistance to the export trade by means of legislation in a manner fair and equitable to the industry as a whole." If by this the Delegation means that it is still hankering after the levy, it does not carry matters much further. The relative level of British and Polish costs is clearly the chief and most difficult obstacle to be overcome.



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Scotland and the Coal Act.—A Glasgow correspondent writes:—Alone of the twenty-one districts defined under the Coal Mines Act, Scotland has failed to agree to a voluntary marketing scheme, and, the period for the approval of such a scheme by the Board of Trade having expired, it now rests with that Department to formulate a scheme. This, the coalowners state, they will do their utmost to operate successfully for the benefit of the trade. Events leading to the present situation have been interesting. Like those in most other fields, with the notable exception of South Yorkshire, the Scottish coalowners, rightly or wrongly, resented the intervention in their industry. On the passing of the Bill, however, they set about the preparation of a marketing scheme; and—with the 1929 proposals as a basis—so well did the committee carry out their duties that producers responsible for over 84 per cent. of total output gave support to their plans. These plans, however, and the voting therefor, were based on a misconception; proposals were included for the adjustment of home and export prices so that the former should be maintained 20 per cent. above the latter. This difference normally exists between the two classes of business, and it was merely its formal recognition that was desired, the coalowners' view being that, as Scotland was more dependent than, possibly, any of the other districts, on the maintenance of the customary margin between inland and export prices, the inclusion of these special supplementary provisions was not unreasonable. The Board of Trade, however, took the contrary view—the Government having been defeated in debate on the export levy proposal—and, accordingly, the scheme was re-submitted for the consideration of the owners minus the offending clauses. Only 44 per cent. support for the amended scheme was, however, obtained. A meeting has been arranged between the Minister for Mines and the coalowners in an effort to reach agreement, and it is probable that the rejected scheme will be put into operation, although the owners are far from sanguine as to its success.

The Banque Adam.—The suspension of payment by the Banque Adam, a well-known institution, operating mainly in Northern France, has caused widespread feelings of apprehension. Perhaps the most spectacular consequence of the failure was to be found in the inability of the Boulogne fishing fleet to obtain funds in order to put out to sea, and, as this episode received full publicity in the French Press, it unquestionably helped to spread the alarm. While French banks as a whole have so far not been subjected to abnormal pressure, only one other bank failure having been so far reported, they have felt it necessary to strengthen their immediate resources, and with this purpose in view they have drawn heavily upon their foreign balances. This explains the week's depreciation in sterling, further comment upon which will be found in the "Money Market" columns. The cause of the Banque Adam's failure lay in the collapse of the ostrich group, to which it is believed the bank had made extensive advances. On this subject our Paris correspondent writes:—"The outstanding event of the week in the Paris Bourse has been the sudden collapse of the ostrich group of issues, estimated as having a total nominal value of over 1,000,000,000 francs, and representing a large number of mostly quite sound French industrial concerns, ranging from linoleum, artificial silk, and boots and shoes, to

silver, mining, motor-car construction and cement undertakings. The central financial organisation of the group was a concern known as the Société pour l'Extension de l'Industrie Française, which was originally constituted to finance the hire-purchase sales of the Peugeot motor-car construction company. For some time past large parcels of "Oustric issues" had been persistently thrown on the market, and the climax came last week, when the Coulisse authorities, in order to prevent the entire market from going to pieces, suddenly ordered quotation of five of the leading issues in the group to be summarily suspended. The effect was enormous disorder throughout the whole market, and only prompt intervention by the Government prevented, in all probability, a financial disaster of far-reaching effects. As matters are now developing, it is becoming evident that the Oustric collapse was perhaps one of the best things that could have happened at the present juncture. It has had the effect of purging the Coulisse market of some of its worst features, and has opened the way for many reforms which, in spite of all that has been attempted recently in the way of better regulation of this section of the Bourse, have hitherto appeared unlikely to be translated into accomplished fact." It is clear from the above that our Paris Correspondent believes that the situation has been taken in hand, and this view is confirmed by the fact that little selling on Paris account has been in evidence this week on the London Stock Exchange.

Cotton Trade Wages.—Our Manchester correspondent writes:—The cotton employers of Lancashire have now made a definite application to the Operative Weavers' Amalgamation for the establishment of a fresh wages list under the new system of more looms per weaver. The scale proposed is rather complicated, but where firms decide to institute the system of eight looms per weaver the wages will vary from 49s. to 58s. 9d. per week. The weavers under the new system will, of course, have assistance in weft and cloth carrying. At the present time the four-loom weaver earns about 40s. per week. An important feature of the employers' scheme is that up to the end of 1931 the adoption of the new system shall be limited to the following percentages of a firm's total looms: 10 per cent. from January 1st to March 31, 1931; 15 per cent. from April 1st to June 30, 1931; 20 per cent. from July 1st to September 30, 1931; and 25 per cent. from October 1st to December 31, 1931. It is held on behalf of the employers that this arrangement will restrict the displacement of labour and will enable manufacturers to adopt the new system gradually. The employers suggested that a joint conference on the proposals should be held in Manchester on Friday this week, but it has not been possible to make the necessary arrangements, and the conference will probably take place on Friday next. It is feared that the negotiations between the two sides may be rather protracted, but many manufacturers are determined to establish the new system, as the experiment at Burnley has proved that there is a considerable saving in production costs.

Montreal and the Grain Trade.—Our Ottawa correspondent writes: Last year the port of Montreal experienced the poorest year for grain shipments since 1920, but this year up to October 8th the grain deliveries have been twelve million bushels less. Many steamers arriving with coal from Wales, Scotland and Russia have had to sail in ballast for other ports in the hope of obtaining cargoes. Indeed, two vessels have actually proceeded from Montreal to the Pacific Coast in order to get grain cargoes. One of these is said to have been chartered by the western co-operative wheat pools, and there are apprehensions in Montreal that the pools which own elevators at Vancouver but have none in Montreal intend henceforth to route as much of their grain as possible by the Pacific coast ports. There is also looming up in the near future for Montreal the competition of the new Hudson Bay route, which, it is hoped, will be open for traffic next autumn, and the question is now being asked what is to become of Montreal harbour and the elevator and other

equipment which has been installed at enormous cost, if the grain export trade steadily shrinks. Montreal shippers are complaining that the water rate of grain from the head of the Lakes to Montreal is too high at the present time, and is largely responsible for the decline in grain export shipments.

German State Railways. — A Correction. — In the *Economist* of October 4th our Paris correspondent, in reporting the issue by the German State Railway of prospectuses of a new 6 per cent. loan, mentioned certain allegations which current Paris gossip was circulating in regard to it. We have been asked by the President of the German State Railways to state that these are due to misapprehensions. In the first place, the President points out that the terms of the prospectus cannot be taken to mean that the railway has entered into any special guarantee of the loan, since a debtor cannot be his own guarantor. Secondly, he states that the authorisation of the Prussian Minister of Commerce has nothing to do with the security of the loan, but is merely formal, and was probably superfluous, as the law requiring authorisation of bonds issued by a State Government probably does not apply to the Reichsbahn. As to the "allegation" referred to by our correspondent, that the revenue from the State Railways forms the guarantee for the Reparation Loan, the President points out that this is not the case, as the security, as far as it concerns the railways, consists only of the Rm. 660 millions tax. Lastly, the criticism quoted by our correspondent as circulating in Paris, that the security offered to purchasers of the bonds is valueless unless the Prussian Minister of Commerce had behind him the formal authority of the Governments of the Reich and of the eight States who formerly owned the lines, rests upon a misunderstanding of the Convention of 1920, which only requires such authorisation when alienation or mortgage of the railways is in question. Actually no such alienation or mortgage is contemplated, and even if it were it would, the President of the Reichsbahn informs us, be covered by the approval given by the States to the National Railway Law. In reporting these rumours our Paris correspondent remarked on the desirability of an official correction, and we are very glad to have this authority for stating the true facts of the case.

Overseas Correspondence.

UNITED STATES.

Unemployment — Politics — Corporation Earnings —
Trade — Money — Capital.

(FROM OUR CORRESPONDENT.)

NEW YORK, October 28.

LIFTING of pressure on the share market, resumption of the advance in bond prices and the cumulative effect of confident predictions of an early turn in the trend of trade have combined to produce a more cheerful sentiment. Commodity markets also have recovered moderately, and speculation in them for higher prices is beginning to increase. In sum, no one ventures to say that business is yet on the up-grade, but hope is stronger than no further ground will be lost.

Meanwhile municipal, State and national organised effort for the relief of unemployment is taking a fresh start, under the direction of President Hoover. It is realised, of course, that the only real remedy for the malady is improving business, but even the sharpest critics of the Administration's policies are inclined to agree that some good may be accomplished as a result of combined efforts of Government, corporations and individuals to spend money wherever practicable and to spread out wage distributions among as many as possible.

Publication of third quarter earning statements completes the rather drab picture of poor business during that

period. Profits of industrial, public utility and railroad corporations turn out to have been nearly 30 per cent. under those of the same period of last year. Industrial concerns have the worst record, with a drop of nearly 37 per cent. for the first hundred to report. Public utilities are down only slightly, while the railroads dropped by 30 per cent. The railroads, however, made a better comparative showing in September than they have done in any month this year. The improvement was due entirely to sharp pruning of expenditures for equipment and maintenance of roadway, and furthermore comparison is made with a time last year when decline already had begun to set in. On profits and losses actually taken, the investment trusts report a decrease of 20 per cent. in income.

Results of the United States Steel Corporation for the third quarter were generally better than those of manufacturing companies. With \$2.06 earned on the common stock the dividend was more than covered. Net earnings were down a little over 20 per cent. from a year ago.

They fell sharply in September, and fourth quarter profit is expected to be no more than sufficient to bring share earnings for the year up to about \$10. No extra disbursement on the common shares is looked for, despite talk of one among those who would very much like to see it. General Motors, it has been stated on good authority, will both earn and pay its regular \$3 annual dividend. With the exception of Ford, General Motors has done the best of any motor company. Some of the best earners in the last few years are finding it difficult to show any profits at all. Improvement is looked for next year, but the leaders of the industry are expecting only moderate recovery.

Retail and wholesale trade results for September are better than those of the basic industries. Federal Reserve Bank reports for the New York district department store sales are 8 per cent. under a year ago, chain store sales 5.5 per cent. lower, and wholesale business 16 per cent. down. These decreases were smaller than those of the previous month.

Announcement:—

Bank of Italy National Trust and Savings Association and The Bank of America of California have been merged as of November 3, 1930, to form:—

Bank of America

NATIONAL TRUST & SAVINGS ASSOCIATION
Chartered under the National Bank Act of the U.S.A.

THE principal offices of the Bank will be at San Francisco and Los Angeles. The combined resources of the Bank of America N.T. and S.A. and of an affiliated Bank, also entitled The Bank of America, chartered by the State of California and under joint management, will exceed \$1,200,000,000, and the two institutions will operate banking offices at 438 points throughout California. The combined capital investment, together with that of a wholly owned subsidiary, Corporation of America, and an affiliated securities organisation, Bankamerica Company, will exceed \$230,000,000.

In scope of territory covered, in the extent of its branch system and in the number of its customers, the new organisation is the largest in the United States.

The world-wide facilities of the former Bank of America of California and the Bank of Italy will be maintained and extended by the enlarged:—

Bank of America

NATIONAL TRUST & SAVINGS ASSOCIATION

London Representative . . . 13, Moorgate, E.C.2.

So far as the calendar is concerned, the peak of the seasonal gains in trade, such as they were, has been passed. The steel industry is steadily losing ground, mill operations now being down to 50 per cent. of capacity, or about as low as they were at any time last summer. Steel scrap prices, looked upon as a barometer of the trade, have weakened further, but there has been no change in finished prices. Movement of goods over the railroads continues to be a keen disappointment. Freight loadings have dropped to the lowest weekly totals since 1918. Disappointing consumption of copper and oil are other unpleasant features of the situation. In spite of curtailment efforts the press of new production and the burden of excessive stocks of crude petroleum and gasoline have resulted in all-round cutting of mid-continent and other grades of crude. Copper prices also have sunk to the 9½ cent level and may go down further.

Credit is easier than ever, following a slightly firmer tone around mid-month. Banks are having great difficulty in employing all their funds even at 1 per cent. in the call market, although the official Stock Exchange rate is maintained at 2 per cent. A small shipment of gold has gone to Canada, and bankers would not be surprised to see more leave, but the inflow from South America and the Far East is far in excess of any export probability. Funds withdrawn by interior banks in late summer are now returning to Wall Street, and Federal Reserve policy continues to be that of favouring the present state of affairs, without attempting to contribute further credit to the already overflowing reservoir.

Member banks are finding a sharply declining demand for commercial loans, after a brief period of expansion last month, and their loans on securities are being steadily whittled away. Funds thus released are going into the bond market, which has resumed its advance with the steadier tone in the share market. In some quarters it has been hinted that the new Governor of the Federal Reserve Board is using "moral suasion" on member banks to force them to reduce further their loans on securities—an item which still is higher than a year ago in spite of a decline of over 600 millions in brokers' loans in the past four weeks—but these assumptions are without foundation. Reserve authorities, it can be stated, see no cause whatever for alarm in the situation, and while liquidation of shares from that source has been considerable, it has been entirely voluntary and dictated by the attitude of individual banks and the resources of the borrower on share collateral.

New capital flotations have fallen to a low ebb this month, in spite of easy money. The rather unreceptive mood of the new issue market has been due to a variety of causes, chiefly the distrust of foreign borrowing owing to political unrest and the selling in the local market by investment trusts, dealers and others crippled by the drop in share prices. Foreign financing in the third quarter was only \$153,000,000, according to estimates of the Department of Commerce, compared with \$466,000,000 in the second quarter and \$338,000,000 in the first quarter. In the third quarter of last year the total was \$80,000,000, but at that time bond issues were brought to a standstill by the suction of capital into corporation and investment trust share offerings.

Weeding out of weak brokerage and investment firms continues. Another Stock Exchange failure was announced this week, but no important house is believed now to be in trouble, and the majority of the liquidations are voluntary. They are expected to continue. Mortality among investment houses and dealers not members of the Exchange has been especially high, estimated at between 500 and 600 in the city alone since the beginning of the year.

FRANCE.

Autumn Session — Development Programme — Industry.
(FROM OUR CORRESPONDENT.)

PARIS, November 5.

THE Chambers reassembled yesterday and, if the Senate marked the occasion with characteristic dignity, it cannot be said that the Lower House were equally decorous. It had been generally understood that the nine interpellations on the Government's foreign policy—the debate on which, at the opening of a new session, is usually regarded as a means of indicating the real feeling of the House towards the Ministry of the moment—should not begin until Thursday. The Opposition, however, suddenly insisted that the debate should begin forthwith. The outcome was that M. Franklin-Bouillon and two of his fellow interpellators had to confess they had not their *dossiers* with them and were not prepared to proceed, as they had understood they would not be called on before Thursday. M. François Albert, whose adventures as M. Herriot's Minister for Education may be recalled, was in the same case, but he courageously decided to spring into the breach and launched a cleverly improvised attack on the Ministry. The serious portion of the debate will begin to-morrow, and will turn mainly on the question of how far M. Briand's situation at the Quai d'Orsay has been affected by the blow dealt to his Locarno policy by the sudden menace to European tranquillity represented by the progress of Hitlerism in Germany and—to a much lesser extent—by Signor Mussolini's unfortunate sabre-rattling.

The programme for the autumn session, although now relieved from the burden of budget-making, owing to the later beginning of the financial year, is exceptionally heavy. First and foremost is the first portion (of £40,000,000) of the Government's 17,000,000,000-franc project, spread over five years, for the development of the national economic equipment. This first portion will involve no further direct expense to the taxpayer, as the £40,000,000 which the Government proposes to spend will be furnished as to £12,000,000 from realised surplus revenue already in hand from last year, and as to the balance of £28,000,000 from other available Treasury funds. The object of the scheme is to assist in staving off economic depression, to improve means of communication, and to foster the nation's commercial exchanges. Agriculture will benefit from the expenditure of 874,000,000 francs on electrification, water supply, re-afforestation, scientific research, etc. A sum of 617,000,000 francs is allotted for the improvement of the national health, including 95,000,000 francs for the purpose of reducing infant mortality. Civil and commercial aviation are to benefit from a new airport for Paris and a long list of additional aerodromes. Public works involving an expenditure of 1,290,000,000 francs will be carried out for road, port and waterway improvement. The country's mercantile fleet is to have 190,000,000 francs spent on it, particularly for the purpose of improving communication with the North African territories. The Education Department has been allotted 930,000,000 francs for developing elementary, higher and technical instruction. Other large sums are to be used to finance developments of various kinds and for substantially improving the supply of commercial information (particularly statistical).

Another important project for national development down for early discussion is the plan for the launching of a number of huge colonial loans, with the double object of (1) increasing the economic value of the French colonies as furnishers of raw materials which the Mother Country is now obliged to obtain from foreign sources, and (2) for finding an alternative outlet for French savings, to replace investments in foreign loans, in view of the fact that these latter have in the past not only been utilised by the borrowers to the detriment of French interests, but have only too frequently—however profitable they may have been to French banks—resulted disastrously for the small French capitalist. The cry of

"French money for France" is slowly but surely growing stronger every day, as is also the evidence that this country, notwithstanding the enormous pressure still being exercised by the banking industry, and the superabundance of spare capital vainly seeking employment here, is less and less inclined to favour foreign investments of the kind which absorbed such enormous masses of French money before the war.

Coal production figures for September show a total output of 4,603,000 tons in the 26 working days, against 4,441,000 tons in August (25 days), and monthly averages of 4,577,000 tons in 1929 and 4,369,000 tons in 1928. To this must be added the output from the Saar area, which through 1929 averaged 1,132,000 tons per month. The average daily output in September was 177,054 tons, as compared with 177,654 tons in August, although the effective labour force in September was 298,562 units, against 297,783 in August. The production of metallurgical coke by the colliery plants in September was 418,347 tons, against 422,256 tons in August and 380,469 tons in September, 1929. According to the *Usine*, the journal of heavy industry, demands for domestic coal throughout the Continent in general are still small, in spite of the approach of winter, and the slackening of demand for industrial combustibles is increasing, owing to the extension of economic depression. "Stocks are piling up and registering record figures. Restriction of output has so far brought no improvement." France has so far suffered little from the general depression, but there is now some nervousness as to whether the French collieries may not suffer in their turn from over-production. Down to the present no reduction in labour has occurred, as in England, Germany and Belgium, but some of the pits have begun to accumulate stocks. Imports of British and other coal show no signs of diminution. Reports of German origin state that the French Commission of Mines in the Saar has agreed in principle to a cut of 6 per cent. in selling prices, as in Germany. The *Usine* suggests that "a simple lowering of selling prices by the French collieries would certainly be sufficient to improve the situation by rendering foreign competition more difficult."

Iron and steel production figures for September show a slight diminution under both headings. The output of pig iron totalled 801,000 tons, against 845,000 tons in August, 901,000 tons last May and monthly averages of 871,000 tons in 1929 and 841,000 tons in 1928. The output of crude steel was 767,000 tons, against 775,000 tons in August, 855,000 tons in May, and monthly averages of 805,000 tons in 1929 and 783,000 tons in 1928. Steel production figures may be expected to be appreciably lower in November, as they will reflect the further cut of 15 per cent. of the October, 1929, totals which was agreed to at the recent Luxembourg meeting of the members of the European Steel Cartel. It is unlikely that the French steelmasters will prefer to maintain their present production level and pay the tonnage fines to which they have agreed to submit in the event of their exceeding their quota, as in that case they would not only be compelled to raise domestic prices but would lose the increased freedom of their home market, which the recent agreement concedes.

GERMANY.

Termination of Strike — Wages Policy — Council on Foreign Loans — Reichsbank — Mining Companies.

(FROM OUR CORRESPONDENT.)

BERLIN, November 4.

THE Berlin metal workers' strike has been brought to an end by an agreement between the unions and the employers' associations. The agreement, brought about by the intervention of the Minister of Labour, has not itself settled the wages question, but has set up an arbitration tribunal which is to settle future working conditions. Both parties have agreed to accept the award, which is to be given this week or next. The tribunal is to be composed

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of a representative of each of the parties to the dispute, with Dr Brann, an ex-Minister of Labour, as an impartial member. The content of the award will in effect be determined by Dr Brann, who is sure to be guided by the Minister of Labour, of whose party he is a member. The Minister of Labour, Herr Stegerwald, recently announced once more the principles of his wages policy: he is aiming at a reduction in nominal wages, which is as far as possible to be achieved without a fall in real wages, so that it can only be embarked upon with great caution. It is, indeed, hard to believe that the original award, which reduced wages by 8 per cent., was not inspired by the Minister of Labour; but it looks almost as though Herr Stegerwald had meanwhile decided that this reduction was excessive. Anyhow, the Brann award will determine the official wages policy towards other industries in which wages agreements are due to expire shortly.

The great national organisations of employers and workers differ as much as ever in their views on wages policy, and nothing is yet known as to the impending negotiations between them. The unions cling to their idea of providing work for more of their members by a reduction in hours accompanied by practically unchanged hourly wages, and are demanding legislation to enforce this. The employers have rejected this demand in a manifesto in which they quote the opinion of an English commission of experts: "The only means of dealing with the unemployment which has burdened industry for years is an increase in production and trade." Such an increase, in their view, can only be brought about by making industry more profitable.

The unions have been severely attacked by the Communists for terminating the strike. The Communists had set up a rival organisation called the "revolutionary union opposition," but as they had no strike funds their only success was among unorganised workers, and it was only a fleeting success even with them. The non-unionists, who form 60-70 per cent. of the Berlin metal workers, were ready to listen to the most radical utterances at first, but as the strike proceeded and they had no strike pay, they began to show evidence of weariness, and the union leaders feared that the strike would dwindle away. This had an important influence on the attitude of their representatives in dealing with the employers. The Communists have realised that they can in future do little with non-unionists alone, especially as in other important industries they form a smaller proportion of the workers. As they can hardly hope to get command of the unions in the near future, they are apparently preparing to organise unions of their own, and the Communist Press is beginning by a campaign for the formation of a "Red Union of Metal Workers." A similar attempt some years ago was a complete failure, but in the interval the political position of the Communists has improved.

For some time the law governing the Council on Foreign Loans has been in need of revision. The Council's consent is needed for the raising of foreign loans by the communes, and the municipalities have always complained that their credit policy is hampered by a tribunal which is not in a position rightly to appreciate the communal needs. On the other side it is complained that the Council is not concerned either with internal loans or with short-period borrowings, whether internal or foreign, so that it deals only with a section of communal credit policy, which is really an organic whole. An attempt was made in July to extend the competence of the Council to all communal loans and credits with the sole exception of transitory bank credits. This attempt at reform failed, however, as the Finance Minister's proposals were not accepted by the Governments of the States, and the present situation was prolonged to allow of a solution being worked out.

It now appears that even the Communes have realised how very much it is in their interest that the use of credit facilities should not remain completely unorganised, and a compromise will probably be reached according to which the control of credit will be handed over to a body on which the communes themselves will be represented, as well as the Federal and State Governments and the Reichsbank. In return for this, control will probably be extended. At the moment the question is not of immediate importance, as the foreign capital markets are not open for German communal borrowing in any form, but as this situation may change at any moment, it is essential that the reform be carried through at an early date.

The Reichsbank return for the end of October shows an increase of 641 millions in credits. That is a normal amount; the increase in the corresponding week of last year was 620 millions. Since the crisis which followed the election, the position of the Reichsbank has developed fairly normally, but the effects of the crisis are far from being completely overcome. The gold reserve is still low, and the visible holdings of foreign exchange have only risen 36 millions on the week. On the assets side there have been various abnormal developments. The bill portfolio only rose by 372 millions, against 744 millions in the last week of September and 468 millions in the last week of October, 1929. Advances, on the other hand, have risen from 62 to 318 millions in a week. Both these circumstances suggest that a shortage of German commercial bills is setting in. This is the result of the trade depression, but it may also indicate a deterioration in the quality of the banks' bill holdings, which are no longer sufficiently liquid to be offered to the Reichsbank. When money is needed, it is obtained by the pledging of securities, especially in the case of certain public bodies, such as communes, for whom it becomes more and more difficult, as their budget deficit increases, to obtain money by normal methods. A substantial decline in public balances is another indication of the urgent need of money on the part of public authorities. The note circulation, including Rentenbank notes, has risen by 740 millions, in correspondence with the rise in discounts and advances.

The first of the great mining concerns of the West to publish its balance sheet for 1929-30 is the Klöckner-Werke. Net profit amounts to 6.85 against 8.09 million, and the dividend is reduced from 7 to 6 per cent. The output of pig iron has fallen from 732,000 tons in the previous year to 628,000 tons, and that of finished products from 858,000 to 756,000 tons. Coal production has risen from 4.09 to 4.16 million tons. Receipts have fallen more than turnover, though the balance sheet, as of June 30th, does not reflect the severe decline in prices and the market difficulties of the last few months. Nevertheless this balance sheet gives rise to a hope that the other mining companies will not show such a catastrophic decline as had been feared. If there are dividend reductions, they will be confined within narrow limits.

AUSTRIA.

Politics — Trade Depression — Agricultural Relief — Share Market — Vienna Municipal Loan — Money.

(FROM OUR CORRESPONDENT.)

VIENNA, October 26.

THE position in party politics has tended within the last few weeks to render economic difficulties still more acute. Although there is no longer any doubt that public peace will in any event be preserved, the resignation of the Federal Chancellor, Dr. Schober, and the entry of two prominent Fascist leaders into the Cabinet has not had a favourable influence upon feeling in economic circles. For the present, at least, the attempt to create a bourgeois bloc under the leadership of Dr. Schober has not been successful. It is very evident that a large number of industrialists sympathise with the strong tendency towards the Right, especially in the provinces. In purely financial circles divergent views are held.

The first effect of changing the government and the necessity for a general election is that all measures for the amelioration of the crisis have been postponed. Reduction of taxes can only be effected by resolution of a new parliament. It will be all the more difficult of execution, because revenue from taxation is bound to decline on account of the reduction of incomes, of the liquidation of companies and of unsatisfactory balance sheets. The plan to valorise pre-war rentes has been deferred, as have also the preparations for a division of taxes, whereby the present quota of Vienna was to have been curtailed and the share of the provinces increased. Trade-treaty negotiations have come to a halt. In consequence the Minister of Finance is keeping down expenditure, and the Municipality of Vienna has made a cut in its housing programme by slowing up the work and by issuing fewer new contracts. The banks and private capitalists are also refraining from making investments.

The new order of things in the Federal Railways is also having effect. A new chairman and a new general manager have been appointed, and most of the members of the management have been changed, and though undoubtedly justifiable reproaches were made against the previous management of the Federal Railways, it still remains to be seen whether the new management can cope with the difficulties. It will be all the more difficult to do so, because revenue from transport is declining as a consequence of the general depression, while passenger traffic is also much lighter.

The balance of foreign trade is still more unfavourable. In the first eight months of this year exports have fallen from 1,406 to 1,223 million schillings, exports of finished goods alone showing diminution by 180 million schillings. It is true that this is partly accounted for by price fluctuations, but the main reason for the drop is the serious check to production in general. The Alpine Montangesellschaft (iron trust) has lately extinguished a furnace. In most of the heavy industries clerks and workmen are being discharged, and even the electric industry, which for a long time was the very backbone of what prosperity there was, complains of sluggishness.

Special attention is being devoted to the movements of the Elin A.G. The Elin A.G. has made competitive offers in several of the markets of the big German electricity works, and has also worked with success abroad, so that efforts have for some time been in progress to bring the majority of the shares of the concern under German influence. These efforts are causing the company employees considerable anxiety, as they fear that success in this direction would lead to reduction of staff, and they have laid before the Government their objections to the company's being absorbed by a German electric concern. The slackness in the textile industry still continues, and the purchases which are usually made at this time of the year have not yet been made. There is improvement in the leather factories, while the timber industry still complains of falling prices. The retrogression in general business is reflected in the increase in insolvencies. In September of this year there were 192 legal compositions and 49 bankruptcies, against 132 compositions and 36 bank-

ruptcies last September. Distraints for private claims and overdue taxes for the first eight months of this year figure at 218,221 against 179,315 for the corresponding period of last year.

Trade and industry cannot count upon such measures of relief as the farmers, whose plight is unquestionable, were able to secure through political influence. Out of 96 million schillings raised from the public for the farmers, 78 millions is to be distributed among grain farmers, while the farmers in the mountain districts are to get a special subsidy. In view of the drop in wine and grain prices, a great number of farmers are only enabled to keep on by the profit they make on their dairy produce. All agriculturists are therefore opposed to a reduction in the price of milk. Whether the present price can be maintained is another question, for both the wholesale index and the index of the cost of living fell three points in September.

In spite of the low level of most shares, the stock market has sagged again. The banks, which for a long time have been obliged to take up very large batches, no longer desired to intervene, and took up the securities offered only when they had depreciated considerably. On the other hand, it is noticeable when a better tone prevails on the market that the slightest inquiry suffices to raise quotations considerably. The fall in Alpine Montan shares, which are now below 20 schillings, was followed with great attention. Pre-war rentes have also weakened since the dissolution of Parliament, which naturally means postponement of their valorisation. However, the statement of the Minister of Finance that the Government is prepared to do something in regard to the question of valorisation, and that they feel themselves morally bound in this connection by the previous declaration at The Hague has caused a slight rally. Austrian stocks bearing fixed rates of interest are maintaining their level. League of Nations Loan scrip has gone still further above par, and the mortgage institutes are seeing to it that prices in which they are interested are kept up. The public have further reduced their holdings of shares; at the moment they show a distinct preference for investment in mortgage business, which brings as much as 11 and 12 per cent. for a first mortgage. Savings bank deposits are also growing, though not at the same pace as formerly. During September deposits with the Vienna banks and savings banks rose by 8 million schillings to a total of 1468.4 millions.

Within the last few days representatives of the Belgian, Dutch, French and Swiss creditors' protection associations have been in Vienna, and negotiated with the Municipality in regard to further improvement of the agreements made several years ago concerning the redemption of the loan of 1902. Settlement of these outstanding differences is also an important matter for the Municipality of Vienna, for it would clear the way for a loan which the Municipality will be obliged to conclude, since it cannot continue indefinitely to finance its housing scheme and its other investments exclusively from the taxable strength of the present generation. The Credit-Anstalt has contracted with the Continental Company for Banking and Industrial Values in Basle for the latter to float a loan in Switzerland, the proceeds of which are to be used to take over valuable holdings of shares in the possession of the Credit-Anstalt. In this way the share holdings of the Credit-Anstalt will be reduced, its liquid funds increased and at the same time the possibility be created of being able to wait quietly for an improvement in the price of shares, which at some time will surely come to pass. As is well known, the Credit-Anstalt had to administer not only the industrial interests of the Boden-Credit-Anstalt, but also those shares of its own enterprises which have been put upon the market in recent years as a result of the crisis on the Stock Exchange. A portion of these shares will now be taken over by the Investment Trust which is being formed. For big banks and leading firms monetary conditions are still very easy. Offers of credit from abroad are adequate and the tumult in domestic politics has made no difference in this respect. As the requirements of the business world are slight, the National Bank is in a position to retain the present rate

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of 5 per cent., in spite of the increased Bank rate imposed by the Reichsbank in Germany. The bill portfolio of the Austrian National Bank is at the low level of 82,892 million schillings, and it is not likely to increase quickly, for there is but little demand for accommodation from commercial and industrial concerns. The Vienna banks and savings banks have reduced the rate of interest on deposits which can be withdrawn without notice to 3½ per cent. Although this is a relatively low rate, it has not caused the enormous transfers to better paying investments which many people anticipated.

ROUMANIA.

**Cabinet Crisis — Budget — Agricultural Debt —
International Agricultural Conference — Petroleum
Restriction.**

(FROM OUR CORRESPONDENT.)

BUCHAREST, October 22.

THE Cabinet crisis caused by the resignation of Mr Maniu has been solved by the re-establishment of the Nationalist-Peasant Party Government under the presidency of Mr Mironescu, who has retained also the conduct of the Ministry of Foreign Affairs, which he held under the former administration. The only other resignation of importance was that of Mr Vaida Voievod, Minister of the Interior and personal friend of Mr Maniu. The principal elements of Transylvania which figured in the old Cabinet have thereby disappeared, and the new Government presents itself as an almost exclusively Old-Roumanian combination. Practically all members of the new Government held office in the previous Nationalist-Peasant administration. The predominance of this party in the present political constellation is indeed once more conclusively proved. It could not be otherwise, as the Liberal Party under Mr Vintila Bratianu and Mr Duca is not sufficiently united at the moment to venture the experiment of a general election. It appears, moreover, that the programme of the Nationalist-Peasant Party has the full support of the King. There is no doubt, however, that by Mr Maniu's resignation a steadying influence on the slightly demagogic inclinations of certain of his former colleagues has been removed, and it will be interesting to watch if the two wings of the party will continue to work with that harmony which has characterised their political activities since they came together.

The only cause of the change, according to the Government Press and the public declarations of Mr Maniu and his friends, is the ill health of Mr Maniu, who has been ailing for some time. This, however, is not the opinion of his opponents, who state that on various questions, such as army and civil administration, he was not in agreement with the King. They look upon the new administration as only provisional, and predict that in the early

part of next year a change must come. It need hardly be said that this version is strongly denied in Government circles. Mr Mironescu, in a statement to the Press, points out that the present Government is only a reconstruction of the old one and that its programme remains in all essentials the same. He dwells on the necessity of political stability at the present time. Alluding to his immediate programme, he mentions the impending budget, the necessity for economy in administration, the economic problems of the day, and in particular the question of reducing interest in order to encourage the development of industry and commerce. He states in reply to questions that the negotiations for the Agricultural Credit Bank are near completion.

Meanwhile, the opening of Parliament has been adjourned to November 15th. One of the first measures which will come up will be the Budget. It is reported that the Budget proposals of the Minister of Finance are already completed. The reductions are to amount to about 6,500 million lei. On the other hand, there will be certain increases in the expenses: the public debt will absorb 220 million lei more than last year; the increase in the expenses for the army will amount to 1,750 million lei, to which must be added a sum of 850 million lei for equipment, part of which has already been ordered this year; and a further amount of 200 million lei will be required for the purchase of certain private railways. Consequently, the Budget for 1931 will probably amount to not less than 34,000 million lei, a reduction as against this year of only about 3,500 million. As in view of the unsatisfactory economic conditions the yield of taxation cannot be expected to show any increase, and may even diminish, there is no likelihood of a reduction in the taxes.

The question of the agricultural debts continues to preoccupy the country. A *communiqué* was issued recently by the General Council of the Agrarian League, insisting on the urgency of finding a solution to this burning problem. It recommends the suspension of the interest payments for three years pending the application of its plan of arrangement. This plan, which is not to be applied by means of coercive legal measures, provides for the conversion of the debts by reduction of interest and the payment of the capital within ten years, at the same time granting to the creditors who agree to the conversion an advance of 30 per cent. of the debts with a guarantee for the payment of the interest on the remainder. The portfolio of 25 per cent. of the debts accorded to the agriculturists by the National Bank through the intermediary of various credit institutions is to be distributed only through the agricultural and land credit banks. All profits obtained by the National Bank from a discount rate of over 5 per cent. are to be turned over to the agricultural credit institute. Furthermore, the Government is to pay to the agriculturists war indemnities as and when the State receives them from former enemies. The *communiqué* recommends, besides, the reduction of the heavy provincial and communal taxation, as well as the entire removal of the export taxes on agricultural produce.

Another international agricultural conference has now begun to sit in Bucharest. It is the fourth of its kind and is attended by the representatives of the eight Eastern and Central European countries which met in Warsaw some time ago, and its task is to elaborate the results then obtained. Permanent collaboration among the agricultural countries, unification of statistical methods, agricultural credits, common measures for the better organisation of the export of agricultural produce and preparation of international veterinary conventions are among the problems which will be discussed. The importance of these conferences can hardly be exaggerated. Although great difficulties stand in the way of the attainment of really tangible and valuable results on account of the diversity of the aspirations and situations of the countries concerned, it is perhaps not too optimistic to hope that dire necessity, which has brought the countries together, will force them eventually, step by step, to come to an agreement on essentials so as to present a united front to the competition from overseas, the present Russian methods and the industrial countries of

Europe. This, however, will take a long time yet to achieve, and no immediate easing of the difficult agricultural situation must be hoped for from these negotiations.

A new circular letter has been sent to the petroleum companies by the Astra Romana and the Romano-Americana, the two companies representing the Royal Dutch and the Standard Oil interests in Roumania. It invites the producers to conclude a convention for the suspension of boring operations for the purpose of exploration. The proposal is a logical consequence of the convention for the limitation of production which was concluded last summer at the suggestion of the two companies mentioned, and is based on the fact, proved in September last, that the potential production of crude oil in Roumania surpasses considerably the requirements for a long time to come. It aims at the realisation of economies so necessary for the maintenance of the petroleum industry in Roumania in view of the present conditions of the world markets. Every three months the potential production is to be tested so as to determine when the work of exploration can be resumed. No doubt is entertained that an agreement will be reached on the lines proposed by the two companies, and it is probable that this will be followed when exploration is to be resumed by a further convention regulating the work of exploration.

CANADA.

Crops — Grain Situation — Business — Glass Duties — Russian Coal Imports — Prices — Federal Bond Issue.

(FROM OUR CORRESPONDENT.)

OTTAWA, October 20.

CANADA is now making preparations for the winter conditions which will be upon her within the next month. Threshing is not yet completed and the unthreshed grain has been considerably damaged by the weather; but generally speaking, although the yields in many places are disappointingly low, the grades are very good. A large proportion of the wheat has already been delivered by the western farmers, who are now busy with their autumn ploughing. In the eastern provinces the harvest has been long ago completed. The farmers have been busy garnering root, fruit and sugar beet crops; rain is urgently needed to facilitate ploughing and improve pastures. In the maritime provinces the potato crop is poor and the yield is now estimated at from 60 to 75 per cent. of the average. In British Columbia heavy frosts at the end of September did considerable damage, but the greater part of the apple crop has been successfully harvested, and, while it will only be about 90 per cent. of the average, the quality of the fruit is unusually high.

There is no improvement to record in general business conditions, and obviously a very difficult winter lies ahead. The car-loading figure for the week ending October 4, 1930, was placed at 70,897 cars, a gain of 100 cars over the previous week, but represents a decline of 8,535 cars compared with the figure for the same week of 1929; the cumulative total for car-loadings for the year up to October 4th is 2,336,882, which represents a decline of 292,288 cars compared with the figure for the parallel period of 1929. It is quite plain that no improvement in general business can be hoped for until the problem of satisfactory marketing for the western grain crop and increasing the purchasing power of the prairie farmers is solved. With the export demand very feeble, the price of wheat and other grains remains deplorably low, and the margin between the sum fixed as an initial payment by the co-operative wheat pools and the ruling price of wheat is dangerously narrow. It is true that the stocks of wheat in store in Canada and the United States on October 3rd were only 156,414,104 bushels, as compared with 178,955,269 bushels at the corresponding date a year ago, but the export movement of grain is even smaller than it was then.

Strenuous efforts are being made to revive the export trade to Britain in Canadian cattle, but the shipments

to date have not been large. However, it is anticipated that the low price of grain will induce farmers to use their surplus as cattle feed, and that more cattle will be available for export next year.

Autumn business is well below the level of a year ago, and the effects of the agrarian depression and unemployment in the cities have been felt all along the line. Retail trade in seasonal wearing apparel has been fairly active, but in most other lines it has required liberal advertising and special sales at attractive prices to stimulate any demand. Most of the country merchants are reported to be carrying very low stocks of goods, but in view of the general uncertainty they are only buying from hand to mouth. The programme of new building construction has been steadily shrinking and, as a consequence, there is a restricted demand for paints, varnish, lumber, hardware and building supplies of all kinds. Little change is noted in industrial operations, except that the President of the Dominion Textile Company recently declared that, as the result of the additional protection afforded by the tariff changes in September, the current operations of his company were at the rate of 75 per cent., as compared with 50 per cent. before the tariff revision. He claimed that the changes had resulted in the employment of 1,200 additional hands on a ten-hour basis, and that the company's ratio of operations would be near the 100 per cent. mark by the end of the year. He also declared that the prices of the products of his company had not been increased and were lower than those shown on the price lists of May 1st of this year.

The action of the Bennett Ministry in regard to the import duties on glass has attracted great interest. In recent years the Canadian glass industry had been seriously affected by underselling on the part of a Belgian syndicate and a number of plants have been closed. In order to rehabilitate the Canadian glass industry the Bennett Government, instead of an *ad valorem* duty of 12½ per cent. under the general and intermediate tariff and a 7½ per cent. duty under the British preference, imposed what was the equivalent of an *ad valorem* duty of 100 per cent. At the same time an undertaking was secured from the glass industry that immediate steps to resume operations would be taken, and that prices would not be raised. However, the price of glass at once jumped upwards sharply, and the Government, in face of the protests of the leaders of the glass industry in Canada, has restored the duty to its old level. The action of the Government is being severely criticised by protectionist papers. The *Montreal Gazette* says that the object of the recent tariff revision, as far as it concerns the resurrection of the Canadian glass industry and the employment of Canadian labour, has been defeated, but elsewhere the Government has strengthened its position by affording evidence that it intends to prevent exploitation of the consumer by the beneficiaries of the tariff.

A sharp controversy is proceeding about imports of Russian coal. On the one hand, representatives of the coal-mining interests in the maritime provinces are demanding that the Government exercise the authority which it secured at the special session of Parliament to exclude Russian coal from the Dominion. It has been coming into Montreal in considerable quantities, and the coal interests of Nova Scotia are afraid that it will compete with their products not merely in the Montreal market, but in northern and north-western Ontario. On the other hand, certain Canadian firms, like the Massey-Harris Company, which are doing a substantial business with Russia in agricultural implements, are opposed to any such ban, for they urge that the Russian coal imported into Canada competes only with American coal and that it is practically the only commodity which Russia can export to Canada to pay for a substantial amount of agricultural implements and other machinery now being purchased. Against this the advocates of the ban retort that Canada is committing commercial suicide by selling agricultural implements to Russia and helping that country to increase its grain exports. Canadian trade with Russia is still of comparatively modest dimensions, but the balance is in Canada's favour, for in the twelve months ending August 31st last Canada's exports to Russia

were valued at \$2,333,288, as against imports of \$1,641,989 from Russia. But in the previous twelve months the exports were \$2,983,629, and the imports only \$372,548, the large increase in the latter being accounted for almost wholly by the increase in the imports of coal.

The decline of commodity prices still continues, and the Dominion Bureau of Statistics index number of wholesale prices (1926 = 100) fell from 84.1 in August to 82.5 in September. 44 quotations were higher, 111 were lower, while 347 remained unchanged. The most serious decline was in vegetable products, which fell from 75.5 to 70.6. Only in connection with foods do retail prices show a parallel fall. In September the index for 46 food items was down from 96.3 to 93.5, but the general index number covering all retail prices, rents and costs of services only fell in the same period from 98.9 to 98.1.

No improvement in the Canadian stock markets is looked for in the immediate future, and episodes like the passing of its dividend by the Massey-Harris Company have had a very depressing effect. The \$100,000,000 bond issue of the Canadian Government, which was floated in New York on October 7th, was heavily over-subscribed and books were closed by the banking syndicate handling the issue shortly before noon on the day that they were opened. The issue was of 30-year 4 per cent. gold bonds, and, as the price was 95½, the interest yield is about 4.28 per cent. Part of the money will be used to meet a bond issue maturing on December 1st, amounting to \$45 millions, and some \$20 millions will be employed for the unemployment fund recently authorised by Parliament. Satisfactory agreements have been reached between Ottawa and all the provinces for the allocation of these moneys.

Letters to the Editor.

THE RUSSIAN ENIGMA.

Inflation and its Dangers.

TO THE EDITOR OF THE ECONOMIST.

SIR,—The particularly well-informed and judicial survey presented in THE ECONOMIST Russian Supplement covers almost every significant aspect of Soviet Russia's economic position, progress and prospects except that of currency and its partial reflex, retail prices. The greater part of the information given in the survey (acreage sown, volume of yield, buildings erected, yards of tissue produced, tons of coal raised, &c.) stands unaffected by currency and price; but wherever a quantity is expressed in terms of rouble value the question arises: what is the value of the rouble? This question, while not within the scheme or content of the Survey, is fundamental to its interpretation. It is also vital to any interim judgment of Russian affairs. It is not merely a matter of adjusting money values to fluctuations in the purchasing power of the monetary unit, though that has its importance. It is a matter of whether the Soviet economic system, however well planned and vigorously developed, can survive the rapid depreciation of the currency that appears to be taking place.

In October, 1925, the currency in circulation in Russia amounted to 1,143 million roubles. It increased during the next three years at an average rate of 14 per cent. per annum. In view of the increase in population and the growth in economic activity, this rate of currency increase could perhaps be justified. In 1929, however, the rate of net output of currency took a sudden turn upward. Between October 1, 1928, and October 1, 1929, the currency in circulation increased by 34 per cent. From the information given in THE ECONOMIST's Supplement, it is clear that this is far in excess of any growth in the volume of consumption goods. What had driven the Soviet authorities to this dangerous expedient remains obscure, but the course of official figures indicates that in November, 1929, they took alarm. During the next five months the torrent of currency was stemmed; and in January and February, 1930, a reduction in volume was actually achieved. But in March the position could no longer be held; the printing presses were set to work at a greater rate than ever; and during the next five months the volume of notes issued was such as to increase the currency in circulation by a further 65 per cent. of the already swollen volume. The amount in circulation at September 1st was approximately

4,750 million roubles; and on the average of the five months ended September 1st the currency had been increased at the rate of 155 per cent. per annum.

As to the visible reflexes of this outpouring of notes, in the shape of the disappearance of silver coins and the illicit market in stable foreign currencies for which higher prices are paid, no more need be said for present purposes than that the first is setting up considerable friction in the wheels of the economic machine and the second is causing loss of revenue to the Treasury and locking up wealth out of its reach. These are serious; but much more important are the implications with regard to the solvency of the Soviet economic order and the stability of the Soviet régime.

Why is the Soviet Government pouring out paper money at this disastrous rate? Certainly not to finance foreign trade operations, for Russian paper has little value outside Soviet Union territory. Not to facilitate the trading relations of one State Trust with another; for these transactions are a matter of book-keeping only. It is printing notes for one reason only: the Central and the Local Soviets are not receiving in revenue enough to pay small producers for the commodities acquired from them and to pay state and co-operative employees their wages. There is a heavy deficit in the revenue account; and notes are being printed to make it good.

If the rate of net issue of currency exceeds the rate of consumable goods coming to market prices will rise. The survey presented in the Supplement gives little ground for believing that the supply of consumption goods has increased in the past twelve months. The great bulk of retail commodities come under the four heads of food, house-room, clothing, and fuel. The output in Russia of coal and oil is increasing, but the increase is earmarked for capital uses, not for ultimate consumption. The output of woollen and linen goods is up, or was intended to be up, by 8 and 12 per cent. respectively this economic year as compared with last, and the supply of boots is said to be rapidly increasing; but the output of cotton goods, which dominate the textile total, was down by nearly 17 per cent. No one claims that living accommodation has increased *pro rata* with the growth of population; indeed the ration has lately been cut down from 8 to 6 square metres of floor space per person. The position of the food supply is set out with judgment and precision in the Supplement. Available breadstuffs may be just keeping pace with the increase of population, but even that is doubtful; as for meat, vegetables and dairy products the supplies have fallen off catastrophically. No one except the Soviet authorities, and probably not even they, can put these figures together into an index of consumption goods available on the market, but it is as certain as anything in this realm of fact can be that such an index, could it be compiled, would show not an increase but a substantial decline.

Then, if the currency in circulation has increased by 65 per cent. in five months, as it admittedly has, and supplies of consumption goods have been on the decline, what has happened to prices? The price position in Russia is complicated by the fact that a substantial proportion of consumption goods are sold at controlled prices, in Soviet and Co-operative Stores, to persons with workers' permits and workers' ration cards. Another substantial proportion is sold in free markets to anyone at any price. The Soviet statisticians claim to know the proportion of goods sold in the one market and the other, to know the prices current in the free markets, and consequently to be able to compile a retail prices index number for all goods over the whole of the Soviet Union. It may be taken as quite certain that they cannot know these things, and that any all-over retail price index is worthless. The most they can know with certainty is the prices ordained for controlled-price goods, and perhaps the prices actually charged at certain of the larger State and Co-operative Stores in the larger towns. One has only to reflect upon the low level of literary, let alone accountancy, among the mass of Russian people in small towns and villages to imagine the task of compiling an accurate index-number from the tens of thousands of returns furnished by such persons. It can be taken as fairly certain that even the controlled-price indices are based on ordained prices and not on prices actually charged, which may be very different.

The official retail price index-numbers of goods sold in Soviet and Co-operative Stores show a movement of only one or two points up or down. No index numbers of prices in the free market have been issued since May last. In all markets together, prices have certainly doubled in the last twelve months. (Any doubt as to that must rest on a belief that the circulation of money has become sluggish, or that paper roubles are being hoarded; but who wants to hold or hoard a paper rouble?) The supplies available for sale at controlled prices have diminished; the supplies offered openly or surreptitiously for free-market sale may have increased;

certainly the prices asked have increased enormously. How, then, is the wage-earner faring?

If money earnings have really increased at no more than the rate shown in the Supplement, the lot of the wage-earner must by now be hard and his economic position desperate. As his nominal ration contracts, and his actually obtainable ration contracts still more, he must either go without or supply the balance of his basic needs in the free market at five or ten times the permit price. And, if he follows the currency figures, he sees no end to the process.

Why cannot the Soviet Government rake off enough margins and surpluses from private gains and State enterprises to pay its way without resort to the printing presses? The State Budget, as set out in the Supplement, should be examined from this standpoint. It proposes to derive from taxation, this year, 5,500 million roubles, as compared with 4,000 million roubles last year. This is a heavy increase on an already gigantic sum. Has it reached the limit of taxable capacity? It proposes to make a "profit" this year from State enterprises of 4,810 million roubles, as compared with 3,233 million roubles last year. Has it been over optimistic? Soviet Russia is, in effect, one gigantic industrial concern. The relations between the departments, which have varying degrees of autonomy, are complicated, and there is a certain amount of free dealing; but in effect it is substantially a single concern under centralised management. Whatever else a manager fails to do, whatever debts he incurs, however ruinous his management, he must, if his works are to keep running, find money for wages. The Soviet Government-employer has not been able to find money to pay wages. Having the note-printing presses in one of its departments, it has ordered that department to print more notes.

As regards the programme and achievement of capital production expressed in terms of so many million roubles, one must always ask, "At what value has the rouble been estimated?" Until this point is cleared up, one must remain in doubt whether, for example, the 321 million roubles' worth of agricultural machines and implements to be turned out in 1930 is to be attained by a real physical increase in production, or by the simpler process of reckoning the output in terms of a depreciating rouble.

It would be foolish to under-rate the strength of the fervour and determination with which the Soviet programmes are being conceived and prosecuted. The bright and the dark side are faithfully presented in the Supplement. One would have to be phlegmatic even beyond the repute of the English not to be stirred by the burning idealism that inspires much of Soviet faith and purpose. But people must have food, fuel, clothing and shelter; and by currency and price tests these are failing in Russia. Will passionate purpose succeed in providing them, if not this year, next year? Will promises and hopes serve meanwhile in their stead? Will the Soviet régime collapse with the Soviet currency? The next six months will tell.—Yours faithfully,

TRAVELLER.

London,
November 4, 1930.

BRITAIN AND WORLD TRADE.

TO THE EDITOR OF THE ECONOMIST.

SIR,—It is perhaps presumptuous of me to comment on the article which you have published in your Monthly Supplement for October, written after close study by so able a man as Mr A. Loveday, but I must plead as excuse my great interest in what the research work of the economist reveals to us.

Mr Loveday's article strikes me as being pervaded with an air of detachment. It is said that the looker-on sees most of the game, but I suggest that he views the arena from too great a distance. In this case I think he has missed points which at least qualify his conclusions—conclusions so unfavourable to the team which appears to be losing. The view "that the world swept by while the British industrial sat in hope" is no doubt true in part, but what one calls "sitting in hope" may by others be regarded as "watchful waiting." Experience in Germany and elsewhere suggests that caution in choice of method of reorganisation is very important; but may not the choice of time for carrying it into effect be found to have been equally important, especially under the world market conditions as we have known them since the war?

One of Mr Loveday's points is that we have exaggerated the effect of depreciated exchanges. Quite true, the hurdles which they placed in our path have been removed, or almost removed; but during the period for which he gives his figures they were a more serious handicap than he allows. He bases his argument upon the fact that Denmark, Norway, and Sweden in particular showed such rapid recovery in spite of

their return to the old gold parity. I submit that his figures are capable of a different explanation. He takes the year 1927. In that year 73.6 per cent. of the exports of this country consisted of manufactured articles, the percentage in the case of the above-mentioned countries being: Denmark, 10.7 per cent.; Sweden, 44.9 per cent.; and Norway, 25.5 per cent. Great Britain was thus in a much more exposed position. In the case of Denmark the reason for the rapid expansion was probably the nature of her exports, and because the structure of her agricultural industry was such that the deflation took place from top to bottom simultaneously, including the workers. The exports of Norway consist to a large extent of fish and fish products. The fisherman had to accept such prices for his catch as international markets would allow. He had to take the full effect of deflation at once. The chief industrial exports are based on timber. In that case organised labour in Norway, like organised industrial labour in Great Britain, has been able to maintain a standard of living too high in comparison with that of fellow citizens. The reason why the export of wood manufactures nevertheless shows such expansion is, I am afraid, due to the fact that the burden of the deflation has been placed on the shoulders of the forest owners who have been deprived of their income, and on those of the workers in the country-side who have been felling and carting the timber at very low wages. Other Norwegian industries which show great progress are the chemical and aluminium industries financed from abroad and based on cheap water-power where labour costs are relatively unimportant. Sweden, of course, presents a somewhat different picture; industrially she partakes to some extent of the same nature as Norway, but her success favours Mr Loveday's conclusions more. But in her case, as well as in that of Norway, the staple industries are based on home-produced raw materials, which is quite a different proposition to that faced by the most important British industries.

Mr Loveday gives the relative indices of gold value of exports in 1927 of the following countries as compared with 1913 (100) as:—

Denmark 226	Italy 169
Sweden 198	France 163
Norway 173	

In the light of the difference in conditions as outlined above, is not the progress of Italy and France the more striking seeing that French exports are industrial to the extent of 70 per cent.? Anyhow, I do not see how the juxtaposition of the figures can be made to prove that debased currencies did not materially increase the difficulties of this country. In the long view it may not work out to our disadvantage, but that it has done so for a time is undeniable. One phase of it came before me very prominently; that was when the debased currencies enabled German and French yards to obtain Norwegian shipbuilding orders. Before the war Norway placed all her work here. Now that the franc has been stabilised, the French yards, although paying, I believe, only 60 per cent. of British wages, are demanding subsidies, as they cannot meet the British competition.

The next point to which I should like to draw attention is Mr Loveday's statement that if this country had maintained her position relatively, her exports in 1927 would have been at least £160,000,000 higher. As far as I can see, coal, cotton goods, and woollen goods account for about 80 per cent. of that £160,000,000, and in these cases very special forces were at work which other countries had not to face, and the major portion of that loss was surely inevitable.

My object in writing is not to weaken the effect of Mr Loveday's demand for reconstruction coupled with re-adjustment of money wages to the fall in prices of all that wages have to buy. I merely wish to suggest that a closer view reveals special difficulties and circumstances peculiar to Great Britain which have delayed the necessary reorganisation of her industries. It seems unwise, therefore, on the basis of figures relating to a comparatively short period and capable of another explanation, to paint a picture of such hopelessness that people feel justified, in despair, "in placing a coping stone to false logic."—I am, Yours faithfully,

The Norwegian Chamber of Commerce, K. F. KNUDSEN.

21-24 Cockspur Street, S.W.1.

October 31, 1930.

GOLD AND THE PRICE LEVEL.

TO THE EDITOR OF THE ECONOMIST.

SIR,—I think that the theory which asserts that the present depression is due to the decrease in the annual rate of increase of gold,—a theory which seems to be gaining ground,—has neglected a factor of considerable importance.

Sir Henry Strakosch explains the fall in prices by drawing attention to the fact that the ratio between the annual rate of increase of gold and the annual rate of increase of production is no longer a constant. In so doing he is inclined to overlook, as has been pointed out, the importance of changes in the ratio between monetary gold and circulating money; but he also neglects what for the present we may call the velocity of circulation of money. In terms of the Fisher form of the quantity theory, he correlates *p*, *m*, and *t*, while tacitly assuming that *v* remains unchanged.

Now it seems possible that a change in *v* has been an important cause of the recent fall of prices. A slower velocity of circulation will, other things being equal, depress prices. If there should then be a decrease in the rate of increase of gold, this depression of prices might be accelerated; that would depend upon changes in the ratio of monetary gold to money in circulation, and upon whether the demand for credit (*i.e.*, for money not to hold but to sell in exchange for other things), had not already decreased with the economic depression and fall in prices. If the demand for credit, *i.e.*, for a definite volume of credit, had decreased, then even at lower interest rates a smaller volume of money would probably be demanded, so that any decrease in the volume of money due to gold shortage would, in this case, have no effect in further depressing prices. Thus while we must admit that if there should be an increase of confidence, the comparative shortage of gold might very easily prevent a revival of trade, the fact that this comparative shortage has been the original cause of the fall in prices, does not seem to me to be proved until the velocity of circulation has been shown to be constant when the depression started.

The difficulty is that the "velocity of circulation" is not a proper phrase for that factor in the quantity theory, as expressed by Fisher, for which it must stand. Changes in the volume of bank clearings are quite inadequate to account for what must be changes in *v*. This was particularly manifest in the post-war inflations. To understand what we mean by *v* we must look for the reasons for its changes. *v* decreases, because what Dr. Cannan has called the desire "to hold money" has increased,—because there has been an increase in the demand for money to hold (not to buy things with), in terms of goods, at any given price level. The desire is to sell rather than buy.

I suggest that this may have happened. Maldistribution of resources, and errors in knowledge and forecasting may have given birth to pessimism and a sluggishness of trade. This would have caused a fall in prices through an increase in the demand for money at the price level then reigning, and it is quite possible that a decrease in the rate of supply of gold would then not make itself felt.

I cannot say whether this is what actually happened. I only suggest it is a theoretical possibility that may have been neglected.—Yours, etc.,

Ravenhurst, Eastbourne.

October 30, 1930.

A POLICY FOR INVESTORS.

TO THE EDITOR OF THE ECONOMIST.

SIR,—My letter which you published last week on the present Stock Exchange outlook was criticised in your leader on the ground that it was too optimistic, and too much based on historical precedent and guesswork. In my own view, the forecast which I advanced of an early Stock Exchange revival was based on a careful analysis of the two quite separate sets of economic factors which jointly govern Stock Exchange revivals, *i.e.*, those appertaining to industry as such, and those relating to the Stock Exchange pure and simple.

General trade, I agree, has not yet turned upwards, and probably will not for about a year; but the Stock Exchange habitually moves in advance of the main trade indicators in each and every trade cycle.

As a rule, however, Stock Exchange revivals do not get under way until certain conditions "appertaining to the Stock Exchange pure and simple" have matured. These conditions have all been fulfilled, and the stage is now set for Stock Exchange revival. The factors which determine the moment when the Stock Exchange turns upwards between such time (a) as the pre-requisite Stock Exchange conditions have been fulfilled, and (b) as the five main trade indicators turn upwards, are sentiment and hope, either about trade or politics. Good politics can accelerate the upturn long before trade has shown signs of revival; bad politics conversely may cause a delay. If, however, economic factors are working to bring about an early trade revival, the Stock Exchange begins to turn upwards as soon as these factors become apparent. My contention is, they will soon be apparent. The fall in retail prices is making the fixed income classes automatically

"really" richer. Their increased purchases from the shops will soon lead—because stocks are already low—to replacement orders being given to producers. Increased production in some lines of business will then be reported in the Press, and confidence in trade will begin to revive. Investors will then rush to buy shares in the hope of getting in at the bottom; delayed purchases will rapidly occur; the market will enjoy a general upturn.

It is, I know, easy to attack any economist who risks his reputation in economic forecasting, but the whole utility of economic study is that forecasts should be made. One reason why I suggest that we are already near bottom is because the majority of people (like the writer of your article) seem at present only able to envisage unpropitious, as distinct from "propitious," eventualities both in industry and politics, despite the factors I have mentioned. The bottom can only occur when the mass of people are thinking pessimistically.

This is not, of course, the place to prove to you that incipient general revival in trade is not far off, nor that the normal sequence of events such as habitually creates general revival is already in evidence. These matters, however, can be proved, or shall I say, convincingly demonstrated.—I am, Sir, yours, &c.,

L. L. B. ANGAS.

55 Onslow Gardens, S.W.7.
November 5, 1930.

TO THE EDITOR OF THE ECONOMIST.

SIR,—Anyone ignorant of Stock Exchange movements who read Mr. Angas' letter in your issue of November 1 may have assumed that there has not yet been a boom in gilt-edged securities. "The total money on fixed deposit," says Mr. Angas, "is probably in the region of £800 millions and only a diminutive switch is capable of causing a sharp upward movement in gilt-edged securities. . . . The Stock Exchange will suddenly experience an unexpected 'fixed interest' boom." But there has been a boom in gilt-edged securities for a long time—since June—and it has now overflowed into industrial prior charges. The £800 millions of fixed deposits have, of course, long been employed by the banks in the ordinary course of their business—partly in the gilt-edged market. Hence the boom that gilt-edged stocks are now enjoying. Until new issues revive in sufficient volume to absorb new savings and idle money, the boom will continue and may even overflow into some ordinary shares, but I see no reason to buy even half the ordinary shares Mr. Angas holds out as attractive. For example, the investor's confidence in business management has had a rude shock. Why should he buy ordinary shares where the management risks far outweigh any other attraction? An ill-considered boom in industrial ordinary shares at the present phase of the trade cycle would do no good to the Stock Exchange.—Yours, etc.,

The Athenæum. E. H. DAVENPORT.
November 6, 1930.

TO THE EDITOR OF THE ECONOMIST.

SIR,—After reading Mr. Angas' letter, and his book, one is somewhat at a loss to know which of his many maxims are to be regarded as essential to sound investment policy. Upwards of thirty conditions are mentioned as offering maximum safety in investing for capital appreciation, but most of the important ones must necessarily be broken if purchases of ordinary shares are made at the present time. Even disregarding the special difficulties of the day, it is open to doubt whether circumstances ever combine in such a happy way as to come close to Mr. Angas' requirements. It must indeed be a red-letter day when one perceives an ordinary share—preferably a market leader—of a "strong and promising" company, in a "depressed but reviving" industry, offering "high yields and earnings (8 per cent. to 10 per cent.) on market price," with "strong finances" and "good management," in the "second year of revival." *Inter alia*, it is also important that long- and short-term factors should be simultaneously favourable.

It would be unfair to suggest that Mr. Angas considers it possible to attain the theoretical maximum of favourable points, but the letter in your issue of last week seems to me to admit tacitly that a great deal has to be taken for granted in a practical investment policy. In other words, it is possible to string out the points which may be favourable almost indefinitely, but when it comes to choosing a stock to buy the difficulty is, always, to judge in which direction the balance of probability lies, so many are the factors for and against.

Yours faithfully,
Monk's Way, Radlett, Herts.
November 5, 1930.

HAROLD C. COWEN.

BOOKS RECEIVED.

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

(It would be a convenience to our readers if publishers would make a point of notifying us of the prices of books sent for inclusion in this column.)

A Treatise on Money. By J. M. Keynes. In two volumes. (London) Macmillan and Co., Ltd., St. Martin's Street. 15s. net per volume.

The publication of this work marks an epoch in the history of monetary theory. Mr. Keynes has virtually reconstructed both the pure theory of the subject (in Volume I.) and the applied theory (in Volume II) in the light of the very extensive new knowledge opened up by the revolutionary experiences of the last fifteen years.

New Imperial Ideals. By Robert Stokes. With an Introduction by the Right Hon. Lord Lloyd. (London) John Murray, Albemarle Street. 10s. net.

A stimulating criticism of the accepted attitude to inter-Imperial relations, the keynote of which is a plea for the association of the Dominions in the government of the dependent part of the Empire.

Economic Prosperity in the British Empire. By Stephen Leacock. (London) Constable and Company, Ltd., Orange Street.

Dr. Leacock's infectious enthusiasm makes his book very agreeable reading. Whether it can carry the reader away to the point of accepting his conclusions is another matter.

Hire-Purchase Accounts and Finance. By C. W. Ashton. (London) Gee and Co. (Publishers), Ltd., Kirby Street. 10s. net.

A textbook on a branch of accountancy which is of growing importance.

Amalgamation Schemes. By A. E. Cutforth. Second Edition. (London) Gee and Co. (Publishers), Ltd., 6, Kirby Street. 3s. 6d. net.

A paper on amalgamation which, though written from the point of view primarily of the accountant, is of interest to a much wider circle of readers.

Annuaire de la Société des Nations, 1930. (Geneva) Editions de l'Annuaire de la Société des Nations, Rue d'Italie, 14.

The official book of reference of the League of Nations, containing the text of the Covenant, a history of the League, an account of its constitution and of the auxiliary organisations, a gazetteer of States members and of States non-members, and a Who's Who of representatives and persons connected with the League.

The Banker, November, 1930. (London) Financial Newspaper Proprietors, Ltd., 20, Bishopsgate. 2s. 6d.

Includes articles on "The World's Gold Supplies," "Mr. Snowden and the City," and "The Middleman's rôle in International Banking."

Bankers' Magazine, November, 1930. (London) Waterlow and Sons, Ltd., London Wall. 2s. 6d. net.

Includes articles on "Gold Shortage and Industrial Depression" and "The American Banking System in Transition."

Lloyd's Calendar, 1931. (London) Corporation of Lloyd's. 3s. 6d. net.

This book of reference, indispensable to anybody concerned with navigation or even indirectly interested in shipping, is most remarkable value for the money. Its range of information is exceedingly catholic; such headings as shipping statistics, the Royal Family, prevailing winds, fumigation of ships, the development of the oil industry and hints on first aid, give only a very inadequate idea of the ground covered.

OFFICIAL PUBLICATIONS RECEIVED.

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

Empire Marketing Board: The Demand for Empire Butter. October, 1930. 1s. net.

Report of the Agent-General for Reparation Payments (May 21, 1930). 5s. net.

Report of the British Coal Delegation to Sweden, Norway and Denmark, September, 1930. Cmd. 3702. 9d. net.

Report of the Imperial Economic Committee: Hides and Skins. 6d. net

Department of Overseas Trade: Economic Conditions in French West Africa, 1928-30. 1s. 6d. net.

Colonial Reports: No. 1497. Fiji, 1929. 2s. net; No. 1499. Barbados, 1929-30. 1s. 3d. net; No. 1502. Tongan Islands Protectorate, 1929. 9d. net.

The Stock Exchange.

AMERICAN INVESTMENT TRUSTS.

WE have lately been examining the reports of British investment trusts which, while presenting widely different results, have on the whole maintained the reputation of their managements for conservative finance and sound investment practice. Several inquiries have reached us as to the position of American investment trusts and the manner in which they have met the catastrophic fall in security values in the New York stock markets. Considerable light has been thrown on this subject by two publications which have recently been forwarded to us—*Keane's 1930 Manual of American Investment Trusts** and *Investment Trust Organization and Management*,† by Leland Rex Robinson, lecturer in investment trusts at Columbia University and a director of several investment trust companies. Keane's Manual is a complete directory of the companies operating in the American investment trust field. It distinguishes 608 trusts, as against 414 trusts in the 1929 manual. On December 31, 1928, the total financing of investment trusts amounted to \$891,188,841 (stocks \$695,318,316, bonds \$195,870,525). At the end of April, 1930, the corresponding figures were, stocks \$2,501,050,314, bonds \$340,317,325, a total of \$2,841,367,639. Of the trusts gone out of existence 40 were merged, 13 dissolved, two terminated, 17 changed their name, five did not get beyond the organisation stage, and 10 were failures, a total of 89. Of the 10 failures seven were of questionable intent, or were guilty of unethical practices and were put out of business by the proper authorities—a small ratio, as Mr. Keane observes, having regard to the rapid increase in investment trust enterprise.

In his "Investment Trust Organisation and Management" which, for all practical purposes, is a new book as compared with the first edition which appeared in 1926, Mr. Robinson clearly defines the different types of American investment trusts. There is, as yet, no such uniformity as obtains in Great Britain. There are evolving in the United States several varieties of investment trust which bear the stamp of that originality which often accompanies American adaptations of European methods and institutions. The first effort to introduce the investment trust into the United States along British lines was made by the International Securities Trust (now Corporation) of America, established in 1921, and by its fiscal agent, American Founders Trust (now Corporation), dating from 1922. From the first these two trusts excluded from their field of operation any financing or issuing business and confined their purchases to marketable securities, distributing their investment risks geographically and by types of securities in the approved manner. These were the forerunners of American trusts of the general management type which differ from their British relatives only in their greater efforts to make capital profits and in the keener interest they have shown in the purchase of common stocks.

Apart from these general management trusts other varieties of trust have grown up in America which are designed primarily to facilitate joint investment in equity stocks. The simplest is that known as the "fixed trust." Unlike other investment trusts the fixed trust is not a going concern engaged in converting its raw material, i.e., the capital paid in by its subscribers, into the finished product of carefully selected and diversified investments. It holds a fixed number of common stocks and participation in the trust takes the form of certificates authenticated by a trust com-

pany and specifying a fractional interest in a block or unit of the fixed common stocks held by the trust company. These fixed investment trusts first came into public notice about 1924. On account of the conveniently small units in which participation in them is available, the fixed investment trusts have enjoyed a considerable degree of popularity since the collapse of the stock markets in the autumn of 1929. An offshoot of the fixed trust is the "limited management" trust, which provides supervision for certain securities held by trustees in order that changes may be made therein in the light of altered conditions. Another offshoot is the "uniform trust fund," which gives the management power to vary the securities in accordance with certain rules and gives the participant the privilege of presenting his certificate of participation for redemption. An example of the uniform trust fund is the Irving Investors' Management Corporation Fund A and Fund B, sponsored by Irving Trust Company, New York, the second being known as the "accumulative fund," inasmuch as it pays no dividend whatever. Among other well-known companies, Diversified Trustee Shares is an example of a fixed investment trust; Insuranshares Corporation of Delaware of a company specialising in American insurance and bank stocks, and Incorporated Investors of a company issuing only common stocks and buying only leading American equities.

With regard to the general management type of American trust, we have examined the accounts of some of the leading groups—American Founders, which was responsible for the formation of United Founders' Corporation; Goldman Sachs, which were responsible for the Shenandoah and Blue Ridge Corporations; Prudential Investors, which was formed under the auspices of the J. Henry Schröder Banking Corporation, and other banking houses; and Tri-Continental Corporation, which was sponsored by J. and W. Seligman. The United Founders now owns 77½ per cent. of the outstanding common shares of American Founders, which in turn controls four subsidiary investment trust companies—International Securities Corporation, Second International Securities Corporation, United States and British International and American and General Securities Corporation.

It is sometimes said that the difference between American and British practice is that the British companies make safety of income and American companies capital profits their first consideration. To some extent this comment is true. The following analyses of the profit and loss accounts for the six months ended June 30, 1930, of the groups we have selected, show how large a proportion of the total income is represented by capital profits in some cases:—

FOR 6 MONTHS ENDED JUNE 30.
(000's omitted.)

Name.	Year organised.	Income from Capital Profits.	Total Income.	Net Income.	Prof. Divs.	Earned per common share.	Shares outstanding.
American Founders†	1922	\$ 3,717	\$ 9,057	\$ 5,892a	\$ 431	\$ 0.63	\$ 8,732
United Founders†	1929	5,443b	11,858b	5,443c	...	0.95	9,650
Prudential Investors	1929	113,000	185d	185	...	0.25	750
Tri-Continental	1929	3,055	4,759	4,382	1,301	1.53	2,020
Goldman Sachs Trust	1929	368	3,803	2,742	...	0.61	5,785
Ing.	1929	764f	8,781ef	8,192f	2,774f	0.92	5,896
Shenandoah	1929	...	...	...	...	...	...

† Figures for 6 months ending May 31st. a Net applicable to American Founders, which holds 90 per cent. of common shares of four subsidiary trusts. b Profits shown are consolidated profits of Corporation and subsidiaries, including American Founders, of which United Founders owns 77½ per cent. of common shares. c Net applicable to United Founders only. d After allowing for capital loss on sale of securities. e Including \$4,654,052 market value of stock dividends received. f Including income of subsidiary Blue Ridge

* Financial Publishing Company, Chicago and New York; George Routledge and Sons, Ltd., London.

† The Roland Press Company, New York.

A complication arises in the case of Shenandoah in view of the extent—over 40 per cent., based on market value—to which the investments of the corporation are represented by companies paying stock dividends. It is, however, claimed in this case that the actual cash dividends received (\$3,362,951) were sufficient to cover the preference dividends (\$2,773,633). The next table is also of considerable interest, showing the net assets value at June 30th per preferred stock and common shares as compared with the market prices ruling on October 1st:—

Name.	Net Assets Value per Pfd. Stk. at June 30, 1930.	Present Market Price, Pfd. Stk.	Net Assets Value per Common Sh. at June 30, 1930.	Common Sh. Prices. High, 1929.	Oct. 1st.
American Founders....	454.4	46†	11.58	34	7½
United Founders.....	*	*	21.41	...	13½
Prudential Investors ..	*	*	21.39	41½	17½
Tri-Continental	171.98	95	15.45	57	10½
Goldman Sachs Trading.....	*	*	30.16	121½	15
Shenandoah	122.75	36½†	10.49	39½	8

* No preferred stock outstanding.
† \$50 par value.

It will be seen that in all cases the common stocks are now selling at figures below the net assets values. It must, however, be borne in mind that the net assets value is somewhat theoretical, as the trusts could never realise on their holdings at the quoted market prices. Further, unless the American trust company has been long established it is not in a position to withstand a lengthy period of depression in common stock prices. The high levels to which the common stocks of these investment trust companies were carried in the 1929 boom is a mournful reminder of the extent to which speculation can run riot. In a common stock boom no purchase appears so attractive as the equity of an investment trust which is concentrating on common stock holdings. Contrariwise, nothing is more unpopular when equity stocks in general are slumping.

It is evident that new American investment trusts are going through a testing period similar to that to which the British investment trust companies were subjected in the 1890's after the Baring crisis. To quote Mr Leland Rex Robinson: "Upon so sound a basis has the investment trust business of Great Britain been conducted since 1900 that neither the late war nor the present disturbed condition of the world commodity and security markets has been able to check the constant growth of public confidence. It may be predicted with assurance that the present situation of investment trust companies in the United States will be followed by the same constructive developments. Instances can be cited in our own country of every kind of mistake and abuse which beset the early path of the British companies. But the mistakes and abuses have been in proportion much less extensive, and there are many indications that public interest will be rehabilitated here in not many more months than it required years in Great Britain." We hope that Mr Leland Rex Robinson is right. It is a matter of congratulations that most of the leading American investment trusts are sponsored by banking groups of financial strength and integrity.

THE WEEK IN THE MARKETS.

THE LONDON STOCK EXCHANGE.

SETTLING DAYS.

TICKET. ACCOUNT.
November 18. November 20.

INTEREST centred this week on the gilt-edged market, where many of the larger investment concerns continued up to Wednesday to switch from War Loan into longer-dated securities. The public showed a disposition to participate in the upward movement, and the ranks of dealers in the Consol market were swollen by temporary adherents

from other parts of the "House." Dominion and Foreign Bonds were stronger, with the melancholy exception of Australians, but the voice of cheap money was insufficiently stentorian to penetrate to the industrial markets—where prices maintained, without substantially improving on, last week's level—or the mining markets, which continued to wait in vain for signs of firmer commodity prices.

Despite the tighter condition of the short-loan market, and the easier exchange tendency, gilt-edged maintained a high degree of activity, though the early pace was too hot to last, and a healthy reaction occurred in the middle of the week. Special support was given to Funding Loan, 3½ per cent. Conversion and Victory Bonds, but War Loan was at first sold, and came into the picture only when other stocks were reacting. The gilt-edged position is discussed in an Investment Note on page 870. India stocks were easier in mid-week, but South Africans remained firm on the success of the new issue. The improving tendency of Australians was sharply checked by Mr Lyons's budget proposals, which were regarded as driving a carriage-and-four through the Melbourne agreement.

Brazilians continued to show improvement on the assumption that political developments would henceforth follow a "normal" course. San Paulo Coffee Bonds received support, coffee deliveries continuing more or less in accordance with schedule. Demand for German issues, particularly the 7 per Cents., was steady throughout the week. Turkish Unified were sold from Paris on the non-payment of the November coupon. Far Eastern stocks continued to rise.

Home Railway stocks were firmer, North Easterns, in particular, showing a welcome recovery on a traffic return recording an unexpectedly small decline. Argentine Rails maintained their position, current traffic figures suggesting that the period of declining receipts was nearing its end. Leopoldinas hardened on the news that little damage had been suffered in the recent disturbances. Havanas were bought up to the eve of the issue of the report (which is analysed on page 872), but were subsequently offered on a considerable scale.

The carry-over disclosed a reduced bear position in industrial shares. The week's dealings revealed a steady inquiry in some directions, but no real impetus towards increased business. Provincial investors continued to favour selected textile shares like J. and P. Coats and English Sewing Cotton. Courtaulds were in request, on market advice, but reacted slightly in the middle of the week. Electrical shares remained in steady demand, but motor shares reacted after finding a few buyers at the outset. The announcement of the reduction of the board of directors of Cables and Wireless from twenty-two to fourteen produced a short-lived improvement in the stock, though the market was unable to follow the reasons for some of the resignations. The reconstitution of the Waring and Gillow board was taken as an indication that the new arrangements were proceeding smoothly. International Teas were again in request, though no further announcement was made regarding the reopening of negotiations with Allied Stores. Thornycrofts were sold on the reduced dividend. A large business was done in Turner and Newall, the directors' announcement being regarded as ambiguous but not unsatisfactory. Distillers were an exception to the general uncertainty in the brewery share market. Tobaccos showed no decided trend. Internationals, including gramophones, were dull under American influences. The firmness of insurance shares provided one of the week's main features, the volume of business showing a considerable increase, with sound investment support behind the market. Bank shares were higher where altered.

Rubber shares lost ground at the first check to the rise in the commodity; the volume of business was reduced to small dimensions. Dealings in tea shares were of the negligible proportions which have become characteristic of this market. The further reduction in American crude oil prices was not conducive to activity in oil shares, and the repercussions in Paris of the Oustric failure were expected at one time appreciably to affect this market. Actually, neither factor produced the results anticipated,

the market having a firmer tone, though business was somewhat restricted. Royal Dutch and "Shell" showed some recovery after declining on the bad third-quarter earnings figures of the Shell Union (72 per cent. of whose common stock is understood to be owned by the Dutch—"Shell" group).

Business in the mining share market was again restricted, and movements were irregular. Among Kaffirs, Gold Fields and "Johnnies" were subjected to Paris selling, but Springs Mines were in some demand, and West Rand were well supported. Wankie Collieries improved in anticipation of an increased final dividend. In the Northern Rhodesian section no significant changes were recorded. De Beers weakened on lack of support. Business in tin shares was insufficient to affect quotations. Rio Tinto lost ground on the further relapse in copper.

"FINANCIAL NEWS" DAILY BARGAIN INDEX.
(Approximate number of Bargains recorded in Stock Exchange Lists.)

	Oct. 30, 1930.	Oct. 31, 1930.	Nov. 3, 1930.	Nov. 4, 1930.	Nov. 5, 1930.	Nov. 6, 1930.
Government and Municipal Loans.....	1,472	1,518	1,927	1,680	1,567	1,616
Transport, Communications, and Public Utilities	1,080	954	1,212	1,031	1,214	1,195
Commercial and Industrial*	1,870	1,580	1,985	1,729	1,835	1,810
Banks, Insurance and Financial	493	492	647	686	675	720
Mines (including Nitrates) ..	316	314	403	321	313	375
Oil	106	139	174	101	142	113
Rubber, Tea and Coffee	185	154	223	114	99	128
Total	5,522	5,151	6,576	5,662	5,845	5,957

* Including iron and steel and breweries.

"FINANCIAL NEWS" DAILY AVERAGE OF 30 INDUSTRIAL ORDINARY STOCKS.
(1928 = 100.)

Highest of 1930. (Apr. 17).	Lowest of 1930. (Aug. 26).	Oct. 30, 1930.	Oct. 31, 1930.	Nov. 3, 1930.	Nov. 4, 1930.	Nov. 5, 1930.	Nov. 6, 1930.
90.6	72.6	76.2	76.3	76.5	77.4	77.4	77.2

FOREIGN STOCK EXCHANGES.

NEW YORK.

Liquidation continued in a market which had been shaken by recent events, and saw no indication of an early change for the better. The results of the elections were received with mixed feelings. Wall Street, though Republican in its sympathies, has been far from satisfied with the record of the present administration. Much speculation took place as to the probable situation if, following historical precedent, the election results portended a change of President in 1932. It was recognised, however, that the intrusion of the Prohibition issue rendered uncertain the extent to which the week's results could be regarded as evidence of a reaction against the business policies of the administration. The week's stock market liquidation was carried out on orderly lines, United States Steel, General Motors, New York Central and Eastman Kodak being among the stocks chiefly affected. Public utilities were depressed by the fear that the new Legislature would be "unhelpful," and that more stringent regulation might be enforced in States whose new Governors had been elected on an anti-utility ticket. Increased difficulty was experienced in borrowing stock, United States Steel, Bethlehem and Westinghouse being among the fourteen stocks lent at premiums. The expulsion of two partners of the large Stock Exchange firm of Prince and Whitely, on the latter's failure, has created a bad impression, some \$12,000,000 of the firm's capital having been largely used to support the market. The figure of brokers' loans to members has now been reduced to the lowest level since returns were started four years ago. The outlook remains uncertain, the weakness of wheat and copper, and the fear that the steel industry may fall to a 40 per cent. operating basis having produced an atmosphere thoroughly uncongenial to market activity.

	Oct. 23, 1930.	Oct. 30, 1930.	Nov. 6, 1930.		Oct. 23, 1930.	Oct. 30, 1930.	Nov. 6, 1930.
U.S. 3½% T. Bds.	106½	106½	106½	Natl. Biscuit	78	78	77½
Do. 4½% T. Bds.	112½	113½	113½	Phelps Dodge	244	244	244
U.S. 4½% T. Bds.	101½	101½	101½	Pullman	55	55	57½
Do. 4½% '32-47	102½	102½	102½	Sears-Roebuck	51	49½	47
Do. 4½% '33-34	103½	103½	103½	Studebaker	19½	22½	21
Atchafalpa	195½	200	195	Un. Fruit	69	65½	66½
Ches. & Ohio	40	43	41	U.S. Leather	6½	7	6½
Erie	30½	33½	33½	U.S. Rubber	13½	13½	12½
Illinois Central	98	98½	95½	U.S. Steel	146½	146½	143½
N.Y. Central	134½	140	135	Westinghouse	103½	104½	98½
Pennsylvania	65½	67½	63½	Woolworth	62	63½	61½
Southern Pacific ..	103	104½	102½	Worthington Pump ..	78	81	76½
Southern Ry.	71	71	67				
Union Pacific	195	196	192	Am. Tel. & Tlg.	198	196½	192½
				Electric P. & L.	47½	49½	44½
Am. Can.	115	118½	113½	Int. Tel. Tele.	28½	30	27½
Amer. Smelting ...	53	54½	51½	Radio Corp.	22	20½	19½
Anaconda	33½	36½	34½	Utilities P. & L.	25½	26½	24½
Bethlehem Steel ...	73	70½	66½	W. Union Tlg.	136½	139	135½
Chrysler Motor ...	16½	16½	15½				
Corn Prods.	76½	78	75½	Associated Gas "A" ..	23½	23½	21
Eastman Kodak ..	187	171½	162½				
Gen. Electric (New) ..	50½	51½	49½	Pan Amer. B.	46½	47½	46½
Gen. Motors	34½	35	33½	Standard Oil	13½	13½	13½
Int. Harvester	61½	60½	59½	Std. California	51½	51½	51½
Montg. Ward	24½	20	18½	Do. N.J.	53½	53½	52

By courtesy of the Standard Statistics Company, Inc., of New York and 13, Copthall Avenue, London, we print the following index figures of American values calculated on closing prices (1926 = 100):—

	1928.		1929.		1930.		
	Lowest.	Highest.	Lowest.	Highest.	Beginning of Year.	Oct. 29.	Nov. 5.
335 Industrials ...	132.5	186.4	134.5	218.9	146.0	113.8	108.4
33 Rails	120.5	139.7	127.8	173.5	134.3	108.7	105.2
34 Utilities	128.3	180.6	177.6	330.4	202.2	182.0	170.4
Total, 402 Stocks ..	130.3	178.9	140.3	228.1	153.0	123.7	117.6
Average yield of 50 Industrial Common Stocks..	3.32%	4.42%	3.10%	5.23%	4.83%	5.55%	5.79%

DAILY AVERAGE OF 50 INDUSTRIAL COMMON STOCKS (1926 = 100).

Highest of 1930. (Apr. 10.)	Lowest of 1930. (Nov. 5.)	Oct. 29, 1930.	Oct. 30, 1930.	Oct. 31, 1930.	Nov. 1, 1930.	Nov. 3, 1930.	Nov. 4, 1930.	Nov. 5, 1930.
202.4	127.7	134.4	132.7	129.3	130.8	131.1	†	127.7

TOTAL DEALINGS IN NEW YORK.

	Oct. 30, 1930.	Oct. 31, 1930.	Nov. 1, 1930.	Nov. 3, 1930.	Nov. 4, 1930.	Nov. 5, 1930.	Nov. 6, 1930.
Stock Exchange—Shares (Thous.)	1,907	2,242	999	1,250	†	2,140	2,441
Bonds (Value—Thous. \$)	8,107	9,487	4,418	6,390	†	8,817	9,206
Curb—Shares (Thous.)	355	396	262	375	†	625	699

* 2-hour session. † Holiday.

PARIS.

The Paris Bourse was peculiarly nervous during the month of October. The uncertainty was due not only to the very low levels registered during the first fortnight, but also to rumours put into circulation that certain houses of the second rank would shortly encounter difficulties. The Government has been moved by this fact to investigate the source of the rumours and prosecute the originators. After a slight improvement at the beginning of the month, the tendency became distinctly heavier, and shares on October 15th reached the lowest level of the year. Subsequently, prices slowly rose, despite disappointing news from New York. This fact was the more interesting since on few occasions has there been noticeable on the Paris Bourse a uniform tendency independent of the waywardness of New York. During the last sessions of the month, fairly considerable offerings on American account and other factors of a technical character weighed heavily on prices, which on October 31st were perceptibly below those of September 30th. On October 30th the "Chambre Syndicale de la Coudisse" decided to suspend the quotation of three counters of a group whose shares have recently been the subject of violent speculative movements. Brazilian and Roumanian funds reflected the instability of the

(Continued on page 870.)

NEW ISSUE PRICES.

Stock or Share.	Issue price.	Amt. paid.	Price, Oct. 23, 1930.	Price, Nov. 6, 1930.
Ayr 5% 1947-57	101	5	2½-3 pm	3½-4 pm
Buenos Ayres Gt. Southern Rly. 4% deb. stk.	74	24	½-½ pm	1½-2 pm
Central Argentine Rly. 5% deb.	87½	37½	1-1 pm	1-1 pm
Central London Rly. 5% deb.	99½	25	2½-3½ pm	4½-5½ pm
Ceylon 4½%	95	5	2½-2½ pm	2½-2½ pm
Gas Light and Coke 4½% deb.	91½	21½	2-2½ pm	2-2½ pm
General Electric 5% deb.	98	25	2½-2½ pm	4½-4½ pm
Grosvenor House (Park Lane) 7½% cum. pref. £1	par	ty. pd.	3/3-2/3 dis	16/6-17/6
India 6% 1935-37	100	30	2½-3½ pm	3½-3½ pm
Kelly's Directories 6½% deb.	98½	ty. pd.	104-105	104-105
London Electric Railway 5% deb.	99½	50	3-3½ pm	4½-4½ pm
Treasury Bonds 4% 1936-46	100½	10	½-½ pm	½-½ pm
Yorks Electric Power	98½	...	101½-102½	104-104½

(Continued from page 867.)

political situation in each country. The Young loans were irregular as a result of the activities of Dr. Schacht in New York and the situation in Germany. After falling from 845 to 810, and rising to 862, they finished the month at 820.

Note: The "Oustic" failures, and their consequences, are discussed in a Note on page 853.

"Valeurs à Terme" : Sept. 30, 1930.	Oct. 31, 1930.	"Valeurs à Terme" : Sept. 30, 1930.	Oct. 31, 1930.
Banque de France	21,975	20,750	640
Banque d'Algérie	14,440	14,180	1,530
Paris Pays Bas	2,650	2,425	...
Union Parisienne	1,625	1,405	...
Cl. Algérienne	1,975	1,880	...
Comptoir Nat.	1,835	1,710	...
Crédit Comm.	1,305	1,235	...
Crédit Foncier	5,250	4,985	...
Crédit Lyonnais	2,925	2,560	...
Suez	16,930	16,300	...
O. de F. Nord	2,310	2,180	...
O. de F. Santa Fé	2,720	2,430	...
Boc. Lyon. Eaux	2,880	2,515	...
Parisienne Elect.	2,850	2,075	...
Gén. Electricité	3,255	2,820	...
Littoral Médit.	1,378	1,284	...
Elect. Nord Fr.	1,029	955	...
Courrières	1,295	1,217	...
Mines de Lens	1,118	995	...
Penarroy	700	424	...
Dives	2,540	2,385	...
Etab. Kuhlmann	821	705	...
Phosph. Gafsa	760	705	...
Pechiney	2,700	2,290	...
Air Liquide	1,660	1,280	...
Osut. Indo-Ch.	468	471	...

INVESTMENT NOTES.

The Gilt-Edged Boom.—At the moment of writing the boom in the gilt-edged market has slackened its pace, but the ground which it has already covered is remarkable. Taking the indices of the *Investors' Chronicle* (100 = December, 1923), British Funds have risen from a low level of 97.1 at the end of September, 1929, to 104.5 at the end of October, 1930, a rise of nearly 8 per cent. The following table gives the figures of the Actuaries' Investment Index* (December 31, 1928 = 100), which is based on prices for the last Tuesday in the month, to which we have added an estimate for the figure on November 4th:—

Date.	Price Index Dec. 31 1928=100.	Average Yield(%)
1928 December 31st	100.0	4.51
1929 March 26th	97.0	4.65
June 25th	96.2	4.69
September 24th	92.8	4.86
December 31st	94.7	4.76
1930 February 25th	96.0	4.70
March 25th	102.0	4.42
April 29th	99.1	4.55
May 27th	100.2	4.50
June 24th	98.8	4.56
July 29th	100.5	4.49
August 26th	101.3	4.45
September 30th	100.9	4.47
October 28th	103.7	4.35
November 4th	106.2*	4.25*
	(est.)	(est.)

It may be recalled that in March gilt-edged stocks enjoyed their first steep rise, to the accompaniment of rumours of a coming conversion offer. As the

* For further information regarding this index, see note below.

Budget approached and no conversion scheme was announced, activity died down, and from April to June the market reacted under the influence of the higher taxation imposed in Mr Snowden's Budget. Since June, however, the general trend has been upwards, the steepest climb being registered in October. Prices in some cases have surpassed the high levels of 1923, which saw the peak of the last gilt-edged boom. The comparison of prices at the 1923 high levels and to-day is shown in the following table, together with the yields obtainable at present prices. We have added the leading Government stocks issued since 1923, namely, 4½ per cent. Conversion, 4 per cent. Consols, and 5 per cent. Conversion:—

	High, 1923.	Present Buying Price.	Flat Yield %	Red. Yield.
5% War Loan, 1929-47	103½	102½	4 17 3	...
3½% Conversion after 1961	81½	82½	4 4 6	...
4% Funding, 1960-90	94½	95½	4 3 6	4 3 9
2½% Consols perpetual	60	59	4 4 6	...
4½% Conversion, 1940-44	...	102½	4 8 9	4 6 6
5% Conversion, 1944-64	...	105½	4 14 3	4 8 3
4% Consols after 1957	...	93½	4 6 6	...

It will be seen from the earlier table that the yield on long-dated British Government securities has fallen from 4.86 per cent. to 4.25 per cent. since September, 1929, when Mr Snowden, in somewhat of a panic at the state of the Government's finances, considered that 5 per cent. was not too high a yield to offer to investors in the 5 per cent. Conversion Loan, 1944-64. It does not appear that the force of the boom in gilt-edged securities has yet spent itself. Money continues to be plentiful. The gold position at the Bank of England has been strengthened by recent shipments from Australia; gold is coming from Spain; and though the renewed withdrawals on French account following the Oustic crash may check the market's optimism, the Bank's total gold stock, at about £160 millions, affords a comfortable margin. On account of the trade depression and the shortage of trade bills, there seems to be no prospect of a serious stiffening of money rates. Until new capital issues have assumed greater proportions and have begun to use up a larger proportion of available investment funds, the rise in gilt-edged securities may well continue. At what point Mr Snowden may decide to issue his half-promised conversion scheme to 5 per Cent. War Loan holders is, of course, a matter of conjecture. It is notable that 5 per Cent. War Loan has been an uncertain market since it was marked ex-dividend.

Investment Trust Reports.—Two investment trust reports recently published present a contrast of policy as regards publicity. The Second Scottish Investment (with offices in Edinburgh) gives no list of its holdings, and does not even declare whether there is depreciation or appreciation on its investments of £4,140,473. The Second Industrial Trust (with offices in London and Sir George Touche as chairman) gives a complete list of its investments, numbering 383, and states that the amount at which they stand in the balance sheet, namely £1,104,863, is "more than represented" by market values. The dividends and earnings of the two companies over the past two years are as follows:—

	Second Scottish. Year to October 1, 1929.	Second Industrial. Year to September 30, 1929.
Net profits	£128,290	£142,066
Per cent. earned ...	33.7	33.3
Per cent. paid	20*	20

* Plus capital bonus 20 per cent.

The Second Scottish increased its debenture debt during the year by £283,815, and the dividend of 20 per cent. is payable on an ordinary share capital increased by the 20 per cent. bonus issue in November, 1929. The ordinary stock is quoted at 23s. per 5s. share to yield 4.45 per cent. on dividends, and 7.4 per cent. on earnings, and that of the Second Industrial at £13½ (per £10 share) to yield 5.45 per cent. on dividends, and 7.98 per cent. on earnings. In the case of another trust—the Independent Investment—a circular accompanying

the interim dividend of 2 per cent. disclosed the fact that at September 30th, after deducting the ordinary and preference stock dividends, the break-up value of the net assets was £75,612 below the value of the paid-up capital of £420,000. The directors gave the following information regarding the distribution of the company's investments:

	Mar. 31, 1930.	Sept. 30, 1930.	Mar. 31, 1930.	Sept. 30, 1930.
British	40.0	25.6	Bonds and de- bentures ...	10.7
American ...	48.8	51.8	Preference ...	34.5
Foreign	11.2	22.6	Ordinary	54.8
	100.0	100.0		100.0

The heavy depreciation which the company has suffered may be due in part to its large holdings of American securities, to which it has added since March. It is surprising to find so small a proportion of the company's funds invested in bonds and debentures at the present time and so large a proportion in preference stocks which, on account of the narrowness of their markets, are not generally favoured by investment trust companies. The original directors of the Independent Investment Company were Mr O. T. Falk, Mr J. T. C. Gifford and Mr J. M. Keynes. It is stated that Mr J. T. C. Gifford has resigned and Mr Ian Macpherson has been elected in his place. The Independent Investment Company was formed in 1924 with the ostensible purpose of profiting from fluctuations in security prices arising out of the influence of money cycles. The results achieved so far, however, suggest that the practical difficulties of such a policy are greater than is generally realised.

The Actuaries' Investment Index.—In May last the Institute of Actuaries and the Faculty of Actuaries in Scotland, acting jointly, decided to inaugurate a series of indices, for issue by subscription, suited to the requirements of "corporate" investors, such as insurance companies and investment trusts. The initial results suggest that The Actuaries' Investment Index—which is compiled partly on a weekly and partly on a monthly basis, and includes yield as well as price figures—is a thoroughly workmanlike achievement, which has avoided many of the pitfalls which await the constructor of index numbers, and is likely to be of service to all large-scale investors. It is based, unfortunately, on December 31, 1928—the top of a boom in equity shares—but doubtless opportunity will be taken to widen its foundation later on. The published figures may be usefully compared with those of other indices, as in the following table:—

(End December, 1928 = 100.)						
Class of Securities.	Index.	No. of Securities.	Sept., 1929.	Dec., 1929.	July, 1930.	Sept., 1930.
Industrial ordinary shares	"Actuaries"	123	95.6	81.9	72.3	70.1
	"Fin. News"	30	97.9	84.3	75.9	74.3
	"Inv. Chron."†	...	88.8	75.9	68.1	66.8
	"Bankers' Mag."‡ (a)	278	104.2	92.7	86.5	84.8
British Government	"Actuaries"	3	92.8	94.7	100.5	100.9
	"Inv. Chron."	...	93.4	93.5	97.7	98.6
Industrial debentures	"Actuaries"	41	95.1	94.1	95.5	96.1
	"Inv. Chron."	...	95.8	93.5	94.7	93.8
Industrial pref. shares	"Actuaries"	11	98.7	96.6	97.8	98.8

* High-class industrial debentures. † "General business." ‡ "Variable dividend." (a) All "Bankers' Magazine" figures are calculated on prices in the middle of each month.

The comparison is approximate, as the scope of the various indices is not identical. The original choice of securities was made for the *Bankers' Magazine* index, nine years ago; for the *Investors' Chronicle* index, seven years ago; for the *Financial News* and Actuaries indices, early this year. All the indices agree as to the main trends of security values in recent months—that ordinary shares

have been falling and gilt-edged stocks rising steadily, and that while industrial debentures have enjoyed a recovery, they have not yet regained the end-1928 level. The indices, however, show significant differences in the amplitude and timing of fluctuations in values. Thus, as regards equity shares, the Actuaries' index, which is based on a geometric average for all companies operating in Great Britain with a market capitalisation over £2,000,000 on December 31, 1928 (i.e., on the largest concerns, or those most inflated at the top of the 1928 boom), shows a total depreciation of 30½ per cent. since the end of 1928. The *Financial News* index (which is an arithmetical average of the "market leaders") shows a decline, in the same period, of 26 per cent. The *Investors' Chronicle* index (based on a selection of securities made before the last boom began) shows a decline of 34 per cent. in the last 22 months, and the *Bankers' Magazine* index, which is still more "old-fashioned," a drop of only 20 per cent. Clearly, the problem of choosing sample stocks which are really "representative" in every sense of the word, is decidedly formidable.

National Flying Services: An Obscure Proposal.—Debenture-holders in National Flying Services, Ltd. (which was formed in April, 1929, to establish flying facilities in various towns, run flying schools, and act as a general aircraft agency), have received a circular from Mr Arthur G. Cousins, one of their trustees, which contains a number of unusual features. The company has not so far been successful, its accounts for fifteen and a half months to July 31st last showing a net loss of £49,563, after paying debenture interest and crediting a Government subsidy, but before allowing for losses sustained by two subsidiary companies. The circular states that at least £50,000, and possibly £60,000, is required to finance the company through the winter season. It asks the debenture-holders to consider the advisability of allowing up to £30,000 to be raised by prior-lien debentures, ranking in front of their present holding, on condition, *inter alia*, that the directors guarantee to find another £25,000 to £30,000 ranking after the debentures, that the company's board is reconstructed, and that "the further funds provided by the directors and their associates are not to be repaid until the whole of the prior-lien has been repaid." This last clause is either unnecessary—since any funds provided by the directors on such terms could not in any case be repaid until both the prior-lien and the existing debentures had been repaid—or is in conflict with the rest of the circular if it implies that the directors' contribution is to rank immediately after the prior-lien. It would appear also that part of the money raised will be used to meet current expenses, since the circular elsewhere states that "it is proposed that at least half of the additional amount . . . be used for the purchase of further assets." The company has a board which includes names of distinction in aviation, but the management has shown itself less successful in the counting-house than in the air. Messrs Whinney, Smith and Whinney, who were asked for an opinion as to further finance, questioned whether the closest supervision of expenditure had in the past been exercised. The present debentures (which total £150,000) have no more than £191,698 of ordinary capital ranking after them, of which certain directors and their associates hold approximately £100,000. A firm of valuers has put the company's assets at £248,305, but whether anything like this amount would be realised on a forced sale is uncertain. Before, however, the debenture-holders should be asked to agree to a modification of their rights, they would seem to be entitled to much more definite evidence: (1) That

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they would gain more by agreeing to the terms than asking for a receiver; and (2) What the company's prospects are really likely to be next spring, when the suggested new funds will have been exhausted.

Earnings of the "Harman" Companies.—Certain companies in what is generally known as the "Harman" group are finding it necessary to raise fresh capital. The London Irish Trust, for instance, has announced an issue of £100,000 6½ per cent. Convertible Debenture stock, at par, redeemable in 1940 and giving holders the right to exchange, in the interim, into stock at par. The proceeds of the issue are to be used to repay bankers' loans and other indebtedness and "to take advantage of the general fall in prices for investment in suitable securities." Another company, Oceana Consolidated, proposes to issue 3,906,364 participating preference shares of 5s. at par, subscribers having an option on further shares of the same class. The Rock Investment Company, Limited, is asking shareholders to sanction an issue of £300,000 in 5½ per cent. £10 cumulative preference shares, ranking ahead of the existing preference capital. The subscribers will have an option, exercisable before September, 1940, of conversion into ordinary shares, while existing preference holders may exercise a similar option—the whole representing an unusual type of financial operation. Recent reports suggest that companies in the "Harman" group are making somewhat heavy weather. The following table may serve as an indication of the experience of some of the more important concerns with which Mr M. C. Harman, or his supporters, are, or have been, directorially connected:—

Company.	Total Paid-up Capital (excluding debentures).	Total Net Profit or Loss, Last Report.
	£	£
Branston Artificial Silk	1,360,000	Dr. 134,850
British Bank for Foreign Trade	340,000	Dr. 8,498
Chosen Corporation	496,460	10,113*
Dublin Distillers	320,000	Dr. 21,048
Gas, Water and General Investment...	560,000	Dr. 26,858
John Hetherington	799,571	Dr. 53,343
Kirklees	500,000	Dr. 24,428
London Irish Trust	500,000	Dr. 4,291
Oceana Consolidated	976,421	Dr. 59,254
Rock Investment	250,400	Dr. 27,079
Total	6,102,852	Dr. 349,536

* Year to June 30, 1929.

In view of these figures, shareholders are entitled to clear evidence from the sponsors of further capital issues that the new money can be profitably employed under the difficult conditions obtaining, at the present time, throughout the business world.

164 Branches in Finland

CAPITAL AND RESERVES:
Fmk. 426,000,000.
TOTAL ASSETS (30/6/30):
Fmk. 3,065,966,000.

KANSALLIS-OSAKE-PANKKI

(National Joint Stock Bank)

HEAD OFFICE: HELSINKI
(HELSINGFORS), FINLAND

Established 1889.

United of Havana Results.—The accounts of this once prosperous Cuban railway for the financial year ended June 30th last make depressing reading. Gross receipts are down by 15.7 per cent., while railway expenses have decreased by only 2.6 per cent. Net railway profit is £383,599, compared with £898,969 last year. The addition of interest and deduction of taxes and other charges bring the total net profits to £337,633, a decline of £559,147. After debiting a full year's debenture interest (of which only £273,422 has been paid) amounting to £663,910, and the interim preference dividend of 2½ per cent. paid in January, there remains to be carried forward a deficit of £294,993, against £120,140 brought in.

	1927-28. £	1928-29. £	1929-30. £
Railway receipts	3,610,219	3,802,998	3,207,177
Railway expenses	2,870,492	2,935,442	2,856,821
Balance	739,727	867,556	350,356
Other receipts†*	11,790	31,413	33,705
Special expenses	131,828	...	462
Net railway profit	619,689	898,969	383,599
Interest received	159,814	137,908	127,186
Taxes and other charges	107,093	140,097	173,152
Total net profits	672,410	896,780	337,633
Debenture interest and sinking fund	669,031	667,057	663,910
Times covered	1.0	1.3	...
Balance for distribution	3,379	229,723	...
Prof. dividend	177,713	177,713	88,856*
Times covered	...	1.06	...
Earned for ord. div.	...	52,010	...
Earned per cent.	...	0.79	...
Paid per cent.	Nil	Nil	...
Carry forward	118,131	120,140	Dr. 294,993

* Includes Regla warehouse.

† Interim.

The general manager attributes these unhappy results to the further severe setback which the sugar industry suffered in the second half of the year, to unregulated road competition, and to the fact that, whereas during the past three years carriage of material for the construction of a central highway helped to swell gross receipts, during the current year the highway in the company's zone has almost reached completion, and traffic has fallen off in consequence. On July 8th the board announced that, owing to the heavy and continuous decline in receipts, a scheme of arrangement had been prepared providing *inter alia* for the suspension of the existing sinking fund provisions for debenture redemption and for the issue of certificates for arrears of interest. This scheme was subsequently sanctioned by the Court, and at the annual meeting, on November 25th, shareholders will be asked to alter the articles of association accordingly. In the circumstances, debenture holders may be inclined to question the wisdom of the interim preference dividend announcement, which was made on December 5th last. While it is true that traffic returns some time prior to the decision had shown small increases, the figure for November revealed a decline of £14,298, and in conjunction with the uncertainties connected with the sugar situation, and potential road competition, might well have suggested reasonable cause for postponement. The present prices of the ordinary 5 per cent. preference and 5 per cent. irredeemable debenture stocks are compared below with the prices twelve months ago:—

	November, 1929.	November, 1930.
5% Irred. Debentures	71	23½
5% Preference	54	11
Ordinary stock	32	8

The extent of the fall in prices shows how completely the market was taken by surprise by the reversal of the company's fortunes.

United Steel Companies.—The reorganisation of United Steel Companies, under the facilities provided by the Companies Act of 1929, has now been completed, and a new company, with the same name, has taken over the assets and uncanceled liabilities of the old. As the new company was registered only in August last, the directors have issued a report, pending the publication of the accounts for the twelve months ended June 30, 1931. In a *pro forma* statement, share capital is now shown at £6,622,884, while a loan of £1,300,000—introduced because of the failure of Austin Friars Trust to provide the funds for the repayment of bank indebtedness—is to be secured by debenture if not repaid before June 30, 1931. Debentures of subsidiary companies total £1,322,962, mortgages and loans £339,319 and preference shares of subsidiary companies, not held by United Steel Companies, £123,194. Debts by the company amounting to £1,493,822 are covered by available assets of £1,972,172. The fixed assets of the company now stand at £7,371,682, which the directors consider a conservative figure. Trading profit on this written-down capital figure totalled £651,019 for the year to June 30th last, compared with £520,006 for the previous twelve months, and £374,672 for 1927-28. Interest payable, dividends on preference shares of associated companies, and reserve for taxation require £167,436, leaving £483,583 to be carried to profit and loss account. The report states that interest charges payable under the scheme of arrangement and "B" and "C" debenture interest, amounting to £251,779, have been deducted from the profit for the year, but that in future the interest chargeable on loan capital will be £78,000 per annum. Shareholders will be glad to learn that the company may gradually return to a sound earning basis.

Sudan Plantations Syndicate.—The fall in cotton prices and the diversion of labour on works at Zeidab and Gezira affected the results of this company for the year ended June 30th last. Altogether £202,947 was spent at Gezira and £26,743 at Zeidab in development, canalisation and equipment. This caused a large decrease in liquid assets. While the area under cultivation was 20.1 per cent. higher on June 30th last as compared with June 30, 1929, the number of bales produced was 32.9 per cent. lower at 75,230. Gross profit was consequently £491,787 less at £442,007, and net profits dropped by £429,009 to £227,347. The dividend was sharply reduced from 25 per cent. to 10 per cent.:—

	1928. £	1929. £	1930. £
Gross profit	833,880	933,794	442,007
Net profit†	587,401	656,356	227,347
Ordinary dividend:			
Earned %	26.10%	29.17%	10.10%
Paid %	25%	25%	10%
Amount	562,500	562,500	225,000
Increase or decrease in carry-forward	+ 24,901	+ 93,856	+ 2,347

† Before deducting directors' fees of £31,825 in 1926-27, £8,484 in 1927-28, and £12,886 in 1928-29.

During the period under review stocks fell by £1,175,042 to £1,512,538. The heavy capital expenditure was reflected in a decline in cash of £130,003 to £620,515, and in British Government securities by £339,274 to £1,015,944. The Kassala Cotton Company, in which Sudan Plantations has £273,750 invested, completed its first cultivating season and obtained a satisfactory crop. Sudan Plantations' £1 shares yield £5 9s. 7d. per cent. at the present price of 37s. 6d.

Lewis Berger and Sons.—In view of the extent of trade depression, the latest accounts of this company of paint and varnish manufacturers are not unsatisfactory. Trading profits for the year to July 31 last totalled £50,980, against £57,878, and dividends received £63,563, against £72,626.

Net profit, at £106,634, shows a decline of £14,959. The £527,275 of ordinary capital again receives 10 per cent. out of 14.9 per cent. earned.

Year to July 31.	1928. £	1929. £	1930. £
Trading profit	44,109	57,878	50,980
Net profit	114,157	121,593	106,634
Brought forward	60,177	23,759	39,634
Preference dividend	28,000	28,000	28,000
Rate per cent.	7	7	7
No. of times covered	4.0	4.3	3.7

Ordinary capital:			
Earned, £	86,157	93,593	78,634
Paid, £	52,575	52,718	52,728
Earned, per cent.	16.4	17.7	14.9
Paid, per cent.	10	10	10

To reserve	50,000	25,000	...
Other allocations	20,000	...	...
Carried forward	23,759	39,634	65,540

No further allocation is made to reserve fund, which stands at £75,000. A satisfactorily liquid position is revealed, available assets totalling £172,493, compared with potential liabilities of £132,096. The present price of the ordinary £1 shares is 36s. 3d., which, allowing for a final dividend of 5 per cent., shows a yield of £5 16s. 3d. per cent.

United Dairies Meeting.—At the annual meeting, on October 31st, Mr J. H. Maggs, the chairman and managing director of the United Dairies, vigorously combated the suggestion that the company enjoyed, or exploited, anything like a "monopoly" position in the Greater London milk trade. He stated that, in the area served by the company there were over 2,000 independent dairymen. Of the season's output of milk, only 10 per cent. came under the control of United Dairies. Referring to the suggestion that there had been no falling off in retail prices despite cheaper wholesale prices paid for milk, Mr Maggs said that, compared with 1926-27, the wholesale price had fallen by only one-twelfth of a penny. Though a Member of Parliament had declared that a margin of 100 per cent. existed between the retail and wholesale price, Mr Maggs stated that the figure was only 78 per cent. The Board of Trade allowed a difference of 13d. per gallon of "loose milk," while the company's difference was 11.6d. per gallon. In New York the margin was 195 per cent. per gallon bottled in quart bottles, and 276 per cent. on sales by the pint. He strongly opposed the introduction of the Consumers' Council Bill.

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New Capital Issues in October.—In the following table we show the new capital raised in London by issue to the public and to shareholders in October, and in recent periods.

Monthly Average.	(000's omitted.)			
	United Kingdom.	British Possessions.	Foreign Countries.	Total.
1924	£ 7,051	£ 6,023	£ 4,370	£ 17,444
1925	12,918	5,077	1,356	19,351
1926	10,765	4,431	4,036	19,232
1927	17,240	8,318	4,039	29,597
1928	21,965	5,263	3,526	30,754
1929	16,502	5,081	2,186	23,769

Monthly Average.	Govt.		Other.	
	£	£	£	£
Jan.-Mar., 1929	617	18,757	8,797	4,147
Jan.-Mar., 1930	12,803	11,973	5,360	1,120
Apr.-June, 1929	16	16,069	7,858	2,191
Apr.-June, 1930	567	10,233	7,025	25,621
July-Sept., 1929...Dr. 1,200	12,472	6,341	1,051	18,664
July-Sept., 1930... 1,800	15,224	2,775	4,586	24,385
October, 1929 ... Dr. 350	8,058	652	3,500	11,860
October, 1930 ... 850	11,839	12,000	1,480	26,169

The autumn reopening of the new issue market, in a period of cheap money, has been signalled by a number of successful operations by borrowers of good standing. Mr Snowden's offer of 4 per cent. Treasury bonds, 1934-36, provided him with £19,000,000 over and above his requirements for conversion purposes. As no official announcement has yet been made as to the manner in which these additional funds will be employed, we have regarded them as being "in suspense" for the purpose of our calculations. They do not, therefore, appear in the figures shown above. The largest of the remaining issues was made by the Government of India, whose offer of £12,000,000 of 6 per cent. bonds, on generous terms as to yield, was greatly over-subscribed. There is as yet no sign of a large-scale resumption of the demand from home corporations which was a feature of the market up to the end of May, the only borrower falling into this category last month being the Ayr County Council. The London Underground Railway group again borrowed, both by public issue and private "placing," on advantageous terms. Public utility companies have been represented by the Gas Light and Coke Company in the public issue market, and by the Midland Counties' Electric Supply Company in respect of capital offered to shareholders only, but issues by general industrial concerns have been few and far between. New foreign bonds, similarly, have been conspicuous by their absence. Broadly speaking, the supply of new securities, of the highest grade, has not fully kept pace with demand at a time when the maintenance of cheap money has been regarded as assured for some considerable time—a fact illustrated partly by the rapid over-subscription of the majority of issues of high status and by the "overflow" of surplus resources into the gilt-edged markets.

Trinidad Leaseholds.—The shareholders of Trinidad Leaseholds were disturbed by the passing of the final dividend in respect of the year ending June 30, 1930, which left the distribution for that year at 7½ per cent., against 30 per cent. in the preceding year. The accounts which have now been published show that the company

earned 15.3 per cent. on its capital after allowing for taxation. The net trading profit before allowing for overheads and depreciation showed a reduction of 34 per cent. at £452,637. This reduction was due, according to the directors, to the lower prices realised on their oil products. Sales on satisfactory terms, they declared, had been increasingly difficult, and as a result stocks of oil had increased. Since the close of the financial year revenue had suffered from a further fall in prices. Substantial amounts had been expended on capital account during the year, chiefly on the installation of revenue producing plant and distribution facilities. As conditions had not been favourable for an issue of shares the funds required had been provided out of revenue, £75,000 being allocated out of profits to the reserve account. The results for the past three years are shown in the following table:—

Year to June 30.	Net Profit.	Depreciation.	Taxes.	Earned.	Paid.		Reserve.	Carry forward.
					Int.	Final.		
1928	£ 581,094	£ 183,805*	£ 25,000	28.6	10.0	17.5	£ Nil	£ 81,803
1929	544,603	231,436	Nil	31.9	12.5	17.5	Nil	101,501
1930	426,871	179,275	70,000	15.3	7.5	Nil	75,000	105,730

* Includes £101,985 written off all wells on Forest Reserve, Bernstein and Barrackpore Fields, less £100,000 transferred from depreciation reserve.
† After overhead expenditure.

The directors reported that in order to broaden the market for the company's motor spirit, they had acquired the petrol distributing business in this country of Burt, Boulton and Haywood. The company also made a new investment in Trinidad, the Siparia Trinidad Oilfields being formed in conjunction with the Venezuelan Consolidated Oilfields. The result of these acquisitions and of the expenditure on capital account has been to reduce the company's cash from £226,000 to £75,000, and its Government Securities from £544,000 to £96,000. Excluding stocks of oil, which have increased from £164,000 to £276,000, the surplus of quick assets over current liabilities has fallen from £375,000 to £37,000. Whether the company has been wise to extend its commitments in motor spirit distribution at the present time remains to be seen. The company's shares have fallen from a high level of 78s. 9d. this year to the present price of 25s.

CAPITAL ISSUES.

THE only publicly-advertised issue of the week in London was that of the *Union of South Africa*, the stock being a trustee security giving a flat yield of £4 14s. 3d. per cent., and a redemption yield, on the latest possible date, of £4 14s. 11d. per cent. South Africa is a popular borrower in London and, in the present condition of the new issue and gilt-edged markets, the immediate over-subscription of the loan was a foregone conclusion. The *Agricultural Credit Corporation* (of the Irish Free State), made an issue, in Ireland, of 5 per cent. State Guaranteed Mortgage bonds at 101. These also were rapidly over-subscribed.

ISSUES OF THE WEEK.

By Prospectus or Offer for Sale.

Net total recorded, January 1 to November 1, 1930, £223,849,355.
Total, including conversion recorded, January 1 to November 1, 1930, £404,564,986.

To the Public.	National Savings Certificates.		First Payment.	Further Liability.
	Nominal Capital.	New Repayments.		
Union of South Africa	5,000,000	4,775,000	238,750	4,536,250
Total issued to the public, week ended November 8, 1930	5,000,000	4,775,000	238,750	4,536,250
To Shareholders only.				
Deve. Plantations, £30,000 7% deb. stk. at par	30,000	30,000	3,000	27,000
Hants and Dorset Motor Services, 150,000 6½% cum. pref. £1 at par	150,000	150,000	37,500	112,500
Total shareholders only, week ended November 8, 1930	180,000	180,000	40,500	139,500

WEEKLY TRAFFIC RETURNS. RAILWAYS OF GREAT BRITAIN AND IRELAND.

(b) Week ended Oct. 30, 1930.	Miles Open.	Week ended Nov. 1, 1930.					Aggregate 44 weeks, 1930.				
		(000's omitted.)					(000's omitted.)				
		Passenger.	Merchandise, etc.	Coal and Coke.	Goods.	Total.	Passenger.	Merchandise, etc.	Coal and Coke.	Goods.	Total.
Great Western	3,751	193	217	113	330	523	10657	9,304	5,166	14,470	25,127
Do. for 1929	3,751	205	226	125	351	556	11043	9,825	5,462	15,287	26,330
Lon. & N. Eastn. (c)	6,362	307	451	257	708	1,015	15832	16999	11128	28,127	43,959
Do. for 1929	6,361	319	461	262	743	1,062	16460	18427	11823	30,250	46,710
Lon. Mid. & Scot.	6,956	448	514	244	758	1,206	23472	23149	10974	34,123	57,595
Do. for 1929	6,957	471	599	265	864	1,335	24831	25104	11815	36,919	61,750
Southern	2,179	268	88	35	121	389	14329	3,397	1,301	4,698	19,027
Do. for 1929	2,175	277	87	35	122	399	14660	3,458	1,427	4,885	19,545
Total of above	19,248	1216	1270	647	1917	3,133	64290	52849	28569	81,418	145,708
Do. for 1929	19,244	1272	1373	707	2080	3,352	66994	56814	30527	87,341	154,335
Metropolitan (c)	59	31.4	4.1	...	...	35.5	1431.1	174.8	...	...	1605.9
Do. for 1929	59	32.7	4.2	...	...	36.9	1423.7	170.0	...	...	1693.7
† Undgd. B. R. (c)	...	305.6	...	...	...	305.6	1327.9	...	...	...	13.279
Do. for 1929	...	290.6	...	...	...	290.6	1258.6	...	...	...	12.586
Lon. & Sub. Grp.	...	44.8	...	...	...	44.8	1956.4	...	...	...	1956.4
Do. for 1929	...	42.8	...	...	...	42.8	1848.2	...	...	...	1848.2
B'lf. & Co. D'wre	80	1.9	...	...	...	2.7	122.9	32.7	...	...	155.6
Do. for 1929	80	1.9	...	...	...	2.9	121.8	39.0	...	...	160.8
* Great Northern	562	10.5	18.4	...	...	28.9	...	...	...	...	1203.4
Do. for 1929	562	11.8	18.5	...	...	30.3	...	...	...	...	1278.2
Great Southern	2,187	24.0	47.9	...	...	71.9	...	...	...	...	3164.6
Do. for 1929	2,187	26.7	52.6	...	...	79.3	...	...	...	...	3318.9

* Aggregate 43 weeks.
† Includes receipts from independent omnibuses during current year.

OVERSEAS RAILWAY RECEIPTS.

Name.	Week.	Ending.	Present Mileage.	Gross Receipts for Week.		Total Gross Receipts.	
				1930.	+ or -	1930.	+ or -
INDIAN.							
Assam Bengal ...	40	Oct. 4	1,306	3,85,000	- 89,004	10,259,286	- 363,377
Barsi L. Ry.	1	11	202	43,700	+ 5,700	10,99,600	+ 219,200
Bengal & N. Western ..	1	11	2,079	7,80,792	- 98,627	7,80,732	- 98,62
Bengal-Nagpur	26	Sept. 30	3,139	2,23,600	- 5,43,340	4,12,64,203	- 4,173,722
Bombay, Bar., & C.I. ..	27	Oct. 25	3,094	16,56,000	- 3,73,000	5,700,7,000	- 46,37,000
Madras & S. Mahr.	4	11	3,229	20,43,000	- 2,80,897	4,17,87,948	- 82,69,234
†Rohilk'd & Kumaon ..	1	11	561	1,47,671	- 12,725	1,47,671	- 12,72
South Indian	26	Sept. 30	2,371	19,73,581	- 32,867	3,27,53,129	- 12,73,338
† Including Lucknow-Bareilly State Railway.							
CANADIAN.							
Canadian National	43	Oct. 30/20290	6,820,604	- 111,3133	189,274,118	- 38,287,116	
Canadian Pacific	43	31/15470	5,280,000	- 995,000	149,547,000	- 28,545,000	
† 10 days.							
SOUTH AMERICAN.							
Antofagasta (Chili and Bolivia)	44	Nov. 2	804	23,730	- 9,080	1,177,570	- 509,255
Argentine N.E.	1	11	711	12,100	- 500	262,300	- 18,000
Argentine Trans'n.	18	1	711	5,749	- 516	61,270	- 12,454
B.A. and Pacific	18	1	2,806	119,000	- 1,000	2,111,000	- 557,000
B.A. Central	18	2	...	11,786	+ 74	236,202	+ 6,677
B.A. Gt. Southern	18	1	5,009	184,000	- 26,000	3,301,000	- 636,000
B.A. Western	18	1	1,926	67,000	- 3,000	1,197,000	- 286,000
Central Argentine	18	1	3,359	196,000	- 16,000	3,478,000	- 967,000
Central Uruguay	18	1	273	40,373	+ 2,560	526,392	+ 56,973
C. Urug. (East-Ext.) ..	18	1	311	7,491	- 30	104,948	- 10,280
C. Urug. (N. Ext.)	18	1	185	4,300	+ 970	59,979	+ 6,783
C. Urug. (W. Ext.)	18	1	211	3,197	+ 306	51,175	+ 5,196
Cordoba Central	18	1	1,218	56,000	-	1,141,000	- 61,000
Entre Rios	18	1	804	25,500	+ 2,200	433,300	+ 23,700
G. Westn. of Brazil	44	1	1,035	16,800	- 6,900	578,600	- 194,600
Leopoldina	44	1	...	...	-	47,000	-
Leopoldina Term.	44	1	...	...	-	1,23,90,000	- 1,9,000
Nitrate (C. monthly) ..	10†	Sept. 31	410	17,761	- 18,446	359,276	- 337,876
San Paulo	46	Nov. 2	153†	28,776	- 7,594	1,778,881	- 388,449
United of Havana	18	1	1,369	32,686	- 13,698	6,722,687	- 268,293

* Traffic interrupted by storms. † Months. ‡ No returns owing to Brazilian situation

OTHER OVERSEAS.

Name.	Week.	Ending.	Present Receipts.	Gross Receipts for Week.		Total Gross Receipts.	
				1930.	+ or -	1930.	+ or -
Gt. Southn. of Spain ..	43	Oct. 25	104	79,967	- 65,327	4,216,468	- 982,492
Mexican Railway	17	31	483	275,900	- 98,500	3,960,100	- 239,400
Paraguay Central	18	Nov. 1	274	3,410	- 160	69,100	- 5,670
Salvador	18	1	100	2,940	- 25	39,209	- 25,185

TRAMWAYS WEEKLY GROSS RECEIPTS.

Name.	Week.	Ending.	Present Receipts.	Gross Receipts for Week.		Total Gross Receipts.	
				1930.	+ or -	1930.	+ or -
Anglo-Argentine	43	Oct. 28	329	79,967	- 7,108	3,519,707	- 188,818
B. Aires Lacrosse	18	Nov. 2	...	12,659	+ 22	197,516	+ 12,380
Liverpool Corp.	40	1	124	29,650	- 361	928,601	- 19
Madrid Electric	42	Sept. 31	...	41,082	- 348	9,27,614	- 48,878
L.O.O. Tramways	31	30	166	82,872	- 1,742	25,08,697	- 23,072

* Including motor buses. † Months. ‡ Fortnightly figures.

MONTHLY TRAFFICS.

C. Urug. (N. Ext.)	18	1	185	4,300	+	970	59,979	+	6,785
C. Urug. (W. Ext.)	18	1	1,213	3,197	+	306	51,175	+	5,178
Canada Central.	18	1	56,121	1,400	+	1,140	1,140	+	1,140
Entre Rios	18	1	804	25,500	+	2,200	433,300	+	23,700
G. Westn. of Brazil	44	1	1,035	16,800	+	6,900	578,600	+	194,600
Leopoldina	44	1	1	1	+	1	1	+	1
Leopoldina German	44	1	1	Rs. 24,000	+	47,000	1,230,000	+	79,000
Nitrate (4 monthly	104	Sept. 31	410	17,761	+	18,448	3,000,278	+	330,000
San Paulo	46	Nov. 2	1534	28,776	+	7,594	1,778,881	+	388,484
United of Havana	18	1	1,369	32,686	+	13,698	3,628,687	+	266,289

BANKERS' CLEARING RETURNS (000's omitted)

	Town.	Metropolitan.	Country.	Total.
1930.				
January 1 to October 22.....	31,988,568	1,480,471	2,425,643	35,894,682
Week ended October 29.....	699,727	32,715	50,289	782,731
Week ended November 5.....	18,640	37,161	60,039	95,840
Total to date, 1930.....	33,506,935	1,550,347	2,535,971	37,593,253
Total to date, 1929.....	33,998,845	1,608,382	2,626,333	38,233,560
Increase or decrease in 1930.....	- 491,910	- 58,035	- 90,362	- 640,307
Do. 1929.....	+ 624,807	+ 27,589	+ 39,342	+ 691,751
Increase or decrease in 1929.....	+ 1.4%	+ 1.6%	+ 1.3%	+ 1.6%

PROVINCIAL CLEARING RETURNS.

(000's omitted).

	Week ended Nov. 1.		Month of October.			Aggregate Weekly Totals Jan. 1 to Nov. 1.	
	1929.	1930.	1929.	1930.	Inc. or Dec.	1929.	1930.
Number of working days	£	£	27	27	£	£	£
BIRMINGHAM	5,128	2,419	10,501	9,738	- 7-2	112,487	103,324
BRADFORD	1,461	983	5,117	3,392	- 33-7	50,424	37,113
BRISTOL	1,264	1,100	5,399	4,845	- 10-2	51,200	48,267
DUBLIN	4,956	4,447	...	...	...	210,079	208,632
HULL	809	706	3,674	3,352	- 8-7	37,043	34,339
LEEDS	1,120	842	4,516	3,749	- 16-9	42,941	39,623
LEICESTER	808	634	3,360	2,958	- 11-9	34,558	30,262
LIVERPOOL	7,326	5,782	35,878	25,866	- 27-8	341,908	276,903
MANCHESTER	15,478	9,737	56,714	41,663	- 26-5	546,484	452,255
NEWCASTLE	1,890	1,587	6,578	5,507	- 16-2	65,145	60,645
NOTTINGHAM	634	504	2,863	2,596	- 9-3	23,371	25,353
SHEFFIELD	1,135	643	4,275	3,457	- 19-1	43,865	38,175
Total	37,947	29,384	138,875	107,143	- 22-8	1,559,505	1,354,891

OVERSEAS BANK RETURNS.

NOTE.—The latest Return of the Bank of Portugal appeared in the *Economist* of August 30; Egypt and Lithuania in October 25; Canada, Norway, Austria, Hungary, Chile and Poland in November 1.

BANK FOR INTERNATIONAL SETTLEMENTS.

(In Millions of Swiss Francs.)

	July 31, 1930.	Aug. 31, 1930.	Sept. 30, 1930.	Oct. 31, 1930.
ASSETS.				
Cash.....	6.8	3.3	5.6	4.6
Sight funds.....	80.5	107.6	68.9	28.9
Bills and acceptances:—				
Commercial bills.....	184.1	152.5	203.7	225.0
Treasury bills.....	180.5	84.5	100.8	166.5
Time funds:—				
Not exceeding 3 months.....	298.0	541.7	946.8	999.1
Between 3 and 6 months.....	353.7	441.0	154.0	156.8
Between 6 and 9 months.....	75.6	75.6	25.2	...
Sundry investments:—				
Maturing within 2 years.....	107.9	150.4	185.8	190.8
Over 2 years.....	13.7	1.5	1.0	1.0
Other assets.....	2.8	5.5	8.7	11.3
LIABILITIES.				
Capital paid up.....	102.5	102.5	102.5	102.5
Special deposits:—				
Annuity trust account.....	154.6	154.5	154.3	154.5
German Government deposit fund.....	87.7	76.5	79.9	80.0
French Government guarantee fund.....	68.3	68.3	68.7	68.7
Time deposits of Central Banks:—				
Between 3 and 6 months:—				
For their own account.....	56.8	129.1	193.2	103.6
For account of others.....	272.4	393.9	39.2	0.1
Not exceeding 3 months:—				
For their own account.....	160.4	262.4	268.9	361.6
For account of others.....	77.9	142.2	582.6	697.0
Other deposits.....	6.3	6.3	...	...
Sight deposits of Central Banks:—				
For their own account.....	95.1	74.5	72.5	74.8
For account of others.....	217.9	146.4	128.0	128.4
Other deposits.....	...	...	0.1	0.1
Undistributed proceeds of Reparations Loan.....	...	...	...	...
Miscellaneous items.....	3.7	7.6	10.5	12.7

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

	Nov. 7, 1929.	Oct. 16, 1930.	Oct. 23, 1930.	Oct. 30, 1930.	Nov. 6, 1930.
RESOURCES.					
Total gold reserve.....	3,018,900	2,979,340	3,016,610	3,037,190	2,999,390
Total bills discounted.....	990,880	210,440	191,980	201,600	212,770
Bills bought in open market.....	330,370	185,490	176,590	165,660	185,600
Total U.S. Govt. securities.....	292,750	601,610	602,030	601,440	601,530
Total bills and securities.....	1,637,630	1,003,820	976,900	975,020	1,006,200
Total resources.....	5,674,840	5,104,780	4,894,980	4,866,180	4,840,480
LIABILITIES.					
Federal Reserve notes in actual circulation.....	1,918,330	1,372,210	1,368,510	1,354,880	1,360,550
Deposits—Member banks.....	2,557,710	2,440,360	2,437,090	2,468,280	2,409,700
Total deposits.....	2,557,710	2,440,360	2,437,090	2,468,280	2,409,700
Capital paid in and surplus.....	421,510	447,430	447,340	447,380	447,360
Total liabilities.....	5,674,840	5,104,780	4,894,980	4,866,180	4,840,480
Ratio of total reserves to deposits and Federal Reserve note liabilities combined.....	69.8%	80.9%	82.1%	82.4%	81.8%

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

	Nov. 7, 1929.	Oct. 16, 1930.	Oct. 23, 1930.	Oct. 30, 1930.	Nov. 6, 1930.
RESOURCES.					
Total gold reserves.....	221,510	57,750	31,840	38,550	54,080
Total bills discounted.....	96,170	56,770	42,670	42,870	49,090
Total U.S. Govt. securities.....	14,110	187,340	187,340	187,340	187,340
Total bills and securities.....	472,360	361,110	266,100	273,010	294,760
LIABILITIES.					
Federal Reserve notes in actual circulation.....	1,123,940	1,006,610	1,028,220	1,088,350	1,000,280
Deposits—Member banks.....	...	...	...	...	...
Ratio of total res. to dep. and Federal Res. note liabilities combined.....	75.1%	82.6%	87.2%	87.6%	85.0%

SOUTH AFRICAN RESERVE BANK.—In £'s (000's omitted).

	Oct. 11, 1929.	Sept. 12, 1930.	Sept. 19, 1930.	Sept. 26, 1930.	Oct. 3, 1930.	Oct. 10, 1930.
ASSETS.						
Gold coin and bullion.....	7,905	6,556	6,435	6,694	6,962	7,059
Subsidiary coin.....	74	182	187	189	182	185
Bills discounted.....	8,337	7,595	7,687	7,440	7,594	7,032
Investments.....	670	1,404	1,398	1,398	1,397	1,403
LIABILITIES.						
Capital.....	1,000	1,000	1,000	1,000	1,000	1,000
Reserve.....	600	720	720	720	720	720
Notes in circulation.....	8,550	7,528	7,149	7,743	8,424	7,687
Government deposits.....	1,509	1,955	2,036	2,055	705	1,313
Bankers' deposits.....	4,722	4,536	4,840	4,444	4,793	4,422
Ratio of cash reserves to liabilities to public.....	50.3%	45.2%	45.7%	47.6%	49.8%	49.5%

IMPERIAL BANK OF INDIA.—In rupees (000's omitted).

	Oct. 11, 1929.	Sept. 5, 1930.	Sept. 12, 1930.	Sept. 19, 1930.	Sept. 26, 1930.	Oct. 10, 1930.
ASSETS.						
Total securities.....	32,80.00	27,01.50	23,78.53	23,73.11	23,85.66	24,20.67
Loans.....	8,98.91	18,01.45	18,53.49	18,46.09	17,44.62	17,24.91
Overseas credits.....	23,72.36	29,14.40	28,63.41	28,75.41	28,66.25	27,22.06
Inland bills.....	2,78.61	1,84.68	1,74.86	1,72.53	2,00.28	1,75.36
Foreign bills.....	31.58	46.90	49.71	43.06	41.14	30.42
Dead stock.....	2,83.96	2,78.19	2,78.19	2,78.55	2,78.55	2,78.38
Bal. with other banks.....	24.38	22.41	20.61	26.22	16.26	22.76
Cash.....	24,90.36	23,09.62	23,39.68	24,55.09	25,60.67	25,37.50
LIABILITIES.						
Capital paid up.....	5,62.50	5,62.50	5,62.50	5,62.50	5,62.50	5,62.50
Reserve.....	5,27.50	5,37.50	5,37.50	5,37.50	5,37.50	5,37.50
Total deposits.....	84,80.75	89,74.26	86,78.54	87,78.02	88,19.48	86,51.36
The above includes:—						
Deposits in London.....	£ 947	£ 6,885	£ 6,870	£ 6,915	£ 6,867	£ 6,868
Advances in London.....	814	7,982	7,932	7,878	7,730	7,630
Cash, &c., at other Banks in London.....	185	168	156	200	120	170

BANK OF FRANCE.—In francs (000's omitted).

	Oct. 31, 1929.	Oct. 10, 1930.	Oct. 17, 1930.	Oct. 24, 1930.	Oct. 31, 1930.
ASSETS.					
Gold.....	40,050,928	49,448,031	50,567,354	50,642,645	50,807,010
Foreign deposits.....	7,219,986	6,567,842	6,474,757	6,504,524	6,492,041
Sight deposits.....	18,767,923	19,074,550	19,168,948	19,154,016	19,136,299
Commercial bills discounted at home.....	8,552,202	4,696,946	4,851,595	6,329,946	7,068,328
Advances against sec. To the State.....	8,811,552	8,504,399	8,504,399	8,504,399	8,504,399
Other advances.....	2,593,873	2,886,498	2,883,796	2,799,200	2,770,043
Other assets (excluding forward exch.).....	4,475,782	3,583,154	3,261,142	3,213,448	3,802,370
LIABILITIES.					
Notes in circulation.....	68,266,825	73,968,455	73,301,796	72,867,560	74,786,601
Public deposits.....	13,373,394	10,905,666	11,653,933	12,570,170	13,087,722
Private deposits.....	6,323,142	7,202,726	8,122,863	8,955,533	7,991,475
Other liabilities.....	2,508,887	3,684,573	2,633,398	2,754,915	2,713,683

THE REICHSBANK.—In Reichsmarks* (000's omitted).

	Oct. 31, 1929.	Oct. 15, 1930.	Oct. 23, 1930.	Oct. 31, 1930.
ASSETS.				
Reichsbank shares not yet issued.....	177,212	177,212	177,212	177,212
Gold and bullion.....	2,229,123	2,180,463	2,180,353	2,180,215
Of which deposited abroad.....	149,788	149,788	221,376	221,376
Reserve in foreign currencies.....	358,960	173,882	162,533	198,481
Bills of exchange and cheques.....	2,542,173	2,066,823	1,938,555	2,324,325
Silver and other coin.....	98,136	167,925	183,920	151,681
Notes of other German banks.....	4,837	18,015	22,874	5,324
Advances.....	106,613	66,412	61,574	317,731
Investments.....	92,562	102,493	102,475	102,475
Other assets.....	650,002	511,998	493,943	528,901
LIABILITIES.				
Reduced capital.....	122,788	122,788	122,788	122,788
Increase of capital (shares not yet issued).....	177,212	177,212	177,212	177,212
Reserve.....	319,608	371,133	371,133	371,133
Notes in circulation.....	4,833,005	4,188,762	3,980,705	4,674,631
Other daily maturing obligations.....	453,997	356,445	419,856	383,055
Other liabilities.....	353,008	249,877	251,739	257,520

* Equal to one billion paper marks or one Rentenmark.
The gold reserve is calculated in accordance with the new legal prescription of one pound of fine gold equals 1,392 Reichsmarks.

NATIONAL BANK OF BELGIUM.—In Belgas (000's omitted).

	Position, May 31, 1914.	Oct. 30, 1929.	Oct. 9, 1930.	Oct. 16, 1930.	Oct. 23, 1930.	Oct. 29, 1930.
ASSETS.						
Gold.....	232,650	1,027,517	1,292,277	1,293,685	1,295,257	1,295,205
Foreign Bills and Balances Abroad.....	604,480	863,615	875,841	870,493	887,029	887,029
Silver and other coin.....	697,600	1,912	3,451	4,518	4,700	4,540
Securities.....	...	820,234	745,383	738,588	739,332	746,793
LIABILITIES.						
Notes in circulation.....	934,150	2,721,923	3,141,616	3,124,644	3,107,109	3,127,387
Current accounts.....	112,125	90,630	111,634	130,309	158,941	152,173

(b) In thousand francs.

NETHERLANDS BANK.—In florins (000's omitted).

		Position, May 30, 1914.	Nov. 4, 1929.	Oct. 13, 1930.	Oct. 20, 1930.	Oct. 27, 1930.	Nov. 3, 1930.
ASSETS.							
Gold.....		163,092	442,617	415,333	425,483	425,512	425,906
Silver.....		8,436	20,555	23,584	23,589	24,415	24,101
Home Bills discounted.....			78,066	47,391	47,027	46,536	50,150
Foreign Bills.....			213,059	250,276	250,431	250,460	250,537
Loans and advances in current acct.....	153,504		115,537	81,173	82,434	83,263	114,516
LIABILITIES.							
Notes in circulation		316,652	878,435	826,751	816,770	815,702	873,666
Deposits.....		5,016	20,070	42,649	54,178	53,708	17,420

LONDON RATES.

	Oct. 30, 1930.	Oct. 31, 1930.	Nov. 1, 1930.	Nov. 3, 1930.	Nov. 4, 1930.	Nov. 5, 1930.	Nov. 6, 1930.
Bank rate (changed from 3½% May 3, 1930).....	3	3	3	3	3	3	3
60 days' bankers' drafts.....	2½-2½	2½-2½	2½-2½	2½-2½	2½-2½	2½-2½	2½-2½
3 months' do.....	2½-2½	2½-2½	2½-2½	2½-2½	2½-2½	2½-2½	2½-2½
4 months' do.....	2½-2½	2½-2½	2½-2½	2½-2½	2½-2½	2½-2½	2½-2½
6 months' do.....	2½-2½	2½-2½	2½-2½	2½-2½	2½-2½	2½-2½	2½-2½
Discount (Treasury Bills).....	2-2½	2-2½	2-2½	2-2½	2-2½	2-2½	2-2½
3 months'.....	2-2½	2-2½	2-2½	2-2½	2-2½	2-2½	2-2½
Loans—Day to day.....	1½-2	1½-2	1½-2	1½-2	1½-2	1½-2	1½-2
Short.....	1½-2	1½-2	1½-2	1½-2	1½-2	1½-2	1½-2
Deposit allowances: Bank.....	1½-2	1½-2	1½-2	1½-2	1½-2	1½-2	1½-2
Discount houses at call.....	1½-2	1½-2	1½-2	1½-2	1½-2	1½-2	1½-2
At notice.....	1½-2	1½-2	1½-2	1½-2	1½-2	1½-2	1½-2

Additional to those offered by tender in the preceding week.

Comparison with previous week—

	Short Loans.	Bank Bills.	Trade Bills.
	3 Months.	4 Months.	6 Months.
1930.			
Oct. 16	1½-2	2½-2½	2½-2½
" 23	1½-2	2½-2½	2½-2½
" 30	1½-2	2½-2½	2½-2½
Nov. 6	1½-2	2½-2½	2½-2½

RATES OF EXCHANGE.

London on	Usance.	Par.	Nov. 7, 1930.	Oct. 30, 1930.	Nov. 6, 1930.
New York.....	dollars to £1	4-86½	4-87½-87½	4-85½-85½	4-85½-85½
Montreal.....	dollars to £1	4-86½	4-88-88	4-85½-85½	4-85½-85½
Paris.....	francs to £1	124-21	123-85-88	123-61-33	123-61-33
Berlin.....	marks to £1	12-15	12-08-108	12-08-108	12-08-108
Amsterdam.....	florins to £1	12-107	12-08-108	12-08-108	12-08-108
Brussels.....	belgs to £1	35-00	34-87-87½	34-84-84½	34-84-84½
Milan.....	lire to £1	92-46	93-12-15	92-79-81	92-79-82
Zurich.....	francs to £1	25-23	25-17-17½	25-02-25-03	25-02-25-03
Oslo.....	kroner to £1	18-159	18-20-20½	18-15-16	18-15-16
Stockholm.....	kroner to £1	18-159	18-15-16	18-10-11	18-11-11
Copenhagen.....	kroner to £1	18-159	18-20-21	18-15-16	18-15-16
Madrid.....	pesetas to £1	25-22½	25-37-42	25-37-42	25-37-42
Lisbon.....	escudos to £1	108½-108½	108½-108½	108½-108½	108½-108½
Vienna.....	schillings to £1	34-58½	34-68-70	34-44-47	34-48-51
Prague.....	krone to £1	164½	164½-164½	163-½-½	163-½-½
Belgrade.....	dinars to £1	25-22½	27-89-92	27-75-78	27-75-78
Budapest.....	pengo to £1	27-82	27-89-92	27-75-78	27-75-78
Bukarest.....	leu to £1	813-6	816-817	817-819	817-819
Sofia.....	leva to £1	25-22½	668-678	668-673	668-673
Athens.....	drachmas to £1	375	375-375½	374-375	374-375
Constantinople.....	piastres to £1	110	1028-1033	1025	1025
Moscow.....	roubles to £1	9-46	19-47½-49½	9433-9452	9433-9452
Warsaw.....	zlotys to £1	43-38	43-43-43½	43-43-43½	43-43-43½
Helsingfors.....	F. marks to £1	193-23	193½-194½	192½-193½	192½-193½
Kyoto.....	yen to £1	48-66	48-49	48-49	48-49
Reval.....	kroon to £1	18-159	18-17-24	18-20-27	18-20-27
Riga.....	lata to £1	25-22½	25-17-27	25-18-28	25-18-28
Alexandria.....	piastres to £1	97½	97½-97½	97½-97½	97½-97½
Buenos Aires.....	pence to peso	47-62½	46-46½	38-38½	38-38½
Rio de Janeiro.....	pence to mils	90 days	16	51½-51½	4½-5
Montevideo.....	pence to peso	90 days	51	47½-47½	39½-39½
Valparaiso.....	pence to peso	90 days	40	39-62	39-67
Lima.....	Eng. to Per. £1	90 days	par	19½ prem.	15-20
Calcutta.....	pence	T.T.	1-15½	1-15½	1-15½
Bombay.....	rupee	T.T.	1-15½	1-15½	1-15½
Madras.....	rupee	T.T.	1-15½	1-15½	1-15½
Hong Kong.....	ster. to dollar	T.T.	1-9½-9½	1-13½-14½	1-13½-14½
Shanghai.....	ster. to tael	T.T.	2-21-21½	1-7½-8	1-7½-8
Singapore.....	ster. to dollar	T.T.	2s. 4d.	2-3½-2-3½	2-3½-2-3½
Kobe.....	ster. to yen	T.T.	24-58d.	2-0-2-0½	2-0½-2-0½
Manila.....	ster. to peso	T.T.	24-06d.	2-0½-2-0½	2-0½-2-0½
Mexico.....	pence to \$1	T.T.	9-76	9-95-10-25	10-30-50
Siam.....	ster. to baht.	T.T.	21-81d.	1-9½	1-9½

† Rate for previous day.

OVERSEAS BANK RATES.

Changed.	From To	Changed.	From To
Amsterdam.....	Mar. 24, 1930	Oslo.....	Mar. 20, 1930
Athens.....	Dec. 2, 1928	Paris.....	May 1, 1930
Batavia.....	Mar. 10, 1930	Prague.....	June 24, 1930
Belgrade.....	May 28, 1930	Pretoria.....	Sep. 29, 1930
Berlin.....	Oct. 9, 1930	Reval.....	Oct. 4, 1930
Brussels.....	July 31, 1930	Riga.....	Oct. 1, 1930
Bucharest.....	Nov. 23, 1929	Rome.....	May 20, 1930
Budapest.....	May 28, 1930	Socha.....	July 2, 1929
Calcutta.....	July 10, 1930	Stockholm.....	Apr. 2, 1930
Copenhagen.....	May 1, 1930	Swiss Bank	
Danish.....	Oct. 10, 1930	places.....	July 10, 1930
Helsingfors.....	Aug. 26, 1930	Tokio.....	Oct. 6, 1930
Kyoto.....	Apr. 1, 1930	Vienna.....	Sep. 9, 1930
Lisbon.....	June 2, 1930	Warsaw.....	Oct. 3, 1930
New York Fed. Reserve.....	June 19, 1930	Irish.....	May 1, 1930
Madrid.....	July 17, 1930		

Central Bank of Chile.—Discount rate for member banks, 7%; discount rate for the public, 8%.
 6% applied to banks and credit institutions.
 7% applied to private persons and firms.

CURRENT PRICES IN NEW YORK.

The Irving Trust Company cable the following money and exchange rates in New York:—

	Nov. 6, 1929.	Oct. 8, 1930.	Oct. 15, 1930.	Oct. 22, 1930.	Oct. 29, 1930.	Nov. 5, 1930.
Call money.....	1929.	1930.	1930.	1930.	1930.	1930.
Time money (90 days' mixed coll.)	6	2½	2½	2½	2½	2½
Bank acceptance.....	6	2½	2½	2½	2½	2½
Members—eligible, 90 days.....	4½	2	2	2	2	2
Non-mem.—eligible, 90 days.....	4½	2	2	2	2	2
Ineligible, 90 days.....	5½	2½	2½	2½	2½	2½
Commercial accept., 90 days.....	6	3	3	3	3	3

Rates of Exchange, New York on—	Par Level.	Nov. 6, 1929.	Oct. 22, 1930.	Oct. 29, 1930.	Nov. 5, 1930.
London.....	Dollars for £1	4-8666	4-82½	4-82½	4-82½
60 days.....			4-87½	4-85½	4-85½
Cable.....			4-87½	4-85½	4-85½
Oslo.....	Cents for 1 franc	3-918	3-93	3-92½	3-92½
Brussels.....	Cents for 1 franc	13-90	13-99	13-94	13-93½
Switzerland.....	Cents for 1 franc	19-30	19-37	19-41½	19-40
Italy.....	Cents for 1 lire	5-263	5-23½	5-23½	5-23½
Berlin.....	Cents for 1 mark	23-31	23-90	23-80½	23-81
Vienna.....	Cents for 1 schilling	14-07	14-06	14-11	14-10
Madrid.....	Cents for 1 peseta	19-30	14-12	10-44	11-21
Amsterdam.....	Cents for 1 guilder	40-195	40-34	40-26	40-23½
Copenhagen.....	Cents for 1 kroner	26-80	26-78	26-74	26-74
Oslo.....	Cents for 1 kroner	26-80	26-78	26-74	26-74
Stockholm.....	Cents for 1 krona	26-80	26-78	26-74	26-74
Athens.....	Cents for 1 drachma	1-297	1-297½	1-298	1-298
Montreal.....	Can. Cents for \$1	100	1½ dia.	1½ prem.	1½ prem.
Yokohama.....	Cents for 1 yen	49-85	48-85	49-68	49-65
Hong Kong.....	Cents for H. Kong	48-85	48-85	49-68	49-65
Shanghai.....	Cents for 1 shang.	54½	54½	54½	54½
Calcutta.....	Cents for 1 rupee	36-50	35-27	35-09	35-08
Buenos Aires.....	Cents for 100 pesos	103-65	106-70	127-75	128-40
Rio de Janeiro.....	Cents for 1 milreis	32-42	11-78	10-45	10-45
Valparaiso.....	Cents for 1 peso	12-125	12-03	12-00	12-02

* No quotation.

CENTRAL AND SOUTH AMERICAN EXCHANGE RATES.

The Anglo-South American Bank, Ltd., quotes the following rates of exchange:—

Country.	Method of Quoting.	Par Value.	Usance.	Rate.
Ecuador.....	Guineas to £	24-3325	Sight London	24-65
Venezuela.....	Bolivares to £	25-25	"	27-20
Colombia (Bogota).....	Pesos to £	5	"	5-03½
Nicaragua.....	Cordobas to £	4-8665	"	4-92
Salvador.....	Colonos to £	9-73	"	9-95
Bolivia.....	Pence to Boliviano	18d.	"	13-41

SOUTH AFRICAN EXCHANGE RATES.

The South African Banks quote the following rates:—

	Union of South Africa.	Union of South Africa.
	From November 3, 1930.	From November 25, 1929.
	London on South Africa.	South Africa on London.
	Buying.	Selling.
T.T.	1½ dis.	1½ dis.
Demand	1½ dis.	1½ dis.
30 days	1½ dis.	1½ dis.
60 days	1½ dis.	1½ dis.
90 days	1½ dis.	1½ dis.
120 days	1½ dis.	1½ dis.

OVERSEAS DOMINION RATES.

COMMONWEALTH OF AUSTRALIA AND DOMINION OF NEW ZEALAND.

	London on Australia and New Zealand.	Australia and New Zealand on London.
	Buying.	Selling.
	Australia.	New Zealand.
T.T.	108½	108½
Sight	108½	108½
30 days	107½	107½
60 days	107½	107½
90 days	106½	106½

All Australian Rates are now quoted on the basis of £100—LONDON.

INDIA COUNCIL REMITTANCES.

The total remittances from the Government of India to the Secretary of State for India in Council from April 1 to October 25, 1930, were £4,828,491, of which £4,745,000 was remitted by purchases of sterling in India and £83,491 was transferred from the paper currency reserve in England to the Treasury account of the Secretary of State for India in Council to meet sales of sterling in India.

BULLION.

The following statistics of imports and exports of gold for week ended Nov. 6, 1930, are issued by the Statistical Department of H.M. Customs and Excise:—

Imported into Great Britain and Northern Ireland.	Exported from Great Britain and Northern Ireland.
From—	To—
Brazil.....	Poland.....
British S. Africa.....	Germany.....
Australia.....	Netherlands.....
Other countries.....	France.....
	Switzerland.....
	British India.....
	Other countries.....
Total declared value of imports.....	Total declared value of exports.....

GOLD MOVEMENTS.

The arrivals and withdrawals of gold during the past week, as announced by the Bank of England, have been as follows:—

1930. ARRIVALS.			1930. WITHDRAWALS.		
Oct. 31	Sovs.	£ 1,000,000	Oct. 31	Bar gold	£ 3,423
	Bar gold	69		Sovs.	2,000
	Foreign gold coin	18			Nil
Nov. 1		Nil	3	Sovs.	16,000
3		Nil		Bar gold	5,142
4		Nil	4	Bar gold	34,673
5		Nil		Sovs.	21,000
6		Nil	5	Bar gold	26,021
				Sovs.	22,000
			6	Bar gold	295,333
				Sovs.	25,000
Total £1,000,087			Total £450,592		
Net arrivals, £549,495.					

Net arrivals, £549,495.

GOLD.

Messrs Samuel Montagu and Company write on November 5, 1930, as follows:—
 The Bank of England gold reserve against notes amounted to £159,503,672 on the 29th ultimo (as compared with £158,941,667 on the previous Wednesday), and represents an increase of £13,543,588 since January 1st last. The South African bar gold offered in the open market yesterday amounted to £1,104,000. The price was fixed at 85s. 0½d. per fine ounce, at which France secured £765,000 whilst £255,000 was taken for a destination not disclosed. £50,000 was taken for India and £34,000 for the home and Continental trade. Movements of gold at the Bank of England during the week show a net influx of £864,674. Receipts totalled £1,000,095, of which £1,000,000 was in sovereigns from Australia, and withdrawals consisted of £74,421 in bar gold and £61,000 in sovereigns.

SILVER.

The week under review opened quietly but with a steady tone owing to reluctance on the part of sellers. Following an improvement in the Shanghai exchange, China was less inclined to sell and a demand from the Indian bazaars both for shipment and to cover bear sales, carried quotations on the 3rd instant to 16½d. and 16½d. for cash and two months' delivery respectively. There was a further rise of ½d. yesterday, but the higher level thus reached attracted China selling, the respective prices reacting to-day to 16½d. and 16½d. America has both bought and sold. Cash silver was quoted at ½d. premium on the 3rd instant owing to Indian demand for near delivery. The premium has been since maintained. With regard to the projected coinage of French silver 20-franc and 10-franc pieces, it is understood that the mintage is being commenced, but that the operation will be gradual, extending over a considerable period, and that the coins will probably not be in circulation before some time in 1932. As regards the necessary silver, it is believed that the French Treasury already has sufficient, as they repurchased from the Bank of France the stock of silver coins held by that institution when the new monetary law came into force in June, 1928.

The following were the United Kingdom imports and exports of silver registered from mid-day on the 27th ultimo to mid-day on the 3rd instant:—

IMPORTS.	EXPORTS.
Mexico.....	British India.....
Other countries.....	France.....
	Other countries.....
£120,303	£54,669

INDIAN CURRENCY RETURNS (in lacs of rupees).

	Oct. 31.	Oct. 22.	Oct. 15.
Notes in circulation.....	17,014	17,306	17,287
Silver coin and bullion in India.....	12,310	12,235	12,274
Silver coin and bullion out of India.....	3,228	3,228	3,228
Gold coin and bullion in India.....	1,273	1,640	1,582
Securities (Indian Government).....	203	203	203
Securities (British Government).....			

The stocks in Shanghai on the 1st instant consisted of about 95,700,000 ounces in sycee, 150,000,000 dollars and 4,000 silver bars, as compared with 95,700,000 ounces in sycee, 150,000,000 dollars and 4,460 silver bars on the 25th instant.

Statistics for the month of October are appended:—

	BAR SILVER (per oz. std.).	BAR GOLD
	Cash	Two Months' (per fine oz.).
	delivery.	delivery.
Highest price	16½d.	16½d. 85s. 0½d.
Lowest price	16½d.	16½d. 84s. 1½d.
Average price	16-5625d.	16-5625d. 84s. 11-73d.

RUBBER COMPANY STATISTICS.

Name.	Financial Year Ends.	Share and Paid.	Shares Issued.	Highest and Lowest, 1930. (To Date.)	Total Div. % for Fin'l Year.	Acres Planted Rubber	Acres in Reserve	Last Published.			Last Financial Year's Output.	Output July, 1930.	Output August, 1930.	Output Sept., 1930.	
								Average Selling Price.	Cost f.o.b.	Cost all in.					
Allied Sumatra.....	Dec. 31	£	1,400,000	18/3	7/10	2 1/2	21,945	21,969	0/9-45	0/5-56	...	Lbs.	Lbs.	Lbs.	Lbs.
Ampat.....	Sept. 30	2/0	700,050	2/11	1/3	Nil	2,665	3,772	0/9-58	0/6-01	...	4,160,240	434,900	414,970	402,420
Anglo-Dutch.....	Dec. 31	1	2,350,330	36/3	19/0	10	31,509	129,422	0/9-54	0/6-31	...	672,402	69,200	54,400	66,700
Anglo-Java.....	Mar. 31	2/0	7,386,750	3/6	0/10	Nil	31,239	7,022	0/8-17	0/5-63	0/6-83	13,129,158	1,496,000	109,700	972,400
Anglo-Johore.....	Dec. 31	1/0	1,500,000	0/6 1/2	0/1 1/2	5	1,408	525	0/8-92	0/5-63	0/6-83	10,569,747	1,069,900	1,005,200	972,400
Anglo-Malay.....	Dec. 31	1	412,507	16/10	5/7	3	5,782	2,584	0/8-88	0/5-93	...	1,558,027	37,000	50,000	50,000
Ayer Kuning.....	Dec. 31	1	140,000	33/9	15/0	10	3,080	2,035	0/9-7	0/5	0/5-88	1,059,635	101,500	144,220	123,450
Badek.....	Dec. 31	1	123,208	28/9	16 1/2	10	5,111	10	0/8-60	0/5-70	...	1,168,447	88,892	100,000	106,000
Bah Lias.....	Oct. 30	1	351,215	30/4	13/9	5	8,799	7,867	0/9-59	0/8-73	...	1,589,584	137,553	136,678	141,225
Bandar Sumatra.....	July 31	1	99,847	21/3	10/9	7 1/2	2,392	1,334	0/9-41	0/7-70	...	753,000	75,000	70,000	66,000
Banteng (Selangor).....	April 30	1	99,000	29/6	10/9	5	1,886	218	0/10-10	0/6	0/6-11	1,000,849	87,000	89,000	80,000
Batang Consol.....	Dec. 31	2/0	2,458,840	1/4 1/2	0/6	6	2,671	10	0/8-91	0/4-40	0/6-13	1,132,532	98,105	88,353	89,431
Batu Tiga.....	June 30	2/0	2,993,077	1/4 1/2	0/4 1/2	5	2,672	616	0/9-13	0/5-17	0/6-38	2,463,081	256,000	264,500	246,000
Bekoh Consolidated.....	Mar. 31	2/0	3,340,000	4/6	2/0	10	9,077	5,542	0/8-45	0/4-54	0/4-81	1,167,297	90,104	92,424	80,603
Bertam Consolidated.....	Dec. 31	1	110,000	31/3	16/3	8	2,037	1,131	0/11-17	0/4-94	...	75,318	315,365	307,260	297,972
Besokei.....	Dec. 31	2/0	1,885,000	2/0	0/7 1/2	7 1/2	3,290	1,524	0/8-79	0/6	...	1,096,400	92,300	68,000	61,000
Biting.....	Mar. 31	2/0	750,000	1/0	0/4 1/2	Nil	982	67	0/8-75	0/5-49	...	234,603	22,500	14,200	18,400
Bradwall.....	Dec. 31	1	90,000	26/10 1/2	15/0	10	2,889	249	0/9-75	0/5-22	0/6-11	670,000	55,800	56,600	52,000
Brooklands.....	June 30	2/0	1,750,000	3/7 1/2	1/10 1/2	Nil	5,100	...	0/10-47	0/7-14	...	1,365,600	126,400	134,000	128,145
Broome.....	June 30	1	135,000	18/9	3/9	5	1,803	220	0/10-56	0/4-75	...	300,916	64,000	59,000	58,000
Bukit Kajang.....	June 30	1	175,000	25/6	6/9	5	4,735	...	0/9-01	0/5-93	0/6-60	1,218,638	121,070	128,145	128,145
Bukit Mertajam.....	Mar. 31	2/0	3,000,000	3/4 1/2	1/1 1/2	Nil	7,490	3,561	0/8-36	0/5-56	0/6-74	2,674,157	271,287	263,908	256,610
Bukit Selangor.....	Mar. 31	2/0	2,330,881	1/1 1/2	0/3	Nil	2,468	466	0/11-12	0/7-27	0/8-56	845,369	82,163	92,219	...
Bukit Sembawang.....	Dec. 31	2/0	3,339,550	1/4 1/2	0/3	Nil	5,870	...	0/7-84	0/6-43	0/6-91	1,581,732	120,944	122,152	113,634
Castlefield.....	June 30	2/0	1,000,000	6/3	2/9	15	3,324	152	0/9-16	0/5-14	0/6-39	1,324,683	120,944	122,152	113,634
Ceylon (Para).....	Dec. 31	2/0	700,000	6/9	3/4	10	3,446	744	0/9	0/6-16	0/7-49	1,414,560	196,551	194,454	...
Chemong (1920).....	Mar. 31	2/0	2,782,694	1/3	0/4	Nil	2,662	162	0/10-48	0/6-93	0/8-89	1,065,410	100,000	114,900	97,300
Chersonese (F.M.S.).....	Dec. 31	2/0	2,700,000	2/7	1/2	8 1/2	2,950	...	0/9	0/5-48	...	783,083	103,800	99,500	97,300
Chevol.....	Dec. 31	2/0	2,300,000	3/9	2/3	10	4,544	638	0/9-32	0/4-96	0/5-30	1,694,248	173,000	201,000	177,000
Cleely Ord.....	Mar. 31	2/0	1,334,312	5/7 1/2	2/9	10	4,986	803	0/7-96	0/4-72	0/5-30	1,482,090	178,487	183,559	185,265
Consolidated Malay.....	Dec. 31	2/0	750,000	5/6	2/9	20 1/2	3,619	...	0/8-70	0/5-22	0/6-02	1,397,248	117,000	128,000	116,000
Dennistown.....	Dec. 31	2/0	1,678,820	1/3	0/4 1/2	3	3,452	209	0/9-28	0/5-37	0/6-34	858,016	78,463	81,318	...
Djember.....	Dec. 31	1	164,496	27/6	14/6	10	3,108	3,472	0/9-28	0/5	...	960,887	93,000	67,000	...
Eastern Produce Ord.....	Dec. 31	1	333,000	90/0	65/0	30	3,143	4,453	0/7 1/2	...	...	864,090	79,450	79,450	...
F.M.S. Rubber Plnters.....	Dec. 31	1	210,000	35/0	17/0	15	5,878	1,925	0/9-83	0/4-98	...	2,290,568	256,500	245,400	227,000
Gadiah.....	April 30	2/0	350,000	3/9	2/0	Nil	2,023	6,622	0/10-54	0/5-74	0/7-14	520,590	46,500	50,000	...
General Ceylon.....	Dec. 31	1	305,000	28/9	17/0	10	4,155	2,603	0/8-13	...	...	1,733,315	178,377	165,000	121,535
Glen Bervie.....	Sept. 30	1	85,069	24/0	8/0	5	2,264	50	0/8-14	...	0/6-52	738,566	77,000	76,000	72,000
Glenelg (1919).....	Dec. 31	1	175,000	16/0	5/0	4	2,105	57	pft.	per lb.	0/3-28	824,681	82,100	77,150	71,330
Golconda Malay.....	Dec. 31	1	113,000	24/6	12/6	10	2,199	61	0/8-14	0/5-31	0/5-67	968,214	93,993	95,918	86,635
Golden Hope.....	Dec. 31	1	280,720	25/7 1/2	8/3	8	6,976	76	0/8-43	0/6-01	0/7-21	2,263,891	216,099	228,220	231,521
Grand Central.....	Dec. 31	1	1,225,000	19/4	9/9	5	16,098	5,682	0/9-52	0/5-94	0/6-07	5,911,983	126,500	174,863	170,331
Hewagum.....	Dec. 31	1	240,000	12/0	7/6	4	4,790	600	0/8-74	0/6-01	...	1,904,871	185,000	169,000	165,000
Highlands & Lowlands.....	Dec. 31	1	309,481	33/9	17/6	10	6,802	792	0/9-54	0/5-15	0/6-07	1,441,446	45,900	48,800	42,450
Inch Kenneth.....	June 30	2/0	1,111,820	31/6	20/0	7 1/2	1,481	199	0/9-57	0/7-41	0/8-53	573,011	54,500	52,900	50,900
Insulind.....	Dec. 31	2/0	1,211,820	1/7 1/2	0/5 1/2	5	2,339	10,613	0/10-31	0/6-68	0/6-45	1,597,475	143,300	95,300	107,800
Java Amalgamated.....	Dec. 31	1	185,000	25/7 1/2	13/9	7 1/2	3,920	...	0/7-83	...	...	754,000	54,200	35,600	48,300
Java Rubber Plant.....	Dec. 31	2/0	699,660	3/9 1/2	1/9	5	2,159	187	0/7-5	0/6-68	...	896,757	75,000	57,000	63,000
Java United.....	Dec. 31	1	150,000	29/4	15/9	3	2,320	3,500	0/7-18	0/5-36	0/6-83	1,106,464	84,722	87,626	85,701
Jeram.....	Mar. 31	1	112,500	26/3	7/0	Nil	3,079	...	0/10	0/5-40	0/6-83	1,106,464	84,722	87,626	85,701
Jong-Landor.....	June 30	1	89,500	34/4	18/9	12 1/2	2,342	358	0/9-54	0/4-99	0/6-26	3,997,518	101,000	111,000	86,000
Jugra Land & Carey.....	Dec. 31	1	1,435,738	17/1	8/6	5	9,833	12,036	0/11-81	0/5-87	0/6-26	1,022,599	101,000	111,000	86,000
K.M.S.....	June 30	1	169,554	26/3	8/9	10	3,518	1,017	0/8-38	...	...	793,960	83,400	58,800	57,300
Kali Glagah.....	Mar. 31	2/0	985,100	2/9	0/10 1/2	Nil	3,701	297	0/8-75	0/5	0/6-60	988,000	120,000	140,000	120,000
Kali Jawa.....	Dec. 31	2/0	688,147	2/9	0/10 1/2	Nil	1,024	1,024	0/8-75	0/5	0/6-60	351,787	43,200	27,200	22,800
Kampung Kuantan.....	Dec. 31	2/0	835,499	5/0	2/0	20	2,707	596	0/8-78	0/5	0/6-60	988,000	120,000	140,000	120,000
Kamuning Rub. & Tin.....	June 30	2/0	2,010,000	3/3 1/2	1/5	12 1/2	3,304	500	0/9-76	0/5	0/5-87	1,543,336	137,000	145,000	140,000
Kawit (Java).....	Mar. 31	2	750,000	5/0	2/4	10	2,376	223	0/8-11	...	...	873,398	74,500	59,400	74,900
Kepitigalia.....	Mar. 31	2/0	1,375,000	1/4	0/7	Nil	2,826	680	0/8-30	0/7-72	0/8-55	791,184	81,205	81,205	...
Kepong (Malay).....	Dec. 31	2/0	1,180,000	6/11	2/9	27 1/2	5,123	279	0/11-10	0/5-97	0/8-55	2,144,397	207,158	207,885	190,742
Kinta Kellas.....	Mar. 31	2/0	1,300,000	3/8 1/2	1/3	5	3,845	1,600	0/8-87	0/5-98	...	1,140,400	82,500	98,500	

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DENNIS BROTHERS, LIMITED.—We are informed that of the 152 new motor vehicles and tractors which are being supplied to the Great Western Railway (as announced in the General News Bulletin of the B.B.C., on Wednesday night last), no less than 108 are being manufactured by Dennis Bros., Ltd., of Guildford.

GUEST, KEEN AND NETTLEFOLDS, LIMITED.—The Directors have declared interim dividends for the six months ended September 30th last at the rate of 5 per cent. per annum on the first and second preference shares, free of income tax, to be paid December 19th to shareholders registered on the books of the company on November 12th. In view of the menacing industrial outlook at home and abroad, the board consider it prudent to postpone a decision as to a dividend on the ordinary share capital of the company until the accounts are made up for the full financial year ending March 31, 1931, and not to declare an interim dividend. The interim dividend a year ago was 5 per cent., free of income tax, and a final dividend of 5 per cent., free of income tax, was paid, making 10 per cent., free of income tax, for the last financial year.

LONDON COUNTY FREEHOLD AND LEASEHOLD PROPERTIES LIMITED.—Interim report for half-year ended September 30, 1930, states that assets at September 30, 1930 (including subsidiaries), were £5,296,740 (the purchases completed during the half-year amounted to £657,470); liabilities on debentures, loans and creditors at September 30, 1930 (including further borrowings of £595,411 during the half-year), £2,975,117; leaving a surplus of assets over liabilities to represent the issued share capital of £1,500,000; £2,321,623 (an increase of £82,389 over the surplus at March 31st last after the payment of the final dividend of £70,928). The revenue balance for the half-year ended September 30, 1930, was at the rate of £210,000 per annum on the share capital of £1,500,000, as against £175,025 for the year ended March 31st last. This leads to the conclusion that the final dividend should be at the rate of 5 per cent. with a bonus dividend of 1 per cent., making 11 per cent. for the year and leaving a substantial surplus. The year's revenue will be augmented by the net income from the recent and contemplated purchases.

WARING AND GILLOW, LIMITED.—It has been officially announced that four of the members of the old board of Waring and Gillow, Ltd., including Lord Waring, had resigned, and the following gentlemen had been elected to the new board: Mr. Ivan C. Sanderson (chairman), Mr. W. J. Jennings (deputy-chairman), Mr. J. H. Brackenridge (managing director), Mr. Angus Campbell and Mr. S. H. Gillett, F.C.A. (representing the creditors). Lord Waring, with the consent of the new board, will assume the title of president of the company.

Commercial Reports.

THE CORN TRADE.

Mark Lane, Thursday evening.

A spell of colder weather and ground frosts was experienced over the United Kingdom during the past week following recent rains. Drier conditions and a fair amount of sunshine will tend to put the land in good tilth and facilitate sowing operations. In Southern districts, new winter barley and oats are above ground and present a healthy appearance. Threshings of native wheat are still on a small scale and yields unsatisfactory, both as to quality and weight, consequently only limited supplies were available at the principal statute markets. Millers, however, remain indifferent, as prices compare unfavourably with overseas varieties. Trading on the import market was on a reduced scale following recent liberal purchases of Canadian, Australian and Russian descriptions. The falling off in export demand was reflected by the weakness of overseas cables, and prices generally moved in a downward direction. Weekly shipments are maintained at a good level, and Russian offerings still dominate the immediate situation. The recent estimate of six million quarters for export has almost been accounted for, and a renewal of chartering on fairly extensive lines points to further large quantities available. This will keep the trade busy for some while ahead, particularly in view of the Soviet authorities' intention to keep the Black Sea ports open for navigation during the winter months. Competition from Argentina will be prominent

early next year, and prospective liberal shipments from this source constitute a depressing factor in the future situation, while increased quantities will also be available in Australia. Crop prospects in both countries are favourable, apart from occasional complaints of excessive rains and rust in some districts. With ample supplies on hand, and a heavy statistical position, importers refrain from purchasing beyond immediate needs. There is a good consumption demand for home-milled flour, and prices were advanced slightly, despite the weakness of wheat, but imported neglected, though offers are now coming more into line with market parity. Feeding stuffs are depressed, and owing to acute competition, prices for maize were driven down to new low level records, 15s. 10½d. being accepted for a Plate cargo, November-December shipment, and parcels at 15s. 4½d. per quarter of 480 lbs. c.i.f. terms.

WHEAT.—Easier. No. 1 hard Manitoba, ex ship, 30s. 3d.-30s. 9d.; No. 1 Northern Manitoba, ex ship, 39s. 9d.-30s. 3d.; No. 2 ditto, 29s.-29s. 9d.; No. 3, 28s. 9d.; No. 4, 27s. 9d.; No. 6 Manitoba, 23s. 3d.; No. 2 mixed Durum, 28s. 6d.; Barusso, 61½ lbs., ex ship to arrive, 26s.; Australian, 30s. 3d.; choice white Karachi, 29s. 9d.; Russian on sample, ex ship, 25s. 6d.-27s. 6d. per 496 lbs.; English, new, 6s. 6d.-7s. per 112 lbs.

FLOUR.—Quiet. London, straight run, 28s. 6d. per sack for country deliveries, and 27s. 6d. London area. Of imported, Manitobapatents, 26s.-28s.; Buffalo ditto, 25s.-27s. 6d.; Australian, 23s. 6d.-24s., ex store, per 280 lbs.

MAIZE.—Declined sharply. Plate, landed, 19s.; ex ship, 17s.; November-December, 16s. 9d.; December-January, 16s. 9d.; January-February, 16s. 9d.; No. 2 white flat African, ex ship, 17s.; landed, 18s. 3d. per 480 lbs. Yellow maize meal, £6 10s., f.o.b. London. Yellow African, ex ship, £5 7s. 6d.; white, £4 12s. 6d. per ton.

BARLEY.—Dull. Californian, old, landed, 30s.-35s.; new, ex ship, 30s.-41s., as to sample; Chilian brewing, landed, 30s.-35s.; Chevalier, 38s.-44s.; Australian, 32s.-42s.; Smyrna, 30s.-32s., per 448 lbs.; Black Sea, ex ship, 12s. 6d.; Danubian, ex ship, 12s. 6d.; landed, 14s. 3d.; Persian, landed, 13s. per 400 lbs.; English new, malting, 7s.-13s. 9d.; feed, 6s. 3d.-6s. 9d. per 112 lbs.

OATS.—Quiet. Plate, landed, 12s. 6d.; ex ship, 11s.; Chilian, tawny, ex ship to arrive, 12s. 6d.; landed, 13s. 6d.; best whites, ex ship, 19s. 3d.; landed, 20s. 3d.; mixed Canadian feed, ex ship, 9s. 6d.; landed, 10s. 6d.; North Russian, ex ship to arrive, 13s. 6d.; landed, 14s. 9d. per 320 lbs.; English new, 6s.-6s. 4d. per 112 lbs.

COMPARATIVE AVERAGES OF GRAIN.

The following table gives the estimated sales of home-grown wheat during the harvest years 1930-31, 1929-30, 1928-29, 1927-28:—

	1930-1931.	1929-1930.	1928-1929.	1927-1928.
Estimated sales of home-grown wheat—				
1 week to Nov. 1	Cwts. 156,055	Cwts. 231,539	Cwts. 274,710	Cwts. 239,070
9 weeks to Nov. 1	1,325,184	2,724,418	2,750,819	2,243,077
Average price of English wheat per cwt.	s. d. 6 11	s. d. 9 7	s. d. 9 9	s. d. 10 5

The following is a statement showing the Quantities Sold and the Average Price of British Corn in the past two weeks, and for the corresponding week in each of the years from 1926 to 1929:—

Weeks ended.	QUANTITIES SOLD.			AVERAGE PRICE PER CWT.		
	Wheat.	Barley.	Oats.	Wheat.	Barley.	Oats.
1930.						
Oct. 25	Cwts. 132,210	Cwts. 528,955	Cwts. 55,159	s. d. 7 0	s. d. 10 0	s. d. 6 1
Nov. 1	156,055	543,898	54,868	6 11	9 10	6 0
Oct. 30, 1929	377,168	626,815	101,639	11 9	11 8	8 3
Oct. 29, 1927	310,116	576,459	99,303	10 6	13 8	9 2
Nov. 3, 1928	274,710	678,378	78,432	9 9	10 10	8 10
Nov. 2, 1929	231,539	610,771	52,533	9 7	9 11	7 9

AMERICAN WHEAT MARKETS.

The following table shows wheat quotations in recent weeks with comparative figures for 1929:—

NEAREST FUTURE.	Jan. 2, 1929.	Nov. 6, 1929.	Jan. 2, 1930.	Oct. 22, 1930.	Oct. 29, 1930.	Nov. 5, 1930.
Winnipeg (No. 1 Manitoba)						
—Cents per 60 lb.	122	130	148½	74½	72½	66½
Chicago (No. 2 Winter)						
—Cents per 60 lb.	116½	120½	130½	80½	79½	72½

The visible supply of wheat in Canada, at 68,295,000 bushels, shows a decrease on the week of 722,000 bushels. Supplies a year ago stood at 82,985,000 bushels.

THE COAL TRADE.

Our Sheffield correspondent writes:—In the absence of a subsidy, new export business for South Yorkshire coal is very flat, but there are fair deliveries of best steams under contract. Medium qualities are neglected. The industrial demand for fuels continues restricted and does not expand. There are great accumulations of smalls.

Sales of coke are steady at previous low levels, but a good demand for domestic heating. With 104 blast furnaces in the country idle, industrial consumption is abnormally small. Best qualities of house coal sell readily, but the supply is limited. Best steam coals for export are quoted at 15s. 9d. and 10s. f.o.b.; blast-furnace coke, 12s. to 12s. 6d. at ovens.

Our Glasgow correspondent writes: Shipping business has improved a little during the past week, but it is still largely made up of prompt orders, forward trading being more or less at a standstill in view of the uncertainty created by the proposed marketing scheme. This has, of course, not been decided on so far as Scotland is concerned. In fact, the plan which their committee submitted has been rejected by the Scottish coalowners and it now remains for the Board of Trade to bring forward a scheme. To-day's prices for the shipping trade are approximately as follows (all f.o.b. district ports):—LANARKSHIRE.—Ell best, 13s. 6d.; splint best, 15s. 6d.; splint second, 14s.; navigation, 15s. 6d.-16s.; navigation second, 14s. 6d.; Hartley, 15s.; steam, 12s. 6d.; trebles, 12s. 6d.; doubles, 12s.; singles, 10s. 6d.; pearls, 10s. 3d.; dross, 9s. 6d. FIFE.—Screened navigation, 16s. 6d.-17s. 6d.; first-class steam, 11s. 6d.-12s.; third-class steam, 10s. 6d.; trebles, 13s. 6d.-16s.; doubles, 12s. 6d.; singles, 10s. 6d.; pearls, 10s. LOTHIANS.—Prime steam, 11s.; secondary steam, 10s. 9d.; trebles, 13s. 3d.; doubles, 12s.; singles, 10s. 6d.; pearls, 10s. Ayrshire.—Unscreened navigation, 16s.; jewel, 16s.; steam, 13s.; trebles, 13s.; doubles, 12s.; singles, 11s.; pearls, 10s. 6d.; dross, 10s. 6d.

Our Cardiff correspondent writes:—Extremely quiet conditions continue on the Cardiff coal market. The French railways have placed contracts for small coals over next year, but not to the same extent as in previous years, for they have diverted a substantial proportion of their requirements to Newcastle. There are few current inquiries and collieries are almost entirely dependent on their contract commitments. Fortunately, these are fairly heavy and shipments from the South Wales ports last week showed a substantial increase over those of the previous week. The legal Marketing Scheme has been operative since last Thursday, but the statutory meeting at which the quotas and prices will be decided has not yet been held. No reductions are expected in the present minimum figures, but in view of the recent fall in production and the prevailing slackness it is anticipated that the quota permitted for the first quarter of 1931 will represent an output substantially less than that produced in the corresponding period this year. The following are the current approximate quotations: Best Admiralties, 20s.; seconds, 18s. 9d. to 19s. 9d.; best drys, 18s. 6d. to 19s. 3d.; Black Veins, 18s. 3d. to 18s. 6d.; Western Valleys, 18s. to 18s. 3d.; Eastern Valleys, 17s. 6d. to 17s. 9d.; best small steams, 13s. to 13s. 3d.; cargo smalls, 12s. to 12s. 6d.; coking smalls, 13s. 3d. to 13s. 6d.; anthracite, best large, 36s. to 37s. 6d.; Red Vein, large, 22s. 6d. to 27s. 6d.; machine-made cobbles, 40s. to 46s.; French nuts, 43s. to 46s.; stove nuts, 39s. 6d. to 43s. 6d. rubbly culm, 9s. 3d. to 9s. 9d.; foundry coke, 29s. to 35s.; patent fuel, 20s. to 21s. 6d.; pitwood, ex ship, 24s. 9d. to 25s.

IRON AND STEEL.

We extract the following from the weekly report of the London Iron and Steel Exchange:—Unsatisfactory conditions continue to rule in the iron and steel trades. Nevertheless, the tone of the weekly meeting of the Exchange on Tuesday was somewhat brighter than for some time. This may be due to a certain amount of buying for stock replenishment. In the present state of the market any increase in the limited number of orders promotes a better feeling amongst dealers. In the pig-iron department the dull conditions which have ruled for so long still prevail. Little business has been transacted of late in semi-finished materials. The British makers are finding keen competition from the Continent; but, nevertheless, buying of foreign semi-finished steel is light as the consuming industries are experiencing an indifferent demand for their own manufactured products. The prices of Continental material have now reached the lowest level known for many years past and some of the Continental works are declining to accept business at current prices. The volume of business in finished steel, also, has been disappointing except for a few stock replacement orders. Although competition in this department is keen, the British manufacturers apparently have managed to secure a fair share of the orders passing, notwithstanding the low prices quoted by Continental makers.

Our Middlesbrough correspondent writes:—There is little new to report in regard to Cleveland iron, and business is confined to small lots for early delivery. Consumers show no inclination to purchase ahead at present prices, and as they are not getting many new orders for their products they prefer to wait until their present purchases approach termination before making any move in regard to buying further, particularly as Continental iron is offering at prices several shillings below Cleveland and this competition threatens to become more severe. Tuesday's weekly market was very quiet and little business was reported. No change was made in the official prices, which remain: No. 1, 66s.; No. 3, 63s. 6d.; No. 4 foundry, 62s. 6d.; and No. 4 forge, 62s., f.o.b. or f.o.t. The prospects in regard to hematite are slowly improving. Stocks held in one or two cases are rather heavy, but as the make is very small they are being gradually reduced to meet current requirements. Makers adhere to 71s. for mixed numbers for delivery over a few months, although prompt lots can still be secured at a little less. Shipments of pig iron for October showed a gain of 8,814 tons on the

previous month, but there was a loss of 2,672 tons in manufactured materials. The details are as follows:—

	October, 1930.	September, 1930.
Pig iron	22,944	14,130
Manufactured iron	3,654	3,446
Manufactured steel	37,070	39,950
	63,668	57,526

In the finished departments no new orders of importance are reported this week, and short-time working is being experienced in several departments. Prices for home under the rebate scheme remain: Plates, ½ in. up, £8 15s.; joists, £8 10s.; angles, &c., £8 7s. 6d. Other quotations are: Heavy steel rails, £8 10s.; crown iron bars, £10 15s.; 24-gauge black sheets, £8 15s., and 24-gauge galvanised corrugated sheets, £11 12s. 6d., also for home use. The ore market remains very quiet, and it is only on rare occasions that an odd cargo is purchased. Best Bilbao rubio is quoted at 17s. c.i.f. for delivery over a few months, but prompt cargoes could still be got at 16s. 6d. The freight, Bilbao-Middlesbrough, for early tonnage is about 5s. The total imports of all kinds of ore into Middlesbrough for October amounted to 91,485 tons against 65,312 tons in September. Coke is in full supply, but the demand is on a very restricted scale. Producers generally quote 17s. delivered works for good furnace qualities for delivery up to the end of the year, but 16s. 9d. would be accepted in some cases. The number of blast-furnaces in operation in the district is unchanged at 24.

Our Sheffield correspondent writes:—There is no perceptible change in local iron and steel trade conditions except that, internationally, some of the leading industrialists discern signs of an improvement, and the general tone is slightly better. Activity at the works remains at the former low level. The heavy branches are extremely depressed, and the lighter industries are in like case as regards overseas business. The home market is steady, and taking fairly good quantities of tool steel and tools. Production of steel ingots and castings in the Sheffield area in September amounted to 75,700 tons, which is nearly 2,000 tons more than in August, but 47,000 tons less than in September last year. The seasonal trade in cutlery and plate is meagre, but large quantities of goods are being bought for the cheap bazaars and the coupon gift trade.

Our Glasgow correspondent writes:—In the West of Scotland the continued absence of specifications from the shipyards and the very small amount of export business being done combine to keep things exceedingly quiet in the iron and steel trades. In the pig-iron and semi-finished markets business is very poor, even inquiries being few. Tube makers also are finding a very poor demand. Buyers

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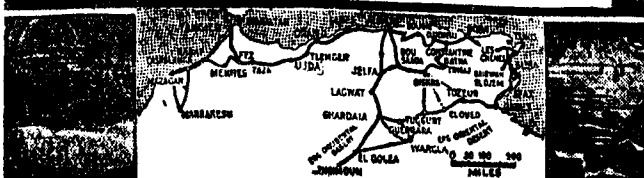
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are evincing more interest in the sheet market, but actual business does not show much expansion. Prices all round are maintained at recent levels.

Our Cardiff correspondent writes:—There has been no improvement this week in the position on the South Wales tinplate market. Prices have been easy on the basis of the minimum of 17s. per basis box, but notwithstanding a slowly-expanding home market the outputs are in excess of the current effective demand, and it is anticipated that the quota under the pooling scheme will be further reduced. Galvanised sheets are unaltered at £11 12s. 6d. per ton, while both local and imported bars are stationary at last week's figures. The price of tin continues unstable, and on Tuesday quotations were between £6 and £7 per ton less than a week ago. Shipments last week were very inactive, and stocks have consequently increased to over 200,000 boxes compared with 178,000 boxes at the corresponding period last year.

OTHER METALS.

TIN.—The standard market displayed a good deal of irregularity, but with sellers well to the fore prices were generally lower on balance, while a fair business transpired at the decline. Shipments from the East during October totalled 7,342 tons, embracing 4,760 tons to the United States, 670 to United Kingdom, 1,270 Continent, and 642 other countries. Stock and landing in the United Kingdom on October 31st, 23,836 tons against 25,177 in the previous month; total visible supplies 39,272 against 40,251 in September, and 25,594 compared with the same period last year. Standard cash changed hands at £115 10s. to £111 7s. 6d. and £113 5s.; three months, £117-£112 and £114 12s. 6d. Sales in the East were reported at £123 7s. 6d. to £117 15s. and £119 5s. per ton c.i.f.

COPPER opened active and firmer, but later irregular on selling pressure. Standard cash sold £43 17s. 6d. to £42 17s. 6d. and £43 5s.; three months, £44 2s. 6d. to £42 16s. 3d. and £43 5s. per ton.

LEAD in quiet support, but market fairly steady as sellers refrained from pressing. Good soft foreign pig, December, sold £15 15s. to £15 17s. 6d.; January, £15 15s. to £15 17s. 6d.; February, £15 15s. to £15 16s. 3d.; March, £15 17s. 6d. per ton.

SPELTER.—Market quiet but generally firm. November sold at £14 13s. 9d. to £15 1s. 3d. and £14 17s. 6d.; December, £15 5s.; January, £15 2s. 6d. to £15 10s.; February, £15 5s. to £15 12s. 6d. per ton.

ALUMINIUM steady. Home trade, also export, £85 per ton.

ANTIMONY steady with a better demand. English regulus, £38 to £45. Chinese regulus, spot, £26 10s.; November-December £23 15s.; Chinese crude, November-December, £14 10s. per ton c.i.f.

ANTIMONY OXIDE.—November-December, £26 10s. ton c.i.f.

ANTIMONY ORE.—60 per cent., November-December, 3s.; 50 per cent., 2s. 6d. per unit c.i.f.

WOLFRAM quiet and easier. Chinese, November-December, 18s.; Burmese, 17s. 6d. per unit, c.i.f.

QUICKSILVER steady. Spot, £21 15s. to £22 per bottle.

TIN PLATES quiet. I.C. coke, prompt and forward, 17s. per box f.o.b. Swansea.

THE COTTON TRADE.

LIVERPOOL, November 5th.

The past week has seen a falling off of purchasing by the trade, which looks to have taken its requirements for the immediate future. There has been no pressure to sell by the South. Prices on the week show a fall of about ½d. per lb. Fossicks' Bureau to-night issued its estimate of the crop as 14,186,000 bales against 13,975,000 bales in October, with ginnings 11,050,000 bales. The United States Agricultural Bureau will issue their estimate for condition and ginnings on Saturday next. Spot sales for the week October 30th to November 5th (inclusive) are 36,000 bales, of which 17,720 bales are American, 4,000 Brazil, 400 Argentine, 8,500 Peru, 2,800 Egyptian, 1,600 African, 650 East Indian, and 330 sundries. Imports for the same period are 65,356 bales, of which 35,683 are American, 3,138 Brazil, 1,188 Argentine, 12,182 Peru, 8,229 Egyptian, 1,083 African, 3,335 East Indian, and 518 sundries. Quotations to-day are: American Middling, 6-14; Egyptian Sakel, 9-90; Uppers, 6-96; Brazil Fair, 6-14; Peru G.F. Smooth, 6-69; West African Middling, 6-19; and East African G.F., 7-14.

MANCHESTER: November 5th.

The market has presented a much quieter appearance than in the previous week. There are indications of buyers having satisfied their more important wants for the time being, and owing to a tendency for raw material rates to decline there has been more disposition to act with caution. A fair amount of cloth inquiry has come through for India, and although most of the transactions have again been for Madras and Karachi a few more lines have been booked in dhooties and similar cloths for Calcutta. Many merchants, however, are depressed by their advices from India, the boycott on the whole being still acute. Operations for China have been patchy and the latest auction news from Shanghai is not encouraging. White shirtings, however, and poplins have been sold in moderate quantities. Demand for Egypt and the Near East has fallen off, but printing and finishing styles continue to be sold for South America, the West Coast of Africa and the Continent. The better

reports from the home trade are being maintained. A slower feeling has prevailed in the yarn market. Spinners, however, of American and Egyptian counts are presenting a rather firmer front to buyers, there being less pressure to sell.

Statement of the Cotton Trade.

	1930.				Corresponding Date.	
	Oct. 15.	Oct. 22.	Oct. 29.	Nov. 5.	1929.	1928.
Raw Cotton—Mld. American..... per lb.	5-75	5-87	6-39	6-14	10-25	9-65
" Sakellaridis Fully Good Fair..... per lb.	9-50	9-40	10-05	9-90	17-80	14-90
Yarns—32's twist..... per lb.	9½	9½	10½	10	15½	14½
" 40's twist..... per lb.	10½	10	10½	10½	16½	15½
" 60's twist (Egyptian)..... per lb.	17½	17½	18	18	28	24½
32-in. Printers, 116 yds., 16 by 16, 32's and 50's.....	19 0	18 9	19 2	19 0	25 3	24 3
36-in. Shirtings, 75 yds., 19 by 19, 32's and 40's.....	21 2	21 0	21 4	21 2	28 3	27 0
38-in. ditto, 38 yds., 18 by 16, 10 lb.....	11 10½	11 9	12 0	11 10½	15 0	14 9
39-in. ditto, 37½ yds., 16 by 15, 8½ lb.....	10 7½	10 7½	10 10½	10 9	13 9	13 3

THE WOOL TRADE.

Our Bradford correspondent writes:—The information received this week from Australia is encouraging. There is indication of a firm tendency in raw material values, and private information also leads to the conclusion that merino wool is selling very well in South Africa. The most important sales held in Australia this week are those which have taken place in Brisbane, 50,000 bales being catalogued. This is a fairly big quantity to offer in a short series. Continental and Japanese representatives were the principal buyers, and there were some operations by Bradford when anything of good combing style was submitted. Most of the cables received here gave 19d. as the clean scoured basis for good average 64's wool, and 21½d. for good warps 70's. This leaves 5½d. to cover the cost on conversion in the case of the former quality, if the selling price of the top is taken at 24½d. At the end of the first day of the Brisbane series Bradford buying brokers had cables from their representatives asking for 1d. increase in their limits. This shows how things have been moving in merino wool, and a continuance of current values, along with a steady absorption of supplies should induce more of the confidence which is needed in all sections of the industry. Prices for crossbred wool are becoming steadier, and it is now fairly easy to forecast how things will go when the New Zealand clip begins to be offered. Prices will certainly be much too low to give satisfaction to the selling end of the trade. A slight improvement is seen practically all round the Bradford market. More business has been done in merino tops, and prices are quite firm. There is also increased interest in crossbreds, with scarcely the same pronounced "bearing" tendency. This is partly due to the progress made towards an establishment of the basis of cost of the raw material. Fine tops are being delivered freely to spinners, and the fact that these are able to keep their spindles running fairly well indicates that manufacturers are taking up their contracts.

HIDE, LEATHER AND ALLIED TRADES.

Tanners in this country seem determined to bring the price of raw material down to a lower level, and at the auctions held at Manchester this week most weights of ox and heifer hides made from ½d. to ¼d. per lb. less money. Although a moderate number of sales have transpired in connection with imported hides the enquiry is not sufficient to sustain values on a level basis, and the balance of change has been in favour of buyers. In the South American market business has been done on account of the U.S.A., Russia and the home trade at 6½d. for Argentine ox, with light ox selling at 5½d., and Montevideo ox at 6½d. With a quiet market for dry River Plates little alteration in price has transpired; B.A. Americanos being quoted at 7½d., M.V. Americanos at 7½d. Cape hides are weaker, drys having been sold at 7½d., and 6½d. for first and seconds, while dry salted have been taken up 6½d., and 5½d., for 20/30 lbs. Australians are steady, and sales have been made at full prices. Business in connection with sole leather moves on steady lines, and although in some quarters the turnover is not considered up to the average of recent weeks, consumption for the most part is maintained at a fair level. The shoe manufacturing section has been in the market for dry hide bends, and some respectable sales have been negotiated, the size in some instances suggesting that buyers are covering requirements further ahead than has been the case hitherto. Medium weights in English and wet-salted have been taken up on repairing account, in addition to which a better enquiry has been noticed for heavier weights. A steady turnover continues to be done in upper leathers, with the bulk of the enquiry centred on box and willow calf. Curriers are finding trade just a shade better, but at the same time most of the orders coming to hand are for small lots.

THE TIMBER TRADE.

Stocks of European building woods have been considerably relieved from pressure owing to the lighter imports from Finland, Sweden and Latvia during September, following on smaller receipts also in August. On the other hand, the receipts of Russian sawn

timber have increased, and to the end of September amounted for the nine months to approximately 368,500 standards, as against 296,451 standards for January-September, 1929. Some of this year's supplies of Russian wood—sent over on consignment—are still in shippers' hands, but should the provisional agreement between the British consortium and the Soviet timber representatives be ratified, as seems assured, Russia has only some 131,500 standards to send to make up the, greatly reduced, full complement this year of half a million standards. Last spring some of the other principal timber-shipping countries announced a reduction of their output for this year; if that has been carried out, the end of the season should not see imports much larger, if any, than in 1929. The consumption of general building timbers cannot be regarded as unsatisfactory. But although costs of buildings outside the L.C.C. area for which plans were passed in September were nearly double those of the previous month and slightly larger than a year ago, there is more unemployment amongst building trade operatives. The forward market, c.i.f. and f.o.b., is very nervous; shippers seem to be unduly hasty to sell, hence the low offers accepted. Considering the small Russian supplies to come forward, and the possibility of the Swedish and Finnish available supplies being reduced this year, with United Kingdom importers' and merchants' determination not to hold largely, stocks at end December should not be too heavy, and the market ought to become more steady. The hardwood department of the timber trade has not freshened up this autumn so much as in previous years; receipts, however, have declined of recent weeks. As regards American lumber supplies, even after some nine months or so curtailment of import and recent closing down of mills in the States, there are still low offers coming over, especially for Southern wood—in the cotton areas—which confirm recent reports of the bad state of industry. Of the American woods, however, pitchpine (a hard softwood) is keeping up well in value on this side, especially for large dimensions. Mahogany logs are of very light import this year. Teak is a very firm market, especially for good lengths and quality, but logs of other hard and fancy woods are difficult to move into consumption. Larger supplies of plywood came forward last month, and imports are now seven million sq. ft. short of those of last year to date. Demand is disappointing, but with early promise of improvement.

OVERSEAS PRODUCE.

SUGAR.—Business was again confined to very moderate limits, both on grocery and manufacturing account, but signs are not wanting as to increased interest being shown at reduced prices. As an outcome of quite a dearth of offers from cane-producing countries, refiners in the United Kingdom now turn their attention to the larger quantities available of Continental beet. Colder weather there soon gives rise to fears of interrupted navigation, and this fact tends to steady affairs. Germany has now become quite prominent in the matter of export. The result of the Cuban elections is awaited with interest. Terminal markets steadier inclined and a fair amount of business resulted in raw. December sold 5s. 5½d. to 5s. 5½d. and 5s. 5½d.; March, 6s. 6½d. to 6s. 6½d.; May, 6s. 9d. to 6s. 9½d.; August, 7s. to 6s. 11½d. and 7s.; December, 7s. 3½d. to 7s. 3½d. Foreign, 96 per cent. centrifugal, November, quoted 6s. 4½d., with business in Continental, 88 per cent. beet, at 6s. 1½d. to 6s. 0½d. c.i.f. Czecho granulated ready to the United Kingdom, sellers 7s. 6d. f.o.b. Cuban receipts last week 33,000 tons against 10,700 last year, exports 81,710 against 63,860, stocks 957,760 against 326,920. Stock on plantations and in transit estimated at 1,150,000 tons. Stocks of raw sugar in the three chief ports of the United Kingdom for week ending November 1st amounted to 104,789 tons against 165,612 last year.

COFFEE.—A generally subdued tone pervaded the spot market. A few really fine grades fared well, but in a general sense, trend of prices ruled weaker.

COCOA.—Only a retail movement occurred on the spot. Forward positions also met with a poor reception.

TEA.—Quantity of Indian amounted to 52,148 packages. A rather large part consisted of plain and medium teas which were frequently withdrawn, valuations not being reached. Prices ruled irregular and occasionally weaker except for really fine grades. Ceylon sales of 18,500 packages proceeded on rather quiet lines. Fine and finest qualities generally steady. Java sales quiet and without material change. Of new season's China, there is a good demand for Lapsang souchongs, which are in limited supply and held for high prices.

RICE.—Sellers required steady prices, but general trade moves slowly. Two Stars Rangoon, spot, London, 11s. 6d.; Spanish, 14s.

BEANS AND PEAS.—Butters tend firmer. October-December quoted 24s. c.i.f. Rangoon haricots, spot, 10s. 3d. to 10s. 6d.; forward, 8s. 9d. c.i.f. Peas: Market steadier forward. Japanese current crop, spot, London, 16s. 6d.; November-December, also December-January, 14s. 6d. c.i.f.

POTATOES.—The market in potatoes has been steady at unaltered prices.

SPICE.—Pepper met with quiet attention and trend of prices ruled weak. Lampung, August-October, sold 5½d.; October-December, quoted 5½d.; January-March, 6d. London stocks of black reduced 74 tons on the week at 588, against 1,196 last year; white, 10 tons down at 156, against 1,082. Cloves slow, but prices unaltered. Pimento dull.

FRUIT (Dried).—Currants continue in demand and market steady. Pyrgos, 30s. 9d.-31s.; Patras, 34s.-35s. Sultanias steady

A Referendum on British Fiscal Policy

The question, what change, if any, British Fiscal policy needs has been put this year to business firms and industrialists by Chambers of Commerce and the F.B.I., to Trade Unionists by the T.U.C., and to bankers, politicians and others. Only the consumer has not been asked, yet it is with the consumer that the decision of the electorate must rest.

Readers of the *Week-end Review* form probably as independent and intelligent a constituency as could readily be found, and the *Week-end Review* is therefore conducting during the next three weeks a Referendum on British Fiscal Policy. Care has been taken in the framing of the questions to avoid restriction to the formulae of current party politics, and there is special provision for the dissident from all parties to make his voice heard. The questions have been set in consultation with a number of well-known economists. The object of this Referendum is not to prove a case, but simply to obtain and make public information which we think is needed and which seems not at present to exist.

The form of questions appears in to-day's issue of the *Week-end Review*, together with full particulars. If you are interested in this question, get a copy from any bookstall or newsagent and fill in your replies.

A 4% BASIS FOR BRITISH CREDIT?

PROSPECTS FOR LANCASHIRE'S COTTON INDUSTRY.

UNDERGROUND ELECTRIC DIVIDEND PROSPECTS.

THE OUTLOOK FOR LIFE ASSURANCE.

A STOCKBROKER'S NOTEBOOK.

By AUSTIN FRIARS.

SEE

The

Investors' Chronicle

THIS WEEK.

The *Investors' Chronicle* may be obtained at all bookstalls and newsagents throughout the country, price 6d., or from

The Publisher:

"THE INVESTORS' CHRONICLE"
20 BISHOPSGATE, LONDON, E.C.2.

COMMERCIAL TIMES—WEEKLY PRICES CURRENT.

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

LONDON, TUESDAY.		FRUIT (continued)—		WOOL—		HIDES—	
CEREALS AND MEAT.		Spanish Onions,		English Southdown, washed		Wet salted—Australian	
GRAIN, &c.—		Valencia:—		per lb.		per lb.	
Wheat, No. 3, N. Man. 496 lb.	23 3	case 4s. 5 9 6 0		per lb. Lincoln hog, washed	14	0 4 0 4 1/2	
Eng. Gaz. av., per cwt.	6 11	case 5s. 6 6 7 0		Queensland, sud. super cmbg.	22	0 4 0 4 1/2	
Barley, Eng. Gaz. av.	9 10	Onions, Oporto case 0 0 0 0		N.S.W. greasy, super	11	0 6 0 8	
Oats, case 0 0 0 0		Chestnuts, Naples bags 22 0 25 0		N.Z., grey, half-bred 50-56	9	0 6 0 8	
Maize, La Plata, landed, 480 lb. 19 6		Grapes, Lisbon boxes 0 0 0 0		Crossbred 40-44	8		
Flour, Lon. stan. ex mill.	s. d.	Almeria barrels 10 6 25 0		Topa—			
280 lb.	27 0 0 0	LAKE—		Merinos 70's 27			
Rice, No. 2 Burma, per cwt. 9 9	0 0	Irish bladders 70 0 80 0		64's 24			
Sago, Pearl, per cwt.	19 0	American boxes 56 lbs. 66 0 67 0		Crossbred 48's 12 1/2			
Tapioea, per cwt.	17 6 0 0	SPICES—		46's 12			
E.I. flake, fair spot ...	20 0 0 0	Pepper, per lb.—					
Medium pearl 17 6 0 0		Muntok, fair White 0 0 1 0 1/2					
Potatoes, good English, per cwt. 5 0 6 6		Black Lampung 0 0 0 7 1/2					
Beef, per 8 lbs.—		Clenamon—lat sort, per lb. 0 11 0 0					
English long sides 4 10 5 6		Cloves—Zanzibar per lb. 0 0 1 5					
Argentine chilled hinds. 5 0 5 4		Ginger—per cwt.—					
Mutton, per 8 lbs.—		African 40 0 0 0					
English wethers 6 8 7 8		Jamaica, ord. to good 60 0 90 0					
N.Z. frozen 3 6 4 4		Mace per lb. 1 10 2 6					
Pork, English, per 8 lbs. 4 8 8 8		Nutmegs 65's 1 3 0 0					
		SUGAR—					
		(Duty, 11s. 8d. per cwt.)					
		B.W.I., crystallised 19 6 22 6					
		Java, white, c. & f. India					
		Nov.-Dec. 8 0 0 0					
		REFINED—London—					
		Yellow Crystals 19 4 1/2 0 0					
		Cuba 23 9 24 3					
		Crushed 22 3 22 5					
		Granulated 20 0 20 10 1/2					
		HomeGrown (Nov.-Dec.) 19 6 20 0					
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though conditions were slightly easier, $2\frac{1}{2}$ per cent. was paid. Discount rates responded, and three-months' bills are now quoted at practically $2\frac{1}{2}$ per cent. in contradistinction to the rates of $2\frac{1}{8}$ per cent. and under ruling only three weeks ago. On Thursday, money was a little more abundant, with rates running from $2\frac{1}{2}$ down to 2 per cent., but discount rates remained unaffected, and there is no doubt that the extreme ease noticeable earlier in the autumn is momentarily interrupted.

Various explanations of this stringency have been heard, none of which entirely fit all the known facts. The first is that of sales of the new Treasury bonds, either by Government departments or by the Bank. In support of this theory is adduced the belief that in order to ensure the success of the original issue, large numbers of the bonds were applied for by "special quarters" last month, and the subsequent weakening of their price to its present small discount is regarded as confirmation. Against this, while previously the item "Government Securities" in the Bank Return had certainly been declining, this week there is an increase of £1,787,280.

	Oct. 23, 1930.	Oct. 30, 1930.	Nov. 6, 1930.	Nov. 13, 1930.	Previous Rate and Date Changed.
Bank Rate	$\frac{3}{8}$	$\frac{3}{8}$	$\frac{3}{8}$	$\frac{3}{8}$	$\frac{3}{8}$ (May 1, '30)
Banks' Deposit Rate	1	1	1	1	$1\frac{1}{2}$ (May 1, '30)
Discount of Call	1	1	1	1	$1\frac{1}{2}$ (May 1, '30)
Houses (Notice	$1\frac{1}{4}$	$1\frac{1}{4}$	$1\frac{1}{4}$	$1\frac{1}{4}$	$1\frac{1}{4}$ (May 1, '30)
Market rate (3 months' bills)	$2\frac{1}{2}$ - $1\frac{1}{2}$	$2\frac{1}{2}$ - $1\frac{1}{2}$	$2\frac{1}{2}$	$2\frac{1}{2}$ - $1\frac{1}{2}$	...

This week's Bank return is not easy to reconcile with the prevailing stringency. For example Public Deposits are £2,398,696 lower, which contradicts the view that Public Departments have been selling Treasury bonds. Bankers' deposits also are £4,788,726 higher, and at their present level of £60,321,291 hardly justify any stringency at all. Thus the probable explanation lies in the steady out-flow of gold to France and in the recent withdrawals of French balances from London. Most of this French money has been on deposit with London banks, and its disappearance—with the threat of still more to go—may have caused bankers to think it advisable to take funds off the market. In any case, the gold losses themselves, which last week amounted, according to the Bank return, to a net £1,461,697, represent a definite contraction in the market's basis of credit, and the week's stiffening in the three months' bill rates is a natural reaction to immediate developments.

In view of certain statements that have appeared regarding the amount of gold "engaged" to be taken from the Bank for shipment to France, it may be advisable to repeat the fact that as the Bank is bound to sell standard gold on demand no previous "engagements" with the Bank are necessary. Arrangements, of course, have to be made with the refiners, and these have duly been made, though the total sum of £5,000,000 already mentioned with some freedom is probably, so far, in excess of the facts. The real position is that so long as the exchange remains at its present level of Frs. 123.68, gold will continue to go, and any arrangements made for refining will not be cancelled unless and until the exchange improves practically to Frs. 123.80.

It is now reported that steps have been taken to rehabilitate the Banque Adam, but there is grave ground for fearing that these have come too late. The rates allowed by French banks upon their deposits are now so low, that even the slightest shock to confidence is sufficient to induce the public to withdraw their deposits and hoard notes instead. This has actually happened, and it would not be surprising if the French banks had to continue drawing upon their foreign balances. In fact, it is predicted that the French Exchange will remain at its present level at least until the end of the month, and that France will continue taking gold from the Bank at the rate of £300,000 a day. Even a loss on this scale should not call for a higher Bank rate here, but it will certainly make the present Bank rate effective.

NEW YORK.

Money remains easy, with call rate still at 2 per cent., and commercial paper at $2\frac{1}{2}$ -3 per cent. for prime names. Heavy gold arrivals were reported during the week, including \$8,700,000 at Pacific Ports from Japan, \$5,000,000 from the Argentine, and \$5,000,000 from Brazil. The Federal Reserve system's latest weekly statement of brokers' loans records a decline of \$58,000,000 to \$2,454,000,000, or a new low point for the year.

THE STOCK MARKETS.

Though dealings were restricted, and prices tended slowly to decline, the Stock Markets showed the responsiveness to good news, and the resistance to bad, which have been the distinguishing features of business during the autumn season. Gilt-edged were less active, but recovered after a dull opening. Foreign bonds were irregular, with the Continent alternately a seller and buyer. Home rails were dull on a worsening of the traffic position. Industrial shares had a slow downward trend, tobacco, motor and steel shares losing further ground. Rubber and tea shares, though quiet, had a slightly better undertone. Oil shares, after marked initial weakness, improved on the maintenance of the "Shell" and Royal Dutch interim dividends, and the cessation of Paris selling. Kaffirs were quiet, but copper shares hardened appreciably on the sharp rise in the metal following the reported agreement of the leading producing interests on a somewhat drastic policy of output restriction.

THE COMMODITY MARKETS.

The general situation remains depressed. Apart from a slight improvement in Glasgow, coal markets are weak, and there is much uncertainty about the effects of the new legislation on the industry. Although production of iron and steel has been severely curtailed, makers find it difficult to dispose of their current output in face of the keen Continental competition at low prices. There has not yet been any definite improvement in the Oriental markets for Manchester goods, and business continues quiet. Raw wool prices have been steadier for some time, and the market in Bradford is firm. An increase in the demand for jute goods has become noticeable, and raw material prices are somewhat higher. Hides are weaker, and business in leather has been on a smaller scale. Wheat prices are scarcely changed on the week.

THE FOREIGN EXCHANGES.

Quiet conditions prevailed this week, with considerable irregularity in the franc and an improvement in the peseta as the principal features. New York went from 4.85 $\frac{3}{4}$ to 4.85 $\frac{1}{2}$, after some hesitation. Montreal was fractionally weaker at 4.85 $\frac{1}{2}$. Paris, after touching 123.56, lost two points on balance at 123.68. Brussels was better at 34.82 $\frac{1}{2}$. Milan gained three points at 92.78. The peseta improved, and went from 43.10 to 42.15 after touching 41.90 and 42.30. Amsterdam weakened to 12.06 $\frac{1}{2}$, Berlin lost $\frac{1}{2}$ at 20.38 $\frac{1}{2}$, and Switzerland a point at 25.04. Stockholm and Oslo both weakened by $\frac{1}{2}$ to 18.11 and 18.16, but Copenhagen gained $\frac{1}{2}$ at 18.16. The South American exchanges were again irregular, Rio losing $\frac{1}{2}$ d. at 4 $\frac{1}{2}$ d., Buenos Aires gaining $\frac{1}{2}$ d. at 38 $\frac{1}{2}$ d. after hesitation, and Montevideo losing $\frac{1}{2}$ d. at 39 $\frac{1}{2}$ d. In the Far East the rupee was weak at 1s. 5 $\frac{3}{4}$ d., and the yen lost $\frac{1}{2}$ d. at 2s. 0 $\frac{1}{2}$ d. In the forward market, dollars were quoted at $\frac{1}{8}$ cent and $\frac{1}{2}$ cent, or half the discounts of last week. Paris was at 5 and 15 centimes discount, after being much higher. Brussels went from par for both periods to one centime premium for one month and $\frac{1}{2}$ centime discount for three. The premiums on forward Madrid rose to 3 and 9 centimes for one and three months respectively. Amsterdam at $\frac{1}{8}$ and $\frac{1}{16}$ premium, and Berlin at $2\frac{1}{2}$ and 9 pfennigs discount, were both rather better than last week. Silver prices fell by $\frac{1}{2}$ d. for spot and by $\frac{1}{4}$ d. for forward to 16 $\frac{1}{2}$ d. and 16 $\frac{1}{4}$ d. respectively as a result of China sales. Hongkong remained at 1s. 3 $\frac{1}{2}$ d., but Shanghai lost $\frac{1}{4}$ d. at 1s. 7 $\frac{1}{2}$ d.

THE ROUND TABLE CONFERENCE.

THERE is little need to emphasise the momentous character of the Conference which His Majesty the King-Emperor inaugurated on Wednesday in the Royal Gallery of the House of Lords. Never before, as His Majesty observed in his opening speech, have British and Indian statesmen and rulers of Indian States met round one table to discuss the future system of government for India. Notwithstanding the absence from the proceedings of figures so notable in different ways as Lord Irwin, Sir John Simon and Mr Gandhi, never before has so representative a body of Indian opinion met an all-party delegation of the British Parliament. The issues to be debated at this meeting transcend all considerations of party interests at home and in India. Indeed, it is not too much to say that the results of the Conference will determine whether India is now to proceed in an orderly fashion towards full nationhood, maintaining the unifying influences in the spheres of social order and justice that have been contributed by the British Raj, or whether she is to slip backward—via disintegration, diminished material prosperity, the gradual straining and ultimate breach of the partnership between East and West—to an obscure and uncertain destiny fraught with possibilities of grave misery.

Few of the delegates could have failed to share the feeling, which His Majesty expressed, of profound consciousness "how much depends for the whole of the British Commonwealth on the issue," and, complex though the problem may be of reconciling, in His Majesty's words, "the just claims of majorities and minorities, of men and women, of town dwellers and tillers of the soil, of landlords and tenants, of the strong and the weak, of the rich and the poor, of the races and castes and creeds of which India's body politic is composed," the speeches on Wednesday of the Princes and Indian statesmen gave welcome evidence of good will and determination to seek agreement. Clearly, the Indian representatives, and particularly those from British India, may have difficulties in "putting over" a settlement, if such can be achieved, and this means that Great Britain must try to understand their difficulties and listen with the utmost sympathy to their points of view. On the other hand, these delegates from India, many of whom have shown high courage in coming here at all, have a grave responsibility imposed on them to use their utmost endeavour to prevent a failure. As the Maharajah of Kashmir remarked, "Neither England nor India can afford to see this Conference end in failure. . . We needs must give and take. If we succeed, it is England no less than India which gains. If we fail, it is India no less than England which loses."

The questions with which the Round Table Conference will have to deal are so complex and far-reaching in their scope that we do not propose to re-state them here. The exhaustive and masterly report of the Statutory Commission stands as a unique and sufficient description of their character. Nor do we propose to attempt to forecast the course of the Conference itself. At this juncture all that we can usefully do is to note briefly the new factors that have arisen since the report of the Statutory Commission was presented to Parliament. That document, it will be recalled, provided for a very large measure of autonomy in the provinces, whose legislatures should have very wide functions and, as far as possible, adequate financial resources. With regard to the Central Government, the Commission, though modifying the method of election to the Assembly and removing the Army from its purview, proposed no change in the direction of responsibility to the Assembly of the Governor-General's Council. An important reason for this was that while the Commission considered that the final solution of India's constitutional problem must be on federal lines, they were not in a position to produce a fully-fledged federal constitution; in the meantime they could not foresee what form the Centre would finally take, and proposed only provisional steps for consultation with the Indian States.

The reception of the report of the Statutory Commission made it clear that it was round the question of the Centre that the main controversy would turn. Indeed, the abortive attempts made by Sir Tej Bahadur Sapru and Mr Jayakar as intermediaries to conclude "peace terms" between the Viceroy and Mr Gandhi last September broke down primarily on the crucial demand of the Nationalist leader for "a complete National Government responsible to the people, the Government to have full control of the defence forces as well as full economic control"—a demand which the Viceroy properly rejected as being of an impossibilist character under the existing conditions inherent in the position of India.

This same burning question, the nature of the central executive and its relations to the legislature, figures prominently in the Despatch, a full summary of which we print on a later page, wherein the Government of India have put forward their views "on the further progress which might now be made towards the development of responsible government in India as an integral part of the British Empire." Whether the Government have been wise in publishing this Despatch before the Round Table Conference has got down to business, and in giving no indication whether or not the Cabinet endorses the views which it expresses, is open to serious doubt; but at least the prevalent and damaging rumours as to the attitude of the Government of India have now been set at rest. We now know that the Government of India, approaching the problem from the very practical standpoint of the authority that will have to work the new constitution, accept broadly, with minor qualifications, the Statutory Commission's scheme for provincial autonomy, but envisage certain difficulties in the functioning of the proposed Central Government.

The essential difference between the views of the Government of India and those of the Statutory Commission is that the Viceroy and his Council do not think that an "irresponsible" executive could in practice run the government smoothly with a Legislative Assembly in which the elected element had enormously increased relatively to an official membership reduced to almost negligible numbers. Other points of difference are revealed. Notably, the tentative suggestion of the Statutory Commission that control of the Army should be removed from the Government of India is not endorsed; and (with questionable wisdom) the Government of India dissent from the proposed principle of indirect election to the National Assembly. But the nature of the Centre is the crux of the whole matter.

The Central Government, the Despatch submits, must be strong; and the conditions precedent of a strong government are that it should be "unitary" and that it should be in harmony with the legislature. They consider that that harmony would not be achieved by adopting the Commission's suggestion that the Governor-General's Council, appointed in future by him and not by the Secretary of State, should include certain Indian members of the Assembly, who would cease on appointment to sit there as elected representatives. If the requisite amount of "responsiveness" to the legislature on the part of the executive is to be achieved, "heads of parties" should be included in the Council as Ministers whose salaries would not be subject to vote, and who would not necessarily retire if their policies were disapproved by the Assembly, but whose authority in the "unitary" Council would not be limited to matters connected with their particular portfolios. In form, the Despatch disclaims the intention of establishing dyarchy at the Centre; but the Viceroy, it is suggested, should retain full rights of veto and certification, and Parliament should "define with some precision the purposes for which it would wish to exercise its constitutional right of interference with the policy of the Government of India"—e.g., defence, foreign relations, internal security, financial obligations, protection of minorities and the Services, and the prevention of "unfair discrimination."

For this system, intended to combine as far as possible the conflicting principles of a "unitary" Centre and shared power, the Despatch coins the phrase "dualism." The phrase, we suggest, is open to the charge of obscurantism, for the form of Central Government proposed would not be "responsible" in the British sense and would really be a form of dyarchy. Whatever words may be used, and however unpopular this term may be, so long as such vital subjects as those listed above are excluded from the effective control of the Legislature, there is in fact a limitation of full responsibility. It is obvious that the scheme is one in which the degree of "responsiveness" would be difficult to define; and it would be workable only with general goodwill. Indeed, the Government of India goes so far as to say that if it would help the position of the Assembly members in their "unitary scheme" they would be prepared to "sacrifice the form of unity" by a formal recognition of "the conventional division of responsibility."

Whether these suggestions meet, on the one hand, the Statutory Commission's criticism that dyarchy at the Centre would weaken the Government and render the position of the Viceroy "so embarrassing as to be almost intolerable," or satisfy, on the other, the demand that the Central Legislature shall have real control, is open to doubt. Moreover, it is evident from the whole of the Despatch that the Government of India have in mind mainly the situation in British India, and that they attach less importance than the Commission did to the conception of an All-India constitution. Implicit in their proposals, which they choose to describe as an "amplification of the plan put forward by the Commission," is their view that while they accept the idea of an ultimate federation, that ideal is still distant. "Without indulging in remote speculation," the Despatch remarks, "we think it more profitable and necessary to examine the concrete proposals . . . for immediate action."

The developments of the past fortnight, however, emerging from the discussions which the Indian delegations have had in London, lead us to think that the premises from which the Government of India appear to have started require modification. In the first place, they are at pains to make it clear that they "have endeavoured to point the way to action that may now be taken to place upon the constitution the first but definite impress of Dominion Status." It is evident, however, that on the important issue of communal representation the Hindu and Moslem delegations in London have not yet been able to reach an understanding. The British Indian delegates are, therefore, not yet in a position to put forward an agreed scheme for a Dominion Constitution. Still more important is the attitude of the Princes. Not only have they shown themselves quite definitely in sympathy with British India's aspiration for full nationhood, but it is significant that whereas the Simon Commission looked to a very tentative advance in the direction of an All-India federation, the Princes seem ready to take their part in a federal constitution forthwith, provided that the terms on which they enter are satisfactory.

Thus it looks as if the main task for the Round Table Conference—a task on whose successful achievement the whole results of the Conference may depend—will be to prepare a real All-India constitution. If this be so, several important points at once arise. Are there to be separate organs at the Centre for the federation and for British India? Is the federal legislature to consist of members appointed by indirect election from British India (or from a British Indian Parliament) on the one hand, and of nominees of the Princes, on the other? What is to be the responsibility of the federal executive to this body, if it is to deal with the Army, the major part of India's central finance, probably communications and, some other central subjects? Could such a constitution run parallel with a central parliament for British India dealing with the remaining central subjects and appointed by direct election—a principle to which the most advanced sections of Indian opinion evidently attach great importance? And should there be a separate British India executive responsible to this Parliament? Alternatively, should the constitution of All-India and of British India be combined under a two-chamber system, and if so, to which

chamber should the executive be responsible, if it is to be responsible at all? In short, are the delegates thinking of Dominion status as applying to British India or to All-India?

With such problems confronting it, and demanding an even wider sweep of view than that taken by the Statutory Commission, it is evident that the Round Table Conference cannot get very far if it allows itself to get entangled by controversial terms and phrases. We come back, in fact, to Sir John Simon's dictum of long ago that he knew of no model in the British Empire that would serve for India. It is difficult to envisage the British system of political institutions being applied unchanged, even to British India, where the party system does not yet exist in any real sense. If an All-India constitution is a practical possibility to-day, we may have to look elsewhere for our precedents, drawing perhaps on the experience of the United States and other federations, or even build entirely afresh. This, at least, is clear—and it may well be that had the Government of India, whose Despatch is dated September 20th, foreseen the alignments which seem to exist to-day in the Indian delegations, they would have said as much—the best hope for the Conference is that a broad All-India view will be taken, and that no attempt will be made to devise a constitution of such a character as to widen still further the differentiation between the two Indias which are territorially, racially and in outlook so closely interwoven.

THE ELEVENTH HOUR.

At the eleventh hour of the eleventh day of the eleventh month the eleventh organised celebration of Armistice Day was observed throughout Britain and the Empire and the Allied and Associated countries. The spontaneous universality of the observance throughout this country proves that, though memories fade, though the poignancy of grief be assuaged, though a new generation has arisen that can only dimly have apprehended the horrors of the world in which their childhood was passed, the day and the hour retain a deep meaning for the multitude. It is well that it should be so. Mourning has passed into remembrance, and it is because of the new generation that is arising that the fostering of remembrance becomes of supreme importance for the future. As the Prince of Wales said at the Albert Hall on Tuesday night, history teaches us that one of the dangers to peace is that new generations, who know not what war is, are ready to take up arms with a light-heartedness that can only be born of ignorance and illusion. And in these days of material troubles, the hour of remembrance must have brought sharply to the minds of many the lesson that, though wars may be made swiftly, their trail of ruin and impoverishment extends through decades of suffering and reaches to the confines of the earth. So once every year let us in silence stand aside from the pressure of our daily tasks, and remember—remember, by all means, the greatness of the sacrifice, the heroism of the dead, the needs and claims of the survivors, but remember also the greatness and the bitterness of the lesson and the blackness of the future if that lesson be not learnt.

The coincidence of the time of signature of the Great Armistice has given a hallowed meaning to the eleventh hour. But the phrase, we cannot forget to-day, has, in ordinary English, another and more sinister connotation—that of a last chance of escape from threatened failure or evil, of a sandglass running low. And this is the connotation of the phrase which forces itself upon us this week, as we watch the efforts of the delegates of the nations now assembled at Geneva to find sufficient common ground to justify a further full-dress attack on the problem of disarmament. If these efforts fail now, who can say how many years will pass before any real attempt can hopefully be made to travel along this arduous road towards the goal of international security? President Hoover found himself able to say in his Armistice Day address at Washington that "the outlook for peace is happier than for half a century." On the short view that may be true. Memories of 1914-18 have not died—yet. No

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potential aggressor is sufficiently recovered in material resources to face the financing of another war—yet. But time is the essence of the matter, and, if the present negotiations at Geneva were to fail (and our Geneva correspondent's account of the proceedings, printed on a later page, is hardly hopeful), Mr Hoover's dictum would have to be revised as regards the longer view. It is the eleventh hour.

In quite another connection the phrase is reminiscent of the prophecies of those who believe that in Britain the Government is wobbling and tottering to an early fall. Has the Government reached its eleventh hour? At the Shipley by-election last week the Conservative Party won the seat for the first time in history. Is that perhaps the writing on the wall? Many members of the Labour party are restless over unemployment. Sir John Simon, intolerant of the patience prescribed by his political leader, has declared open war upon the Government over the Trade Disputes Bill which they are pledged to introduce, and finds the Government so bad that to turn them out regardless of consequences is in his eyes a patriotic duty. With the tide of unemployment still rising, the supineness of the Cabinet provokes a progressive unrest within all parties. The pre-occupation and aloofness of the Prime Minister excites a growing dissatisfaction in his own ranks. Will a relatively unproductive Imperial Conference impair the prestige of the Cabinet beyond mending? In all this are there not abundant germs of collapse, whether by disintegration or external circumstance? When the ship is labouring under a prolonged storm, which shows no signs of ceasing, how long will the passengers trust themselves to a captain and a crew whose chief occupation is apparently to wait till the clouds roll by?

However much we may discount all these threats to its life no one could by any stretch of imagination depict the Government as either lying in a bed of roses or seated firmly in the saddle of a tractable steed. Yet political developments seldom follow logic. Even though it be true that the country is wearied and disappointed with the Government, and that the majority of the House of Commons is of the same mind, it does not follow that the Government will be turned out. Even if more Liberals were converted to Sir John Simon's view, are the Conservatives in a position to relish the opportunity to seize the reins of office or to face the electorate with confidence? On the whole we are inclined to think that the Government has some considerable spell of life in front of it. Although Mr Lansbury's cheerful prediction last week of three more years seems extravagant in the light of present circumstances, Mr Thomas can claim credibility for his statement that for the time being he will remain at his post because no one dares to turn him out. Nor is there anything surprising in the story that Mr Snowden is quietly engaged in exploring the possibilities of the next Budget undisturbed by any suspicion that he may not introduce it.

For our part, we have stated our position clearly. In a word it is this. We sympathise with those who are disillusioned by the Government's record. But, in spite of everything, we regard it to be definitely in the national interest that the present Government should remain in office, not only during the period of the fateful Indian discussions, but until some prospect appears of an alternative Government with something more helpful in the way of policy than a haphazard emergency tariff, which by raising production costs, would intensify the most serious of existing difficulties. The country is therefore under the unfortunate necessity of possessing its soul in patience for a while as best it may. But this makes it all the more incumbent upon the Prime Minister and his colleagues to realise the implications of the position, the chief of which is that they remain where they are on sufferance; and realisation can best take the form of translating into fact the ideal propounded by Mr MacDonald in his first speech to the present Parliament, namely, that the House of Commons should be regarded more as a Council of State than as an arena for the propagation of party aims. Success in that direction postulates, of course, co-operation by the Opposition parties, but the lead and the initiative can only come from the Government.

But what of the further outlook, when the Indian Conference is over, and the supreme argument against changing horses no longer operates? Then, we believe, the length of the Government's life will be conditioned by one thing, and one thing only—namely, the ability of Mr MacDonald to awaken himself and his colleagues to the sense of national emergency and to give to Parliament and the country proof of bold leadership and the effective drive which the head of the Government and no one else can supply. In this week of remembrance, should not one of our most prominent memories be of the great united effort which the whole nation put out to meet its greatest emergency? The characteristics of the people, that made that effort possible, have not changed, but they will not be harnessed to the task of meeting the new emergency of to-day, unless the stimulus of bold and imaginative leadership is supplied. It is to Mr. MacDonald that the country looks at this eleventh hour for a statesman's lead.

THE TREND OF OVERSEAS TRADE.

THE October trade returns are less unsatisfactory than those for recent months, for, compared with September, imports show an increase of £12.2 millions, British exports one of £4.2 millions, and re-exports one of £1.8 millions. These movements, it is true, are at any rate partly seasonal, but even so they suggest that the downward trend is perhaps coming to an end. Still, as the following table shows, the October results, when compared with those of preceding years, show a heavy reduction

to a figure which is far below a level that we could regard with equanimity:—

MONTH OF OCTOBER.
(000's omitted.)

	1930.	Increase or Decrease as compared with			
		October 1929.		October, 1928.	
Imports	£ 90,860	£ 19,378	— 17.6	£ 11,821	— 11.5
British exports	46,922	17,668	— 27.4	17,391	— 27.0
Re-exports	7,209	1,920	— 21.0	1,679	— 18.9
Total exports	54,131	19,587	— 26.5	19,069	— 26.0
Excess of imports over total exports	36,729	+ 1,209	+ 0.5	+ 7,248	+ 24.6

The only modicum of satisfaction to be derived from this table is that the visible import surplus is practically unchanged.

The corresponding figures for the ten months to date are as follows:—

TEN MONTHS ENDED OCTOBER 31st.
(000's omitted.)

	1930.	Increase or Decrease as compared with			
		1929.		1928.	
Imports	£ 875,785	£ 1,314,112	— 13.0	£ 1,122,942	— 11.4
British exports	488,037	1,119,963	— 19.7	1,111,229	— 18.6
Re-exports	74,888	18,679	— 20.0	25,552	— 25.4
Total exports	562,925	1,138,643	— 19.8	1,136,782	— 19.6
Excess of imports over total exports	312,860	+ 7,231	+ 2.3	+ 23,840	+ 7.1

Regarding this period of ten months as a whole, it is clear that in comparison with 1929 total exports have fallen more than imports. Again, exports in the main consist of manufactured goods, whose prices have notoriously declined less than those of foodstuffs and raw materials, of which the great preponderance of our imports consist. This means that, if measured in volume, the disparity between the shrinkage in our import and that in export trade would be even more marked. In fact, the shrinkage in the volume of retained imports was, according to official calculations for the first nine months of this year, less than 5 per cent.

In so far as principal foodstuffs and raw materials, as defined in the trade returns, are concerned, details will be found in the next table:—

RETAINED IMPORTS.
Quantity (000's omitted.)

		First Ten Months.		
		1928.	1929.	1930.
Wheat	cwts.	84,106	94,796	79,741
Beef	cwts.	11,162	10,423	10,367
Sugar	cwts.	32,160	36,181	31,679
Iron ore	tons	3,728	4,778	3,872
Raw cotton	centals	10,072	10,707	8,148
Sheep and lambs' wool	centals	3,990	3,993	4,083
Raw silk	lbs.	42,969	3,744	3,311
Flax, hemp and jute	tons	231	242	201
Wood and timber, sawn, soft	loads	3,673	4,213	4,024
Rubber	centals	82	2,294	2,534
Crude petroleum	thousand galls.	1,378	1,470	1,692
Wood pulp	tons	991	1,308	1,261
Hides, wet and dry	cwts.	1,015	703	900

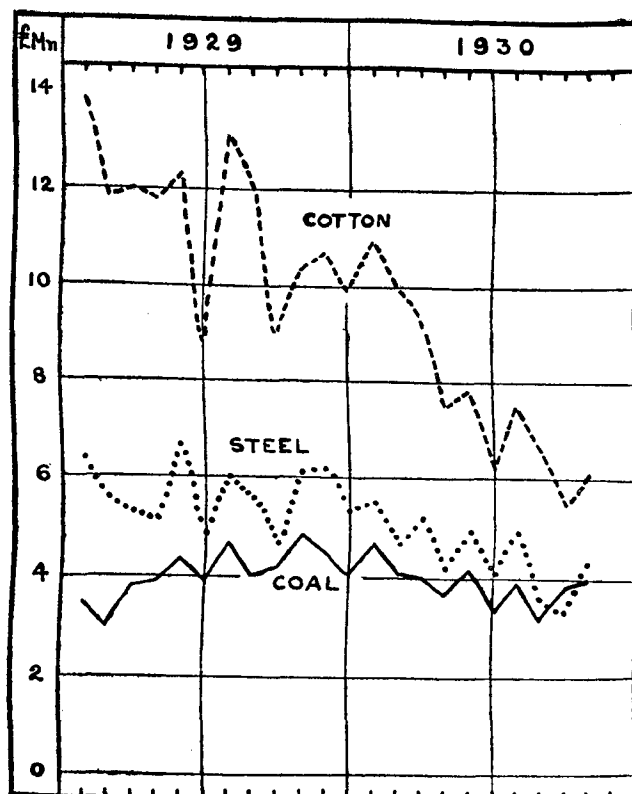
These figures are better than might have been expected. The worst disappointments are iron ore and raw cotton. The increase in raw wool imports is surprising when the depressed state of the industry is taken into account, and the remaining items have on the whole displayed a fair degree of resilience in view of the depth of the trade depression.

There remain retained imports of "manufactured goods," as defined in the trade returns. These were valued at £254.2 millions in 1929 (first ten months), and at £239.3 millions for this year to date. The shrinkage is one of 5.9 per cent., which may be explained by the fall in prices, that is to say, their volume has been maintained. In interpreting this fact, however, an essential point to remember is that many items in this group are virtually raw materials. Prominent examples

are non-ferrous metals, chemicals, petrol and paraffin, and leather. It is unwise to make too definite and dogmatic a sub-division of this group according to this line of argument, but it would not be far wrong to say that in 1929 about £97 millions and in 1930 about £92 millions of what are officially called retained imports of manufactured goods are in reality raw materials. On this basis, retained imports of raw materials, whether classed as such, or as manufactured goods, were really £328 millions in 1929 and £272 in 1930, and those of manufactured goods only £157 and £147 millions for the two years respectively.

Thus, comparing the two years, retained imports of raw materials have fallen by 17 per cent., a figure which is not overwhelmingly greater than the corresponding fall of 13.5 per cent. in wholesale prices. This suggests that the volume of our raw material imports has been main-

VALUES OF EXPORTS OF COAL, IRON AND STEEL,
AND COTTON TEXTILES.



tained in a far greater degree than is generally supposed. It also shows that our imports of finished goods are in reality far smaller than many people appear to think.

Coming now to exports, the story told by the figures is much less reassuring. Regarding, first of all, the ten months of 1928, 1929 and 1930 as a whole, it will be seen that the textile trades are particularly disappointing, that the heavy industries show up badly, and that only the exports of coal, locomotives and motor cars are better than two years ago.

SOME LEADING EXPORTS.

Quantity (000's omitted.)

		First Ten Months.		
		1928.	1929.	1930.
Coal	tons	41,640	49,885	46,566
Pig iron and ferro-alloys	tons	364	466	278
Railway material	tons	522	406	363
Total iron and steel manu- factures	tons	3,503	3,665	2,784
Textile machinery	tons	104	106	81
Total machinery	tons	470	466	411
Cotton yarns	lbs.	140,620	139,678	114,099
Cotton piece-goods	sq. yds.	3,244,698	3,114,144	2,146,299
Wool tops	centals	291	278	239
Woolen tissues	sq. yds.	111,931	92,746	68,876
Worsted tissues	sq. yds.	33,838	40,495	25,082
Linen piece-goods	sq. yds.	55,764	59,654	52,868
Boots and shoes	doz. pairs	924	825	781
Leather	cwts.	348	302	212
Paper and cardboard	cwts.	3,774	4,187	3,691
Locomotives	tons	34	33	40
Motor cars	number	15	22	19

* Includes commercial vehicles but not chassis.

The final question is, what is the general trend of our foreign trade? Some answer to this will be found in the two charts published with this analysis, which are supplemented by a final table, showing the trend of six important exports:—

THE TREND OF EXPORTS.
(000's omitted.)

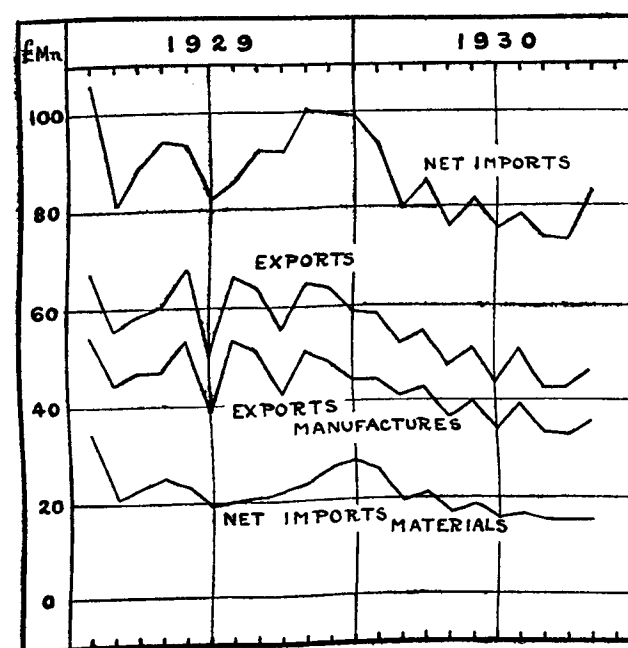
	Coal.	Iron and Steel.	Machinery.	Cotton Piece-Goods.	Woolen Tissues.	Motor Cars.
	Tons.	Tons.	Tons.	Thousand Sq. yds.	Sq. yds.	Number.
1929.						
October	5,761	390	49	266	7,975	2,332
November	5,394	383	53	284	7,595	2,901
December	4,988	332	44	274	7,844	2,267
1930.						
January	5,493	352	46	313	9,695	2,130
February	4,736	294	44	300	8,882	1,963
March	4,783	338	42	281	6,995	2,019
April	4,423	268	40	217	5,000	1,903
May	5,056	295	46	218	5,304	2,467
June	4,057	251	38	197	4,807	1,330
July	4,654	303	36	168	7,944	1,432
August	3,934	219	30	143	6,843	1,201
September	4,633	201	30	150	6,175	2,033
October	4,797	264	44	150	6,175	2,033
Difference between Oct., 1929, and Oct., 1930 ...	- 964 (-16.7%)	- 126 (-32.2%)	- 5 (-10.2%)	- 116 (-43.6%)	- 1,800 (-22.6%)	- 299 (-12.8%)

* Includes commercial vehicles, but not chassis.

The real question to be answered is whether the rebound of the October figures is the beginning of a genuine improvement, or whether it is only seasonal or accidental. The table shows that in any case it has not yet spread to the textile trades, while the other improvements look suspiciously like a seasonal movement. Moreover, the October iron and steel production statistics, referred to upon another page, are so disappointing as to suggest that little hope can be based on the better export results recorded in that month.

The main conclusions of this analysis are two. The first, and least palatable, is that the general trend has been consistently downwards since the end of last year, and that the most that can be said is that the curve may

VALUES OF IMPORTS AND EXPORTS.



be beginning to flatten. The other, and more encouraging, conclusion is that the maintenance of the volume of our raw material imports shows that even in these days of depression and unemployment the majority of our factories are still at work. The size of our foreign trade, especially on the export side of the account, is to-day far from being adequate to the nation's needs and capabilities. But the similar movement in the trade figures of our chief industrial competitors is sufficient evidence that the heavy falls shown in the charts are part of an international phenomenon. The problem before us is our ability to make up lost ground when the tide turns.

BRITISH CAPITAL ABROAD.—IV.

Our inquiry into British capital abroad has been designed to build up an estimate of our overseas holdings in 1929. The inquiry has been necessarily incomplete, and information on certain important aspects of the problem—notably the movement of short-term capital and the amount of long-term capital in Britain held by residents abroad—is almost entirely lacking. Nevertheless, incomplete as the story is, it may be of interest to consider how far our results are consonant with other figures relating to such matters as the international balance of payments.

In a previous article* we pointed out that the figures emerging from our investigation into British capital abroad suggest that the Board of Trade estimates of net long-term income from overseas are too high by about £30 millions. In 1929, these estimates were revised, largely on the basis of the material collected by Sir Robert Kindersley. A figure of £285 millions was given for each of the three preceding years; and it was estimated that the income was £250 millions in 1925, £220 millions in 1924, £200 millions in 1923, and £175 millions in 1922. Any adjustment of these interest earnings affects to the same extent the estimate of the net balance available for overseas investment each year. If we diminish the interest figure by £30 millions for each of the three years 1926-28, by £25 millions for each of the three preceding years, and by, say, £20 millions for 1923 and for 1922, the estimates of the net balance of capital exported will be reduced to the following figures:—For the four years 1922-25, net outward balances of £135 millions, £133 millions, £38 millions and £3 millions respectively; for 1926, an inward balance of £21 millions; and for 1927 and 1928 outward balances of £84 millions and £119 millions. The sum of these balances amounts to £491 millions. The Board of Trade made no estimate of our invisible exports in 1921. For 1920, they reckoned that we had a net balance available of £290 millions, but on the basis of later material this figure appears to have been considerably too high, and in any case the greater part of it was sent abroad on short-term account. On the whole, we are inclined to think that net British long-term investment abroad in 1920 and 1921 together amounted to about £100 millions. As a result, it appears likely that in the post-war period Great Britain had available for capital exports a net total of approximately £600 millions, up to the end of 1928.

In order to arrive at the increase in the total of our overseas investments, we must first add to this figure the sum invested by overseas residents on long-term account in this country during the same period, for such investments enable us to make equivalent investments abroad over and above those which we can make from the surplus of the income and outgo items included in the Board of Trade account. We have been unable to make any real estimate of these investments, but they are certainly on a much smaller scale than our own foreign investments, and we therefore suggest very tentatively a figure of £100 millions. We must also add the difference between the nominal amount of new capital issues and the sums actually received by the borrower or used abroad by British companies—perhaps another £50 millions. This figure includes not only commissions, but the difference between the issue price and par. Thirdly, an adjustment should be made for the movement of short-term capital, but we have no means of ascertaining what this has amounted to, if anything; and as there are no strong grounds to the contrary we can only assume, as a first approximation, that on balance between 1921 and 1929 inward and outward movements have been equal. On the other hand, part of the net increase since the war must have been absorbed in "direct" investments. This figure can hardly have exceeded £100 millions, and if the ratio between "direct" investments and investments in marketable securities was the same as before the war, it was probably rather less. In round figures, therefore, we

* *Economist*, November 1, 1930, p. 799.

may put the post-war increase of British long-term investments overseas at approximately £750 millions, of which £650 millions took the form of marketable securities.

If this is an accurate estimate, and if our figure of £4,000 millions* for the capital sum outstanding in 1929—of which £3,500 millions represented marketable securities—is also sound, then at the end of the war period British long-term capital overseas cannot have been more than some £3,250 millions, of which £2,850 millions represented marketable securities. Sir George Paish estimated the amount of marketable securities held abroad at the end of 1913 at about £3,700 millions. On the basis of these estimates, our marketable securities representing capital abroad must have fallen during the war by £850 millions.

Of what was the £850 millions loss composed? Attention has already been called to the almost complete disposal of United States railway securities. The pre-war estimate for this group was £617 millions, and our own 1929 estimate no more than £30 millions. Our estimate of about £80 millions for all United States securities (excluding nominee holdings) compares with £755 millions before the war. Most of these securities were officially mobilised in support of the dollar sterling exchange. Our own figures for 1929 are on the low side owing to the growth of nominee holdings in recent years, but the figures were certainly very low indeed at the end of the war. A further large group to vanish almost to nothing was our investments of all kinds in Russia, which were estimated by Sir George Paish at £67 millions, though other competent observers have assessed them as high as £110 millions. The 1913 total also included some £40 millions of investments in Central and Eastern Europe, the greater part of which was likewise lost.

The comparison between Sir George Paish's figures for 1913 and our own is summarised in the following table:—

BRITISH CAPITAL ABROAD.
(Marketable Securities only.)
(In millions.)

Area.	1928.	
	End of 1913. (Economist & Paish).	Kindersley.
Canada and Newfoundland	£ 515	£ 512
Australia and New Zealand	416	572
India and Ceylon	379	354 (a)
South Africa	370	480 (b)
Other parts of the Empire	100	
Total, Empire	1,780	1,918 (b)
United States	755	77
Argentina	320	762
Other Latin America	437	
Europe (including Russia but excluding Turkey)	175	382
Rest of the World	248	252
	3,715	3,391
Group.		
Dominion and Colonial Governments ...	675	945
Foreign Governments	284	324
Local Corporations	148	131
Dominion, Colonial and Indian Railways	447	296
American Railways	617	30
Foreign Railways	457	525
Mines	273	167
Financial, Land and Investment	244	186
Public Utilities	186	182
Oil	41	137
Rubber, Tea and Coffee	63	126
Other	280	342
	3,715	3,391

(a) Excluding Ceylon Government and corporation loans.

(b) Including Egyptian Government and corporation loans.

It will be observed that the figures given above for the end of 1929 total less than £3,400 millions; a further £100 millions, whose distribution can only be guessed at, and which largely arises from an accumulation of comparatively small errors, must be added. The two columns are therefore only roughly comparable one with another.

* Economist, October 25, 1930, p. 751.

One of the most striking changes, as between Sir George Paish's estimates and our own, is the reduction of the sums invested in mining companies and in the financial, land and investment group, which comprises many firms primarily interested in mining. This loss, which aggregated about £150 millions, may in part be accounted for by war-time disposal—since these were highly marketable securities—as well as by capital redemptions, local repurchases and an apparently more rigorous exclusion of dormant companies in the compilation of our figures. A further large change occurs in Dominion, Colonial and Indian railways, for which our figure is £150 millions below that put forward by Sir George Paish. Approximately £100 millions of this drop is in the Indian railways group, and may be ascribed to the gradual acquisition of the railways by the Secretary of State; an approximately equal amount would be added to the total of Indian Government securities. The greater part of the remaining £50 millions probably represents war-time sales, especially of Canadian railway securities.

The depletion due to the war may thus be accounted for, roughly, as follows:—United States securities, mostly railways, £650 millions; Russia and other belligerents, £100 millions; Canadian railways, say, £40 millions; and mining securities not already counted, £60 millions.

Other large variations between Sir George Paish's figures and our own may be ascribed mainly to post-war movements. Oil companies show an increase of £96 millions, whilst the capital invested in rubber and tea plantations has doubled. The loss of £40 millions of banking securities has been largely accounted for in the above figures of war sales. Additions of £55 millions to iron and steel and of £50 millions to electrical investments have been largely concentrated in Europe; other public utilities show an aggregate drop of over £50 millions. Investments in commercial and industrial concerns amount to £30 millions more than before the war.

As for the geographical changes, the share of the Empire has increased by about £100 millions; some net addition to investment has taken place in the Crown Colonies, but the largest rise is that of over £150 millions recorded for Australia and New Zealand, the remaining Dominions and India showing each a net fall. The unfortunate inclusion of Egypt with the Empire in Sir Robert Kindersley's figures, however, renders comparison rather difficult. The huge reduction of investments in the United States has already been noted. The figure for Latin America has shown practically no change. The rest of the world, other than Europe, shows a rise of about £40 millions. But the most remarkable change of all has occurred in Europe. Omitting Russia, Sir George Paish's estimate for that continent was £108 millions. Our own, referring to 1929, was about £380 millions. Thus our net post-war investments in Europe, other than "direct investments," and excluding short-term capital, totalled nearly £300 millions up to the end of 1928, or nearly one-half of all our new investments. This is probably the most striking fact about our international capital position to-day.

THE AMERICAN ELECTIONS.

(BY AN AMERICAN.)

THE mid-term elections in the United States were a setback, not a defeat, both for President Hoover and the prohibition forces. Otherwise the Democrats and the "wets" could claim a victory, which they cannot do. The setback in both instances was significant, and it would be foolish to underestimate it; but it would be as foolish to exaggerate it. Though the Republicans will have to share power in the new Congress on equal terms with the Democrats, it is by no means a foregone conclusion that they will lose to the Democrats two years hence. They probably would, if economic conditions in 1932 were to be as discouraging as this year. But if business revives, and the Republican party does not split, there is no reason to anticipate its certain defeat. President Hoover remains leader of the party, and there is no

open revolt against him, despite the amazing amount of dissatisfaction about him among the professional politicians. If he chooses, he can be the candidate in 1932.

The "drys" have lost rather more ground than the President. They have not lost so much in Congress, where they still have a preponderant strength, but they can no longer boast that the majority of the voters which has been theirs since the ratification of the Eighteenth Amendment is behind them. The States containing more than half the population of the country have now either elected "wet" candidates or voted for a change of prohibition laws, and it seems likely that a national referendum would reveal a majority for modification of some sort. No such national referendum can be held; and the influence of last week's vote will probably be seen in the policies of both parties at the next election, and not in any tampering with the Volstead Act, or any drive for repeal of the amendment by the new Congress. Here the "drys" are able to hold their own. In any case, the amendment cannot be repealed so long as any thirteen states refuse to reject it, and most students of America agree that the South and the Middle West can easily muster this number, probably for another generation.

As a rule, the mid-term elections in America are sectional affairs, in which candidates' personalities are more momentous than national policy, and in which voters, to a measure, escape from a sense of national responsibility. This year the elections appear to have been more national than usual—partly because of the prohibition issue, even more so because of the slump. Discouragement over business conditions is acute in America. In times of any slump the party in office gets the blame, and it was a foregone conclusion that the Republicans, despite their long and somewhat lucky reputation as a party of prosperity, were going to pay heavily for the bad times of 1930. Among a comparative few, no doubt, dissatisfaction with the Republicans was translated into concrete criticism of the President, for failing to fight the tariff bill, and then for signing it, and for doing nothing to curb the speculation in Wall Street early enough to have warded off the present collapse of the market. But, among the rank and file of voters, the motive of changing from the Republican to the Democratic candidate was clearly emotional rather than intellectual. The voters had been promised prosperity under a Hoover who was to be a superman averting the disaster which has come. The factor of disillusionment must have been present in every local contest, and it obviously accounts for a good many Democratic gains. But if there is any surprise about the outcome, it is that the Democrats did not gain a clear majority, for the election was held in the worst month so far of the slump, and in the season of the worst discouragement and distress.

The new Congress does not normally assemble until December, 1931, as the old one has another session which ends next March. If the President calls a special session, the new Congress will convene as soon as the old one has dispersed; and this now appears likely. The two parties will be on almost mathematical parity. The Senate has 48 Republicans, 47 Democrats and one Farmer-Labour member—a situation which might give the deciding ballot to Vice-President Curtis. In the House of Representatives (subject to recount), the Republicans have 218, the Democrats 216 and the Farmer-Labour Party one. Deaths and retirements, with subsequent by-elections or appointments for the unexpired term—in certain cases by Democratic governors—may change this by next year to an absolute Democratic majority in both houses. This slight alteration would not mean any great change, for neither party can carry out a policy with a majority of less than thirty. This winter the President still has his working majority, but the session is too short to deal with more than routine. And already the Democrats have pledged themselves not to make partisan opposition to measures designed to alleviate the economic crisis. So the effect of the election on legislation will be seen at once, and it will be the same this year as in the new Congress, namely, a restriction of activity to measures on which general agreement will be easy. The Democrats will institute a policy to remedy rather than repeal the Reed-Smoot

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The election may have some slight influence on foreign policy. The Administration does not change, and the word of Mr Hoover will still be the word of the master in the State Department. But the election has strengthened the Republican Progressives, both numerically and by giving them the balance of power in Congress. And the Progressives should have a more generous hearing on foreign questions when they call at the White House or on Secretary Stimson. That is not to say the change will be marked, for in foreign affairs President Hoover has evinced somewhat more liberalism than in his domestic policy. He has not been isolationist enough to suit Senator Borah, but other Progressives in Congress would like to see him still more courageous. It would be reassuring if the election had given a mandate for an international approach to problems of the business depression, but it seems vain to seek for it. Republican campaigners took pains to stress the international nature of the depression, but did not draw the logical conclusion that it would have to be treated internationally. There is talk at Washington of careful preparation for a change in the debt settlement in the event of the inability of Germany to continue payments under the Young Plan. It may be that Washington is seeing ahead and making ready for possible emergencies, but revision of European debts was not broached during the campaign, and it would have been a fatal campaign cry. In that respect America remains obdurate, and, if changes come, they will have to be prepared carefully by the executive and be privately sanctioned by party leaders before Congress and the public get to hear of them.

The Democrats have found their presidential candidate for 1932 in Governor Franklin Roosevelt, who carried New York State by the largest majority in its history. This cousin of the late Theodore Roosevelt is a man of ability and irreproachable character, and the Republicans in Upper New York State evidently were convinced of this despite the support he was being given in New York City by Tammany. They voted for him not because he was "wet"; Mr Tuttle, his Republican opponent, was also opposed to Prohibition. Governor Roosevelt is another Al Smith in his liberalism and courage, and would not have the campaign handicap of being a Roman Catholic. In fact, it seems not impossible that America may have a liberal revival in the next campaign. Governor Roosevelt would be a strong man to oppose President Hoover, who has been too friendly to the power interests to rally liberal backing. He is reported as saying now, with natural caution, that he is not aspiring to the presidency; but presidential candidates who aspire too early usually are eliminated early.

Mr Dwight Morrow, elected to the Senate from New Jersey as a "wet," is also being mentioned as Republican candidate for the presidency. This is on the assumption either that Mr Hoover would be too unpopular to run again, or that he would decline to lead a party which abandoned the "noble experiment." Both assumptions seem hasty. Mr Hoover is not so unpopular in the country as he is among the articulate professional critics, and with the power of the Federal machine he might well control the next Republican Convention, and have himself nominated. Nor is he a fanatical Prohibitionist. The very words "noble experiment" allow for failure. He can say

it has failed. Moreover, in many American eyes Mr Morrow is, perhaps, too much of a kind with Mr Hoover to be of sufficient contrast to him. His background is banking, not engineering, and his talents lie in negotiation rather than administration. He may be a better politician, though it is early to judge of that. But the appeal of each of them is the same; they would be proclaimed as sane, practical men who understand the world. The one great difference between them is that to-day Mr Morrow is "wet" and Mr Hoover is "dry." But this difference might become very much narrower in another two years.

THE GOVERNMENT OF INDIA'S DESPATCH.

The Despatch (Reforms Office, No. 1 of 1930), dated September 20, 1930, which the Government of India have addressed to the Secretary of State, is a document of considerable importance. With its salient features, in their bearing on the proceedings of the Round Table Conference, we have dealt in an earlier column. We give below a condensed summary of its principal contents. Fuller examination of many chapters of great economic and financial interest we reserve for a later occasion.*

THE purpose of the Despatch is to forward for the consideration of H.M. Government the views of the Government of India "on the further progress which might now be made towards the development of responsible government in India as an integral part of the British Empire." These views have been framed in the light of the report of the Indian Statutory Commission ("the most convenient, and, indeed, the inevitable method of approach"), the work of the Indian Central Committee, and contemporary opinion in India.

The Despatch begins with a brief account, which does not appreciably differ from or add to the Statutory Commission's analysis, of the political forces at work in India and the strength of opinion behind them. On the one hand, though recent "political agitation of remarkable intensity and fervour has left the rural districts but little affected," it is clear that the nationalist demand for self-government and Dominion status is obtaining "a substantial measure of support from educated Hindus of all classes." On the other hand, the minority communities, while sharing "these broad nationalist aspirations," are "not without apprehensions of their position in a self-governing India, and are concentrating attention on the protection of their rights and interests." Finally, non-official European opinion, which till recently displayed an increasingly liberal spirit towards Indian aspirations, has been moved by civil disobedience and boycott tactics into "some consequent stiffening of its attitude towards political advance."

From this analysis of a "steadily expanding" area of political interest the conclusion is reached that "the time has passed when it was safe to assume the passive consent of the governed."

"The new system must be based as far as possible on the willing consent of a people whose political consciousness is steadily being awakened. . . . We are convinced that the time has come when the broadest considerations of Imperial policy demand that we should spare no efforts, and even take some risks, in order to arrive at a constitutional solution which will give reasonable scope to the ideas and the aspirations that are moving India to-day."

Governing Principles.

The Despatch then proceeds to explain the Government of India's general outlook on the constitutional problem and the principles which guide their conclusions. They agree with the Statutory Commission that the aim must be to establish a constitution "which should, as far as possible, contain within itself provision for its own development." The ultimate ideal of an All-India Federation, including not only British India but also the Indian States, is fully accepted, but "the ideal is not likely to realise itself, save in its own due time"; and "there is a certain danger that if we direct our gaze too fixedly to a distant future we may tend to overlook the

needs of an urgent present." For the time being, the main problem is "how British India may be developed in a manner not only consistent with the wider vision, but appropriate to its own immediate requirements."

Agreement is expressed with the broad aim of the Statutory Commission to give to the Provinces "the maximum autonomy consistent with the interests of India as a whole." At the same time, emphasis is laid on "the need for a vigorous central authority capable of sustaining the heavy burdens which necessarily fall upon it." Indeed, the Despatch submits, the form of central government is essentially the most difficult problem. The extreme logical alternatives of (a) an executive responsible solely to the British Parliament, and (b) an executive responsible exclusively and entirely to an Indian legislature, vested with complete rights of self-government, are both rejected.

"The conditions suggest to us the importance of defining as clearly as possible the purposes which Britain must continue to safeguard in India and making it plain that where those purposes are not concerned India should be free to manage her own affairs. . . . Whatever may be the plan adopted, we are convinced that no scheme of Government at the centre can work with success unless it is recognised that Parliament and the Indian Legislature have each their special contribution to make to the welfare of India, which is the joint purpose of both. Our aim should be a partnership in a common cause."

With these prefatory observations, the Despatch goes on to give the Government of India's detailed views and proposals with regard, first, to the Governors' Provinces, and then to the Centre.

The Provinces.

In the provincial sphere the Government of India endorse, with full recognition of "the risks inherent in so great a change," the crucial recommendation of the Statutory Commission, that dyarchy should be brought to an end.

"Subject to the necessary safeguards which the Commission have suggested, we are prepared to see provincial administration in all subjects entrusted to responsible Ministers, linked together in a common accountability for their policy, and operating in relations with popular legislatures from which the official element will have disappeared, and in which the nominated element will have been reduced to the smallest proportions."

As regards the franchise, the recommendations of the Statutory Commission, with the exception of their proposal to discontinue the representation of landholders by means of special constituencies, are in the main accepted. Unitary provincial Cabinets, as proposed by the Statutory Commission, are approved; and though provincial Governments are stated to incline to the view that "official" Ministers would be difficult to maintain in office against the wishes of their colleagues, the Government of India are reluctant to dissent from the principle that provincial Governors should have the discretionary power to nominate Ministers "should circumstances so require."

With regard to the overriding powers of the Governors, it is agreed that it would be "neither practicable nor desirable at once to create the position that the Governor should be bound on all subjects by the advice of his Ministers," but the use by the Governor of his overriding powers will, it is anticipated, be "infrequent and reserved for exceptional occasions when no other course seems appropriate." Not the least of the relevant considerations for giving the Governor overriding powers is stated to be "the reliance which the minority communities will repose in the Governor for their protection."

The proposal that Burma should be separated from India is supported, "assuming that an equitable financial settlement will be made between the two countries and that their respective economic interests will be safeguarded. For the North-West Frontier Province, the Government of India would modify the Statutory Commission's recommendations to the extent of proposing—on "somewhat more liberal" lines—that the responsibility for executive government should be shared by the Chief Commissioner with two Ministers, of whom one should be non-official."

The Despatch concurs generally in the proposals of the Commission regarding the powers of the Provinces in re-

gard to finance. Considerable space is devoted to the details of the financial scheme proposed by Sir Walter Layton. The general line taken here is that while accepting the general principles of that scheme, the Government of India regard the figures used to illustrate the working of the scheme as too optimistic, having regard to the economic conditions with which India and the world in general are likely to be faced in the years immediately before us. They are, therefore, unwilling to commit themselves to a ten-year programme for the transfer of resources from the Centre to the Provinces. They are disposed to think that any general adjustment between the Provinces on the basis of needs must be ruled out, but reserve judgment as to whether some special preliminary adjustments may not have to be examined before the scheme comes into effect. They emphasise the objections to a "terminal" tax and consider that the subjecting of agricultural incomes to income tax "is a form of taxation which should only be imposed by a representative and responsible Government."

The Despatch then comes to its most important and controversial section—that embodying a suggested scheme for the Central Government.

The Centre.

Here the conclusions of the Government of India derive from three premises on whose realisation the desideratum of a strong Central Government seems to them to depend: that there must be internal unity in the executive; that there must be harmony between the executive and the legislature; and that the executive must have a sufficient backing from public opinion. Under existing circumstances there is unity in the executive, but the position of the legislature, able admittedly to influence profoundly the policy of the executive, but with no direct responsibility for policy "which it can call its own," and tempted consequently to seek relief in destructive criticism, tends "to generate feeling and friction."

The Statutory Commission insisted that "dyarchy at the Centre, or any system of divided responsibility resembling dyarchy, is quite impossible. Unity in the central executive must be preserved at all costs." The Government of India suggest that the Statutory Commission's recommendations (a) that members of the executive should be nominated by the Governor-General (in lieu of appointment by the Crown), and (b) that in a central legislature (henceforth indirectly elected) the official element should be reduced to a small percentage, offer no assurance of a legislature calculated to work harmoniously.

"Under the proposals of the Commission we fear . . . that the difficulties inherent in the situation would be greatly enhanced by constituting the executive and the legislature on principles which would widen the gap between them."

At the same time, given the internal and external situation of India, a necessary sharing of power between the British Parliament and the Indian Legislature involves in the Central Government an "inevitable duality." How is that "duality" to be constitutionally expressed? One method would be to exclude certain functions from the purview of the Indian Legislature and administer them in unqualified responsibility to the will of Parliament. "The objections to any considerable extension of this system are obvious. . . . If the excluded sphere were appreciable there would really be two Governments." Another possible method would be the dyarchic division of functions which the Statutory Commission condemned. The Despatch expresses the opinion that though defence and foreign relations could conceivably be separated from the other functions of the Central Government, and though dyarchy, by relieving Ministers of responsibility for unpopular decisions on the "reserved" side, might enable them to continue in office where this would be difficult if they were members of a unitary Cabinet, nevertheless the system, "when one part of the Government can openly disclaim responsibility for the decision taken by the other," must fatally weaken the Government's authority. Moreover, dyarchy offers no possibility of an extension of the sphere of responsibility except by way of an abrupt decision.

"Dualism."

By these stages the conclusion is reached that an attempt must be made to combine the principle of "inevitable duality" with that of a unitary executive by creating a Government which, "while containing a definite official element and not formally responsible to the Indian Legislature, would yet include an appreciable popular element consisting of elected members of the Legislature, who might command sufficient support in that body to afford in normal circumstances the promise of reasonable harmony between the executive and the Legislature." It is not considered sufficient that, as proposed by the Statutory Commission, the Governor-General's nominations to the executive should include some members of the Legislature, who should cease, on nomination, to hold their seats by virtue of election. "Leaders of parties"—if they are to be consulted—had better be "inside the Government," as Ministers, though their salaries should not be votable, and they should not be obliged to resign on a vote of censure by the Assembly.

The question how the elected members of the Government associated with an official element are to retain their following is answered in these words:—

"They must be able over the widest field that circumstances permit to frame policy in accordance with the views of their supporters. This in turn implies that Parliament will be willing to define with some precision the purposes for which it would wish to exercise its constitutional right of interference with the policy of the Government of India, and that so long as the policy pursued does not menace the objects which Parliament declares its intention to safeguard, the Government of India would be at liberty to manage the affairs of India in close association with the Indian Legislature."

The purposes which, it is suggested, His Majesty's Government must safeguard, are briefly summarised as defence, foreign relations, internal security, financial obligations, financial stability, protection of minorities and of the rights of services recruited by the Secretary of State, and the prevention of unfair economic and commercial discrimination. The primary responsibility for seeing that these purposes were not impaired would rest with the Governor-General, assisted by the three "official" members, "who would naturally hold the portfolios in which the questions of more particular interest to Parliament would presumably arise." At the same time—

"The official members would be part of a Government containing if the system were working successfully, a considerable popular element in intimate relations with the legislature. In these circumstances it seems certain that the official members would not press their views beyond the real requirements of the situation, and that the popular view would receive the fullest consideration. In most cases we should anticipate that the Government would be able to reach united conclusions, which would not infringe the responsibilities which Parliament would look to the Governor-General and the Secretary of State to discharge. When, however, there was an irreconcilable difference of opinion between the two elements in the Government, it would be for the Governor-General in consultation, where necessary, with the Secretary of State to decide which view was to be supported."

On these lines the Government of India suggest that unitary "dualism," unless there were deliberate obstruction, should be workable. The Governor-General would retain all his power of certification and of making emergency ordinances, but gradually "the necessity for retaining the official element in the Executive Council would diminish."

With regard to the legislature, the proposals of the Statutory Commission that the Upper House should be indirectly elected are endorsed, but with regard to the Assembly, it is stated that the provincial governments are divided on the merits of indirect *versus* direct election, and that the Government of India, in opposition to the Statutory Commission, are inclined to the view "that a method whereby the Assembly would be wholly or mainly constituted by indirect election would not be suitable."

Administrative Problems.

Having thus outlined their views as to the form of central government desirable, the Government of India proceed in conclusion to deal with the chief consequential problems of administration involved.

The Army.—The Government of India agrees with the Statutory Commission that the Commander-in-Chief

should no longer be a member of the legislature; and that military expenditure from Indian revenues should henceforward take the form of an annual total sum fixed for a period of years. They consider, however, that nothing is to be gained by removing the Army, as suggested by the Statutory Commission, from the control of the Government of India.

Finance.

With regard to central finance, the special difficulties inherent in a transfer of responsibility are fully set out. Emphasis is chiefly laid first on the vital importance to India of the maintenance of credit in the widest sense, and secondly on the magnitude of the interests which have hitherto been safeguarded under the responsibility of the Secretary of State. Reference is also made to the unusual responsibilities now carried by the Government in relation to currency and to the special difficulties created by the immediate financial and economic situation, partly as a result of the disturbance and mistrust caused by the recent subversive movements and the talk of repudiating debts. After a review of these main factors in the present position the conclusion is drawn that "the occasion for a transfer of financial responsibility cannot be reached apart from the fulfilment of certain conditions such as the restoration of normal economic conditions, the re-establishment of credit and confidence and the inauguration and successful working for some time of a reserve bank with adequate sterling reserves. . . . It would be the task of the Government to do all in its power to expedite the fulfilment of such of the conditions as it can influence." At the same time the leaders of Indian opinion must give convincing proof of willingness to assure the national financial position; and even after responsibility for finance is transferred, certain safeguards—notably provision for resumption of control by the Secretary of State in the event of a threatened default—must be retained.

Commerce and Railways.—With regard to commercial policy, there should be "no outside interference with India's management of her Customs tariff," provided that in the internal sphere the important revenue aspect of Customs has due consideration, and that, externally, Britain is given most-favoured-nation treatment. The question of unfair discrimination against British commercial interests in India is somewhat lightly dismissed with the hope that the Round Table Conference will give this important issue full consideration and that agreement as to a fair *modus vivendi* can be reached. With regard to railways, "if in the future the control of commercial and industrial policy is to rest with the Indian Legislature, the general direction of railway policy should be placed in the same hands." It is, however, recognised that there are certain aspects of railway policy in which Parliament must continue to be interested, particularly so far as concerns defence and finance. Emphasis is laid on the necessity of separating commercial management from direction of policy. "It seems to us clear that there could be no material change in control . . . until a system of administration has been set up which, while leaving the Government and the Legislature the control of broad questions of policy, would locate the commercial management elsewhere." The suggestion is accordingly made that an authority for the administration of the railways should be set up by statute and that detailed inquiry to that end should be made by a committee or commission to be constituted as soon as possible.

The Services.—The question of the Services which are still recruited by the Secretary of State on an all-India basis is "one of great importance for the future administration of the country, and, we think, for the successful working of the new constitution which it is proposed to set up." With regard to the Indian Civil Service and the Indian Police Service, the Government of India state that they have "no hesitation in supporting the proposal that recruitment should be continued on an all-India basis by the Secretary of State and under the guarantee of his protection." On the other hand, "the continuance of recruitment for these two Services must not be taken as implying an intention that they should be retained indefinitely."

Paramountcy and the Crown.

The Despatch concludes with a discussion of the future relationship of British India to the States and to the Crown. In the first issue, the ideal of an ultimate federation of all-India is accepted, but "we hesitate to assume that the relations existing between the provinces of British India and the Centre will not necessitate a permanent central legislature for British India . . . to which the States could not appropriately be admitted."

"We think that the way should be left open for the continued existence, if necessary, of the British India legislature for British-India purposes, and for the possible creation of an all-India Legislature. . . . A federation of all-India is still a distant ideal."

Agreement is expressed with the Statutory Commission's recommendation that paramountcy should henceforth be vested in the Viceroy, as such, and not in the Government of India. The proposal for the establishment of a Council for Greater India to discuss "matters of common concern" is supported. The existing India Council may, it is suggested, be allowed to disappear, giving place to expert advisers at the Secretary of State's disposal. Constitutionally, "the exercise of the functions for the government of India, which reside in the Crown, should be directly devolved upon the Governor-General."

"We think it right to state clearly that if this were done, the Government of India would no longer merely be the agent of the Secretary of State. For the first time it would possess a distinct individuality. It would, it is true, be within specified limits under the control of His Majesty's Government, but it is of the essence of our proposals that that control should be of such a nature as to establish partnership in place of subordination. The Government of India would then be a distinct entity, capable of acting in domestic matters on its own initiative and, within the ambit of its uncontrolled powers, free to pursue its own policy."

Finally, we have the observation that while the Report of the Statutory Commission represented "a generous response to the popular demand for provincial autonomy," the Government of India, in its proposals for the Centre, has sought "to point the way to action that may now be taken to place upon the constitution the first, but definite, impress of dominion status."

Notes of the Week.

The Imperial Conference.—Almost as soon as these words appear in print the achievements of the Imperial Conference will be known. Unofficially, enough is already known, or deduced, to show that those results will not be spectacular. On the constitutional side useful work will prove to have been done in dotting the i's and crossing the t's of the "equal Dominion Status" solution reached at the last Conference four years ago. But it is on the economic side that public attention has been concentrated, and those who looked for momentous decisions will be disappointed. On the very first day it became clear that grandiose schemes of the Beaverbrook type were ruled out by common consent. Mr Bennett's offer of higher Canadian tariffs with slightly increased British preference in return for the complete reversal of British fiscal policy was, of course, doomed to rejection from the outset, in spite of Mr Baldwin's hasty acceptance. The most that is in any way likely to emerge from the preference discussions is an undertaking not to change existing preferences for a period—that is, a sort of inter-Imperial tariff truce. From the preference question the Conference turned to alternative methods of stimulating Empire trade, such as "quotas" for wheat and other primary products, import boards, and bulk-purchase schemes. It is not believed that any agreement will be possible on the "quota" system, while little progress has been made with regard to bulk purchase. If these estimates prove true, many people will doubtless write down the Conference as a complete failure. We are not inclined to agree. Before the Conference opened we gave our view that its success would be measured by its ability to eschew the spectacular, and to "stick to the humdrum last of practical organisa-

tion." By that criterion we are content to judge the work of the Conference, and if its deliberations prove to have led to the establishment of machinery for close and continuous consultation in the economic field, its labours will by no means have been in vain.

Clouds on the Horizon.—At different points on the industrial horizon clouds betokening possible wage disputes have been appearing for many weeks past, and this week they have collected in a somewhat threatening mass, for Thursday was the day fixed for meetings between the employers and employed of three important industries. The employers of the boot and shoe industries are demanding wage reductions and their employees demand an increase, but there seems no need as yet to anticipate a failure of the conciliation machinery. The situation on the railways is far more threatening. The period within which the companies and the unions were pledged not to give notice of any change, after the restoration of the 2½ per cent. cut, has now ended, and at the meeting with the unions on Thursday the companies put forward demands for reductions of 6s. a week, with a minimum rate of 38s., in the wages of the adult male staff, of 3s. a week for the junior male and female staff, and for reductions ranging from £10 to £20 a year in salaries up to £350 a year. The demands also include payment at the ordinary rate for Sunday and night duty, and a clause—"payment to be made only for time actually worked"—which is understood to mean the abolition of the guaranteed week. The conference adjourned immediately upon the presentation of these demands, in order to enable the union representatives to discuss them, but there can be no doubt that they will meet with determined resistance. The drastic nature of the proposals suggests that the companies wished to leave themselves plenty of margin for bargaining, and if this is the case there is hope that a compromise may be reached. A still more lowering storm-cloud upon which all eyes will be anxiously fixed during the next few days arises from the coal situation. On December 1st the 7½ hours' day comes into force, and in districts other than Yorkshire, Nottingham and Derbyshire, where it already obtains, the miners demand an adjustment of piece-rates which will leave earnings unchanged, while the employers maintain, and are likely to maintain obdurately, that they cannot support the increase in costs which will follow the reduction in hours without some diminution in their wages bill. On their behalf it is, for example, argued that in South Wales, where the latest profit ascertainment amounted to 0.73d. per ton, half an hour off the working day will increase costs by 1s. 6d. per ton. Whatever the detailed figures in the various districts may be, it is patent that the coal industry is in no state at present to pay more wages for less work, and it is greatly to be regretted that, owing to the boycotting by the Employers' Associations of the proposed National Wages Tribunal, no conciliation machinery at present exists by means of which the facts of the situation can be brought home to the miners. Representatives of the Mining Association have, however, accepted Mr Shinwell's invitation to meet representatives of the Miners' Federation, and it is to be hoped that the disastrous events of 1926 are still vividly enough remembered to cause wiser counsel to prevail.

The Education Bill.—After the second reading of the Education Bill had been carried by the comfortable majority of 67, the House of Commons on Tuesday night passed by 271 votes to 242 the money resolutions providing for the maintenance grants to parents whose children are compulsorily retained at school for an extra year. Thus the Bill is now transferred to the Committee stage, in which opposition is likely to be more sustained and effective. The debates in the House of Commons and the accumulating testimony of educational authorities confirm us in the view, which we expressed in these columns last week, that, however excellent the aims of this measure may be, its projected date of operation is inopportune and its maintenance clauses in need of

drastic revision. To imagine, as Sir Charles Trevelyan still seems to do, that between now and April 1st arrangements can be made to bring this extension of education into force without congestion of schools, disorganisation of classes and shortage of competent teachers, is surely unwarrantable optimism; and Sir John Simon's measured but trenchant criticism of the maintenance grants "administered with this very loose hand, without inquiry"—in significant contrast to inquisitorial investigations by the Inland Revenue authorities into the means of the direct tax-payers who are to find the money—reflects a weight of opinion which the Government can hardly afford to ignore. Moreover, as the Duchess of Atholl pointed out on Tuesday night, this country is to-day spending £93 millions a year on education. All things considered, this cannot be described as niggardly, nor can enthusiasts for the Bill legitimately complain if it be suggested that the depths of an industrial depression are scarcely the psychological moment in which to embark on fresh expenditure somewhat vaguely estimated at £8 millions a year, and almost certainly underestimated at that figure. If the Bill is to pass, it is incumbent on the House of Commons to amend the maintenance clauses in Committee so as to limit assistance to really necessitous cases and, we strongly suggest, to defer for at least twelve months the date on which the Bill shall come into force.

The Preparatory Commission for Disarmament.—On Thursday, November 6th, the League of Nations Preparatory Commission for the intended General Limitation of Armaments Conference resumed at Geneva, under the presidency of Monsieur Loudon (Netherlands), the session which was suspended in 1928 in order to give the Naval Powers an opportunity to make headway, on their own element, by private discussions among themselves. Some headway has been made. This year's three-Power naval treaty of London is the monument of it. And, during these last few days at Geneva, further progress in this limited sphere has been made in bringing French and Italian views into line with American, British and Japanese views in regard to the "yard-stick" by which relative disarmament is to be measured. To construct a comprehensive "yard-stick," for measuring all arms, is, of course, the task of the Preparatory Commission, while it is left to the future Disarmament Conference, equipped with this "yard-stick," to grapple with the question of actual strengths and numbers. As far as the naval part of the "yard-stick" goes, we may be content with the progress that is being made; but unhappily the crux of armaments—notwithstanding the naval rivalry between Italy and France—arises over armaments on land. And here one position after another has had to be abandoned by those who are striving to bring the scale of armaments in general down to something like the scale that has been imposed by the European peace treaties upon the States which suffered defeat in the war. Our League correspondent discusses more fully in another column this gradual retreat from the Treaty position. First, we have had to abandon the claim that trained reserves ought to be taken into account in estimating relative military strengths. This last week, we have had to abandon, in turn, the milder suggestion that States which practise conscription should consent to put only a certain proportion of their annual "classes" of young men, coming of military age, through the mill. The last suggestion to be made, and defeated, has been that the period of training should be reduced to a uniform minimum figure. On this point, all that has been obtained from the military Powers is an agreement that each Government shall state its own maximum period of training which it does not propose to exceed. Thus far, we have really got nowhere. The policy of the British Delegation is evidently to make the utmost concessions to the military Powers rather than risk a breakdown which would prevent the General Disarmament Conference from ever meeting at all. Whether that policy is wise, or whether it would have been better, in our League correspondent's words, to "stand for the things that matter," the event will prove.

The Austrian Elections.—The results of the general election which was held in Austria last Sunday, November 9th, are reassuring. The Prince of Stahremberg's Heimat bloc has gained only eight seats, while the Austrian "Nazis" proper have gained not a single seat in the Reichsrath, though they succeeded in securing a hundred thousand votes in the country. Nor will the Communists be represented in the Austrian Reichsrath. In fact, in Austria there has been no kaleidoscopic change in favour of the extreme parties of violence at either end of the political spectrum, such as occurred in the German general election a few weeks ago. This is remarkable, and it may have some effect upon the course of events in Germany itself. There were several reasons why the Austrian elections might have been expected to turn out on the same lines as the German elections: there was the force of precedent; there was the attraction which a greater mass is apt to exercise upon a smaller; and there was the fact that Fascism, north of the Alps, has so far been a specifically South-German product, emanating from Munich; and Munich might have been supposed to have more influence over Vienna than over Berlin. In spite of all this, the Austrian elections have gone a different way. The polling was heavy, which indicates that the composition of the new Reichsrath will fairly reflect the present state of feeling and opinion in the electorate. And the proceedings were quiet and orderly, which suggests that the Prince of Stahremberg's henchmen have little stomach for a fight, when it comes to the point, and that, in spite of all the fire and slaughter which they have been breathing, they do not really feel strong enough to override the will of the electorate by force. In fact, the results of the election are a victory for political moderation and common sense, and for parliamentary institutions. While the Heimat bloc have secured eight seats, their partners in the present Ministry, the Christian Socialists, have obtained 66, as against 73 in the former Reichsrath. The Social Democrats have held their own by obtaining 72 seats against their former 71; but the real victors are Dr. Schober's new National Economic bloc, who have obtained no less than 19 seats, though they only organised themselves a few weeks before election day. As things have turned out, Dr. Schober holds the balance, and it looks as though the next Ministry will be formed by a coalition between him and the Christian Socialists, with the Heimat bloc, as well as the Social Democrats, in opposition.

Venizelos at Angora.—Last week the Prime Minister and the Foreign Minister of Greece visited the new capital of Turkey and signed five diplomatic instruments with their Turkish colleagues—a pact of friendship, a protocol for an agreed limitation of Greek and Turkish naval armaments, a commercial treaty, and two conventions, one regarding sojourn and the other regarding navigation. The proceedings were apparently of the most cordial character on both sides. Monsieur Venizelos and President Mustafa Kemal each took pains to make it clear that this was the end of the century-long feud between the Greek and Turkish states, and the still older feud between the Greek and Turkish peoples. The Turks have renounced their aspirations to reconquer their lost provinces in Europe; the Greeks have renounced their aspirations to win Constantinople and Smyrna. Both nations have accepted the present frontiers between them as permanent; and, having buried their political feud, they are now ready to embark upon economic co-operation. This is an event of real international importance, which must be set on the credit side of the sheet to balance the tendency for the Powers to divide again into two camps, which is showing itself in Western Europe. Nothing has encouraged the Great Powers in their ambitions so much as the knowledge that they could use the small countries as pawns in their game. And there could be no more effective check upon the old game of diplomacy than for the former pawns to agree with one another that they will no longer play—or, rather, will no longer be "played" by others. This is the international significance of the present reconciliation between Greece and Turkey, a reconciliation for which high credit is due to M. Venizelos. What an extra-

ordinary career! He came to power at Athens in 1910, and made his reputation between 1910 and 1912, as a peace-minister. Fate involved him in wars and civil dissensions from 1912 to 1920; and, when he fell in the latter year, it seemed as though his career had come to a tragic end. And then, after a few years' retirement, he comes out as a peace-minister again, to accomplish, in old age, what may go down to history as his greatest achievement.

Palestine Immigration.—It is announced that the Colonial Office has empowered the Palestine Government to issue 1,500 permits under "the Labour Schedule" for Jewish immigrants to enter Palestine during the next six months. Critics of the Government's policy have interpreted this announcement to mean that the Government have abandoned their attitude in face of the opposition which it has encountered. But this is hardly fair to Lord Passfield; for there was nothing in the White Paper to suggest that the temporary suspension of immigration was to be maintained indefinitely. The White Paper merely says that "His Majesty's Government regard their action in the suspension of immigration under the Labour Schedule last May as fully justified in the light of the examination to which immigration and unemployment problems have been subjected." But the suspension was only in respect of the half-year ending September 30th last. The general principle which the present White Paper reaffirms—by quoting the White Paper which was issued in 1922, when Mr Churchill was in Lord Passfield's shoes—is that, in estimating the absorptive capacity of Palestine at any time, account should be taken of Arab as well as Jewish unemployment in determining the rate at which immigration should be permitted. The present White Paper announces that "it is the intention of His Majesty's Government to take steps to ensure a more exact application of these principles in the future." But it also mentions, on the excellent authority of Sir John Hope Simpson's report, that "the Jewish organisations are in possession of a large reserve of land not yet settled or developed," so that "their operations can continue without break, while more general steps of development, in the benefits of which Jews and Arabs can both share, are being worked out." Presumably the Palestine Government has assured itself, since May, that there will by now be employment for 1,500 Jewish immigrants on these unsettled and undeveloped lands which are already in Jewish possession. In fact, the present decision and the policy set forth in the White Paper are perfectly consistent with one another. So much in justice to Lord Passfield.

Australian Developments.—Australian financial affairs have this week taken a turn for the better. The subversive resolutions of the Labour Caucus, including a demand that the redemption of the £27,000,000 of internal debt, due to be carried out next December, should be postponed for a year were met by a threat from Mr Lyons, the Acting Commonwealth Treasurer, to resign his office, and by an emphatic statement by Mr Scullin, who, in answer to the question whether the Government would repudiate the payment of the debt maturing in December, replied, "Decidedly not." This was followed by a meeting of the Loan Council, at which it was decided to proceed with the issue of a conversion loan in order to provide for the debt maturities referred to above, and apparently at this meeting the only opposition came from Mr Lang, the Premier of New South Wales. These developments made it clear that if the Labour Caucus held its ground the only result would be a split in the Labour Party, and as Mr Scullin would have the support of the Opposition in his determination to uphold Australia's credit, his position would be secure. Faced with this fact, the Caucus hastened to issue a statement to the effect that any attempt to construe their resolutions as implying the repudiation of any financial obligation was false and designed wilfully to mislead the public and prejudice the Australian Labour movement. In other words, thanks to the courage of Mr Scullin and many of his colleagues, the Caucus's demonstration in the direction of unsound finance has been frustrated, and the task of carrying into effect the recom-

mendations arising out of the deliberations with the Niemeyer mission last August should be rendered much easier. The most disconcerting consequence of these recent episodes is Mr Lang's reported withdrawal from the Loan Council. The implication of this is that henceforward New South Wales may attempt to resume borrowing operations on her own account. This threat, however, should not be taken too seriously. For one thing, if Mr Lang and his colleagues really tried to put it into operation, they would quickly find themselves beaten by the cost and difficulty of raising loans, and by the reception which they would receive in London and other overseas financial centres.

The Berlin Wages Award.—The tribunal set up to arbitrate in the dispute in the Berlin metal industry has issued an award very little more favourable to the workers than the award which originally provoked the strike. The immediate reduction in wages is to be only 3 per cent., but as from January 18th the full reduction of 8 per cent. is to come into force. The probable political consequences of this decision, which both parties to the dispute pledged themselves in advance to accept, are discussed in our Berlin correspondent's letter on a later page. As the award was based on the assumption that the Government would carry out their policy of reducing retail prices concurrently with reductions in wages, so that real wages would be substantially unaltered, the Government are now straining every nerve to extract concessions from retailers by peaceful persuasion. Some small measure of success has already been achieved, but a vigorous prosecution of the campaign will be necessary if the expiry of the numerous wage contracts which run out during the remaining weeks of this year is to find the Government armed with a sufficiently low retail index to persuade the workers to the necessary reductions in money wages. All the same the policy is worthy of consideration by other industrial countries which are finding the pressure of the upper millstone of falling wholesale prices on the nether millstone of rigid costs well-nigh intolerable. Unfortunately in the case of Great Britain, where a reduction of nominal wages accompanied by stationary real wages might prove a blessed way out of an impending impasse, the relations between the Government and the retailers have hardly been rendered cordial by the attempted introduction last session of the ill-conceived Consumers' Council Bill.

Insuring the Cunarders.—Last Monday, the financial resolution authorising the Board of Trade to enter into an agreement with the Cunard Steamship Company, Ltd., for the insurance of the proposed new liners, was approved in Committee. Mr Graham made it clear that the company would be required to exhaust the resources of the open market before calling upon the Government to make up the deficiency, and he expressed the hope that the market would take a large part of the risks, though on the basis of his present information he was only able to name a figure of £2-2½ millions out of the total of £4-4½ millions which represents the probable cost of the first vessel. To avoid any suspicion that the Government is competing with the market, the premium in respect of construction risks is to be at a fixed rate "of 1½ per cent. for three years plus an additional 2½ per cent. on that rate." If the vessel is not delivered within three years there is to be an addition of 6d. per cent. per month. Insurances against subsequent marine risks, if undertaken by the Government, are to be at the market rate plus 2½ per cent. The insurance of a second vessel is provided for on similar terms, on condition that her keel be laid within six years. The debate proceeded smoothly, and members on both sides of the House welcomed the proposed agreement as an indispensable step taken in a businesslike manner. If the agreement, as we assume to be the case, is to be based upon Clause X of the Institute's Building Clauses, and the full contract value is the basis of insurance, the premiums proposed would seem to be at about the right level to induce the maximum of recourse to the market without unduly penalising the company in respect of the balance of insurance to be placed with the Government.

Shipping Freight Index Number.—After rising from 90.8 in July to a minor seasonal "peak" of 97.3 in September, our index number of whole-cargo shipping freights last month took a definitely downward turn; the current figure, 95.1, which compares with 108.5 a year ago, represents a fall on the month of 2.3 per cent.

AVERAGE 1898-1913=100.

	Average, 1913.	Oct., 1929.	Aug., 1930.	Sept., 1930.	Oct., 1930.
European Waters	110.0	130.4	86.7	87.3	91.1
North America	113.1	98.3	94.2	91.2	85.6
South America	123.4	103.1	99.7	95.7	93.3
India	106.3	117.4	104.5	103.0	101.3
Far East and Pacific	117.4	95.1	84.7	89.2	85.2
Australia	127.9	106.8	106.8	117.5	113.9
Total	116.3	108.5	96.1	97.3	95.1

Outward coal freights, except for Mediterranean ports of discharge, were relatively firm during October, and home-ward rates in European waters were well maintained. The principal overseas grain markets, however, suffered a fresh severe set-back, and homeward quotations from the Plate and the United States fell heavily. Business in the East, apart from a moderate Australian demand for tonnage, was very dull. The month's changes in the index of each group and sub-group are shown in the following table, the figure 100 representing in each case the average rate during the basic period 1898-1913:—

	Index Number	Inc. or Dec. Points.		Index Number	Inc. or Dec. Points.
Home trade.....	81.4	+ 5.3	South America—out-	94.6	+ 4.9
Bay—outwards.....	110.1	+ 9.2	wards		
Bay—homewards	96.8	+ 3.3	South America—		
Mediterranean—out-	83.8	- 2.6	homewards	92.1	- 9.5
wards			India—outwards	120.0	- 2.1
Mediterranean—	93.4	+ 2.7	India—homewards	82.7	- 1.2
homewards	85.6	- 3.6	Far East, &c.	85.2	- 4.0
North America			Australia.....	113.9	- 3.4

Expressed as a percentage of the average for 1913, the total figure of our index number for October works out at 81.7 as compared with 83.6 in September and 93.3 a year ago.

American Cotton Crop.—Late last week the Department of Agriculture of the United States Government published a revised estimate of the cotton crop for this season, the figure given being 14,438,000 bales, against 14,486,000 bales a month earlier. It also stated that the amount of cotton ginned up to the end of October was 10,864,000 bales, against 10,892,000 bales same time last year. The statistics were rather less favourable than expected, as the market anticipated a slight increase in the crop estimate compared with a month ago, and according to private advices the ginnings were expected to be fully 11,000,000 bales. On the reports being issued there was a slight advance in prices, but the rise was soon lost. On the whole these official reports did not indicate any particular change in the amount of supplies, and market operators are now more inclined to watch demand as a price factor. It is significant that so far this season from August 1st the deliveries of American cotton to world spinners are 30 per cent. smaller than in the same period of last year. The substantial decrease is largely due to smaller takings of users in the United States and Great Britain. Owing to present low prices an effort will be made next spring to reduce the acreage under cotton, but in trade circles there is some doubt as to whether the decrease will be very heavy.

October Iron and Steel Production.—The returns for last month, issued by the National Federation of Iron and Steel Manufacturers, are extremely disappointing. The number of furnaces in blast was reduced during the month from 104 to 96, while output of pig iron amounted to only 415,000 tons, as against 425,000 tons in September, and 688,700 tons in October, 1929. Steel production also contracted, the October figure being 512,500 tons, as against 580,600 tons in September, and 889,800 tons in October of last year. To those who were beginning to hope that the better October trade returns and the greater stability of commodity prices were the first signs of the end of the depression, these results will come as an unpleasant shock.

Real Wages and Unemployment.—A paper prepared for the International Institute of Statistics Commission on Real Wages and Employment by its rapporteur, Mr John Hilton, contains an interesting study of statistics bearing on the question whether changes in the price level affect the volume of employment not only directly (this relation is taken for granted), but also indirectly, through their effect on the level of real wages. Researches by M. Rueff and Professor Bresciani-Turroni had led to the conclusion that the lag of money wages behind falling prices, with the consequent increase in real wages, was a cause of unemployment. Mr Hilton points out that in order to explore the problem scientifically, data, unfortunately not yet obtainable, as to changes in national and *per capita* output are necessary. Further, he makes the interesting point, too often overlooked, that the effect of price-changes on the purchasing power of wages cannot satisfactorily be examined apart from their effect on the purchasing power of other incomes, and he quotes the figures of national distribution given by Sir Henry Strakosch in his supplement to the *Economist* of July 5, 1930, to show that in 1924 26.4 per cent. of the national income was absorbed by interest on fixed money obligations, in addition to the 49.8 per cent. paid in wages and salaries. With every fall in the price level this share increases, and, as the national income has not increased in proportion, it is inferred that the additional share has been secured at the expense of entrepreneurs' profits. The argument under examination is that this has been the immediate cause of the discharge of workpeople. Mr Hilton has two qualifications to the inference that if wages had fallen *pro rata* with the fall in prices there would have been no increase in unemployment: first, that there would still remain the automatic rise in the value of fixed-interest payments; second, that buyers tend to hold up their purchases in a time of falling prices irrespective of the movement of wages. Thus, while there is probably some relation between the course of real wages and the level of employment, it cannot be expected to be proportionate. When curves are plotted, for both England and Germany, showing the movement since 1924 of money wages, wholesale prices, cost of living, volume of employment, the ratio of wages to the cost of living, the ratio of wages to wholesale prices, and the unemployment percentage, no very close correlation appears. The German figures are very much disturbed by changes in the inflow of foreign investments, and until such peculiar national circumstances can be allowed for, together with differences in the rate of increase in production per head in the respective countries, all traces of any uniform law which may be operating are bound to be obscured. Meanwhile, all that appears is that the fall in prices has been accompanied by a fall in employment, and since money wages have hardly changed over the period Mr Hilton arrives at the conclusion that "little, if anything, can be revealed by a correlation of unemployment with real wages except what can more directly be found in a correlation of unemployment with prices." There is much force in this comment; much more complete data would be required to reveal statistically how far unemployment is to be attributed to the fall of prices alone; to the more rapid fall of profits if money wages remain stationary; or to other disturbances which occur when prices fall. It is the intention of the committee to search for additional data, covering a larger number of countries, in the hope of bringing to light fresh correlations which are at present obscure. The publication of these results will be awaited with interest.

The Midland Coal Scheme.—As anticipated, writes a Leeds correspondent, the marketing scheme which has been approved by the Secretary for the Mines Department for the Midland area includes the whole of the district recently included in the activities of the Central Collieries Commercial Association, the voluntary marketing organisation of the Midland owners. There will be five separate sections, South Yorkshire, West Yorkshire, Derbyshire and Nottinghamshire, South Derbyshire, and Leicestershire, for the purpose of facilitating the working

of the scheme. The Midland scheme, covering an output of approximately 70,000,000 tons per annum and 800,000 workmen, will in all probability be the largest in the country. While the powers conferred upon each district committee are limited by the Act, there is some elasticity in the organisation put forward by separate districts; and it is in this respect that the experience of the Midland owners in running their own scheme has been of considerable value. There will be a Standard Tonnage Committee to fix, and, when necessary, revise the annual standard tonnage for every mine. A Quota Committee will determine the proportion of standard tonnage to be raised each month, and an Export Committee will have as its object the promotion of the export trade. The newly-created sales organisation will have a Central Committee and Committees for each Section, whose purpose it will be to classify all coal and determine the minimum price below which it must not be sold. Standard tonnage will be based on the output returns for the four years 1923, 1924, 1925, 1927, the year of the stoppage being omitted. To arrive at the annual standard tonnage for each mine, the aggregate for each section will be divided among the mines in that section, having regard to the proportion which the output of each bears to the total output for all mines in that section for the year ended March 31, 1928. The committee may increase the standard tonnage of an expanding mine, or reduce that of a diminishing mine. Such factors as the efficiency and economic working of the mine may be taken into consideration when fixing, revising or varying the annual standard tonnage. The committee is authorised to substitute monthly for annual tonnage for any undertaking which has an increasing or diminishing output, and to fix at its discretion the standard tonnage of any concern which does not make the returns necessary to facilitate the task. Under the scheme of monthly permitted output, a coalowner may carry forward part, as the balance to be raised in subsequent months, although it may not be carried beyond the end of the current year. Provision is also made for a Tonnage Pool, whereby an owner may exceed his quota for any period by mutual arrangement with another owner whose tonnage for the period shall be proportionately reduced. Unraised portions of a firm's quota which are not carried forward may be passed into the Pool or may be purchased therefrom by owners desirous of a greater output. In order that this may not interfere with output regulations, the committee has power to decide what quantity of pool tonnage shall be distributed in a given month, and also to fix the price at which it shall be sold. The Export Committee is empowered to confer with British coal exporters and others concerned in the export of coal, and with representatives of foreign coal purchasers and importers. It is also authorised to establish a Shipping Bureau to act on behalf of the coalowners in the export markets, to collect and circulate information on matters affecting the coal export trade, and generally to advise coalowners engaged in the sale and supply of coal for export.

Inter-Imperial Trade.—A White Paper (Cmd. 3691) has recently been published containing a useful analysis of the external trade of the United Kingdom, the Dominions and India with British and foreign countries. From it we have compiled the following table showing the origin of the principal manufactured goods imported into the larger Dominions and India in the last year for which the statistics are available:—

Origin.	Canada.	Aus- tralia.	New Zea- land.	South Africa.	Irish Free State.	India.
	1928.	1928-9.	1928.	1928.	1928.	1928-9.
United Kingdom....	21.5	42.0	15.1	25.6	18.0	70.3
Other British coun- tries	1.4	8.6	3.6	2.8	...	3.7
U.S.A.	90.5	23.9	6.0	10.5	1.1	9.6
Other foreign coun- tries	14.3	18.6	3.1	12.2	2.0	42.6
Total	127.8	93.1	27.8	51.2	21.1	126.2

New Zealand, South Africa and India all buy one-half or rather more than one-half of the their manufactured imports in this country. The Irish Free State alone buys a much larger proportion; Australia buys rather less than half; while Canada buys only one-sixth of her imported manufactures here, against nearly three-quarters from the United States. The next table shows the distribution of markets for Dominion and Indian food exports as between British and foreign countries:—

To.	Canada.	Aus- tralia.	New Zea- land.	South Africa.	Irish Free State.	India.
	1928.	1928-9.	1928.	1928.	1928.	1928-9.
United Kingdom....	74.6	24.7	26.1	4.7	18.5	19.7
Other British coun- tries	5.8	11.9	2.3	0.1	...	13.3
U.S.A.	11.5	0.1	0.8	...	...	0.6
Other foreign coun- tries	40.3	13.7	0.3	1.9	0.1	14.1
Total	132.3	50.3	29.4	6.7	18.6	47.7

Here the proportion of the total trade which is transacted within the Empire is much larger. The Irish Free State exports practically all its food to the United Kingdom, and the British market is overwhelmingly preponderant in both the New Zealand and South African food trades. We take over half Canada's exports of foodstuffs, but most of the other half goes to foreign countries. She sells less to "other British countries" than either Australia or India. Australia sends about half her food exports to this country and a further fifth to the rest of the Empire. A similar analysis for raw materials is given below:—

To.	Canada.	Aus- tralia.	New Zea- land.	South Africa.	Irish Free State.	India.
	1928.	1928-9.	1928.	1928.	1928.	1928-9.
United Kingdom....	5.7	23.5	12.7	8.9	1.6	17.3
Other British coun- tries	1.1	1.4	1.8	1.0	...	2.9
U.S.A.	38.1	4.5	2.7	0.7	0.1	8.3
Other foreign coun- tries	5.2	44.5	4.1	10.2	0.2	85.2
Total	50.1	73.8	21.3	20.9	2.0	113.7

This presents a different picture. The Irish Free State and New Zealand still stand out as dealing mainly with the United Kingdom, but South Africa sends more of her raw materials to foreign than to British countries, Australia sends only about one-third of hers within the Empire, India only about one-eleventh, while Canada deals almost exclusively with the United States. Great Britain buys a little over one-third of her raw material imports from British countries. It is evident that if the British Empire is to work towards a predominantly British trade in raw materials, it must be prepared to face a seismic upheaval in trade routes, in international payments and in all the complex relations which result from a given orientation of international trade.

Third Party Insurance.—On January 1st next the section of the Road Traffic Act which requires motorists to be insured against third party risks will come into force. Drivers of mechanically-propelled road vehicles other than invalid carriages or trams will be required to carry a certificate of insurance, supplied by their insurance company, which must be shown on demand to a police constable or, in the case of an accident involving a third party, to any person who has reasonable grounds for requiring to see it. The certificate will also have to be produced on application for a Road Fund licence. Provision is made for the production of alternative forms of evidence (a) where the policy does not relate to any specified vehicle; (b) in the case of persons or organisations of substantial resources who have either deposited £15,000 or have obtained a "security" guaranteeing to meet any default on third party claims; (c) in the case of motor vehicles owned by local authorities or police authorities. Policy holders who are covered when

driving other vehicles than those specified in their policy may demand an additional certificate to that effect from their insurance company. The regulations further make the necessary requirements as to the keeping of records and the destruction of certificates when the vehicles to which they relate are disposed of. Section II provides for the issue of certificates to persons bringing into Great Britain, during a temporary visit, vehicles insured abroad. Such certificates may be obtained from the Royal Automobile Club, the Automobile Association, the Royal Scottish Automobile Club or the London County Council.

Trade Unions' Political Funds.—In reply to a question in the House, the Minister of Labour has supplied figures of trade union membership and contributions to the political funds from which we extract the following:—

	1925.	1927.	1928.	1929.
Membership at end of year	4,492	3,947	3,809	3,827
No. of members contributing to political fund at end of year	†	2,224	1,634	1,668
Contributions of members to political fund.....	155	137	100	107
Total political fund income	163	146	113	133

† Not available.

While the decline in membership shows plainly the effect of the events of 1926, the decline of more than a quarter in members contributing to the political levy, and in the amount of their contributions, which took place between 1927 and 1928, shows still more clearly the effect of the Trade Disputes and Trade Unions Act, 1927, for it is out of all proportion to the decline in membership. On the other hand, the small increase in membership in 1929 was accompanied by a slightly larger increase in the numbers contributing to the political fund, which indicates some small degree of success by the union organisations in overcoming the force of inertia which the Act transferred into the opposite side of the scale. The fact that contributions are still scarcely over two-thirds of what they amounted to in 1925 is a sufficient explanation of the eagerness of the Labour Party to secure the repeal of the Trade Disputes and Trade Unions Act.

Transvaal Gold Output.—The total output of gold of the mines of the Transvaal during October created a fresh record amounting to 926,561 ozs. of fine gold, as compared with 903,176 ozs. produced during September. In October, 1929, the output amounted to 888,690 ozs. of fine gold. The following table shows the monthly output since the beginning of 1924:—

Months of	1924.	1925.	1926.	1927.	1928.	1929.	1930.
	Fine Ozs.	Fine Ozs.	Fine Ozs.	Fine Ozs.	Fine Ozs.	Fine Ozs.	Fine Ozs.
January ...	796,768	823,692	796,270	839,782	843,857	876,452	882,801
February ...	760,617	753,925	795,324	779,339	816,133	815,284	818,188
March ...	796,671	826,479	834,340	860,511	877,380	866,529	889,370
April ...	768,223	787,519	803,303	824,014	825,907	872,123	868,606
May ...	809,003	813,249	849,214	859,479	886,186	897,598	916,213
June ...	773,053	780,251	852,145	855,154	862,363	856,029	887,867
July ...	829,437	818,202	860,134	851,861	867,211	889,480	912,652
August ...	809,671	808,218	843,854	863,345	891,863	889,601	921,081
September ...	799,422	797,247	839,359	842,118	857,731	849,553	903,176
October ...	827,583	812,832	853,396	855,743	897,720	888,690	926,561
November ...	802,313	787,633	840,276	848,059	872,484	861,593	...
December ...	825,273	791,455	836,157	851,225	859,761	851,134	...
Total ...	9,597,634	9,599,702	9,962,852	10,130,630	10,358,596	10,414,066	8,926,515

The number of natives employed by members of the Witwatersrand Native Labour Association and Contractors over the past few months was as follows:—

	Feb., 1930.	March, 1930.	April, 1930.	May, 1930.	June, 1930.	July, 1930.	Aug., 1930.	Sept., 1930.	Oct., 1930.
Gold mines	196,752	200,134	202,434	202,182	201,324	201,111	202,257	205,061	206,778
Coal mines	15,495	15,250	15,109	15,028	14,943	14,670	14,788	14,706	14,482
Diamond mines	6,584	7,002	5,565	5,340	5,126	5,490	5,754	5,767	5,032
Total	218,831	222,386	223,108	222,550	221,393	221,271	222,799	225,534	226,292

The number of natives employed at the gold mines showed a further increase on the month.

At the meeting of the Royal Statistical Society, on November 18th, at 5.15 p.m., the President, Sir J. C. Stamp, G.B.E., will deliver his Inaugural Address—"The National Capital." The meeting will be held in the Hall of the Royal Society of Arts, John Street, Adelphi, W.C.2.

Overseas Correspondence.

LEAGUE OF NATIONS.

Preparatory Disarmament Commission — Trained Reserves — Limitation of Material — American Attitude.

(FROM OUR CORRESPONDENT.)

GENEVA, November 10.

THE Preparatory Disarmament Commission is now occupied with its final struggle to complete the draft convention which is to be the basis of the first general Disarmament Conference, or, more accurately, the first General Conference for the Limitation of Armaments. It is premature even to add "and reduction." There will be no general agreement on some of the substantial points, and the Commission will take its decisions by majority votes. It is inevitable that a draft convention thus arrived at will have a number of reservations, and, if no accommodation is reached before the general conference is summoned to fill in the figures, then whatever is accomplished will have to be done in the teeth at least of German protests.

The prospect is by no means encouraging, but it is just as well to recognise that there is no intention whatever on the part of one set of European Powers to agree to any convention which will deprive them of their military stranglehold on another set of Powers. Any present analysis must start from that naked assumption. We are nowhere near political conditions likely to change that determination, and, pending some approach to sanity before disaster ensues, the best to hope for is the fixing of some high-water mark of armaments not to be exceeded. That is little enough. There is some hope that progress may be made towards accepting principles of naval limitation—it should be emphasised once again that figures are left for the General Conference—but it is hard to see what can be accomplished in the essentials of land armaments. It has been decided, after years of fruitless struggle against French and Little Entente resistance, that trained reserves are not to be included in the computation of military effectives. Great Britain, the United States, and the Scandinavian countries fought hard, but finally surrendered, getting nothing in return. Now at this meeting the Germans tried to approach the matter from another angle by proposing the principle of limitation of the annual contingent of recruits in conscriptionist countries. This was defeated by twelve votes to five, America and Great Britain not voting. The argument, as represented by the French, is that this would be against the principle of equality of military obligations, but this was described by the Dutch representative as a principle which made an obstacle to disarmament. In other countries, including Holland, the annual contingent is limited, and those called upon to serve are decided by lots—an entirely practicable and equitable system. On the French thesis, armies automatically increase where population increases.

If, therefore, there is to be no limitation of trained reserves, and no limitation of the annual contingent, there can be no real limitation of effectives in conscriptionist countries. The only point left is the limitation of the period of service with the colours, which would mean that the shorter the period of service the less effective would be the trained reserves; the quality but not the quantity would be diminished. It has been agreed to fix a limit, but, until the Conference meets, it stands at *x*. So much for effectives.

The other increasingly important consideration is that of material. The controversy here is between direct limitation of material, budgetary limitation of material, and simple publicity. The last point is harmless enough, and no one objects. Lord Cecil this morning strongly advocated budgetary limitation as the most feasible and effective, considering that direct limitation was fraught with too many technical difficulties. Budgetary limitation is a plan to which the United States has always objected, and Mr Gibson this morning said they could not give way, maintaining their preference for direct limitation, which is also the policy of Germany, Russia, and probably some of the ex-neutral States. Count Bernstorff asked why, if direct limitation was imposed on Germany (together with the abolition of conscription), it could not be applied all round. General de Marinis, of Italy, was also in favour of reconsidering the question of direct limitation, but the French and their friends are unalterably opposed, and there is no chance of acceptance.

Budgetary limitation is also difficult in view of American opposition, and, as Lord Cecil properly explained, it would be difficult for a number of countries to accept it if other Powers, including a first-class Power like America, stood out. To this Mr Gibson replied that the United States, if the other countries accepted budgetary limitation, would apply to itself the system of direct limitation. How this would work it is hard to see. It would obviously be absurd for the United States to fix its own limits directly. The only alternative would be for the General Conference to fix a limit; but how would it be possible to fix directly a limit of material for one country comparable with a limit of material fixed by budgets in others? On materials, therefore, there will probably only remain simple publicity.

This is the point so far reached by the Preparatory Commission, and when it has gone laboriously through the many other points which remain it will present a nice problem to the Council. It is a grave prospect, very little reflected in the complacency which characterises some of the delegates. Germany and Russia will probably wash their hands of all responsibility for the preparatory work—they have already more than hinted as much—and yet Mr Gibson smilingly informs the Press correspondents that his policy is mainly one of "grand silence." That is not exactly an heroic method of "implementing" the Kellogg Pact. It might have been expected that Mr Gibson and those who desire progress would take a last stand not less obstinate and determined than that of those who want to do little or nothing. An agreed draft convention is not possible; so why not stand for the things that matter and give a definite lead? That would surely be preferable to what may turn out to be largely a pretence, only, of doing something.

UNITED STATES.

Trade Stagnation — Industrial Profits — Money — Election Results.

(FROM OUR CORRESPONDENT.)

NEW YORK, November 5.

CONGRESSIONAL and State elections have detracted somewhat from interest in financial markets this week, and stagnation is generally prevalent. Basic industries continue to lose ground. Corporation earnings and industrial employment will in all probability be less in the final quarter of the year than for any three-months' period since the business recession began. No one now looks for much improvement before spring, but the view generally held by economists now is that, in view of the severity and duration of the slump already experienced, it must be touching bottom.

While the steel industry may, as its leaders assert, be close to bottom, it is still losing ground. Operations are now down to 48 per cent. of capacity, and last month brought another sharp recession in pig-iron production. The daily rate was 8 per cent. below September and was, in fact, lower than that for any month since October, 1921.

Prices are a trifle steadier, though scrap steel is still weakening. The steel trade's principal customers—the railroads, the motor trade and the building industry—are small takers at present. Railroad buying is at a low ebb, reflecting the falling earnings for the carriers. Motor output, which last month is estimated at not more than 200,000 vehicles for this country and Canada, is not likely to expand before the turn of the year. Structural steel projects, however, are growing and will expand further as a result of the elections.

Bond issues involving construction of approximately \$400,000,000 were voted on in the various State, county and municipal elections yesterday, and while most of the proposed expenditure was carried, the effect will not be felt immediately in the building industry. Much of the money, anyhow, will go toward road construction and improvement, designed largely to relieve unemployment, and offerings will be made piecemeal.

With the publication of the bulk of earning statements from industrial corporations of importance, covering the third quarter, it is possible to get a clearer view of the scope of the trade depression. A compilation of the accounts rendered by about 200 industrial corporations made by the National City Bank indicates a drop of 45 per cent. in profits compared with a year ago. For the nine months the decline was 33 per cent. Profits have progressively declined throughout the year, but in the current quarter the results, as compared with 1929, may be more favourable, owing to the sharp recession last year.

In the nine months only a handful of corporations did better than last year, and no important group was able to take as large profits. For the third quarter the motor manufacturing and motor accessories trades fared the worst, with declines of 58 and 73 per cent. respectively. Iron and steel dropped 62 per cent. and oil company earnings were 57 per cent. under the same period of 1929. This ranking was about the same for the nine months, but the percentage of losses was, of course, smaller. In extenuation of poor earnings the point is made that most corporations have taken advantage of the lean year to write off possible losses and to deflate balance sheets. Moreover, when considered on the basis of return on capital investment, the year turns out to have been fairly good. The companies noted above earned in the nine months a return of 10 per cent. on their capital and surplus, against 17 per cent. in the first nine months of last year.

Declining trade, liquidation in the share market and further gold imports have inevitably weakened money rates. In the day-to-day market the banks are experiencing the greatest difficulty in placing loans at 1 per cent., although the official Stock Exchange call loan renewal rate has been unshaken from its pegged position at 2 per cent. throughout October. No impression was made by month-end dividend and interest payment of three-quarters of a billion and by holiday currency demands. Time money rates have fallen one-quarter of 1 per cent. all round, the thirty-day rate now being 1½ per cent. A reduction of one-eighth of 1 per cent. has also been made in the longer maturities of bankers' bills, the supply of which is not increasing much, while the demand for them is. This is a reversal of conditions applying in the early part of last month.

In the past five weeks, brokers' loans, as reported by the Federal Reserve Board, have dropped \$710 millions. During October the Stock Exchange report showed a decline of \$925.3 millions. The total as shown by both compilations is now approximately \$2,500 millions, the smallest since the summer of 1926, and but little more than a third of the peak of last year. Loans made by reporting member banks in leading cities continue to drop, but commercial loans rose in the last week of October. The former are down \$1,122 millions and the latter \$1,048 millions on the year. Funds released from loans are steadily going into the bond market. The week's increase of \$64 millions in member bank holdings puts the total at \$6,731 millions, or \$1,235 millions above a year ago. These figures are for banks with about 40 per cent. of the banking resources of the country.

Questions of an international political nature, such as war debts and reparations, will, it is believed here, be kept in the background at the conferences which Governor Harrison, of the New York Federal Reserve Bank, is about to hold with Governor Norman, of the Bank of England; Governor Moret, of the Banque de France; and President Luther, of the Reichsbank. When these central bank heads met last February and March they laid the foundation for co-operative action looking toward the lowering of short-term interest rates and the consequent cheapening of long-term capital. It is still highly desirable, in the view of Reserve Bank officials, that the long-term capital market be assisted as a means of improving the bond market and promoting trade recovery. Another topic for discussion will probably be the distribution of central bank gold reserves.

Congressional and State gubernatorial elections proved to be something of a landslide in favour of the Democrats. Such a result did not take the country wholly by surprise, since a revulsion from the party in power during a period of business depression always has taken place. However, the extent of the Republican losses was perhaps greater than many had looked for, as the prohibition issue was added to other complications.

The new Congress will not sit for over a year, but the moral effect of the election will, doubtless, weaken the Administration and encourage legislative attempts by the opposition. Numerous bills looking toward restrictions on stock market operations, and affecting Federal Reserve Bank and Farm Relief activities will be proposed, but the markets have done very little worrying on those scores. The poor business this year, and the uncertain prospects for the coming year, overshadow political changes, since no one hopes for any curing of the patient by means of a legislative nostrum. Moreover, neither party has suggested any such remedy. The ordinary citizen, who had hoped for indefinite continuance of prosperity under the present Administration has merely expressed his disappointment.

FRANCE.

Foreign Policy Debate — Prices — Wages — Industrial Production — Railway Traffic.

(FROM OUR CORRESPONDENT.)

PARIS, November 12.

SINCE the serio-comic incidents of a week ago, all parties have been marking time, pending the resumption tomorrow of a discussion which is expected to take the form of an acid test of the Ministry's real situation. The result of the first test of strength of the new session is generally regarded as an open question, though it seems to be generally expected that the proved combined ability of MM. Tardieu and Briand may be fairly well relied upon to ensure a Ministerial success. Meanwhile, the Government's prompt intervention for the purpose of preventing the collapse of the Oustric group from spreading to an extent that might seriously prejudice the non-speculative investing public, and the other steps that are being taken for the better protection of the small capitalist, have had an excellent effect in reviving confidence and are believed to have appreciably strengthened the Ministry's situation.

The nervousness felt here as to the possibility that Austria—as well as Germany—might, by her support of Hitlerism, prove to be a danger to European peace, has been largely removed by the results of the elections in that country, and there are also hopes that, thanks to the careful handling of the matter at this end, a way is being opened for an improvement in Franco-Italian relations that will enable an end to be put to any danger from that direction.

Outside Parliament, attention is now chiefly focussed on the country's economic situation, which, in spite of the insistence of the nation's leaders on the fact that France is suffering substantially less than practically any other country, there is a widespread tendency here to regard as much worse than the usual test factors suggest.

The general index figure of wholesale prices at the end of October is 519, a drop of 16 points since the end of September, and of 83 since October, 1929. This works out in gold at 105, giving French prices a level of 5 per cent. higher than in July, 1914, against differences in September for the United Kingdom (Board of Trade figures) of 10 per cent., United States 21 per cent. (base 1913), Germany 23 per cent., Italy 9 per cent., Belgium 3 per cent. The difference between wholesale prices of French products and of imported commodities continues to widen, the figure for the former being now returned as 580, against 409 for imported goods, or a difference of 171 points. Prices of French products fell 15 points on the month, and those of imported commodities 19 points. The difference a year ago was 61 points. The continued comparatively high level of prices of French products, as compared with those of imports, is considered to be due not only to constantly increasing price-cutting by importing countries, in competition for the French market, but to the necessity for the French producers to maintain selling rates at a high level owing to the continued heavy burden of taxation and steadily-rising labour costs. Both these handicaps are expected to be appreciably larger during the coming twelve months, and especially in connection with the coming into full operation of the national insurance system.

Wage scales in many industries are now closely linked up with the cost of living indices and efforts are being made to develop this system further. So far there has been no serious movement on the part of either employers or wage-earners to modify the present scales of pay, with the exception of those of certain categories of public servants. Certain disturbing factors are now beginning to make their appearance, however, and there is some nervousness as to whether this country will not, before long, begin to feel the general depression much more acutely.

Industrial production figures for September, which are issued this week, show fractional declines in seven of the nine principal industries. The general index figure (1913 = 100) is returned at 137, or a drop of one point on the month and of seven points since July. The declines are of one point in the building and mining industries, four in leather, five in metallurgy and in paper, and of thirty in motor-car construction, which shows a seasonal drop of 80 points on the month to 600, against 587 in October, 1929, and a monthly average of 610 last year—the monthly average for the first nine months of the current year having been 655). Textile production for the month is returned unchanged at 80, against an average of 92 for last year, and of 97 for 1929. The figure representing the output of rubber products in September shows a rise of 9 points (from 847 to 956), against an average of 861 in 1930, and 587 in 1929.

Railway receipts in September totalled 318,000,000 francs a week, against 317,000,000 francs in August, 306,000,000 francs in July, an average of 297,000,000 francs in 1929, and of 284,000,000 francs in 1929. The average daily number of trucks loaded during the month was 60,200, against 56,700 in August, and averages of 65,100 in 1929, and 63,500 in 1928. Outward shipping tonnage was 4,607,000 tons (against an average of 4,363,000 tons in 1929), and inward 4,869,000 tons (against 3,868,000 tons).

The recent fractional increase in unemployment is causing a certain amount of nervousness, as might be expected in a country where returns revealing a total of from 90,000 to 100,000 workless, as in 1921, are apt to give rise to little short of panic conditions. The total number in receipt of unemployment pay last week was 1,663 for the whole country, of whom 1,303 were in the Paris area, against 1,898 in the previous week, and averages of 988 in September, 856 in July, 909 in 1929, and 5,067 in 1928. Whereas in 1929 the number of workers unable to find employment averaged 10,192, and the number of jobs left unfilled was 19,228—which ratio was preserved down till last July, although on a diminishing scale—there was an average of 12,262 unsatisfied workers during September, with 13,922 vacant jobs for which labour was lacking.

The index figure for retail prices in Paris for October remains unchanged at 637 (July, 1914 = 100), against an average of 611 in 1929, and of 549 in 1928. The figure representing the cost of living for a Paris working-class family of four persons at the end of the three months ending on August 31st is 592, as compared with 676 for Marseilles, 665 for Grenoble, 628 for Bordeaux, and from 550 to 592 in the great urban centres in the more markedly agricultural areas. In view of the present rather unsatisfactory methods adopted in working out the index figures representing the cost of living in the varying districts of the country, a new and uniform system has been drafted by the Statistique Générale, and it is proposed to bring it into application towards the end of 1931, or the beginning of 1932.

GERMANY.

Metal Wages Award — Government Campaign for Retail Price Reduction — Oil Activities of Prussian State.

(FROM OUR CORRESPONDENT.)

BERLIN, November 11.

THE arbitration tribunal has given its award on the wages of Berlin metal workers: they are to be reduced by 3 per cent. in the first place and by 8 per cent. as from January 18. This restores in essentials the original award against which the workers struck. The position of the unions is now most embarrassing. They agreed beforehand, as did also the employers, to accept the award, and they did so in the expectation that the tribunal would decide upon a smaller wage reduction. Now they have to admit to their members that the strike served no purpose whatever, and that it is impossible to reject the award because they tied their hands in advance. Their position is made more difficult by the unanimity of the award: even the nominee of the unions, Professor Sinzheimer, of Frankfurt University, voted with the chairman and the employers' nominee in favour of the reduction, though only, he declares, in order to secure for the workers the two months' respite.

The defeat of the employees will have a very embittering effect, and there is a grave danger that it will make the settlement of other wage disputes more difficult. Between now and the New Year a large number of current wage agreements are due to expire, and though the metal trades tribunal stated that their award was based entirely on conditions in the Berlin metal industry and that they did not consider it suitable for application to other industries, the efforts of employers, in connection with future arbitration proceedings, and no doubt those of the Government too, will be directed towards securing wage reductions, and the workers, after the experience of the metal trades dispute, will be exceedingly suspicious of any attempts at compromise. The position of the Government in the parliamentary debates which will take place at the beginning of December will also be difficult, as the Socialists will attack their wage policy and the leaders of the Social Democrats will have great difficulty, in view of the radical frame of mind of the workers, in keeping down the opposition to the Brüning Cabinet in their own ranks sufficiently to prevent the parliamentary basis of the Cabinet from being destroyed from the Left.

The metal wages award was expressly based on the Government's promise to bring about a reduction in the cost of living, so that the responsibility of the Government for executing this part of their programme has become very urgent. They have lost no time in bringing their influence to bear upon retail traders to induce them to reduce the prices of the necessities of life. So far the heavy fall in the prices of agricultural products has not been satisfactorily reflected in the prices paid by the consumer; for example, about 3.50 marks per centner are asked in Berlin for potatoes, while the farmers in the district receive 70 to 80 pfennigs for the same quantity. The retail trade pleads the heavy fiscal and social burdens which it has to carry, but there can be hardly any question, even allowing for these, of a justification of the present level of profits. The determined efforts of the Chancellor and the

Minister of Labour to induce retailers to lower their prices is the more commendable in that the present Cabinet includes, as Minister of Justice, the parliamentary leader of the Economic Party, Professor Bredt, and this party, in addition to the championship of houseowners, has made the representation of the interests of artisans and shopkeepers its special task. In the interest of retail traders it secured the inclusion in the President's emergency decrees of a special tax on consumers' societies and department stores.

Some initial success has been achieved by friendly negotiations. The price of bread in Berlin has been reduced from 50 to 46 pfennigs for the 1,250-gramme loaf; the price of pork is to be reduced by 5 pfennigs throughout the Reich; milk will be a pfennig per litre cheaper in Berlin; potato prices have not yet been dealt with. The Government is undoubtedly anxious to effect a substantial reduction in the cost of living before January, in order to be in a strong position when the very important coal-mining wages award, which has been postponed until the end of the year, falls due. If they can point to a heavy decline in the index, their wage policy may possibly succeed, otherwise it will only increase the social tension and probably end in failure.

The Prussian Landtag has just given its consent to the acquisition of the boring and working rights of the Anton Raky Oil Company in Salzgitter, Hanover, by the Preussische Bergwerks und Hütten A.G., all of whose shares are held by the Prussian State. The purchase price is about eight million marks. Great interest has been shown for some years, and especially during the last few months, in the Hanover oil deposits, and the American Sinclair group in particular has long harboured designs on them. In order to prevent the formation of a foreign monopoly the Prussian State has now entered the field. The North European Oil Company has acquired boring rights in many parts of Germany, from the State in Oldenburg, Mecklenburg-Schwerin and Brunswick, and from private interests in Hanover. Negotiations with Bavaria and Baden are still in progress. The Americans have begun boring operations in various places, but have so far not succeeded in starting production anywhere. The Prussian State has co-operated before with the Raky A.G., which is Germany's largest boring undertaking.

On the fields just acquired by the State, which are considered the best, four borings have already been successful, and the Preussag intends to build a new refinery in the neighbourhood. In spite of the unfavourable state of the market, the sale of the benzine output is secured by agreements with the postal and railway authorities. The Preussag will bring other groups into the business; offers are said to have been made by Otto Wolff and perhaps also by the Americans, but in any event the State will retain a majority holding. In proportion to the consumption in Germany the anticipated output of the new wells, estimated at 25 thousand tons of crude oil, is negligible. The entire German output of crude oil in the current year will only amount to 170,000 tons in spite of an increase of almost 70 per cent., and the German consumption of fuel oil and spirit amounts to 1.7 million tons annually. Of this, in addition to the quantity derived from domestic oil, there are produced in Germany some 100,000 tons of synthetic benzine by the I.G. Farbenindustrie and 300,000 tons of benzol; the rest has to be imported.

BELGIUM.

Unemployment — Agriculture — Industry — Wages — Postal and Telephone Changes.

(FROM OUR CORRESPONDENT.)

LOUVAIN, November 7.

THE number of unemployed has steadily increased, though it is still much below that of other countries. There were at the beginning of October 24,000 workmen totally and 61,000 partially unemployed. These figures cover approximately 600,000 workmen insured against

involuntary unemployment; a further million are not insured, but though there may be some partially unemployed among these, there are few totally unemployed.

Unemployment insurance in Belgium is voluntary; the State allows aid through its Emergency Fund when the unemployed have exhausted their right to benefit from their insurance association. The State and Communes also make voluntary grants to the insurance societies, but these are not very large. The total benefit which an unemployed paterfamilias can obtain from his insurance society amounts to 24 francs (about 3s.) a day.

For 1930 the above-mentioned Emergency Fund will absorb the relatively small amount of about 17 million francs, but for 1931 this item in the Budget is expected to be nearer 30 millions, especially as the period for which a workman must have been insured in order to qualify him for benefit is to be reduced from twelve to six months. Unemployment will very likely increase during this winter from both seasonal and general trade causes, and the peak may not be reached before the winter 1931-32.

In spite of increasing unemployment, Belgium is obliged to import some foreign labour. In the mines and for the public works under construction unskilled labour (mainly excavators) is needed, but the country's labour force being composed in general of skilled men, the native supply of unskilled hands is insufficient to meet the demand, and foreign labourers, among whom may be found even bank clerks from Hungary, are still recruited daily for digging waterways.

The depression has extended to the big agricultural enterprises. Farmers who grow wheat, oats, flax and sugar beet are closing this year with heavy losses. Fortunately these crops do not constitute more than one third of Belgium's total agricultural output, the remainder of which consists of dairy products and cattle. Owing to the fall in the price of fodder these undertakings still enjoy very reasonable profits. Evidence of this is to be found in the progress in the deposits of the banking department of the Boerenbond (Belgian peasant league), which will probably show a further advance of 100 million francs in 1930.

Complaints have been vehement in sugar-producing quarters. Belgium produces yearly 250,000 tons of sugar; its domestic market consumes about 220,000 tons and 30,000 tons are exported at very low prices. Imported sugar pays 60 centimes customs per kilog., and agriculturists are demanding a 50 centime increase in the import duty. They protest against the current foreign dumping and point out that in Belgium sugar is sold to the consumer at a very low price, namely, refined sugar at 3.60 francs per kilo. and household sugar at 2.50 francs (say, respectively, 2½d. and 1½d. per lb. avoirdupois). The Government referred the sugar question to the Economic High Council, which has almost unanimously rejected the proposal to raise the sugar duty by 50 centimes. A motion for an addition of 20 centimes was afterwards passed by nine votes to eight, but in view of its aversion from protectionism it is doubtful whether the Government will meet this small majority even half-way.

The general industrial situation is unsatisfactory; industrialists are at present trying to reduce costs, including wages. It has been reported that in the coal mines wages have been cut 9 per cent. A similar agreement has been entered upon in the diamond industry; in the textile industry, where wages are fixed partly with reference to the price index, a reduction of 5 per cent. has been effected. In the metallurgical industries employers have proposed a reduction of 5 per cent.; the employees have so far resisted, but they will very likely have to give way.

Though the settlement of next year's Budget has been difficult, the question of reducing the salaries of Government officials and railway employees has not yet been seriously taken up. As from December 1st the postage rates will be raised, as there is a deficit in the running of

the postal service. The inland postal rates will be 70 centimes against 60 for letters, and 40 centimes against 35 for postcards. The foreign postal rates will not be raised. At the same date the telephone service will be reorganised and compelled to cover expenditure of all kinds by its own receipts without recourse to the Exchequer; its tariff will also be raised moderately and 40 centimes will be charged for a local call.

SOUTH AFRICA.

Miners' Phthisis — Native Policy — Imports and Customs Revenue.

(FROM OUR CORRESPONDENT.)

JOHANNESBURG, October 8.

THE chairman of the Miners' Phthisis Medical Bureau (Dr. L. G. Irvine) has just published his Annual Report (U.G. 30/30) for the year ended July 31, 1929. Compensation is on an exceptionally liberal scale, owing to the political manoeuvres of many years, with the result that the disease is costing the shareholders in the industry about £1,250,000 per annum, or 10d. per ton milled at the present time. It is therefore very satisfactory, from the economic standpoint as well as on humanitarian grounds, to be able to learn from official sources that there has been "a definite decline in the true production-rates of the disease," and that this has taken place in spite of a continued increase in the number of miners of fairly long periods of service. It is stated that there has been a fall in the production-rates of 36 per cent. since the period 1920-23. As the effect of exposure to mine dust is cumulative, and as many beneficiaries are pensioners, there will not, of course, be a decrease in that proportion in the cost of compensation; that fact, however, does not mitigate the importance of the improvement. In 1928-29 there were 7,737 candidates for the certificate of the Bureau to entitle them to work underground. Of these 6,566 were South African born and 1,171 were born overseas. Of the former, 2,450 obtained the certificate and of the latter 564. It may be mentioned that the present system of examination dates back to 1916, and that of the 270 new cases of "simple silicosis" detected during the year only 29 had at any time passed the initial examination of the Bureau—the others being all men who were at work in the mines prior to the year 1916. It is understood that the Commission which sat a few months ago to inquire into the working of the Act of 1925 will recommend that the Government should contribute £250,000 per annum to the funds of the Miners' Phthisis Board. At present the Board is financed entirely by the mines, although the State draws some £2,150,000 from the various leased areas, and £1,100,000 in normal income tax from the companies, apart from super-tax from individual shareholders and other consequential revenue.

It is a not uncommon complaint in this country—and it is understood to be the same in other Dominions—that affairs of even major local importance do not receive much attention in Great Britain. Mr P. G. W. Grobler, the Minister of Lands in the Union Cabinet, seems therefore to have been distinguished by the reception of his enunciation of a new sort of Monroe Doctrine dealing with the Native question in African States generally. Mr Grobler's central idea may be summarised as "Our positive belief is expressed in the word segregation." In addition, he expects Governments beyond our borders to agree with him. He has an overwhelming majority in numbers on his side, including, as he says, English-speaking South Africans. In this country, those who do not support his view are commonly regarded as dangerous lunatics rather than as political opponents. It is to be doubted, however, how far the majority realise the sincerity of feeling of their opponents, and also whether the individuals composing that majority have, in any considerable numbers, placed themselves in a position to appreciate the stupidity and

ultimate hopelessness of plans for segregation. In another aspect, Mr Grobler's warning to England not to govern her African territories in her own way is a little amusing. If England may not, according to the good Nationalist, interfere in South Africa, why may South Africa interfere with England? And exactly how is the Union going to put pressure on the British Government, and on all the native races between Capetown and the Equator?

The South African Reserve Bank reduced its rate from 6 to 5½ per cent. from September 29th. It is stated that this step is due to the steady improvement in the banking position in recent months, and the fact that imports have fallen in consonance with the value of exports, thus maintaining a satisfactory exchange position. The reduction in imports, although satisfactory as maintaining a sound exchange position, brings its own problems in its train. For the first five months of the financial year (period ended August 31st) the revenue of the Union was £9,932,710, against £11,486,780 in the corresponding period of last year. This diminution was mainly due to a decline of nearly £1,200,000 in Customs revenue. The Acting Minister of Finance informed the Cape Nationalist Party Congress that a deficit at the end of the financial year is inevitable.

ARGENTINA.

Financial Reform — Exchanges — Currency.

(FROM OUR CORRESPONDENT.)

BUENOS AIRES, October 18.

CLOSE upon two months have elapsed since the Provisional Government was installed, and one may therefore attempt to give in summarised form an idea of what has been accomplished in the way of financial and commercial improvement. Errors, waste, and even worse economic offences, committed by the late Government, have daily come to light, but, very wisely, these things have been recorded, and leakages stopped, without undue fuss being made. In some cases matters have been brought to the notice of the criminal courts, and efforts will be made to punish individuals for what is neither more nor less than common embezzlement, although conviction is likely to be difficult as many of the accused have left the country.

Throughout the Ministries loose screws are being tightened, with the result that many important economies have already come into effect and there has been an immediate increase in the revenue collections, especially in the Customs House, where "irregularities" costing the country millions of dollars have for the past eighteen months been common form. The Ministry of Finance is fortunate in that its affairs are in the hands of Dr. Enrique S. Perez, who knows the departmental ropes and has also a sound knowledge of men and affairs, having held the portfolio in 1913. He is ably seconded by his sub-Secretary, Dr. Raul Prebisch, a leading Argentine economist and statistician, who has held a chair in the Faculty of Economic Sciences, and was responsible for the Bureau of Economic Investigations established by the Banco de la Nacion Argentina in 1923.

To this happy combination may be attributed the sound methods that have marked the proceedings of the Ministry of Finance during what has been a most critical period for Argentine financial and mercantile affairs. After the satisfactory settlement of the \$50,000,000 United States loan, due on October 1st, came an unexpected weakness in the exchanges, accentuated by the news from Brazil. Small cereal shipments, rumours of heavy deficits in all government departments, and a general sense of reaction, all contributed to depress the market, with the result that the Argentine dollar fell gradually, until it touched 36½d. No panic measures were adopted. The Ministry of Finance first announced that it had struck a provisional balance showing that the present year would close with a deficit of \$698,000,000 paper, and a few days later issued a decree, on the authority of Article 62 of the current

Budget Law, whereby the Banco de la Nacion Argentina is allowed to export gold, against the deposit of equivalent sums in paper with the Conversion Office, for the purpose of meeting foreign debt services. Five million dollars gold will be shipped to New York on October 24th, and further remittances will follow; it is expected that some \$12,000,000 gold in all will be thus exported between now and the end of December. At the same time the banks have been given to understand that they will help the present situation considerably by abstaining from purely speculative exchange transactions and doing all they can to discourage such business. The situation has been tactfully handled, and there is good reason to believe that the upward movement of the Argentine dollar will be gradual, but free from extreme oscillations, during the next month, and thereafter, when reinforced by the new crops, carried to still higher levels.

Low prices for all cereals—November wheat is \$7.45 paper per 100 kilos; maize, \$5.05; linseed, \$14.40—and general world conditions do not encourage exports at the moment, but by the end of the year a healthier tone may be present, especially if anything comes of the proposed agreement between Argentina and Australian cereal interests to limit shipments.

As far as can be ascertained, it is the intention of the Government to study the whole question of Argentine currency from a new and present-day angle. The supposition is that this will eventually mean the drafting of a scheme for the abolition of the dual currency—paper dollars and gold dollars—as being anomalous, and the establishment of a single issue with a gold backing on a percentage basis. This naturally implies a change in the banking arrangements, and the readjustment of the Banco de la Nacion in such a manner as may best enable it to exercise influence upon the money market through the use of the discount rate, but exactly what system will be adopted is not yet known. Indeed, the probability is that no decision can be come to until the question has been considered from every possible angle. It bears upon the deficit above-mentioned, since, of the \$698,000,000, an amount of \$395,000,000 corresponds to unissued bonds for public works carried out at the expense of current revenues, while \$303,000,000 corresponds to actual administrative deficits, which *La Nacion* details thus: 111 millions deficit in 1929, 130 millions deficit for 1930, 25 millions State Railways deficit, 30 millions National Council of Education deficit, and 7 millions deficit in Posts and Telegraphs. These are all estimates, and are likely to be over rather than under the final figures. They are not as bad as it was feared they might be, and, inasmuch as the question of the outstanding bonds is as old as 1913, the position though unpleasant, is not one of any danger. There are two possible methods which would, in combination, help to bring about a permanent improvement in the financial situation—reconstitution of the currency system, which would free some \$200,000,000 gold, and the flotation of an external long-term loan, would conjointly dispose once and for all of what is in effect an old outstanding floating debt. At the same time thorough reorganisation of the budgetary system, with economy in administrative outlay—\$100,000,000 paper per annum has been named as a practicable figure in this connection—would enable the necessary administrative duties to be carried out without undue increase of taxation.

This very general survey of an intricate and complex problem may serve to show that Argentina's financial outlook is brighter than was at one time believed to be the case. All national bonds are firm, and those bearing 6 per cent. interest are but a couple of points under parity. Although pessimists insist that this is largely due to the investment of money here pending an improvement in the exchange which will enable remittances to be made without loss, it may be doubted whether such sums are, in the aggregate, as large as the pessimists would have us believe.

Letters to the Editor.

INTERNATIONAL MIDDLE-CLASS LIVING COSTS.

TO THE EDITOR OF THE ECONOMIST.

SIR,—The results of the inquiry into Comparative Middle-Class Living Costs made on behalf of Unilever, Limited, and published in last Saturday's *Economist*, embody information which would be of very real value if one could feel sure of the soundness of the material on which it was based and of the treatment the material has received. But a scrutiny of the tables and notes reveals features which give rise to serious misgivings.

To take one example: In four of the eight budgetary groups (food, servants, clothing and sundries) the increased expenditure as income rises is almost exactly proportionate in all the foreign countries, except Norway, to the increase in expenditure on those items in the English Budget. This is either an extraordinary phenomenon, or it is a sign that all these items in two of the tables have been derived by simple proportion from those in the third.

An equally remarkable proportionality reveals itself as between the "food" and "servants" items. In all countries alike (except Norway, where an adjustment has avowedly been made) the expenditure on servants is almost exactly one-fourth the expenditure on food at the £500 level, five-sevenths at the £1,500 level, and equal at the £3,000 level. Such an approximation to uniformity is unprecedented in international statistical comparisons.

It is important to know whether the tables are really based on ascertained data or have been in large part constructed one from the other with the aid of a slide rule. Internal evidence suggests the latter.

The information as to the relative costs of food in the different countries would be of value did not much more comprehensive information exist. The International Labour Office publishes twice yearly the comparative costs of foodstuffs in most of these countries. Their bases are far wider than any open to private inquirers, and their sources, data and methods open to detailed inspection. Where the Unilever figures differ from those of the International Labour Office (for France and Holland they are too low, in Norway too high) the difference is more probably due to error than to differences in the income scales. Indeed, the possibility of income levels affecting the food-cost differences as between country and country is ruled out by the proportionality already remarked.

As regards clothing, one may accept or reject the Unilever figures, or suspend judgment, according to taste. For seven years the expert statisticians of the International Labour Office have been seeking a way of adding the clothing item to their biennial comparisons, but have hitherto been baffled by the inherent difficulties of differences in national habits, needs and tastes. Anyone who has faced up to the problems involved knows their complexity, and knows the arbitrary decisions that must be taken to produce any international comparisons. No series such as that given in these tables is of any value unless the data and methods are disclosed.

"Rent" and "Motor-car upkeep" are not similarly proportional. But if the expenditure on food, servants, clothing and sundries move up proportionally with the rise in English expenditure, why not rent and motor-car upkeep? If a man can control his food, service, clothing and sundries expenditure by the slide rule, why not his rent and car expenditure? Why the aberrations shown in these items in the tables?

There survive this general scrutiny only two of the eight internationally-variable groups—taxation and schooling. The first is labelled simply "taxation." What taxation? Direct only? If so, where is the indirect in the taxation comparison? State income tax only? or State and Local? The manner of distribution of taxation varies greatly from country to country. The British figures are for income tax only; those of most of the other countries appear to include local taxation. The only official figures on which I can lay my hands at the moment are for Norway, where in 1927-28 persons with an average income of £600 a year paid 8.3 per cent. of their income in "taxation," which would make £41 10s. instead of the £100 in the first Unilever table, and for Amsterdam, where in 1923-24 persons with an average income of £520 a year paid 13.9 per cent., which would make £69 10s. instead of the £30 in the table. These discrepancies may be quite explicable according to the definition of "taxation," but they demonstrate that, without definition and detailed exposition of method, the "taxation" figures are meaningless.

The education item, as the *Economist* properly suggests in its preamble, raises the whole question of what it is that is being compared. In three countries (Sweden, Norway and Germany) a man apparently spends the same on the schooling of his children whether his income be £500 a year or £3,000.

So one can in England, if one chooses. If we spend more, it is because we choose to pay for our fancies. It is not education we pay for, but exclusiveness. In Sweden, Norway and Germany you do not get exclusiveness; you merely get education. If you want exclusiveness you pay for it at much the same rate as in England. Why, then, regard the Swede, the Norwegian and the German as getting for £40, £35 and £30 what they do not get at all at that price? What is it that is being compared?

Of the "Surplus" item it is difficult to speak seriously. On one interpretation it assumes that entertainments, clubs, holidays and recreation cost the same in all countries. But that is precisely what is supposed to be undergoing measurement. On another interpretation it assumes that net savings are determined solely by the balance of expenditure on these items. Why? Why not on other items also? Are these the only elastic items? And why must a man on a given income save or spend on these things the same amount in all countries? The only rational explanation of "Surplus" is that it has crept in by inadvertence from some other tables to which it properly belongs.

Examination of any tables at any point reveals some oddity or irregularity. Who gets a servant in England for £30 (less household expenses) a year? Who runs a car, with chauffeur, on £102 a year? Is it suggested that they are averages of people with and without servants, with and without motor cars or chauffeurs? Then, if averaging is the process, why is the average of motor-car expenditure of Norwegians on salaries of £1,600 nil? Is there a law in Norway that no one with a salary of £1,500 a year shall own a car? And why is there not a small figure for the average at the £500 level of people in all countries with and without cars or motor cycles.

Data from which one could attempt an estimate of the relative cost of living of middle-class families on various scales of income in a number of European countries would be of very great value, but it must be real data obtained and treated in accordance with recognised statistical technique. The Unilever inquiry has merely added confusion to uncertainty.—Yours faithfully,

JEREMY HALFORD.

London, S.W.1. November 11, 1930.

ACTUARIES' INVESTMENT INDEX.

TO THE EDITOR OF THE ECONOMIST.

SIR,—In your Investment Note on the new Actuaries' Investment Index Number you cite various authorities for purposes of comparison, and conclude by saying that the problem of choosing sample stocks of a really "representative" character is decidedly formidable. I should like to endorse that view from four years' practical experience. The first point to be settled is exactly what it is the compiler is setting out to measure. If he is purposing to measure changes in the fortunes of an active operator he must regard each week as a separate time-unit of measurement, and be prepared to change his list of shares so as to include those that are most active each week. If he does this, he must be prepared for very wide fluctuations in his index over a period of months and years, and must also realise that in times of boom at least "active" shares are synonymous with "rising" shares. This will give his index an upward tilt, which at the end of a few months will become sufficiently pronounced to need correction.

On the other hand, if he proposes to concentrate upon "representative" shares, as determined by their general importance or by the total number outstanding, he must realise that even a list of this kind cannot remain fixed for more than a few years at the most. His only course of action is to regard himself as an investment trust, and must "buy" and "sell" shares from time to time, being guided in his operations, not by the usual considerations that influence trust managers, but by changes in the "importance" of different shares. This is a task calling for some delicacy, if his index is to remain an honest reflection of the situation.

I have compiled two independent index numbers of industrial shares. One is the sensitive operators' index, and appears regularly in the *Financial Times*. The other, which has not yet been published in England, is based on a list of fifty ordinary shares, compiled from companies with the largest capital. To illustrate my points, I give them below, together with those for industrial ordinary shares cited by you last week:—

	End December, 1928 = 100.				
	End Sept. '29.	Dec. '29	July '30	Sept. '30	Oct. '30
Actuaries ...	95.6	81.9	72.3	70.1	69.5
Fin. News ...	97.9	84.3	75.9	74.3	74.2
Inv. Chronicle ...	88.8	75.9	68.1	66.8	65.9
Bankers' Mag. ...	104.2	92.7	86.5	84.8	80.0
Crump (50 im- portant shares) ...	92.3	85.1	76.1	73.3	71.7
Fin. Times (operators') ...	80.2	48.9	40.4	37.2	34.8

The decline in my index of fifty shares is 28.3 per cent. The decline in the *Financial Times* operators' index is 65.2 per cent. This both illustrates the greater sensitivity of the operators' index, and also shows how the more active (and (?) speculative) shares are affected by a slump in comparison with those of large (and (?) well-established) companies, whose shares change hands less on the market.

I may add that I have plotted the last two index numbers week by week on the same chart over a period of years. Although the slope of the operators' index, both up and down, and also the amplitude of its long-term fluctuations, are much greater than those of the other index, both curves display a striking parallelism in respect of their minor fluctuations between one week and the next.

The upshot is that the compilation of a stock index number demands a very different technique from that of a commodity index number. I am not sure whether on theoretical grounds the geometric is the best average to use; in fact, the conception of the investment trust requires the "weighted aggregate" (I reject the simple arithmetic, as being now theoretically obsolete). In any case, I suggest, the compiler must have a clear idea of what he is measuring, and must approach his problem accordingly. Finally, I agree with you in your criticism of December, 1928, as a base. The lack of precision inherent in these calculations means that there are grave objections to fixing the base at a date that falls either at the peak or the trough of the curve.—I am, Sir, yours faithfully,

NORMAN CRUMP

(Statistical Correspondent, *Financial Times*).
Leaffand, Wood Vale, N. 10.
November 8, 1930.

Books and Publications.

BANKING ABROAD.

MANY readers and reviewers instinctively distrust books whose preface bears the name of some *personnage magnifique*. The book* written on central banking by Mr Kisch and Miss Elkin is calculated, however, to allay this prejudice. Although its foreword was contributed by no less authority than Mr Montagu Norman, the book would stand well also on its own merit, and fully deserves the favourable reception which enabled its publishers to bring out three editions in less than eighteen months.

Although the authors are not afraid of expressing opinions as to central banking principles, they endeavour, wisely enough, to keep aloof from currency controversies. Their principal aim is to compare the existing central banking legislations and practices of various countries, and they certainly carried out this arduous task with an immense wealth of knowledge of the existing material. The material they have collected—a great part of which would be unattainable to anybody but the specialist with ample time for research—certainly contains controversial elements; but the authors leave it to others to explore the possibilities thus provided. Their work is, nevertheless, more than a mere book of reference. It has a thesis to support; the ideal to be attained is the greatest degree of uniformity of central banking system compatible with the differences between conditions prevailing in various countries. In the pursuance of that ideal the authors are occasionally inclined to be somewhat dogmatic. For instance, by implication they suggest that the reason of the suspension of the gold standard in the Argentine and Canada during 1929 was the absence of central bank. The case for the establishment of a central bank in every country is surely strong enough to make such over-statement superfluous. The authors lay, also, too much stress upon the conflicting interests of commercial banks and central banks. Although our system is based upon the exclusion of commercial banks from the control of the central institution, in other countries where commercial banks have their say in the management of their banks of issue the system produces equally satisfactory results.

One is inclined to regard central banks as semi-official institutions, throning on their Olymp, and to overlook the

* "Central Banks." By C. H. Kisch, C.B., and W. A. Elkin. With a Foreword by The Right Hon. Montagu C. Norman, D.S.O., Governor of the Bank of England. Macmillan & Co. 1930. Third Edition. 18s. net.

essentially "human" aspects of their activities. Chapter VII., describing the business activities of central banks, fulfils, therefore, an exceptionally useful task. Possibly it could have gone somewhat further in giving details of actual practice as to various operations. While the gold transactions to which the banks are compelled by their statutes are described, nothing is said in this chapter about gold transactions in which the banks take the initiative. To some extent this omission is made good in the following chapter on co-operation of central banks.

Another recently-published book* which deserves the attention of those interested in banking systems abroad is a monograph by Mr Whale on the German joint stock banks. In connection with the present inquiry into the relations of banks and industries in this country, this book is of great topical interest, for Germany is often quoted as the classical example of how banks should help industries. Mr Whale gives a detailed account of the useful work done in this respect by the German joint stock banks. Although in favour of the system—which justified itself in pre-war Germany by its success—the author does not fail to point out its weak points.

The book provides valuable historical and statistical material on the activities of German banks before, during and after the war. We could well do with similar thorough works on the banking systems of other countries. Mr Whale gives some indications as to the extent to which German foreign trade was financed in London, especially before the war; considering the great interest of this part of his subject, a more detailed examination of the means by which German banks are able to finance in this market long-term export credits would have been welcome. In dealing with the decline in the volume of acceptances of German banks after the war, he overlooks the fact that acceptance credits granted before the war by London branches of German banks (which were naturally included in balance sheets) were replaced to a great extent by acceptance credits granted by their Amsterdam subsidiaries, which are not included in the balance sheets of the parent institutions. Another minor omission is that of the names of London banks from the list of foreign banks in which German banks hold a participation.

* "Joint Stock Banking in Germany." By P. Barrett Whale. Macmillan & Co. 1930. 12s. net.

BOOKS RECEIVED.

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

(It would be a convenience to our readers if publishers would make a point of notifying us of the prices of books sent for inclusion in this column.)

The World's Economic Dilemma. By Ernest Minor Patterson. (London) McGraw-Hill Publishing Company, Ltd., 6 and 8, Bouverie Street. 17s. 6d. net.

A discussion of various phases of the world economic situation, built round the central problem presented by the growth of international economic interdependence concurrently with an intensification of economic nationalism.

Federal Reserve Policy, 1921-1930. By H. L. Reed. (London) McGraw-Hill Publishing Company, Ltd., 6 and 8, Bouverie Street. 12s. 6d. net.

A discussion of the Federal Reserve System, with particular reference to the adaptation of its policy to meet specific situations.

Selected Documents submitted to the Gold Delegation of the Financial Committee. (Geneva) League of Nations.

Includes eight memoranda on subjects relating to gold, stabilisation, and international price levels, by Sir Henry Strakosch, Mr O. M. W. Sprague, M. Jacques Rueff, Dr. L. J. A. Trip, and Dr. Feliks Mlynarski respectively.

Legislation on Gold. (Geneva) League of Nations.

A complete work of reference on the legislation on gold in seventy-one countries.

Oro e Prezzi. By Giuglio Scagnetti. (Rome) Tip. Terme, Piazza Terme, 6.

An article in Italian on monetary conditions, the international distribution of gold, and the relation between gold and prices.

Colonial and Foreign Banking Systems. By Keith Le Cheminant. Second edition. (London) George Routledge and Sons, Ltd., 68-74, Carter Lane. 6s. net.

The new edition of this very useful text-book has been brought up to date, and enlarged to include Holland and Switzerland.

The Canons of International Law. By T. Baty. (London) John Murray, 50A, Albemarle Street. 21s. net.

The purpose of the author, as stated in the preface, is not to embark on questions of detail, but to ascertain and reinforce certain guiding principles. His book is an interesting discussion of live problems.

The Mandates System. By Norman Bentwich. (London) Longmans, Green and Company, Ltd., 39, Paternoster Row. 15s. net.

As an international lawyer with practical experience of the working of the Palestine Mandate, Mr Bentwich is exceptionally well qualified to write of the legal and administrative aspects of the system of mandates. The treatment is of necessity descriptive rather than critical.

Papers on Indian States Development. (London) East and West, Ltd., 3, Victoria Street. 5s. net.

Six papers on the economic future of the Indian States.

The Economic Prospect before the Indian States. By John de la Valette. (London) East and West, Ltd., 3, Victoria Street. 2s. 6d. net.

This paper is also included in the collection above.

Population Problem of India. By B. T. Ranadive. (London) Longmans, Green and Co., Ltd., 39, Paternoster Row. 10s. 6d. net.

A study which is equally valuable for the student of Indian economics and for the student of population problems in general.

Silk and the Silk Industry. By Joseph Schober. Translated by R. Cuthill. (London) Constable and Company, Ltd., Orange Street. 21s. net.

An account, with illustrations, of the technique of the silk industry, from the rearing of the worm to the testing of the finished fabric.

A Manual of Rating. By S. R. C. Bosanquet and Percival Frere Smith. (London) Chapman and Hall, Ltd., 11, Henrietta Street. 25s. net.

A detailed guide to the principles which should govern the rating and derating of all classes of property, and the practice to be applied in each instance. It is very conveniently arranged.

International Labour Review, October, 1930. (London) George Allen and Unwin, Ltd., 40, Museum Street. 2s. 6d.

Includes an article by E. B. Dietrich on "The Present Status of the Cotton Textile Industry," with interesting international statistics, and one on "Land Reform in Roumania," by Dr. Olindo Gorni.

British Russian Gazette and Trade Outlook, October, 1930. 1s.

This tenth anniversary number, of which rather more than half is printed in Russian, contains a number of interesting articles and some useful statistics.

OFFICIAL PUBLICATIONS RECEIVED.

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

Annual Statement of the Trade of the United Kingdom with Foreign Countries and British Countries, 1929, compared with the years 1925-1928, Vol. II. £1 10s. net.

Colonial Reports: No. 1498, Federated Malay States, 1929, 2s. 6d. net; No. 1503, Mauritius, 1929, 2s. net; No. 1504, Gold Coast, 1929-30, 2s. 6d. net; No. 1505, Trinidad and Tobago, 1929, 1s. 6d. net; No. 1506, The Gambia, 1929, 1s. net.

Empire Marketing Board: Production and Trade of the Union of South Africa. November, 1930. 2d. net.

Correspondence Relating to the Position of the Sugar Industry in certain West Indian Colonies, British Guiana and Mauritius. Cmd. 3705. 1s. 3d. net.

International Labour Conference: Draft Conventions and Recommendations adopted by the Conference at its Fourteenth Session, June 10-28, 1930. Cmd. 3693. 1s. net.

Report on the Marketing of Dairy Produce in England and Wales. Part I.—Cheese. 6d. net.

The Stock Exchange.

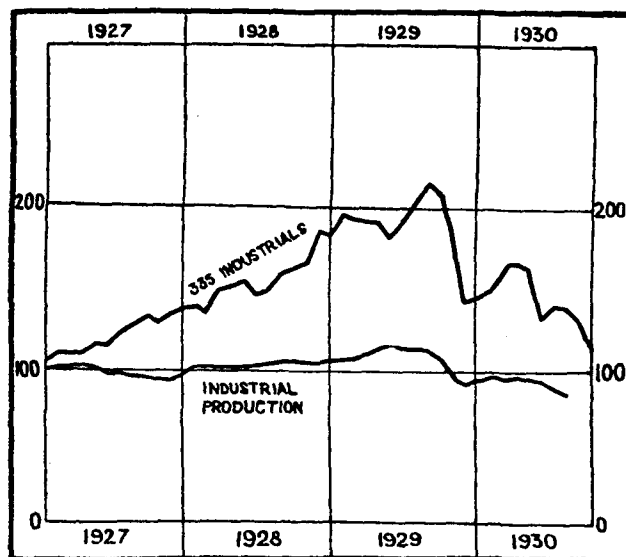
THE OUTLOOK FOR AMERICAN SECURITIES.

THE recent course of the American security markets has been disappointing and disquieting. Twelve months after the onset of the great "bear market," liquidation is still in progress, to the accompaniment of failures and rumours of failures, reduced industrial activity and lower company earnings. In London share values have lately been bumping along the bottom, with "secondary" rallies and, possibly, a slight gain on balance, while gilt-edged stocks have shown a firm tendency. In New York, on the other hand, stocks have fallen steeply and more or less continuously, while the bond market (after a rise which carried values back to the level of mid-1928) has suffered an appreciable reaction.

The last few months have, in fact, done much to reveal the American stock market situation in its true colours. A year ago, American authorities were well-nigh unanimous in regarding the slump as a purely Stock Exchange phenomenon which, once unhealthy speculative influences had been eliminated, would leave prices free to resume the upward trend of 1927 and 1928. The rise of values in the early part of 1930 was the logical outcome of this view. By the latter part of April, however, it became evident that American industry was in

AMERICAN SHARE VALUES AND INDUSTRIAL PRODUCTION.

(Average 1926 = 100.)



the grip of depression, and that all estimates based on current earnings must be revised downwards. Throughout the summer, increasing evidence accumulated as to the severity and extent of the economic depression. To-day, when it is only too clear that the autumn has not brought even a normal seasonal expansion in industry—much less an upturn in the long-term curve of activity—the inevitable and cumulative disillusionment of a whole nation has induced a mood of pessimism scarcely less pronounced than its converse of 1928-29.

Broadly speaking, the most striking conclusions which this year's events have suggested to the American people have been, firstly, that the growth of prosperity in their country was neither inevitable nor independent of world-wide forces; and secondly, that, even before the Wall Street boom of 1928-29 "got out of hand," the rise in security values was progressively outrunning the growth of industrial activity. The line marked "Industrial Production" on the annexed chart shows the course of the index number of production, compiled by the Washington Department of Commerce and adjusted for seasonal fluctuations. While average security prices

were 82 per cent. above the datum level (1926) in May, 1929, before the final upward surge in prices began, at no time was the average level of American productivity more than 18 per cent. above the 1926 datum point. The chart further shows that industry turned downwards in November last year, precisely at the same time as security prices suffered their first break. To-day, despite the accentuation of industrial depression since the spring of this year, the two curves are closer to each other than for many months past.

While the shares of every important American industrial group have slumped heavily in the last twelve months, the movement has been by no means identical in all cases. For instance, while industrial and railroad shares are, to-day, practically at the level of 1926, public utility stocks are still approximately 70 per cent. above the latter figure. As between the shares of different industrial groups, the "spread" is very considerable, as is shown by the table given below, based on data supplied by the Standard Statistics Company:—

(1926 average = 100.)

	Highest, 1929.	Lowest, 1929.	Highest, 1930.	Oct. 29, 1930.	Nov. 13, 1930.
Group indices:					
335 Industrials.....	218.9	134.5	174.1	113.8	105.4
33 Rails.....	173.5	127.8	145.5	108.7	99.0
34 Utilities.....	330.4	177.6	267.4	192.0	161.2
Total, 402 stocks.....	228.1	140.3	184.2	123.7	113.1
Separate industries:					
Automobiles*.....	294.4	124.2	173.6	104.6	
Building equipment.....	174.8	105.4	132.0	81.1	
Chemical (industrial).....	345.6	195.2	292.7	186.5	
Coal (anthracite).....	90.8	59.5	67.2	43.2	
Coal (bituminous).....	164.1	111.8	131.5	69.6	
Electrical equipment.....	419.0	202.6	372.5	208.1	
Oil.....	174.9	124.3	189.3	102.1	
Radio, etc.†.....	765.5	231.9	428.4	142.5	
Rayon.....	176.4	87.8	93.8	67.8	
Retail trade.....	206.9	114.0	124.1	90.9	
Steel‡.....	255.0	161.0	201.2	136.9	
Tobacco.....	158.6	116.8	161.0	134.5	
Telegraph and telephone.....	232.4	147.4	196.4	152.7	
Textiles.....	144.3	73.5	85.9	58.5	
Electricity, gas and water (holding companies).....	468.1	204.3	363.5	214.1	

* Including General Motors. † Including gramophone industry.
‡ Including U.S. Steel Corporation.

At the end of last month the shares of representative concerns in the electrical equipment, chemical, radio and telegraph and telephone industries were well above the datum level of 1926 (though the decline from the highest point touched after recovery in the early part of this year was severe in some cases). Other groups, however, like coal, textiles and building equipment, showed considerable depreciation below the base figures.

The American stock markets have undoubtedly suffered severe "deflation" in the last few months. When is the tide likely to turn? The hesitancy of the professional forecasting agencies to answer this question is typical of the uncertainty which clouds the immediate outlook. The two most relevant factors are firstly, the technical condition of the market and, secondly, the state of industry. Under the first heading, much has undoubtedly been done by way of liquidation, forced or otherwise, of stocks held on borrowed money. The figure of New York brokers' loans has now been reduced to the lowest level since the returns were started four years ago, and the total volume of bank credit involved in Stock Exchange operations has declined materially. It is generally believed, however—not without circumstantial evidence—that a number of weak houses are being supported in order to prevent the damaging moral effect of further failures, and that some of the country banks still have their funds tied up in loans on securities to a not altogether healthy extent.

THE WEEK IN THE MARKETS.

THE LONDON STOCK EXCHANGE.

SETTLING DAYS.

TICKET.
November 18.

ACCOUNT.
November 20.

THE markets showed the same tendencies as in earlier weeks—a sullen acquiescence in unfavourable developments and a willingness to put the best possible construction on good news. Gilt-edged stocks, for instance, early in the week were irregular rather than markedly easier on the tightening of money market rates and the weakness of the franc, but speedily strengthened when these depressing factors became less prominent. At the other end of the scale, oil shares, depressed by sales from Paris, showed unexpected powers of recovery on the maintenance of the Royal Dutch and Shell dividends. Altogether, the impression that London has seen the worst of its internal liquidation has been strengthened by the week's movements. No international centre, however, can calculate probabilities with reference merely to its own conditions, and it is possible that certain overseas centres are at a somewhat less advanced stage than London, as regards technical readjustment after prolonged depression. In this connection, special interest attaches to the detailed review of the Wall Street outlook which is given on the previous page.

The dullness of gilt-edged securities at the beginning of the week reflected a temporary withdrawal of support rather than selling on any appreciable scale. Conversely, the better tendency of mid-week was not accompanied by any considerable expansion of business. Funding Loan obtained special attention, while Four per Cent. Consols and all Conversion issues made a satisfactory showing. Australian loans, after becoming largely a nominal market on the proposals of the Caucus for an enforced extension of maturing internal liabilities, showed a measurable recovery (as described on page 920) on the victory of sounder opinion. Indian loans were steady before the opening of the Round Table Conference.

Foreign bonds showed considerable day-to-day fluctuation, Germans, for instance, being alternately sold and reabsorbed by Amsterdam and other Continental centres. Brazilians were irregular, and other South Americans undecided, reports being current of a new revolution in Peru. San Paulo loans had a weak appearance.

Last week's partial recovery in home rails was not maintained, the week's batch of traffic figures making a less satisfactory showing, while the prevailing attitude towards the wage negotiations was pessimistic. Rumours that the Argentine crops had been seriously affected by rust caused an all-round marking down of Argentine railway quotations, but the market subsequently regarded the news as greatly exaggerated. Antofagastas were out of favour. Canadian Pacific hardened on the improved tone of New York and Montreal on Thursday.

(Continued on page 918.)

TO AUGMENT CAPITAL

Read

INVESTMENT

by L. L. B. Angas

(Author of "The Coming Collapse in Rubber," 1926.)

A book which shows how to detect the beginnings and endings of slumps and booms in single industries, and how to exploit the fluctuations which take place in shares on the Stock Exchange.

Rules are laid down for the timing of both buying and selling, and directions are given for taking profits and losses.

A valuable feature of the book is the list of faults which must be avoided.

The Economist: "To the Stockbroker, and even more to the individual investor, this book will be a *vade mecum*, the mastering of whose principles will repay in hard cash many hours of study."

Financial News: "The most remarkable book on the technique of speculative investment published in England since the War."

Publishers: Macmillan & Co., St. Martin's Street, LONDON, W.C.1. 187 pages. Numerous Charts. PRICE 20/-

The industrial situation shows all the outward symptoms of a depression of unquestionable severity. The earnings' figures of the larger companies for the third quarter of this year have generally made a poor showing. To take but a few examples, the third quarter's earnings of Du Pont showed a reduction of 37 per cent. as compared with the same period of 1929; those of the National Cash Register a decline of 75 per cent.; those of the Westinghouse Electric, of 53 per cent.; while those of the Shell Union show a drop of no less than 88 per cent. The tendency, moreover, has been accentuated rather than relieved in the last few months. Available returns for two hundred companies reveal a decline in net earning of 33 per cent. for the first nine months of this year compared with 1929, but of as much as 45 per cent. when the comparison is confined to the last three months. The autumn seasonal revival has not come up to expectation. Car loadings have been running 3½ per cent. under the seasonal estimate, building contracts 1½ per cent., exports of merchandise 8½ per cent., and mail order sales 11½ per cent. Coal production has shown more than a normal seasonal gain, but pig-iron output has fallen short of its expected autumn recovery by about 6½ per cent., and steel production by 8½ per cent. It has even been reported that the steel industry which has been operating recently at about 50 per cent. of capacity, may fall to no more than 40 per cent. This year's crops have been of satisfactory volume, but as they will be marketed at prices considerably below those of a year ago, they are unlikely to contribute to a speedy revival of purchasing power from the South and Middle West.

There are, however, some observers who maintain that less than due attention is being paid to certain reassuring features. The heavy falling off in industrial production is, they maintain, itself calculated to hasten the dawn of eventual trade revival. Manufacturers are deliberately letting their stocks run down, and the repercussions of increased demand, whenever it comes, will be calculated to spread quickly through the whole industrial system. In some of the textile trades low prices have already stimulated demand to some extent, while the automobile and tyre industries, among others, have kept production so strictly in check that the end of the "consumers' strike" may have a disproportionately sharp effect on their activity. The readjustment of retail prices to the reduced level of wholesale values is slowly but surely getting under way, but in any case, retail trade, if allowance be made for price changes, has shown a smaller decline than manufacturing activity. The relatively bad showing made by the mail order houses reflects mainly the greatly reduced purchasing power of the agricultural areas. Sales by chain stores, however, have in recent weeks actually exceeded those of last year. The building industry, which has been among the most depressed, is now showing signs of increased demand, which is not entirely due to State-inspired works, but is very noticeable in the field of residential building.

Against these indications must be set the absence of any reassuring evidence regarding the position of some of the raw material-producing industries, and the probability that some groups, like oil and copper, may be faced with costly readjustments on the breakdown of attempted price control. Unemployment is widespread—the American Federation of Labour had 21 per cent. of its members unemployed in September.

Nevertheless, a feeling is gaining rather than losing ground in conservative quarters that Stock Exchange values have been brought into a closer relation with hard facts than for years past, and that the problems of American industry and the Stock Exchange alike are tending to hinge less on internal factors and more on a recovery of national confidence. There may still be a certain amount of "cleaning up" to be done, which may exert an unfavourable influence on the immediate future of security values. Broadly speaking, however, the Stock Exchange is now waiting upon industry, and its recovery may well date from the first tangible indications of increased productive activity.

[illegible]

	Nov.	Nov.	Rise	-
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[illegible]

12/3	6/4	7/13	2/9	Coal, Iron and Steel	4/3	4/3	...	NH	96/3	65/-	70/-	55/6	Tea & Rubber—cont.	61/3	62/6	+1/3	5 12	0	
16/1	16/1	16/1	16/1	Alum. Anthracite £1	15/-	15/-	...	NH	122/10	40/7 1/2	51/3	12/1	Johoreh Tea £1	13/5	45/-	...	6 13	0	
1/3	7d	10 1/2	5d	Do. 7% Cum Pref'd	5/-	6d	...	NH	21/10	22/6	21/3	13/3	Janjeze Tea £1	13/5	45/-	...	7 6	0	
7/3	55/6	63/-	49/-	Babcock, Wacoa £1	52/6x	52/6	...	5 15	0 1/2	6/3	3/7 1/2	5/-	Longwood Plantations £1	15/15	23/9	...	12 0	0	
6/6	2/9	4/2	1/1	Baldwins 4/-	2 3	2/3	...	NH	47/6	23/9	34/3	12/6	Malacca Rubber £1	15/-	15/-	...	12 0	0	
24/3	11/6	13/-	5/7 1/2	Bengal Iron £1	6 3	6/3	...	8 0	0	46/9	33/6	39/7	Rubber Trust £1	23/9	24/3	-6d	10 5	0	
15/6	13/-	13/7 1/2	10/3	Brown Peacock £1	12/6	12/6	...	4 16	0	61/6	3/3	4/6	United Serdang 2/-	2/7 1/2	2/7 1/2	...	6 13	0	
...	...	3/-	1/9	Bryer (Jhn) Ori. 6/-	2/6	2/3	-3d	NH	...	...	...	...	...	...	...	...	...	...	...
7/9	2/1 1/2	3/7 1/2	11 1/4	Cammell Laird £1	1/3	1/3	...	NH	...	...	...	...	...	...	...	...	...	...	...
14/6	8/7 1/2	10/3	9/6	Consett Iron £1	5/7 1/2	5/3	+7 1/2	NH	26/3	15/7 1/2	20/7 1/2	10/6	Anglo-Bouadourian £1	12/-	10/9	-1/3	6 10	0	
18/9	56/10	63/4	5/6	Cory, William £1	58/9	58/9	...	5 15	0	55/-	42/6	53/10	Anglo-Perian £1	35/1 1/2	35/1 1/2	-2/2 1/2	12 12	0	
11/10	5/6	7/3	3/4	Dorman, Long £1	4/9	4/9	+3d	NH	48/9	73/5 1/2	95/-	55/9	Apex (Trinidad) 5/-	14/7 1/2	2/6	-1/7 1/2	20 0	0	
3/10	10 1/4	17/7	6d	Ebbw Vale £1	7/8	7/4	...	NH	33/9	22/-	28/9	11/9	Attok £1	20/7 1/2	20/-	-7 1/2	20 0	0	
41/3	34/3	36/10 1/2	23/9	Guest Keen & Co. £1	28/9	25/-	-3d	8 0	0 1/2	67/9 1/2	20/7 1/2	40/7 1/2	Barb. Cont. Oils. Ord. \$5	1/4 1/2	1/3 1/2	-3d	NH	...	
18/4 1/2	8/9	10/-	...	Haddfields £1	7/-	6 3	...	8 0	0	7/6	3/9	4/10 1/2	Burmah Oil £1	80/-	75/-	-5/-	8 0	0	
16/3	10/-	12/3 1/2	41/10 1/2	Har. & Wt. 6% Om. Pt	5/6	5/6	...	NH	96/10	14/4 1/2	95/7 1/2	71/10 1/2	Canadian Eagle no par	8/6	7/7 1/2	-10 1/2	NH	...	
24/10 1/2	20/3	23/7 1/2	17/3	Hendon Collieries £1	17/6	17/6	...	8 11	6	13/10 1/2	9/7 1/2	14/7 1/2	Kern River Oil 10/-	27/-	26/3	+1 1/4	NH	...	
13/9	6/7 1/2	9/1 1/2	2/6	Millon & Askam £1	4/4 1/2	5/-	+7 1/2	10	0	8/10	5/6	2/6	Lokito Oils £1	31 1/2	31 1/2	...	9 10	0	
18/4 1/2	14/9	8/11	4/6	Ocean Coal & Wilsons	10/-	9 6	-6d	NH	18/10	36/3	54/0 1/2	24 1/2	Mexican Eagle £1(0/5)	27/-	27/-	...	NH	...	
10/1	3/9	4/4	1 1/2	Pease and Partners £1	1 1/6	1 1/6	...	NH	18/10	12/1 1/2	15/0 1/2	7/3	Phanix Oil £1	8/-	7/3	-9d	13 6	0	
20/9	11/6	12/9	6/-	Powell Duffryn £1	6 6	6/3	-3d	NH	16/3	8/9	14/1 1/2	6 10 1/2	Royal Dutch (88 1/2)	27 1/2	25 1/2	-2 1/2	7 15	0	
39/4 1/2	22/9	23/6	17/6	S. Durham Steel £1	18/9	18/9	...	6 6	0	38 1/2	31	35 1/2	Shell £1	82/6	75/6	-7/-	6 12	0	
17/6	9/4 1/2	11/-	5/-	Do. B. Ord. £1	6/3	6/3	...	5 15	0 1/2	118/-	88/9	99/4 1/2	Trinidad Leasehold £1	26/6	21/6	-5/-	7 1	0	
27/9	20/-	22/-	18/6	Staveley Coal & Co.	20/6	20/6	...	6 3	3	95/3 1/2	75/-	78/9	...	...	...	...	...	...	
35/9	21/3	28/-	20/4	Stewarts & Lloyds £1	24/3	24/3	...	6 3	3	...	...	...	...	...	...	...	...	...	
26/6	21/3	24/-	19/-	Swan, Hunter £1	20/7 1/2	20/7 1/2	...	7 6	6	...	...	...	...	...	...	...	...	...	
4/10 1/2	3/7 1/2	1 1/4	3/4	Thomas (Richard) £1	1 1/6	1 1/6	...	8 11	6	...	...	...	...	...	...	...	...	...	
12/6	6/3	7/8	1/2	Do. 4% Cum. Pref'd	7/-	6 3	-9d	NH	85/-	62/6	62/6	42/9	Astraal Crown £1	17/6	17/6	...	NH	...	
100/-	54/4	78/9	35/-	Thornycroft, John £1	45/-	35/-	-10	8 0	0	57/7 1/2	23/9	18/-	Alger Newspapers £1	21/3	21/3	-2/6	7 2	0	
26/5	155	203 1/2	143 1/2	U. States Steel \$100	\$150 1/4	\$145 1/2	-8 1/2	4 19	0	6/3	3/9	4/6	Amal. Dental Def. 5/-	3/6	3/6	...	9 8	0	
13/1 1/2	7/4 1/2	9/3	6/3	Vickers 6/8	7/9	7/6	-3d	7 3	0	28/-	19/6	24/1 1/2	Amal. Press (10/-)	20/-	20/-	...	7 10	0	
18/7 1/2	15/3	16/9	13/6 1/2	Ward (Thos. W.) £1	13/9	13/9	...	9 8	0	40/6	36/-	41/6	36/-	Army & Navy 10/-	38/-	38/-	...	6 11	0
...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
7/9	5/6	6/3	3/3	B. Otn & Wool Da. So.	4/9	4 3	+3d	8 11	3	...	...	...	...	...	...	...	...	...	...
36/6	22/4	24/-	14/9	Bleachers £1	18/9	18/9	...	10 13	3	...	...	...	...	...	...	...	...	...	...
17/3	30/9	33/9	17/9	Bradford Dyer (£1)	22/6	22/-	-6d	7 10	0	24/-	11/10 1/2	16/-	7/3	Agar Crown £1	17/6	17/6	...	NH	...
44/4	15/-	21/6 1/2	6/10 1/2	Brit. Celanese Ord (10/-)	9/-	9/-	-1 1/4	NH	43/6	34/3	40/9	36/9	Alger Newspapers £1	21/3	21/3	...	7 2	0	
13/9	11/3	15/6	8/9	Do. 7% 1st Om. Pf. £1	11/9x	11/3	-6d	12 9	0	52/-	43/-	48/9	33/9	Amal. Dental Def. 5/-	3/6	3/6	...	9 8	0
14/3	11/3	14/6	6/0 1/2	Do. 7% 2nd Om. Pf. £1	7/6	7/3	-3d	NH	34/4	24/-	27/3	23/-	Amal. Press (10/-)	20/-	20/-	...	7 10	0	
28/6	15/-	16/3	7/7 1/2	Calico Printers £1	10/6	10/-	-6d	NH	155/-	118/9	119/3	94/4 1/2	Army & Navy 10/-	38/-	38/-	...	6 11	0	
13/3	63/-	67/-	55/3	Coats, J. & P. (£1)	60/-	59/3	-9d	5 16	0	43/-	38/6	37/6	36/-	Asood. Nwsp. Def. 5/-	22/6	22/6	...	8 17	0
20/9	51/10 1/2	58/11	45/6	Constr. & Iron £1	45/6	44/3	-3d	4 11	3	16 1/2	12 1/2	25/-	Assoc. P. Cement £1	25/-	25/6	+6d	6 5	0	
45/9	25/-	29/7	17/3	English Swg. Ctn £1	36/3	36 3	...	7 10	0	54/3	54/3	54/3	27/6	Assoc. P. Cement £1	57/6	57/6	...	6 19	0
38/6	25/-	28/9	25/-	Fine Cotton Spun £1	23/-	19/-	-3/9	6 10	0 1/2	36/0	62/6	67/6	47/6	Barker (John) £1	22/6	22/6	...	...	...
27/-	19/3	19/9	11/6	Linen Thread (£1)	26/3	26/3	...	6 10	0 1/2	55/3	28/9	31/7 1/2	0/10 1/2	Berry Staines Lino	10/-	10/-	...	...	...
36/9	22/6	26/3	16/3	Lieters (£1)	13/9	13/-	-9d	NH	17/6	7/9	11/2	5/1	Borax Deferred £1	38/9	38/9	...	6 13	0	
29/1 1/2	10/-	15/3	6/3	Patons & Baldwin £1	20/-	21/3	+1/3	2 6	9	23/9	13/-	15/6	9/6	British Aluminium £1	35/-	35/-	+6d	5 12	0
...	...	...	...	Sals Viacosa L.120...	9/-	8/6	-6d	NH	117/6	78/9	96/6	66/3	British Match £1	24/6	24 6x	+4 1/2	4 17	0	
...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
58/6	23/9	32/-	20/-	Electric Manufg.	23/6	21/3	-2/3	8 13	0	...	...	...	...	...	...	...	...	...	...
89/4 1/2	69/9	80/9	64/4 1/2	Associated Elec. (£1)	70/-	70/-	-1/3	5 10	0	27/9	10/3	19/-	9/10 1/2	Carlton Hotel £1	27/6	25/-	-2/6	4 16	0
89/6	69/3	80/9	62/-	Brush Insulated (£1)	68 1/2	65/-	...	4 14	0	182/6	122/6	133/6	62/6	Carver's (Edw.) Ord £1	54/-	54/-	-10/-	9 1	0
...	...	...	...	Claudens (£1)	68 1/2	65/-	...	4 14	0	182/6	122/6	133/6	62/6	Chas. Harg. £1	32/-	35/-	+3/-	11 10	0
...	...	...	...	Crompton Parkmans £1	40/-	20 6	+6d	7 6	0	73/-	66/3	74/6	53/9	Chas. Harg. £1	32/-	35/-	+3/-	11 10	0
...	...	...	...	General Electric (£1)	46/3	45 9	+6d	4 7	0	33/-	20/-	30/-	18/7 1/2	Columbia Graph. 10/-	51/3	46/3	-5/-	8 17	0
...	...	...	...	Hanley (W. T.) (£1)	6	6	...	5 0	0	45/6	25/3	29/-	17/9	Critical Manufg. £1	22/6	22 6	...	8 17	0
42/10 1/2	30/6	40/9	33/-	Johnson & Phillips £1	37/6	37/6	...	5 6	8	17/18	8/6	9/10 1/2	4/9	Debenham Sec. (5/-)	6/-	6/-	...	10 9	0
33/6	23/9	26/4	20/-	Siemens £1	21/3	22/-	+9d	6 18	0	138/9	91/3	101/6	89 1/4	Dunlop 6/8	12/3	11/9	-6d	8 8	0
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NEW ISSUE PRICES.

Stock or Share	Issue price.	Amt. paid.	Price, Nov. 6, 1930.	Price, Nov. 13, 1930.
Ayr 5% 1947-57	101	5	3½-4 pm	3½-4 pm
Buenos Ayres Gt. Southern Rly. 4% deb. stk.	74	24	1½-2 pm	2½-2½ pm
Central Argentine Rly. 5% deb.	87½	37½	4-4½ pm	4-4½ pm
Central London Rly. 5% deb.	99½	25	4½-4½ pm	4½-4½ pm
Ceylon 4½%	95	5	2½-2½ pm	2½-2½ pm
Gas Light and Coke 4½% deb.	91½	21½	2-2½ pm	2-2½ pm
General Electric 5% deb.	98	25	4½-4½ pm	3½-3½ pm
Grosvenor House (Park Lane) 7½% cum. pref. £1	par	fy. pd.	16/6-17/6	17/-18/-
India 6% 1935-37	100	30	3½-3½ pm	3½-3½ pm
Kelly's Directories 6½% deb.	98½	fy. pd.	104-105	104½-105½
London Electric Railway 5% deb.	99½	50	4½-4½ pm	4½-4½ pm
London and North Eastern Railway 4½% deb.	90	5	...	1-1½ pm
Myatt (Frank) 5½% deb.	...	...	...	1-1½ pm
South Africa 4½% 1935-75	95½	5	...	1-1½ pm
Treasury Bonds 4% 1936-46	100½	10	104-104½	104-104½
Yorks Electric Power	98½	...	104-104½	104-104½

(Continued from page 915.)

Business in the industrial markets was restricted, public and professionals alike finding no reason to lighten their commitments and numerous reasons for refusing to extend them. New York, as in previous weeks, was an uncertain influence, but came in more strongly towards the end of the week, when internationals became harder than for some time past. Among domestic industrials, electricity supply shares made the best showing. The motor group was heavy, the Thornycroft report (discussed on page 921), being regarded as disappointing, while the reduction in the Dennis dividend was not put down to conservatism alone. Textile shares moved within narrow limits, the recent slight spurt of buying from the provinces having died down. The passing of the Fine Cotton Spinners' interim dividend was unwelcome, but not unexpected. Tobacco shares came again on offer, and breweries were irregular. Little business was done in the iron and steel group, where the decision of Guest, Keen and Nettlefolds to make no interim payment caused a setback to confidence. A slight hardening of Cunards was associated with parliamentary developments in connection

with the insurance of the company's new super-steamers. Newspapers were firm on the maintenance of the Daily Mail Trust dividend. Kreuger and Toll were offered from America. Though insurance share prices were maintained, dealings were on a smaller scale than last week. Bank shares were more irregular, apart from those of the Indian banks, which obtained special support.

Dealings in rubber shares were of narrow dimensions, though the market's tone was better on the steady price of the raw material. Business in tea shares was even more meagre, but feeling showed a noticeable improvement on the end-October figures, which revealed that Eastern tea-producers were acting fully up to their engagements under the output regulation scheme. A considerable business was done in the oil market, where prices were weak at the outset, on Paris selling and other influences described in a special note on page 921, but strengthened subsequently, though the recovery was not held.

Dealings in Mining shares were again, with a few exceptions, on a narrow scale. Despite a record monthly output from the Rand, Kafirs were largely neglected by the Cape. Gold Fields improved on the 7½ per cent. dividend, which was above expectation. Rhodesian shares had a dull week, but Chartered came into request from Paris and Wankies improved on an increased final dividend. The statement by the Union Minister of Mines that effect would be given to a diamond sales agreement, in accordance with which the Government would regulate its sales, caused a strengthening of De Beers. Rhodesians were subject to selling pressure, but improved on the news of the copper agreement in America, which was hailed as an event of first-rate importance. A more cautious view is suggested by a trade correspondent on page 923. The advance in the price of copper caused a sharp recovery in Tintos, which had been sold from Paris earlier in the week.

"FINANCIAL NEWS" DAILY BARGAIN INDEX.
(Approximate number of Bargains recorded in Stock Exchange Lists.)

	Nov. 6, 1930.	Nov. 7, 1930.	Nov. 10, 1930.	Nov. 11, 1930.	Nov. 12, 1930.	Nov. 13, 1930.
Government and Municipal Loans	1,616	1,661	1,970	1,329	1,449	1,447
Transport, Communications, and Public Utilities	1,195	1,160	1,289	1,039	943	976
Commercial and Industrial Banks, Insurance and Financial	1,810	1,797	2,032	1,667	1,776	1,749
Mines (including Nitrate) ..	720	684	762	558	519	613
Oil	375	319	385	304	346	405
Rubber, Tea and Coffee	113	116	298	278	223	181
Total	128	136	118	78	109	94
Total	6,957	6,873	6,904	5,231	5,371	5,463

* Including iron and steel and breweries.

"FINANCIAL NEWS" DAILY AVERAGE OF 30 INDUSTRIAL ORDINARY STOCKS.
(1928 = 100.)

Highest of 1930. (Apr. 17.)	Lowest of 1930. (Aug. 26.)	Nov. 6, 1930.	Nov. 7, 1930.	Nov. 10, 1930.	Nov. 11, 1930.	Nov. 12, 1930.	Nov. 13, 1930.
90.6	72.6	77.2	77.0	76.4	75.8	75.4	75.8

FOREIGN STOCK EXCHANGES.

NEW YORK.

The continuance of fairly heavy liquidation in the early part of the week, which puzzled some market experts, was explainable by moderate forced selling and considerable bear activity. Weakness was particularly noticeable in railroads, while in the oil group Standard of New Jersey was carried for a time below 50, the point at which the famous Rockefeller buying order was placed last year. Amusement shares were the object of numerous bear drives, Warner Brothers and Fox showing particular weakness, despite the statement that the latter would earn and pay a \$4 dividend. Later, there was a good deal of bear covering when the effects of the announcement of a new restriction agreement spread from copper shares to many other markets. The industrial situation developed according to expectation.

Steel production has fallen from 47 to 43 per cent. of capacity, and no upturn is prophesied before January. Car loadings are down by a further 2½ per cent., but retail business still keeps up well and the textile industries have shown a further slight improvement. In the stock markets the best rises in the latter part of the week were shown by Anaconda, New York Central, America Smelting, Allied Chemical and Ingersoll Rand. The bond market was steadier, sales to support stock positions tending to dry up. Call money remained at 2 per cent., but was usually available outside the market at 1½ per cent. or less.

	Oct. 30, 1930.	Nov. 6, 1930.	Nov. 13, 1930.		Oct. 30, 1930.	Nov. 6, 1930.	Nov. 13, 1930.
U.S. 3½% T. Bds.	106½	106½	106½	Natl. Biscuit	76½	77½	74½
Do. 4½% T. Bds.	113½	113½	113½	Phelps Dodge	24½	22½	24½
Lb. Ln. 3½% 32-47 ..	101½	101½	101½	Pullman	55½	57½	60
Do. 4½% 32-47 ..	102½	102½	102½	Sears-Roebuck	49½	47½	47½
Do. 4½% 33-39 ..	103½	103½	103½	Studebaker	22½	21	20½
Atchafalpa	200	195	191	Un. Fruit	65½	66½	66
Ches. & Ohio	43	41½	40½	U.S. Leather	7	6½	5½
Erie	35½	35½	27½	U.S. Rubber	13½	12½	12½
Illinois Central	98½	95½	87½	U.S. Steel	146½	143½	145
N.Y. Central	140	138	33	Westinghouse	104½	98½	99½
Pennsylvania	67½	63½	60½	Woolworth	63½	61½	58½
Southern Pacific ..	104½	102½	100	Worthington Pump ..	81	76½	80½
Southern Rly.	71	67	64½				
Union Pacific	196	192	183½	Am. Tel. & Tlg.	196½	192½	187½
Am. Can.	118½	113½	114½	Electric P. & L.	49½	44½	43½
Amer. Smelting ..	64½	51½	53	Int. Tel. Tlg.	30	27½	27½
Anaconda	36½	34½	38½	Radio Corp.	20½	19½	14½
Bethlehem Steel ..	70½	66½	63½	Utilities P. & L.	26½	24½	23½
Chrysler Motor ..	16½	15½	16½	W. Union Tlg.	139	135½	138½
Corn Producers ..	78	75½	78				
Eastman Kodak ..	171½	162½	166	Assoc. Gas "A" ..	23½	21	21
Gen. Electric (New) ..	51½	49½	48½	Pan Amer. B.	47½	46½	43
Gen. Motors	35	33½	35½	Sinclair Oil	13½	13½	13
Int. Harvester ..	60½	59½	58½	Std. California ..	51½	51½	51½
Montg. Ward	20	18½	18½	Do. N.J.	53½	52	53

By courtesy of the Standard Statistics Company, Inc., of New York and 13, Copthall Avenue, London, we print the following index figures of American values calculated on closing prices (1926 = 100) :-

	1928.		1929.		1930.		
	Lowest.	Highest.	Lowest.	Highest.	Beginning of Year.	Nov. 5.	Nov. 12.
335 Industrials ..	132.5	186.4	134.5	218.9	146.0	108.4	105.4
33 Rails	120.5	139.7	127.8	173.5	134.5	105.2	99.0
34 Utilities	128.3	180.6	177.6	330.4	202.2	170.4	161.2
Total, 402 Stocks ..	130.3	178.9	140.3	228.1	183.0	117.6	113.1
Average yield of 50 Industrial Common Stocks ..	3.32%	4.42%	3.10%	5.23%	4.83%	5.79%	5.85%

DAILY AVERAGE OF 50 INDUSTRIAL COMMON STOCKS (1926 = 100).

Highest of 1930. (Apr. 10.)	Lowest of 1930. (Nov. 10.)	Nov. 5, 1930.	Nov. 6, 1930.	Nov. 7, 1930.	Nov. 8, 1930.	Nov. 10, 1930.	Nov. 11, 1930.	Nov. 12, 1930.
202.4	121.5	127.7	128.4	124.5	123.8	121.5	123.1	126.2

TOTAL DEALINGS IN NEW YORK.

	Nov. 6, 1930.	Nov. 7, 1930.	Nov. 8, 1930.	Nov. 10, 1930.	Nov. 11, 1930.	Nov. 12, 1930.	Nov. 13, 1930.
Stock Exchange—Shares (Thous.) ..	2,441	3,360	2,065	4,418	3,327	3,415	3,446
Bonds (Value—Thous. \$) ..	9,206	11,009	5,799	10,923	9,976	9,686	9,821
Curb—Shares (Thous.) ..	699	855	951	1,276	805	732	721

* 2-hour session.

BERLIN.

Selling pressure set in on the Berlin Bourse immediately after the elections, and lasted until October 13th. The vigorous upward movement which succeeded the decline was due to the sudden improvement in the foreign exchange market. On October 9th the Reichsbank raised its discount rate, and by creating stringency in the money market put an end to further withdrawals of gold and foreign exchange. A revival of German borrowing in foreign markets, and the end of the decline in quotations of German internal loans, marked the improvement. During the last ten days of October, however, the Bourse became quiet once more on news of unfavourable develop-

ments in German industry and on the foreign stock exchanges. Early in November the depression grew more profound, uneasiness being felt regarding possible developments on the resumption of the Reichstag session early in December. Inter-group share movements last month, however, were far from uniform. While most bank shares were depressed, for example, Reichsbank shares rose considerably. A few industrials, like Farbenindustrie and Karstadt, were firm, while others fell substantially. Hapag and Lloyd lost a few points in anticipation of a dividend reduction; and A.E.C. dropped about 10 per cent. on rumours of a lower dividend. The declines in Zellstoff-Waldhof (the greatest German paper company) and Selzdetfurth (one of the leading potash companies) attracted particular attention. The most marked fall was shown by Deutsche Linoleumwerke, owing to the company's serious losses over its policy of expansion in France and Holland. Bonds have recently shown improvement, chiefly as a result of the stringent limitations of new internal issues.

Official "Cash" Quotations in all cases.					
	Oct. 6, 1930.	Nov. 8, 1930.		Oct. 6, 1930.	Nov. 8, 1930.
<i>Banking and Insurance.</i>			<i>Industrials—cont.</i>		
Berliner Handelsg. Commerz und Privat	133½	131	Deutsche Erdöl....	66	66½
Darmstädter	118	114½	Deutsche Linoleum ..	156	122
Deutsche and Disconto	161	149	Dynamit Nobel....	64	65
Dresdner	116	110	Farbenindustrie ..	137½	139
Reichsbank	115½	110	Feldmühle Papier ..	118	117½
Allianz und Stuttgarter	220	227½	Geisenkirchen	98	86½
Nordstern	178	173	Görlitzer Waggon ..	106	88
	212½	205	Harpener	87	83
<i>Communications.</i>			Hirsch Kupfer	119	121
Deutsche Reichsbahn Pref.	88½	87½	Kali Aschersleben ..	196	188½
Hamburg-Amerika	78	72	Karstadt	90½	95
Hamburg - Süd - Amerika	164½	157	Lindström	435	430
Hansa	123	122½	Mannesmann	73	71½
Norddeutscher Lloyd	78½	72½	Nationale Autom.	12	11½
<i>Industrials.</i>			Norddeutsche	48	59
Allg. Elektrizität	122	113	Orenstein und Koppel	48	47
Augsburg - Nürnberg, Masch.	69½	68	Polyphon	150	150
Berlin	73	69	Riebeck Montan....	...	81
Bergmann	149	132	Rutgers	50	49½
Continental Gummi	129	125	Selzdetfurth	280	260
Daimler-Benz	75½	24½	Sarotti	105	102
Dessauer Gas	117½	109	Schlesische Textilwerke ..	8½	6
			Schultheiss-Patzenhofer	190	175
			Siemens und Halske ..	180	177
			Tietz	120	117½
			Verein. Glanzstoff ..	...	100
			Verein. Stahlwerke ..	70	67½
			Zellstoff Waldhof ..	121½	108

x Ex dividend this month.

x Ex dividend this month.

INVESTMENT NOTES.

Are Long-Term Interest Rates Falling?—Although London has had the benefit of cheap money for the last eight months, there has been no rush of new issues, the total new money raised this year up to the present being, in fact, no more than £230,000,000, an increase of only £19,000,000 over the same period of last year, when money market rates were approximately 2 per cent. higher. The Actuaries' index figures (which were set out on page 871 of last week's *Economist*), show, indeed, that up to the end of October, the market prices of sound fixed-interest

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stocks were (apart from gilt-edged) little if at all above the level reached in December, 1928, when the "equity boom" was at its height, and Bank rate stood at 4½ per cent. Long-term rates have, indeed, been slow to adjust themselves to the fall in short-term rates, partly through the tendency of the public, at the beginning of a depression, to include all industrial shares, equities and fixed-interest alike, in the same urge to sell. Within the last few weeks, however, evidence of the beginning of a better adjustment between long- and short-term rates has been observable, and borrowers of high standing can float issues to moderate amounts giving yields anything up to ½ per cent. less than before the summer holidays. It may be asked how present rates compare with those prevailing during the last spell of cheap money, in 1922-23. An approximate answer is given in the following table:—

LONDON BORROWINGS AT FIXED INTEREST, 1922-23, AND 1930.
(000's omitted.)

	Year 1922.		Year 1923.		First nine months, 1930.	
	Amount.	Average Yield.	Amount.	Average Yield.	Amount.	Average Yield.
British Govt. loans ...	369,628	5.59	77,536	5.30	43,790	5.03
Colonial Govt. loans...	58,582	5.66	69,409	5.06	27,295	5.98
Foreign Govt. loans...	14,254	7.85	26,462	6.96	21,330	7.11
British municipalities	5,555	5.74	Nil	...	32,971	5.00
Colonial municipalities	7,024	5.88	4,741	5.45	1,739	5.15
Foreign municipalities	7,088	6.78	Nil	...	Nil	...
British railways	6,523	4.95	6,849	4.75	9,140	5.16
Colonial railways	Nil	...	1,200	4.95	2,513	5.95
Foreign railways	14,722	6.92	5,483	6.00	3,510	5.70
Industrial and commercial bonds, debentures, &c.	43,846	6.72	40,504	6.4	14,958	5.76
Preference stocks and shares.....	30,808	7.17	15,778	6.59	12,146	6.20

Analogies between the two periods cannot be pressed too closely, owing to differences in the average type of borrower. The particular "Foreign railways" and "Colonial railways" which entered the market, in 1922, for instance, were of a much more speculative character than those which have borrowed this year. Industry and commerce, again, have been far less active in raising new money by debenture issues. Broadly speaking, however, the table suggests that long-term capital rates are, in fact, ½ to ¾ per cent. lower to-day than they were seven years ago. The chief exceptions to this rule occur in groups affected by political risks, which were not envisaged in 1922-23, the outstanding examples being the high rates paid, in the "Colonial Government" group by the Government of India, and in the "Foreign Government" group, by San Paulo, Germany, and Austria. It may be that history will repeat itself, and that, if cheap money continues for some months, long-term rates will show a further fall broadly comparable to that which occurred in 1923, after cheap money had been inaugurated in the middle of 1922.

The Professional "Stag."—A good deal of comment has been aroused by the heavy and successful "staggering" of recent new issues. Since the days of the South Sea Bubble, writes a Stock Exchange correspondent, the practice of "staggering" has always been popular. When George Hudson was throwing a network of railways over England, some eighty-five years ago, the companies he promoted proved so popular with the stag division that it was thought desirable to introduce special legislation for the protection, not only of a company, but of the genuine investor. To-day the stag is once again becoming unpopular. An investor desirous of obtaining, say, £2,000 of a Gas Light and Coke 4½ per cent. debenture issue, and applying for rather more than he expects to get, may receive an allotment of £100 stock. The stag, on the other hand, who has no desire to take up the stock for investment purposes, boldly writes for £50,000 stock, and receives £600. If he is successful in obtaining one

of the preferential allotment forms that are issued to shareholders, he does still better. On allotment, the capitalist with £2,000 finds that he will have to pay a premium of two points, or more, in order to obtain the other £1,900 of stock that he requires for permanent investment. The stag is unconcerned with the character of the security that happens to offer a chance of a profit, and will just as willingly write for gilt-edged securities as for rubber or mining shares. The only requisites for his trade are a small office, a few rubber stamps, an intelligent errand boy, and the ability to control relatively moderate sums of money. It may be replied that he runs no little risk of being left with stock that he does not want. At this retort, the stag will undoubtedly smile, because a very little training in the business is required in order to develop a kind of instinct which is all but unerring in its sense of what new issues should be left alone. The stag makes an occasional mistake in not applying for issues that go to a premium, but he very rarely "goes for" an issue that is not promptly oversubscribed. He does not merely rely on instinct. He may stand at the door of an issuing house on the morning of a new loan offer, to see the extent of a possible rush for the shares. He gets to know what kind of mail the bank has received on the morning in question, and has means of judging when subscription lists are likely to close. If the lists remain open for longer than he expects, he has no hesitation whatever in withdrawing his application. Many an issue appears to be "oversubscribed" at the start, but is subsequently left largely with underwriters owing to hasty withdrawals by stags. Many expedients are adopted to checkmate the activities of the stags, but their greatest standby is the lurking and perfectly natural desire of issuing houses that their operations shall command the dramatic success signalled by the immediate closing of subscription lists. That staggering is expensive and annoying to the genuine investor is widely admitted. Probably, however, even the latter might acknowledge, if he were pressed, that when times are quiet and money-making opportunities few, he derives, on occasion, a certain mild diversion, if nothing else, from small-scale staggering on his own account.

A Recovery in Australians.—British investors have found the events of the last few days in Australia reassuring, so far as they go. It is clear that Australian public opinion, confronted with the possibility of an overt act of default as a result of a decision of the Labour Party Caucus, has ranged itself behind Mr Scullin and Mr Lyons in support of the view that Australia's internal and external credit must be maintained at all costs. The sequence of events, which is detailed in a "Note of the Week" on page 902, has accordingly been reflected in a measurable recovery in quotations for the majority of Australian stocks:—

	Yield at Last Prices (including demp.)			
	High, 1930.	Oct. 29, 1930.	Nov. 7, 1930.	Nov. 12, 1930.
Commonwealth 5%, 1945-75	95½	81½	79½	82
N.S. Wales 4%, 1942-62.....	77½	62½	59½	59½
N.S. Wales 5½%, 1947-57 ..	96½	80½	77½	79½
Queensland 6%, 1930-40 ...	100½	95½	89½	89½
S. Australia 5%, 1945-75...	91½	80½	74½	77½
W. Australia 4½%, 1935-65.	83½	78	74½	70½
Tasmania 5%, 1945-75	93½	88½	83½	83½

A further recovery must await the issue of the decisive trial of strength between the Commonwealth Government and the Caucus, which, apparently, has been merely postponed and not averted. Meanwhile, holders of Australian stocks will hope, firstly, for an early announcement that satisfactory arrangements have been made with regard to the £10 millions of Commonwealth Government Treasury bills which fall due, in London, as to one-half on December 31st and half on March 2nd next; and, secondly, that the recent signs of increasing firmness in

the Australian wool markets can be taken as presaging better times for Australia's most important export industry.

Investment Trusts in Holland.—In our issue of last week we dealt with the rapid post-war growth in popularity of the investment trust in America. In other countries, however, the investment trust, on British lines, has been slow to make headway. In Holland, for example, a few companies whose objects are ostensibly those of an investment trust, have been formed in recent years, but few have attained outstanding success. Within the last few weeks, however (writes our Amsterdam correspondent) the so-called "fixed trust" has made its appearance on the Netherlands market, and has been accorded a cordial welcome by the financial press. The Société Internationale de Placements (founded by an international banking group, with the Bank-Associatie holding the Dutch interest) has issued certificates and the North American Trust has offered shares. The former are based on a choice of thirty prominent international securities and the latter on a selection of first-class American stocks. These introductions have been decidedly successful and have been followed by a purely Dutch offer, the Nationaal Beleggingsdepot (National Investment Depot), with certificates based on twenty-one Dutch securities, including some which are not traded in very regularly. Finally, yet another "fixed trust" is being offered, comprising units of 300 different stocks, all American with the exception of Royal Dutch shares. A factor in the success of these issues has been the appeal made by the low nominal value of the individual certificates to the small investor. Shares of low denomination are practically unknown in Holland, where shares with a nominal value of 1,000 guilders are usually traded in on the American market, shares of 100 guilders being regarded as exceptional.

The Oil Position.—The annual convention of the American Petroleum Institute at Chicago this week has focussed attention on the economic problems of the oil industry. Stocks of gasoline in America have now begun to show their seasonal increase. On October 18th they amounted to 36,655,000 barrels compared with 32,160,000 barrels a year ago. Gasoline prices have weakened to levels never previously recorded. The bulk price of the "U.S. Motor" grade of gasoline ex Oklahoma refinery has fallen from 7½ cents earlier this year to 4½ cents per U.S. gallon. Stocks of all oils have increased year after year from the level of 187,000,000 barrels in January, 1919, to 689,000,000 barrels in January, 1930, an amount equivalent to about 7½ months' supply. Restriction in the Mid-Continent, California and Texas fields has brought down the output of the American oil fields this year from 2,722,050 barrels to 2,378,200 barrels a day, a decline of 12.6 per cent. The danger is, however, that restriction may break down among the independent producers now that crude oil prices have been reduced. There has been considerable liquidation of oil shares in London, though a firmer tone obtained on Thursday last. The following table shows the highest prices this year, as compared with those of November 7th and November 12th, of numerous market leaders:—

	High, 1930.	Nov. 7, 1930.	Nov. 12, 1930.	1929. Divs.	Yield on Old Divs. % s. d.
Anglo-Persian Oil	95½	3½	2½	20	6 16 2
Burmah Oil.....	95/7	4½	3½	30	7 18 8
Royal Dutch	35½	27½	25½	24	7 15 1
Shell Transport ...	5	4½	3½	25	6 12 3
(tax free)					
Shell Union	\$25½	\$10½	\$8	\$1.40	8 10 8*
Trinidad Leaseholds	78/9	1½	1	7½	7 10 0
V.O.C.	62/9½	1½	1½	20	10 8 8†

* On basis of payment of two quarterly dividends of 35c. each.
† Assuming dividends of 15 per cent. on increased capital equivalent to 20 per cent. on old capital.

The interim dividends of the Royal Dutch and Shell Transport companies have been maintained, as was generally expected. The final dividends will not be decided upon until May next year and no doubt the directors will be guided by the economic position of the oil industry at that time. In the meantime price-cutting in the retail oil markets must be expected to continue, and it is doubtful whether any widespread improvement in the oil situation generally can be expected before next spring.

Guest, Keen Interim Dividend Passed.—Something of a shock was administered to the "heavy" industrial markets on the announcement that the board of Guest, Keen and Nettlefolds, "in view of the menacing industrial outlook at home and abroad," had decided to postpone consideration of a dividend on the ordinary shares until after the end of the financial year (March 31st). For the past eight years these shares have received a regular 10 per cent. tax free, of which 5 per cent. has always been paid as an interim. A reduction on this occasion was expected, the shares having fallen from 35s. six weeks ago to 28s. 9d. on the day before the announcement. The company's statement gave no indication whether profits sufficient to meet a dividend on the ordinary had, in fact, been earned. In past years Guest, Keen policy, so far as it has been revealed by published figures, has tended towards profit distribution "up to the hilt," and in times like the present there is everything to be said for the conservation of resources. The company's interests are far-flung, and profits would appear to be increasingly dependent on its light, small and specialised products, rather than on its heavy steel departments or coal interests. So far as heavy steel is concerned, the policy of the new company, which acts as a joint subsidiary of Guest, Keen and Baldwins in South Wales, has rightly been to concentrate production on the works near the coast, thus cutting out the double rail freight charge, inward on imported ore and outward on the finished steel. This has involved no less a step than the closing down of the great Guest, Keen steelworks at Dowlais, and the only blast furnaces operating to-day in the whole of South Wales are one at Cardiff and one at Margam, both owned by the joint company. In view of the interim dividend decision, it is to be hoped that at the end of the year the directors will consider the case for taking shareholders as fully as possible into their confidence as to the real position of the company. Guest, Keen is now principally a holding company, properties standing in the balance sheet at some £2,000,000, whereas investments in subsidiary companies are valued at over £14,600,000. An explanatory statement as to the present composition of this last item would be helpful to investors generally.

John I. Thornycroft.—The accounts of these vehicle and marine engineers for the year to July 31st last make disappointing reading. Net profit at £95,876 reveals a decline of £33,624, trading profit having fallen from £145,639 to £112,229. The dividend on the ordinary

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HEAD OFFICES: LIVERPOOL AND LONDON.

shares is reduced from 17½ to 13 per cent., earnings showing a fall from 31.7 to 20.4 per cent. :—

Year to July 31.	1928.	1929.	1930.
Net profit	113,012	129,700	95,876
Brought forward	51,670	55,182	61,882
Preference dividend.....	12,000	12,000	12,000
Rate per cent.	6	6	6
No. of times covered	9.4	10.8	7.9
Prof. ord. dividend	22,500	22,500	22,500
Rate per cent.	9	9	9
Ordinary capital :			
Earned, £	78,512	95,200	61,376
Paid, £	45,000	52,500	39,000
Earned per cent.	26.2	31.7	20.4
Paid per cent.	15	17.5	13
To reserve	25,000	30,000	20,000
Other allocations	5,000	6,000	5,000
Carried forward	55,182	61,882	59,258

It is clear from the available data that the fact that "sales of commercial vehicles, marine motors and motor boats showed an increase as regards the home market, but a reduction as regards overseas markets," to which the directors' report apparently attributes the decline in profits, cannot be explained wholly by the prevailing world depression. Total exports of commercial vehicles from the United Kingdom for the six months to June 30, 1930, while revealing a numerical decline of 1,197 to 8,743, compared with the similar period last year, were valued at £1,660,349, against £1,660,878. During the same period, however, the export of Thornycroft vehicles to such important markets as New Zealand, New South Wales and Queensland are understood to have fallen considerably. The national exports of marine motors have risen in value from £210,313 to £418,645. In the circumstances, shareholders will welcome a reassurance from their directors that their company's competitive position has not been affected. The price of the £1 ordinary shares fell 10s. on the publication of the report. At 1½ the shares yield £8 per cent., allowing for the dividend of 13 per cent.

Joshua Hoyle.—Continued depression in the cotton textile industry is reflected in a further drop in Joshua Hoyle's gross profit by £33,714, to £99,176. After payment of debenture interest of £71,636, net profits were £29,896 lower at £27,540. This sum represented less than half the preference dividend requirements, and was carried forward.

YEAR TO END OF SEPTEMBER.	1927.	1928.	1929.	1930.
Profit	170,388	151,286	132,890	99,176
Debiture interest	78,785	77,458	75,454	71,636
Net earnings	91,603	73,828	57,436	27,540
Preference dividend	56,000	56,000	56,000	...
No. of times covered by earnings	1.6	1.3	1.0	0.49
Ordinary :—				
Earned per share.....	6½%	2½%	...	...
Paid per share, rate subject to tax	6½%	3½%	...	...
Paid per share, equivalent, tax free	5%	2½%	...	...
Amount of dividend	32,000	20,000	...	...
Renewals and reserves, &c.	10,000	Dr. 70,000	Dr. 125,000	...
Inc. or dec. in carry forward	-6,397	-2,172	+1,436	+27,540

The balance sheet disclosed a total decline in assets of £186,496. Stocks and stores at £554,646 were £81,232 lower, while debtors were £121,834 less at £221,454. Although loans to subsidiaries declined by £98,863 to £338,768, there was a rise of £200,054 in investments in subsidiaries. During the year £28,170 of debentures were redeemed, and ordinary loans at £49,817 showed a reduction of £36,975. Creditors were £119,900 less at £369,724. The directors state that conditions have become increasingly difficult, and provision has been made in the accounts for the fall in the price of cotton. The present price is 3s. 1½d. per £1 ordinary share.

Hay's Wharf.—The continuous extension of this company's properties, which now have an almost uninterrupted frontage on the south side of the Thames, has necessitated a considerable increase in capital during the past two years and has brought about a consequent reduction in current percentage earning power. For the year to June 30th last, net profits totalled £248,387, a new high record since the company's incorporation as a public company in 1923 and an advance of £19,290 on the previous year's results. The preference capital requires £89,400, against £74,400 in 1929, while the sum of £158,987 earned on the ordinary capital, increased last year by a bonus issue of £140,000, compares with £154,697, and represents 17.6 per cent., against 18 per cent. earned :—

Year to June 30.	1928.	1929.	1930.
Net profit	225,063	229,097	248,387
Brought forward	46,338	66,001	56,297
Preference dividend.....	59,400	74,400	89,400
Rate %	6	6	6
No. of times covered	3.8	3.1	2.7
Ordinary capital—			
Earned £	165,663	164,697	158,987
Paid £	86,000	94,400	100,000
Earned %	21.6	18	17.6
Paid %	10	10	10
To reserve	60,000	70,000	50,000
Carried forward	66,001	56,297	65,284

The sum of £50,000, compared with £70,000 last year, is placed to reserve account, which now stands in the balance sheet at £300,000, while £65,284 is carried forward, against £56,297 brought in. The company's investments in allied and subsidiary companies, which are given in detail, are shown at cost, £1,077,322. Sundry debtors and cash together total £277,807, while sundry creditors stand at £624,641. The 6 per cent. preference shares are quoted at 23s. 3d., to yield about £5 3s. 3d. per cent.

Dalgaty and Company.—In view of the depression in Australia and elsewhere, shareholders may congratulate themselves on receiving a dividend of as much as 10 per cent. Though the company's main business is to act as selling agent for the wheat-grower and wool-grower, it owns several stations of its own. Gross profit fell by £206,669 to £927,222 last year, and net profit was £186,644 lower.

	YEARS ENDED JUNE 30.		
	1928.	1929.	1930.
Gross profits.....	1,060,953	1,133,891	927,222
Expenses	429,059	408,063	440,128
Debiture interest	129,664	126,172	139,209
Taxes (Australian and British) ...	150,343	157,388	111,939
Net profit	351,887	422,590	235,946
Preference dividends	25,000	25,000	25,000
No. of times covered	14.1	16.9	9.4
Ordinary :—			
Earned per share.....	21.8%	26.5%	14.1%
Paid per share, free of tax ...	17.0%	17.0%	10.0%
Amount	255,000	255,000	150,000
Writing down premises	25,000	25,000	25,000
Staff provident fund	25,000	25,000	25,000
Overseas staff bonus	50,000	60,000	...
Inc. or dec. in carry-forward	-28,113	+32,590	+10,946

Over 75 per cent. of the company's business is concerned with the pastoral and grazing industries. The other odd 25 per cent. includes shipping agencies and motor-car agencies, both of which have been affected by the world-wide depression and the high tariff. Despite the falling away in earnings, the surplus of liquid assets has shown a considerable rise of £764,169 to £6,893,064. This growth only just falls short of the additional £826,000 debentures issued during the year. This, with the proceeds of sales of Government securities (which were £245,967 lower at £26,372) accounts for the growth of

£700,827 to £6,904,290 in "advances on land," and of £232,040 (to £688,272) in actual cash in hand. The increase of £384,936 in debtors is due to several causes, the chief of which is probably the granting of extended time by the company to "the man on the land" to tide him over the effects of depression and drought. In their report the directors state that conditions in Australia improved during the year, good rains falling in all States except the northern portion of West Australia where rain is badly needed. Conditions in New Zealand are described as patchy, but, after two years of drought, heavy rains resulted in satisfactory crops in Kenya. A smaller wool clip in Australia, together with falling prices, made the wool season a trying one, and a lighter clip is expected this year. At the wool sales at present taking place in Australia, prices are down by 25 per cent., and the wool is finer and lighter in texture. A bumper wheat season is expected as an increased acreage has been planted, and good rains have fallen in places where, in recent years, wheat growers have encountered most formidable difficulties. The £10 preference shares are secured by net tangible assets of £74 15s. 6d. per share, their dividend being covered 9.44 times. The yield on the ordinary shares at their present price of 8½ is £6 1s. 4d. per cent.

Copper Restriction Plans.—Reports of an intended curtailment of 20 per cent. in the world's copper output have been responsible for a scramble to secure supplies and a rise in values during the past few days, writes a trade correspondent. In round figures the cut in production has been foreshadowed at 30,000 tons per month, which would no doubt be the beginning of a scaling down of the huge reserves above ground. So long, however, as consumption continues at its present meagre rate, months must elapse before the results are seen in a real reduction of the 600,000 short tons held in America (North and South) alone. In pledging themselves to any world agreement for cutting down production, the combination of American and other producers would have to tread warily in view of the Sherman Anti-Trust Law, but doubtless this difficulty will be overcome. At 10 cents a pound, at which sales were made on Wednesday, copper is undoubtedly very cheap. If the price fell lower, by reason of the absence of policy, high cost producers would no doubt bow to the inevitable and close down. African interests are said to have been a stumbling block to any agreement regarding curtailment, but their share of the "cut" is now being mentioned at 5,000 tons per month. To many this figure sounds incredibly high.

Daggafontein.—The courage displayed by the sponsors of this undertaking in making a second attempt appears likely to be well rewarded. It may be recalled that the expenditure of a large sum upon development was attended with very indifferent results; and work was suspended for a number of years. Then the idea was conceived of testing the property at depth through the lower levels of the adjoining Springs Mines. Results proving encouraging, the financial reorganisation of the undertaking was decided upon, and early in 1929 further working capital to the amount of £340,300 was provided. Options at par over 622,100 shares are current until November 24th; they will doubtless be exercised. This week the shareholders have received a circular giving an estimate of ore reserves. The total is placed at 1,033,800 tons, averaging 8.64 dwts. over a stopping width of 43 ins. In view of these results, and of the prospects, the directors consider that the erection of a reduction plant of "substantial capacity" is warranted. They have accordingly requested the consulting engineers to proceed with the design. Nevertheless, shareholders will still need to exercise patience.

Broken Hill South.—Our mining correspondent writes :—The full text of the report to June 30th emphasises the extent to which the company's investments contribute towards the earnings. Of last year's net profit of £282,300, about £175,100 came from the mine and £107,200 from the investment section. The total compares with £358,800 in 1928-29 and £208,400 in 1927-28. In respect of 1928-29 the directors were content to repeat the previous year's dividend total of 22½ per cent., carrying forward the largely increased surplus of £232,100. For the past session the distributions total 32½ per cent., leaving £181,700 to go forward, after appropriation of the somewhat increased sum of £130,000 for new plant, etc. Why, in view of the declining tendency of metal prices, a liberal line should have been taken in the distribution of the profits, it is difficult to explain. The latest dividend announcements have been on a distinctly lower scale—1s. in June and 6d. in October. At £727,900 the surplus and cash assets show a shrinkage of £218,000 on the twelve months; the difference, however, is almost accounted for by the increase in shares in other companies, which are excluded from the computation. The amount of £727,900 represents about 18s. per share, consequently the current price of the share (25s.) makes little allowance for the plant, property and other interests. The following table vividly indicates the extent to which metal prices have fallen during recent years :—

	Lead.	Silver.	Zinc.
	Per ton.	Per oz.	Per ton.
	£ s. d.	s. d.	£ s. d.
Average for 1926-27	28 15 7	2 4 6	31 17 9
Average for 1929-30	20 19 6	1 10 9	20 15 5

Lead has since further receded to barely £16, zinc to £15, and silver to 1s. 5d. Hence the reduction in the dividend rate referred to above. At 1,250,000 tons the ore reserves display no change. The quantity represents about twelve years' supply for the mill.

CAPITAL ISSUES.

Individual borrowers this week have been more numerous, and less "exclusive." *The Assam Railways* offer was largely a conversion issue. The terms were calculated to attract holders of maturing stocks, while cash subscribers were offered nearly £5 13s. per cent. on a well-covered security. *The Second British Steamship Trust* is in excellent hands. Its appearance is an interesting indication that at least one well-informed group considers the present time opportune for extending investment trust interests. *The Long Acre Press*, over 80 per cent. of the capital of which is held by Odhams Press, publishes *The People* newspaper, which has increased its weekly circulation in the last five years from 526,000 to 2,558,000 copies. This week's issue will repay maturing stock. A yield of 7½ per cent. on a debenture is an indication that an "industrial risk" is present. *British Cinematograph Theatres* is a relatively small company, whose profits have increased in the last three years from £11,806 to £14,344. Its issue of 8 per cent. participating preference shares is to be used to repay loans. On the figures for the relatively short period of the company's existence, the minimum dividend is fairly well covered, but the times are still out of joint for speculative issues of this nature.

ISSUES OF THE WEEK.

By Prospectus or Offer for Sale.

Net total recorded, January 1 to November 8, 1930, £229,104,355.
Total, including conversion recorded, January 1 to November 8, 1930, £409,819,986.

National Savings Certificates.					
Net sales, week ended November 8, 1930, £250,000.					
Total receipts, April 1, 1930, to November 8, 1930, £4,900,000.					
To the Public.	Nominal Capital.	Conversions or Repayments.	New Money Cash Subscriptions.	First Payment.	Further Liability.
Long Acre Press.....	200,000	140,000	60,000	10,000	190,000
Assam Railways and Trading.....	1,000,000	900,000	75,000	50,000	925,000
Second British Steamship Trust	500,000	...	500,000	25,000	475,000
British Cinematograph Theatres	20,000	...	200,000	10,000	10,000
Total issued to the public, week ended November 15, 1930 ...	1,720,000	1,040,000	655,000	95,000	1,600,000
To Shareholders only.					
Rosario Drainage, 110,760 ord. shares £1 at 25s.	110,760	...	138,450	69,225	69,225
Total to shareholders only, week ended November 15, 1930 ...	110,760	...	138,450	69,225	69,225

Total Offered for Subscription—		Total Offered for Subscription—	
Including	Excluding	Including	Excluding
Conversions.	Conversions.	Conversions.	Conversions.
Jan. 1 to date—	£	£	£
1930	411,903,436	230,147,805	285,239,400
1929	250,114,038	211,788,438	269,058,073
1928	510,687,191	336,657,460	365,165,970
1927	...	307,087,011	230,782,600
1926	...	199,953,490	232,214,500
1925	...	202,340,376	209,326,101
1924	...	174,938,525	271,399,173
1923	...	256,784,858	573,675,653

By Stock Exchange Introduction.

Amount previously recorded		Amount	Prices at which	Total
		Introduced.	Dealing	Cash
		£	Involved.	Involved.
Auckland Harbour Board, £155,000 5% 1950 Loan at 9½% (Nov. 10)		149,575	97½	151,125
Total, week ended November 15, 1930		149,575	...	151,125
Total to date, 1930		17,302,953	...	19,003,832
Total to date, 1929		31,234,288	...	43,294,299

Assam Railways and Trading Company.—Issue of £1,000,000 5½ per cent. mortgage debenture stock at 97½ per cent. Holders of the 4½ per cent. and 5 per cent. mortgage debenture stocks have the right exercisable up to November 19, 1930, to surrender their holdings for an equivalent amount of 5½ per cent. mortgage debenture stock and to be paid a cash payment of £2 10s. per cent. on January 1, 1931, in addition to accrued interest. The 5½ per cent. issue will be redeemed on July 1, 1971, at 100 per cent., or at 105 per cent. in the event of voluntary liquidation or other intermediate contingencies. Net profit for the year ended March 31, 1930, totalled £169,757, covering interest on the present issue over three times.

Second British Steamship Trust.—Issue of 50,000 shares of £10 each at par. The shares forming the initial capital, when fully paid up on June 1, 1931, will be converted into preference and ordinary stock, in the proportions of 50 per cent. of the former and 50 per cent. of the latter, the former to carry a fixed dividend of 5 per cent. The company is formed for the purpose of carrying on the business of an investment trust company under the same direction and management as the British Steamship Investment Company. No underwriting contract has been entered into.

Long Acre Press.—Issue at par of £200,000 7½ per cent. debenture stock. Holders of "B" debentures have the right, exercisable up to November 17, 1930, to convert their holdings into 7½ per cent. debenture stock. The balance of the "B" debentures not so converted will be redeemed out of the proceeds of this issue at 105 per cent. on June 1, 1931. The issue is to be redeemed annually by purchase or drawings by means of a sinking fund commencing in 1934, or in any case not later than December 1, 1953. The company reserves the right to redeem the stock in whole or part at any time after December 1, 1935, at 102½ per cent. Net profits for the year to December 31, 1929, totalled £76,631, covering interest on debenture stock, including the present issue, 2.7 times.

British Cinematograph Theatres.—Issue of 40,000 8 per cent. participating preference shares of 10s. each at par. The issue is being made in order to reduce the company's indebtedness on loans raised to extend and improve the company's theatres. The average net profit for the past three years, after allowance for depreciation, totalled £10,050, covering dividend on the present issue more than six times.

West Hampshire Water Company.—Issue by tender of £33,000 five per cent. perpetual debenture stock, minimum price of issue £98 per £100 stock, yielding at that price £5 2s. per cent., and 1,000 £10 5½ per cent. preference shares, minimum price £10 10s. per share, yielding at that price £5 4s. 9d. per cent., and 1,000 £10 ordinary "B" shares, ranking for a maximum dividend of 7 per cent. equally with the existing similar shares, at a minimum price of £11 15s. per share, yielding at that price £5 19s. 2d. per cent. Net revenue of the company for the year to June 30, 1930, totalled £17,245, covering debenture interest, including the present issue, 4.1 times. The dividend on the preference shares, including the present issue, was covered 2.7 times.

Particulars of the following have been issued "for information only," with a view to Stock Exchange introduction. **Auckland Harbour Board** 5 per cent. 1950 loan. Issue of £155,000 debentures to bearer of £100 each. **Joseph Terry and Sons.** Issued capital, £812,490, in 464,370 first 7 per cent. cumulative preference shares of £1, 116,040 second cumulative preference shares of £1, 19,340 preferred ordinary shares of £1 and 212,740 ordinary shares of £1. The company was incorporated in 1895 to take over the business of wholesale and retail confectioners. **Kingdom of Iceland.** Particulars of an issue of £540,000 5½ per cent. 40-year sterling bonds of 1930. Redemption will be effected by a cumulative sinking fund, sufficient to complete redemption by November 1, 1970.

WEEKLY TRAFFIC RETURNS.
RAILWAYS OF GREAT BRITAIN AND IRELAND.

(b) Week ended Nov. 6, 1930.	(c) Week ended Nov. 7, 1930.	Miles Open.	Week ended Nov. 8, 1930.					Aggregate 45 weeks, 1930.				
			(000's omitted.)					(000's omitted.)				
			Passen.	Merch.	Coal and	Total	Passen.	Merch.	Coal and	Total	Receipts.	Total
			Gen.	dies.	Coke.	Goods.		Gen.	dies.	Coke.	Goods.	
Great Western...	3,751	188	202	115	317	505	10845	9,506	5,281	14,787	25,632	25,632
Do. for 1929...	3,751	196	222	129	351	547	11239	10047	5,591	15,638	26,877	26,877
Lon. & N. Eastn. (o)	6,362	296	415	247	662	958	16128	17414	11,375	28,789	44,917	44,917
Do. for 1929...	6,361	303	447	273	720	1,023	16763	18874	12,096	30,970	47,733	47,733
Lon. & Mid. & Soot.	6,956	452	525	262	787	1,219	23904	23674	12,336	34,910	58,814	58,814
Do. for 1929...	6,957	458	617	281	898	1,356	25289	25721	12,096	37,617	63,106	63,106
Southern...	2,175	265	69	23	92	357	14594	3,466	1,324	4,790	19,384	19,384
Do. for 1929...	2,175	272	76	27	103	375	14932	3,534	1,454	4,988	19,920	19,920
Total of above	19248	1181	1211	647	1858	3,039	65471	54060	29,216	83,276	148,747	148,747
Do. for 1929...	19244	1229	1362	710	2072	3,301	68223	58173	31,327	89,410	157,633	157,633
Metropolitan (c)	59	31	8	4	1	35	1462	9	178	9	1641	1641
Do. for 1929...	59	35	5	4	2	37	1457	10	174	2	1631	1631
† Undgd. B. R. (o)	...	301	9	...	...	301	13531	...	...	...	15,581	15,581
Do. for 1929...	...	295	3	...	...	295	12882	...	...	...	12,882	12,882
Lon. & Sub. Gr. up	...	43	9	...	...	43	2000	...	...	...	2000	2000
Do. for 1929...	...	43	2	...	...	43	1891	...	...	...	1891	1891
B. R. & Co. D. W. r.	80	1	9	...	...	1	124	9	33	3	158	158
Do. for 1929...	80	1	8	...	...	1	123	7	39	8	163	163
* Great Northern b.	562	9	9	13	4	23	...	...	...	...	1226	1226
Do. for 1929...	562	10	5	15	6	24	...	...	...	...	1302	1302
* Great Southern b.	2,187	23	5	47	2	70	...	...	...	...	3235	3235
Do. for 1929...	2,187	23	7	51	6	75	...	...	...	...	3594	3594

* Aggregate 4½ weeks.
† Includes receipts from independent omnibuses during current year.

OVERSEAS RAILWAY RECEIPTS.

Name.	Weeks.	Ending.	Present Mileage.	Gross Receipts for Week.		Total Gross Receipts.	
				1930.	+ or -	1930.	+ or -
INDIAN.							
Assam Bengal ...	41	Oct. 11	1,306	Rs. 4,22,000	Rs. - 60,736	Rs. 10,721,286	Rs. - 424,110
Barel Lt. Ry.	29	18	202	26,800	- 7,400	11,26,400	- 226,600
Bengal & N. Western	2	18	2,079	5,09,902	- 79,392	12,90,634	- 178,019
Bengal-Nagpur ...	28	11	3,139	19,91,100	- 8,10,896	4,32,55,203	- 4,775,828
Bombay, Bar., & G. I.	31	Nov. 1	3,094	18,10,000	- 5,89,000	5,88,17,000	- 5,226,000
Madras & S. Mahr.	42	Oct. 18	3,229	13,71,000	- 1,91,469	4,31,58,949	- 84,60,703
† Rohilk'd & Kumaon	2	18	561	95,916	- 20,825	2,43,587	- 33,550
South Indian ...	26	Sept. 30	2,371	19,73,581	- 32,867	3,27,53,129	- 12,73,338

† Including Lucknow-Bareilly State Railway.

CANADIAN.

Name.	Weeks.	Ending.	Present Mileage.	Gross Receipts for Week.		Total Gross Receipts.	
				1930.	+ or -	1930.	+ or -
Canadian National	43	Oct. 30	20,290	6,82,604	- 111,133	189,274,118	- 38,287,116
Canadian Pacific...	44	Nov. 7	15,470	3,392,000	- 605,000	152,939,000	- 29,150,000

† 10 days.

SOUTH AMERICAN.

Name.	Weeks.	Ending.	Present Mileage.	Gross Receipts for Week.		Total Gross Receipts.	
				1930.	+ or -	1930.	+ or -
Antofagasta (Chili and Bolivia) ...	45	Nov. 9	804	22,480	- 23,960	1,200,050	- 533,215
Argentine N. B. ...	19	8	753	14,200	- 900	276,500	- 12,900
Argentine Trans. dn.	19	8	111	3,049	- 1,598	64,319	- 14,052
B. A. and Pacific ...	19	8	2,806	122,000	- ...	2,233,000	- 557,000
B. A. Central ...	19	9	...	11,786	- 1,286	247,988	- 7,973
B. A. Gt. Southern ...	19	8	5,009	184,000	- 11,000	3,495,000	- 647,000
B. A. Western ...	19	8	1,926	67,000	- 8,000	1,264,000	- 294,000
Central Argentine	19	8	3,359	197,000	- 25,000	3,675,000	- 992,000
Central Uruguay	19	8	273	38,488	- 367	564,880	- 57,340
C. Urug. (East Ext.)	19	8	311	7,701	- 317	112,649	- 9,963
C. Urug. (N. Ext.)	19	8	185	3,920	- 525	63,899	- 7,308
C. Urug. (W. Ext.)	19	8	211	2,967	- 325	54,142	- 4,871
Cordoba Central ...	19	8	1,218	58,000	- 2,000	1,199,000	- 63,000
Entre Rios ...	19	8	804	26,000	- 700	459,300	- 23,000
G. Westn. of Brazil	45	8	1,035	15,600	- 10,800	2,43,200	- 205,400
Leopoldina ...	45	8	1,856	29,553	- 20,032	...	...
Leopoldina Term. n.	45	8	...	...	- 9,000	12,675,000	- 70,000
Nitrate (½ monthly)	10†	Sept. 31	410	17,761	- 18,446	359,276	- 337,876
San Paulo ...	47	Nov. 9	1534	30,990	- 15,939	1,809,871	- 404,388
United of Havana	19	8	1,369	32,051	- 14,004	664,738	- 282,297

* Traffic interrupted by storms. † Months. ‡ No returns yet for previous five weeks

OTHER OVERSEAS.

Name.	Weeks.	Ending.	Present Mileage.	Gross Receipts for Week.		Total Gross Receipts.	
				1930.	+ or -	1930.	+ or -
Gt. Southn. of Spain	44	Nov. 1	104	£ 109,277	- 29,722	£ 4,327,395	- 1,012,214
Mexican Railway	19	7	483	£ 204,000	- 25,800	£ 4,164,100	- 265,200
Paraguay Central	19	8	274	5,480	- 810	72,580	- 6,480
Salvador ...	19	8	100	2,385	- 1,550	41,594	- 26,735

TRAMWAYS WEEKLY GROSS RECEIPTS.

Name.	Weeks.	Ending.	Present Mileage.	Gross Receipts for Week.		Total Gross Receipts.	
				1930.	+ or -	1930.	+ or -
Anglo-Argentine ...	44	Nov. 4	329	£ 82,019	- 4,732	£ 3,601,726	- 193,550
B. Aires Lacrosse ...	19	9	...	12,222	- 166	209,738	- 12,546
Liverpool Corp. ...	44	8	124	29,885	- 337	558,457	- 356
Madras Electric ...	42	Sept. 31	...	Rs. 41,082	- 348	9,27,614	- 48,878
L.O.C. Tramways	32	Nov. 6	166	82,590	- 994	2,591,289	- 26,121

* Including motor 'buses. † Months. ‡ Fortnightly figures.

MONTHLY TRAFFICS.

Name.	Months.	Ending.	Description.	Receipts for Month.		Receipts to Date.	
				1930.	+ or -	1930.	+ or -
Dorada R'way (Ropeway)	9	Oct. 31	Gross	£ 3,800	+ 100	£ 35,300	- 11,800
Dorada R'way	9	Oct. 31	Gross	11,300	- 20,300	199,300	- 180,800
Taifal Railway	9	Oct. 31	Gross	13,135	- 5,650	44,100	- 15,895
Bolivar Railway	9	Oct. 31	Gross	11,600	+ 250	118,450	+ 5,600
La Guira & Caracas R'way	9	Oct. 31	Gross	9,070	- 1,160	102,120	- 1,705
Midland of W. Aust.	3	Sept. 30	Gross	15,461	- 3,158	42,649	- 9,424

COMPANY MEETINGS, &c.

ENGLISH, SCOTTISH, AND AUSTRALIAN BANK, LIMITED.

GRATIFYING RESULTS OF A DIFFICULT YEAR.

MR ANDREW WILLIAMSON'S INTERESTING REVIEW.

The thirty-eighth ordinary general meeting of the English, Scottish, and Australian Bank, Limited, was held, on the 12th instant, at the head office, 5 Gracechurch Street, London, Mr Andrew Williamson (chairman of the bank), presiding.

The Chairman, in moving the adoption of the report and accounts, said: As you are aware, the last year has been one of very considerable difficulty in Australia. After four years of severe drought in Queensland, New South Wales suffered severely from the same cause last year, and there then supervened a very heavy fall in the price of wool, Australia's principal primary product, together with the cessation of the inflow of borrowed money. All these factors combined to hit Australia heavily, and the year represented in our accounts has been a very difficult period, especially during the later months. In these circumstances I think you will agree with me that the results of the working of the bank for the period under review have been gratifying.

Before going through the accounts I will this year first give you a brief review of the general finance and trade of the year, as I think in that way you will the more easily appreciate an examination of our figures.

exportable surplus, which is estimated at between 150,000,000 and 160,000,000 bushels, or nearly three times that of last year.

BUTTER.

Butter is also an important item in Australian exports, and the following are the figures for the last three years to June 30th each year:—

1928	99,164,900 lb. :	in value £6,905,900
1929	102,442,800 lb. :	" 7,545,400
1930	104,982,500 lb. :	" 6,698,100

the average price for the respective years being 1s. 4.7d., 1s. 5.6d., and 1s. 3.31d. The seasonal outlook for the current year is excellent, and last year's quantities should be maintained and possibly exceeded. Australia consumes locally nearly twice as much butter as she exports.

SUGAR.

Coming now to sugar, the production of cane sugar is an important industry in Queensland. In this case I will take the last two years, as previously the figures were brought in on a different basis. The exports during the last two years to June 30th were:—

1929	199,496 tons :	in value £2,390,810
1930	181,746 tons :	" 2,217,176

The shrinkage in quantity and value from the preceding year was in this case negligible.

FROZEN MEAT.

The exports of frozen meat for the last three years have been:—

MUTTON AND LAMB.		
To June 30th		
1928	46,363,000 lb. :	in value £1,188,000
1929	84,929,000 lb. :	" 2,166,000
1930	100,411,300 lb. :	" 2,386,000

BEEF.

To June 30th		
1928	169,098,400 lb. :	in value £2,377,800
1929	189,090,400 lb. :	" 2,883,300
1930	156,748,700 lb. :	" 2,564,500

With the excellent rains which have fallen, and the good seasonal prospect, the current year promises the maintenance of quantities available for export.

METALS.

With regard to metals, the values of all minerals exported, including coal but excluding gold, for the last three years were:—

To June 30, 1928	£8,843,952
1929	7,281,733
1930	7,832,322

The strike in the coal mines in New South Wales kept the mines affected closed altogether for some 14 months, eight of which applied to the past year and told against the exports of coal last year, and in fact involved the importation of coal, though the total of all metals shows an improvement over the preceding year. Copper, lead, spelter, and silver have all had disastrous falls in common with all primary products throughout the world, and in this direction also Australia is an acute sufferer.

From the figures I have given you of the overseas trade as a whole, and in these principal departments, you will appreciate how severely Australia has suffered in the diminution in profits from her exports. This eventually has a corresponding reaction on the internal trade and commerce of the whole of the Commonwealth, but the full force of this is not felt at once, and did not affect our profits last year to the same extent as it must affect them in the current year. The adverse influence, however, on the year ended June 30th last was sufficiently depressing to make the year a very difficult one for all the banks, and one which placed a heavy responsibility and strain on our executive officers, both in Australia and London.

DIVIDEND MAINTAINED.

While the difficulties of the past year are reflected in our accounts, it is a high tribute to the management, both in Australia and here, and to the widespread and sound nature of our business, that we are able to recommend out of the profits of the year the same dividend as before, and then, bringing in the amount brought forward from last year, to carry to various reserves and to bank premises account so large a sum as £200,000, and still carry forward an accumulated undistributed balance of as much as £305,477. (Hear, hear.) With regard to the dividend recommended of 12½ per cent., tax free, on the paid-up capital, it is only right to point out to you that to earn that dividend not only your paid-up capital is employed, but also your reserve funds of over £3,000,000 and the undistributed accumulated carry-forward profits of past years. Thus, taking into

account the reserve and the carry-forward, a dividend of 12½ per cent., tax free, on the paid-up capital is in fact only equivalent to less than 6 per cent., tax free, on the actual capital employed.

MAIN FEATURES OF THE ACCOUNTS.

I will now turn to the accounts. I will not weary you by going through each item, but will only touch on the main features. If you will look at the balance sheet you will see on the liabilities side that the paid-up capital is unchanged at £3,000,000. There is also no change in the perpetual stocks, which amount to £1,872,966. These stocks, carrying as they do a low rate of interest, are, as they were intended to be when they were issued and taken up, a source of special strength to the bank. Deposits at interest stand at £20,165,726, and are less by £986,372. This has arisen from two main causes: first, the shrinkage in the earnings of the people, necessitating a certain measure of drawing upon their deposits; and, secondly, the higher interest obtainable on Government loans which have been floated in Australia during the year and on the securities of municipal and local bodies which caused the transfer of a considerable amount from our deposits. The effect of this is seen in a marked degree when we come to the movement in current accounts, which you will observe stand at £10,115,966, against the corresponding figure last year of £12,582,397, a decrease of £2,466,430. Taking the deposits at interest and the current accounts together, which last year stood at £33,734,496, and in the present balance sheet at £30,281,692, these show a combined decrease of £3,452,804. Much as we regret this decrease, especially in the current accounts, it can cause no surprise that our customers, in a time of depressed trade and poor profits, should transfer a portion to Government loans carrying 6 per cent.; indeed, in the circumstances we may congratulate ourselves that the decrease is not greater, and that our total deposits still stand at over £30,000,000. (Hear, hear.) Bills payable, which in the previous balance sheet stood at £2,891,324, now stand at £1,867,457, a decrease of £1,023,866, due to the reduction in the exports from this side to Australia, which you will remember shrank during the year by over £12,000,000, and reflects also a decline in trade generally and the difficulty exporters experience in obtaining payment in London.

THE ASSETS.

Turning to the assets side of the balance sheet, you will notice that we have slightly altered the form of the first two items in order to set them out more fully and clearly.

Cash in hand and bullion, and cash at bankers, including cheques in course of collection, together with money at call and at short notice, amount to £6,777,738, against £7,380,670, a decrease of £602,932. When you remember that our call liabilities are less by approximately £2,500,000, this comparatively small reduction in our most liquid resources is very gratifying, and leaves our liquid resources in the ratio of 13s. 4½d. to the £ of our call liabilities.

Our investments at £1,780,762 are greater by £159,593, and are all in British and Colonial Government securities at or under cost. Our cash and investments together at £8,558,500 represent the high ratio of 16s. 11½d. to the £ of our demand liabilities, disclosing a very strong position.

Bills receivable and remittances in transit naturally show the largest shrinkage. They stand at £2,679,697, against £5,911,166 in the previous balance sheet, or a decrease of £3,231,469, which reflects the heavy fall in the value of wool and the shrinkage in the value of other exports, as well as the diminution in imports. In normal times we have fully our proportionate share of this department of business, and in lean times the loss of it is the more apparent.

PROFITS AND APPROPRIATIONS.

I will now take the profit and loss account. On the first page of the report you will find the movements set out very clearly. The profits for the year, after making provision for bad and doubtful debts and contingencies, amount to £1,587,758, a shrinkage from the previous year of £32,165. Management expenses at £817,940 show a small decrease of £481. Income and other taxes are heavier at £227,081 by £26,842. After deducting these two items there is left £542,736, from which has to be taken the interim dividend of 5 per cent. paid in May, and the sum of £15,000 carried to reserve, in accordance with our Articles of Association. Deducting these, we are left with a balance of the profits of the year of £377,736. Add to this the balance of undistributed profits brought forward from June 30, 1929, and we have available for further appropriation a balance of £725,477.

The appropriations we recommend are as follows:—

To reserve fund an additional £65,000, making £80,000 for the year, when the fund will stand at £3,160,000.

To E.S. and A. Bank officers' provident fund, £10,000.

To a further dividend of 7½ per cent., free of income tax, making 12½ per cent., free of income tax, for the year, payable out of the profits of the year, £225,000.

To contingency account, £70,000.

To reduction in bank premises account, £50,000, making a total of £420,000, leaving the large, even though slightly reduced, balance of £305,477 to be carried forward to next year.

Out of the profits of the year alone, apart from the carry-forward, the dividend takes just over 69 per cent. and various reserves and bank premises 36.85 per cent., and the provident fund the remaining 1.84 per cent.

I trust that I have succeeded in explaining all the figures, and that you are satisfied that in a time of exceptional difficulty we have been able, with care and economy, to maintain our profits as well as we have done. (Hear, hear.) As I have so often observed when addressing you from this chair, the prosperity of the bank is inter-linked with the prosperity of Australia, and the drastic reduction that has been found necessary in the imports into Australia, and the automatic shrinkage in the value of the exports from Australia caused by the great fall in prices, and the general depression and large scale of unemployment at present prevailing there, cannot but adversely affect the earnings of the current year, but I hope that by careful administration we shall be able, when next we meet, to lay before you a satisfactory report, though we can hardly expect the same dividend.

AUSTRALIA'S DIFFICULT POSITION.

From the figures I have given you it is seen that from the fall in commodity prices, especially in Australia's principal export—wool—there was a decrease in exports of approximately £44,000,000. Synchronising with this there was a cessation of fresh borrowing in London, which for the previous five years has averaged rather over £20,000,000 a year. These two factors signified a shortage of Australian money in London of over £60,000,000. When you realise that Australia has to pay annually on this side for services and interest on Commonwealth and State loans, and municipal and similar obligations over £30,000,000, besides finding the money here to finance the exports from this country to Australia, which for the last ten years has averaged over £142,000,000, it is at once clear that a very difficult situation had arisen.

To safeguard the position, and to provide the necessary funds to duly meet the Government's obligations on this side, there was exported from Australia, as I have already said, approximately £27,000,000 of gold, and to curtail the flow of exports from here they drastically raised the tariff rates on imports into Australia. The exchange rose sharply against Australia, which also acted as a check on exports from this side, and, in addition, the banks, owing to the reduced funds available on this side, had to limit the amount of exchange they could provide for their customers. Shipments of gold, increase of duties, tightening of exchange rates, and limiting of facilities were obviously emergency measures and not permanent remedies.

POOLING OF LONDON EXCHANGE.

The whole position received the most careful consideration from the Commonwealth Government, in consultation with the Commonwealth Bank and the trading banks, and an agreement was come to for the pooling of London exchange whereby the trading banks between them have undertaken, for the present financial year, to give to the Government of Australia the first call on London exchange to the extent of £36,000,000 for the year. This serious call on a diminished amount of total exchange available necessarily compels the trading banks to ration the amount of exchange they can give to their regular customers, and has, for the time being, held up in Australia a good deal of money that otherwise, in ordinary course, would have been transferred to London.

The trading banks have throughout done all in their power by co-operation with the Government and the Commonwealth Bank to assist in surmounting the difficulties in the best interests of Australia.

In view of the depression all over the world, and the practically universal fall in world prices of all commodities, especially the products of the primary industries, on which, to meet her full obligations in London, Australia in the final resort has to depend, the situation that had arisen was a serious one, especially as there was no ground for anticipating any rapid recovery in world prices.

SIR OTTO NIEMEYER'S MISSION.

In these unprecedented and difficult circumstances the Bank of England, at the invitation of the Commonwealth Government, sent out some months ago Sir Otto Niemeyer and two colleagues to confer with the authorities in Australia as to the best way of dealing with a very difficult position. As you know, for some years the chairmen of the various banks and of the leading financial companies have pointed out certain uneconomic and therefore dangerous lines on which the various Governments in Australia have been proceeding, which if persisted in were bound to lead to trouble, but their warnings were unheeded.

Sir Otto Niemeyer, after exhaustively examining with his two colleagues the whole position, has urged upon the Commonwealth and State Governments similar advice.

There was a prolonged conference between the Commonwealth and State Ministers, attended by the Prime Minister, Mr Scullin, and Sir Otto Niemeyer, the result of which was an agreement between the Commonwealth and State representatives upon measures necessary to correct the Australian economic and financial position.

In order to give effect to those arrangements, and to watch their operation in all States, a committee consisting of the Treasurers of the Commonwealth, New South Wales, Victoria, and South Australia was appointed to represent the conference for the purposes of the agreement. This committee will have power to consult outside financial and economic authorities, and it will be in continuous touch with the directors of the Commonwealth Bank.

If these resolutions, with all that they imply, are faithfully carried out and the Budgets balanced, not by excessive and crippling taxation but by economy in administration, and if that is supported by reduction of expenditure in public and in private, with the requisite reduction in the costs of production, then the acute troubles of to-day may yet prove rich blessings to Australia in the future.

COSTS OF PRODUCTION.

I would like to add one word regarding the question of costs of production. These it seems to me will never be adequately dealt with until either the present unhappy system of compulsory awards by the Arbitration Courts, based on what the worker can consume, and with no relation to what he can produce, is radically changed or altogether abolished. The Economic Mission which visited Australia at the request of the previous Commonwealth Government in their report said:—"Most vexed and important of all Australian questions is that of the cost of production, with its effect upon export industries, and of the combined effects of the tariff and arbitration Acts." Australia is suffering from this compulsory award system, as we in this country are suffering in a somewhat similar way from the dole as at present administered. This compulsory arbitration system has automatically forced employer and employee into hostile camps, and it has brought about a state of things where the workmen are more concerned about the increased nominal wages and curtailed working hours than with the old pioneer spirit of keenness to excel in producing. In addition, these compulsory awards fixing minimum legal wages, which it is often impossible for the employer to pay, have been the fruitful source of unemployment, which in its turn is the main obstacle to immigration—one of the most vital needs for Australia's true development. What in general is needed more than anything else is a return to hard work and simple living, which applies with equal force to all classes and both to this country and to Australia. (Hear, hear.) The Australians are a singularly virile British race, and the Australian working man is as good as any in the world, but he is handicapped by a system established on an unsound economic basis, from which his best friends long to see him set free. (Hear, hear.)

THE PRESENT SITUATION.

My faith is unshaken in Australia's determination punctually to fulfil to the letter all her obligations—(hear, hear)—and in her power to do this provided she will support the various Governments in giving effect to the resolutions unanimously agreed to by them. In this connection Sir Otto Niemeyer said: "The situation is difficult and calls for a considered programme and united action, but I wish to make it quite clear that given determined action it is in no way beyond control. The difficulties of Australia are not comparable with those from which many other countries have successfully emerged, and have only to be squarely faced to be capable of solution."

The results of the election in the State of New South Wales and the recent attitude and pronouncements of the Federal Labour caucus make the task of Mr Scullin, the Prime Minister, a peculiarly difficult one, and are most damaging to Australian credit here and throughout the world. (Hear, hear.) In addition to those hostile influences, Mr Scullin has also opposition from some members of his Cabinet, further hampering him in his great task, the magnitude of which we fully realise. Mr Scullin, in courageously pursuing, in spite of the opposition of a section of his party, the one sure path to emergence from the present difficulties, and towards placing Australia on a secure position of financial and trade equilibrium, can rest assured that he has behind him the great body of Australian opinion and the full sympathy and hearty good will of the Old Country. (Hear, hear.)

The resolution was carried unanimously, and votes of thanks to the chairman, directors and staff terminated the proceedings.

LONDON MARITIME INVESTMENT COMPANY, LIMITED.

DIVIDEND OF 6 PER CENT.

LORD KYLSANT ON THE SHIPPING DEPRESSION.

The thirty-third annual general meeting of the London Maritime Investment Company, Ltd., was held, on the 11th instant, at Winchester House, Old Broad Street, London.

Lord Kysant, G.C.M.G. (chairman of the company), presided.

The Secretary (Mr O. A. Hall) having read the notice convening the meeting and the report of the auditors,

The Chairman said:—Ladies and gentlemen,—The report of the directors and accounts of the company for the year ended September 30, 1930, were circulated to the stockholders 10 days ago, and I presume that, as customary, you will agree to take them as read. This company was formed in 1897, and with very few exceptions I have had the pleasure to preside over all its annual meetings, of which this is the thirty-third.

PROFIT AND DIVIDEND.

The accounts now before you set out the position very clearly. The net profit for the year under review amounted to £50,688, which, with the balance of £5,998 brought forward from last year, makes a total available sum of £56,686. After paying the dividend for the year on the five per cent. preference stock and writing off £7,248 towards depreciation of investments, the directors recommend a final dividend of 2 per cent. on the ordinary stock (making with the interim dividend already paid a total distribution for the year of 6 per cent., less income tax), and that the balance of £6,000 be carried forward. The reserve fund stands at £250,000.

The company's investments are, as hitherto, shown in the balance sheet under their respective categories at or under their cost price. A valuation of these investments as at September 30, 1930, taken on the basis of the middle price of the London Stock Exchange quotations for that date, shows a net depreciation of approximately £63,000, or, say, 6 per cent. Against this depreciation, however, you will note that under the item of reserve fund investments the company is a considerable holder of British Government securities, which, at September 30 last, exceeded £270,000 in value. This company has no debentures, and, looking to the difficult conditions through which all business has been passing, the position may be regarded as not unsatisfactory.

TRADE CONDITIONS AND CARGO TONNAGE.

As you are aware, this company, as indicated by its name, has, throughout its career, been largely interested in maritime undertakings. Owing to the reduced volume of the trade of the world and the ample supplies of cargo tonnage, shipping is passing through the most acute period of depression that has been experienced in that industry in the history of modern cargo shipowning. Within the memory of those who have been longest engaged in business, there has never been a time when so many factors contributed to depress industry and commerce. Many of these adverse conditions are world-wide and not confined to this or any one country, and must inevitably change for the better in due course.

THE OUTLOOK.

The heavy decline in commodity prices appears at last to have about touched bottom, and with greater world stability conditions should become more favourable for a general improvement, which I, personally, believe will come about sooner than many people anticipate. When this long-looked-for improvement takes place, this company, with its well-spread interests, should benefit therefrom.

I now beg to propose: "That the report and accounts as submitted be received and adopted, and that the dividend as recommended therein be declared and paid." I will ask Mr Arthur Baumann to second that.

Mr A. A. Baumann seconded the resolution, and it was carried unanimously.

The retiring director, Sir F. Vernon Thomson, K.B.E., was re-elected; and the auditors, Messrs Fookes, Hickman and Company, having been reappointed, the proceedings terminated.

Orders for the publication in these columns of the reports of Company Meetings should be addressed to the Reporting Manager of THE ECONOMIST, 8, Bouverie Street, Fleet Street, London, E.C.4.

SUDAN PLANTATIONS SYNDICATE, LIMITED.

REVIEW OF PAST YEAR'S OPERATIONS.

The ordinary general meeting of the Sudan Plantations Syndicate, Ltd., was held, on the 12th instant, at Winchester House, Old Broad Street, London.

Mr Alexander MacIntyre (the chairman and managing director), in moving the adoption of the report and accounts, said that all their investments were entered in the balance sheet at cost. Judged by market prices at June 30th, there was a considerable depreciation in their holdings in other companies, but this was more than offset by appreciation in the quoted shares of their subsidiary company and in British Government securities. They held £1,003,000 of British Government securities, against £1,346,000 last year, and in cash they had £620,500, against £750,500 last year.

There was a net profit for the year of £227,000, and the directors recommended a final dividend of 5 per cent., making 10 per cent. for the year. The whole balance of last year's stocks of cotton and cottonseed had been disposed of at prices above last year's balance-sheet figures, and all this year's cottonseed had been sold. On the other hand, owing to market conditions, sales of this season's cotton had been exceptionally slow. Some headway had been made with the disposal of their cotton since the date of the accounts, but, although sales had considerably increased recently, they had not been able to dispose of as much of their cotton as usual at this date, and unless trade improved they must expect to have still unsold, when the harvesting of the new crop commenced, a larger proportion of their stock than they had last year. They were carrying forward £486,951, as against £484,604 last year.

PAST YEAR'S CROPS.

Reviewing the field work and conditions for the past year, the area planted in cotton at Zeidab was 5,230 feddans, which produced a good crop of excellent quality, the total being 18,609 kantars, or an average of 3,558 kantars per feddan, the resulting bales shipped being 3,845, against 3,855 bales for the preceding year. In the Gezira the area planted under cotton was 158,585 feddans, under durra 68,634 feddans, and under lubia 86,860 feddans, showing an increase of 27,234 feddans under cotton, 2,983 feddans under durra, and 32,280 feddans under lubia, compared with the previous year. The cotton crop amounted to 336,425 kantars, compared with 466,169 kantars. The average per feddan was 2.12 kantars, against an average of 3.54 kantars for the previous year, and an average of 3.72 kantars for the previous five years.

At the last meeting shareholders were informed that there had been extraordinarily heavy rains, which had lasted right into October, and that this meant an exceptionally late crop, but that, granted normal winter weather, prospects were still promising. Instead of having normal winter weather they experienced exceedingly cold weather in December and January, and the effect of this combination became evident in the pickings. Late rains, moreover, tended to increase pests.

They had now had experience of cotton growing in the Gezira for the past nineteen years, and although, from past records, it was unlikely, except at very long intervals, that they would have in combination all the unfavourable conditions which they had last year, it was quite possible in certain years to have one or other of these conditions. Everything humanly possible was being done to meet such an eventuality.

Considering that they had had their worst crop in a year of general world depression, he thought that the figures shown in the accounts were much better than might have been expected. In their past experience they had encountered exceptional rains, occasional cold winters, poor yields, and low cotton prices, but they had never previously suffered from all these unfavourable factors occurring in combination. If prices improved they had no cause for anxiety, and even should there be no improvement in present prices for some time, he looked to their increased areas in the west and north, together with the larger percentages which they received in the northern extension, to make up a substantial amount of the reduction shown in the profits.

The Kassala Cotton Company picked a good crop, and when this was marketed they looked to receiving a return upon their large holding of shares in that company.

CURRENT SEASON'S PROSPECTS.

With regard to the present growing crop, in the Gezira they had under cotton 175,000 feddans, under durra 72,000 feddans, under lubia 94,000 feddans. Last year's crop was very late, sowing not being completed until October. This year the cotton crop was all planted within the normal sowing dates, between July 20 and the end of August. Until the middle of September rainfall was about normal. In the latter half of September rainfall was heavier than usual, and in October, which should be an absolutely dry

month, they experienced rain on one day varying from light showers to nearly 1½ in. in places. In those areas where most rain occurred there was considerable leaf fall, but so far the area affected appeared to be limited to about 10,000 feddans.

With regard to the Northern Extension, which he anticipated last year would be about 80,000 to 90,000 feddans, they now found that the area would be about 100,000 feddans. For the whole of this extension the ginning factories had now been completed, and the ploughing machinery had been supplied. On 50,000 feddans of this area the development and canalisation had been completed, the necessary buildings erected, and one-third of the area—16,000 feddans—was planted in cotton. On the remaining 50,000 feddans most of the development and buildings were well ahead of programme, and the area was being canalised, and they hoped to complete the area in time for next season's crop. This would add a further 16,000 feddans of cotton to the existing crop figure, so that in the season 1931-32 they hoped to have under cotton a total of about 190,000 feddans.

At Zeidab this season they had about 5,700 feddans under cotton, and the crop promised to be an exceptionally good one. They had already picked on the Syndicate's land over 4 kantars per feddan, and the total picked to date amounted to 21,000 kantars, which was most satisfactory.

With a view to more economic running and to bring down cost, a new Diesel plant running on crude oil had been substituted for the remaining steam pumping installation, also the Zeidab ginning factory had been remodelled and enlarged. Humidifiers and other improvements had been introduced, and they should benefit from these improvements in their next accounts.

The resolution was carried unanimously.

Government Returns, &c.

NATIONAL ACCOUNTS.

As is shown from the Treasury Return printed below, the total ordinary revenue for the week ended Nov. 8, 1930, amounted to £8,444,200, against ordinary expenditure of £12,629,600. After allocating £615,000 to the Sinking Fund, and having allowed for a reduction in Exchequer Balances of £429,100, the week's operations, as shown below, increased the National Debt by £4,371,000 to £7,690,983,000:—

(000's omitted.)

Treasury Bills	£ 4,443	Road Fund	£ 370
National Savings Certificates	250		
Sundries	48		
	£ 4,741		£ 370

A complete analysis of the National Debt at the end of last quarter was printed in the *Economist* of October 4.

REVENUE.	Estimate for the year 1930-31.	Total Receipts into the Exchequer.			
		April 1, 1930, to Nov. 8, 1930.	April 1, 1929, to Nov. 9, 1929.	Week ended Nov. 8, 1930.	Week ended Nov. 9, 1929.
ORDINARY REVENUE.					
Inland Revenue—					
Income Tax	260,000,000	71,006,000	67,445,000	1,025,000	723,000
Sur-tax, including Arrears of Super-Tax	64,500,000	15,180,000	12,950,000	210,000	230,000
Excise, &c., Duties	83,000,000	49,540,000	48,630,000	1,050,000	1,260,000
Stamps	27,000,000	9,570,000	13,970,000	...	500,000
Breast Profit Duty and Corporation Profit Tax	1,700,000	...	10,000	...	...
Land Tax and Mineral Rights Duty	800,000	160,000	170,000	...	...
Total Inland Revenue	437,000,000	145,456,000	143,175,000	2,285,000	2,713,000
Customs and Excise—					
Customs	122,710,000	74,120,000	75,091,000	2,580,000	2,384,000
Excise	129,860,000	74,100,000	76,200,000	1,377,000	1,759,000
Total Customs and Excise	252,570,000	148,220,000	151,291,000	3,957,000	4,143,000
Motor Vehicle Duties (Exchequer Share)	4,950,000	2,464,298	2,705,687	827,000	592,000
Post Office (Net Receipts)	10,125,000	8,600,000	8,150,000	1,200,000	1,250,000
Crown Lands	1,300,000	900,000	830,000	...	...
Receipts from Sundry Loans	33,000,000	21,470,144	20,934,706	167,247	215,331
Miscellaneous Receipts	34,500,000	17,523,512	20,629,949	7,966	158,695
Appropriation from Rating Relief Suspense Account	16,000,000	16,000,000	...	...	...
Total Ordinary Revenue	789,445,000	360,633,954	347,716,342	8,444,213	9,072,026
SELF-BALANCING REVENUE.					
Post Office	60,275,000	33,400,000	33,050,000	900,000	1,000,000
Motor Vehicle Duties apportioned to Road Fund	23,560,000	7,738,702	7,025,313	193,000	309,000
Total Self-Balancing Revenue	83,835,000	41,138,702	40,075,313	1,093,000	1,309,000
Total		401,772,656	387,791,655	9,537,213	10,381,026

EXPENDITURE.	Estimate for the year 1930-31 (including Supplementary Grants).	Total Issues out of the Exchequer to meet payments.			
		April 1, 1930, to Nov. 8, 1930.	April 1, 1929, to Nov. 9, 1929.	Week ended Nov. 8, 1930.	Week ended Nov. 9, 1929.
ORDINARY EXPENDITURE.					
Interest and Management of National Debt	304,600,000	183,166,301	191,880,272	3,662,820	1,761,088
Payments to Northern Ireland	6,000,000	3,239,117	2,786,908	202,464	178,571
Exchequer					
Payments to Local Taxation	3,300,000	1,567,504	1,566,220	31,279	...
Accounts			2,201,291	...	90,001
Other Consolidated Fund Services (excluding Post Office)	418,933,000	255,427,467	211,754,128	8,733,000	8,025,000
Supply Services (excluding Post Office)	732,833,000	443,400,389	413,788,819	12,629,563	10,054,660
Total Ordinary Expenditure					
Sinking Fund	55,400,000	26,862,748	25,677,799	615,000	615,000
SELF-BALANCING EXPENDITURE.					
Post Office	60,275,000	33,400,000	33,050,000	900,000	1,000,000
Road Fund	23,560,000	7,738,702	7,025,313	193,000	309,000
Total Self-Balancing Expenditure	83,835,000	41,138,702	40,075,313	1,093,000	1,309,000
Total		511,401,839	479,541,931	14,337,563	11,978,660

The aggregate revenue and expenditure to Nov. 8, 1930, is shown below:—

FINANCIAL YEAR, 1930-31, APRIL 1ST TO NOVEMBER 8TH.

(000's omitted.)

Expenditure	£ 443,400	Revenue	£ 360,634
Sinking Fund	26,863	Decreases in balances	3,619
		Net Amount borrowed	106,010
	470,263		470,263

POSITION OF THE FLOATING DEBT.

Ways and Means Advances Out- standing—	Nov. '9, '29, Mar. 31, '30.	Nov. 8, '30.	Movement week ended Nov. 8, '30.
Advances by Bank of England	3,500,000	...	...
Advances by Public Departments	37,880,000	48,530,000	33,900,000
Treasury Bills outstanding	795,150,000	588,885,000	673,735,000* + 4,450,000
Total Floating Debt	836,530,000	637,415,000	707,635,000 + 4,450,000

* Includes £20,000, the proceeds of which were not carried to the Exchequer within the period of the account.

TREASURY BILLS BY PUBLIC TENDER.

Tenders for £40,000,000 in Treasury Bills were opened on November 7, 1930, and the total amount applied for was £51,400,000. Tenders were accepted for bills at three months, dated Monday to Friday at £99 8s. 10d., about 39 per cent., and Saturday at £99 9s. 0d. and above in full. The amount allotted was £40,000,000.

Date.	Amount Offered.	Amount Applied For.	Treasury Bills at 3 Months. Average Rate.
1930.			
Oct. 17	40,000,000	61,505,000	2 1 9-11
Oct. 24	45,000,000	64,420,000	2 1 7-27
Oct. 31	40,000,000	61,860,000	2 1 2-78
Nov. 7	40,000,000	51,400,000	2 3 9-55

The Bankers' Gazette.

BANK OF ENGLAND.

Return for Week ended Wednesday, November 12, 1930.

ISSUE DEPARTMENT.

Notes Issued—	£	Government Debt	£ 11,015,100
In Circulation	355,380,919	Other Government Securities	233,044,666
In Banking Department	63,539,504	Other Securities	11,477,302
		Silver Coin	4,462,932
		Amount of Fiduciary Issue	260,000,000
		Gold Coin and Bullion	158,920,423
	£418,920,423		£418,920,423

BANKING DEPARTMENT.

Proprietors' Capital	£ 14,553,000	Government Securities	£ 36,726,247
Reserve	3,158,359	Other Securities—	
Public Deposits*	16,978,509	Discounts and Advances	£4,287,804
Other Deposits	£60,321,291	Securities	22,449,204
Bankers	33,150,138		
Other Accounts	93,471,429	Notes	26,737,008
7-Day and other Bills	1,585	Gold and Silver Coin	1,160,123
	£128,162,882		£128,162,882

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

Both Departments.	Amount, Nov. 12, 1930.	Inc. or Dec. on Last Week.	Inc. or Dec. on Last Year.
Public deposits.....	355,380,919	— 1,082,819	— 2,727,418
Bankers' deposits.....	16,978,509	— 2,398,696	— 1,193,952
Other deposits.....	60,321,291	+ 4,788,726	+ 5,615,982
Seven-day bills.....	33,150,138	— 1,364,392	— 7,604,979
Total, outside liabilities.....	465,832,442	— 57,351	— 4,523,378
Capital and reserve.....	17,711,359	+ 21,910	+ 23,898
Government debt and securities.....	280,786,013	+ 1,787,280	— 32,439,164
Discounts and advances.....	4,287,804	— 171,429	+ 4,922,274
Other securities.....	33,926,506	— 186,732	+ 5,860,178
Silver coin in issue department.....	4,462,932	— 2,863	— 355,530
Coin and bullion (bank's reserve).....	160,080,546	+ 1,461,597	+ 27,309,514
Reserve of notes and coins in banking department.....	64,699,627	— 378,878	+ 30,036,932
Proportion of reserve to outside li- abilities.....	58½%	— 1½%	+ 27½%
(a) Banking department only.....	58½%	— 1½%	+ 27½%
(b) Gold stocks to deposits and notes ("reserve ratio").....	34½%	— ½%	+ 5½%

(000's omitted.)

Date.	Issue Department.		Banking Department.			Gold in or out of Bank.	Bank Rate.
	Notes Issued.	Circulation.	Public Deposits.	Bankers' Deposits.	Other Deposits.		
1930.	£	£	£	£	£	£	%
Sept. 24	416,305	355,769	13,310	64,174	34,195	155 out	3
Oct. 1	415,619	359,386	21,645	61,318	34,789	748 out	3
8	417,477	359,560	12,861	66,447	34,251	1,856 in	3
15	417,824	357,061	12,397	66,163	36,067	290 in	3
22	418,942	354,528	27,933	55,505	34,099	1,114 in	3
29	419,504	356,626	20,970	55,694	35,002	553 in	3
Nov. 5	420,373	356,464	19,377	55,333	34,515	865 in	3
12	418,920	355,381	16,979	60,321	33,150	1,497 out	3

(000's omitted.)

Date.	Issue Department.		Both Depts.		Banking Department.				
	Govt. Debt and Securities.	Other Securities.	Gold Coin and Bullion and Reserve Ratio.		Govt. Securities.	Dis- counts & Advances.	Other Securities.	Reserve & the "Pro- portion."	
1930.	£	£	£	%	£	£	£	%	
Sept. 24	243,906	11,629	157,427	33½	41,056	5,672	21,586	61,658	55½
Oct. 1	243,910	11,627	158,803	33½	44,536	11,917	22,158	57,417	48½
8	243,913	11,628	158,683	33½	44,666	4,879	22,530	59,123	52
15	243,912	11,627	159,021	33½	42,301	5,128	22,882	61,261	54
22	243,908	11,627	160,126	34½	41,636	4,979	22,969	65,598	55½
29	243,908	11,627	160,667	34½	37,666	4,249	22,367	65,041	58½
Nov. 5	243,907	11,617	161,542	34½	35,011	4,459	22,487	65,079	59½
12	244,060	11,477	160,081	34½	36,726	4,288	22,449	64,700	58½

BANKERS' CLEARING RETURNS (000's omitted.)

	Town.	Metropolitan.	Country.	Total.
1930.				
January 1 to October 29.....	32,688,295	1,513,186	2,475,932	36,677,413
Week ended November 5.....	818,640	37,161	60,039	915,840
Week ended November 12.....	723,076	33,204	57,158	813,438
Total to date, 1930.....	34,230,011	1,583,551	2,593,129	38,406,691
Total to date, 1929.....	34,819,683	1,643,110	2,685,315	39,148,108
Increase or decrease in 1930.....	— 589,672	— 59,559	— 91,986	— 741,417
1929.....	— 1.7%	— 3.6%	— 3.4%	— 1.9%
Total for year, 1929.....	39,935,924	1,881,789	3,078,764	44,896,477
Do, 1928.....	39,311,117	1,854,190	3,039,422	44,204,729
Increase or decrease in 1929.....	+ 624,807	+ 27,599	+ 39,342	+ 691,751
1928.....	+ 1.6%	+ 1.5%	+ 1.3%	+ 1.6%

PROVINCIAL CLEARING RETURNS.

(000's omitted.)

	Week ended Nov. 8.		Month of October.			Aggregate Weekly Totals Jan. 1 to Nov. 8.	
	1929.	1930.	1929.	1930.	Inc. or Dec.	1929.	1930.
Number of working days	27	27	27	27			
	£	£	£	£		£	£
BIRMINGHAM	2,510	2,720	10,501	9,738	— 7.2	114,997	106,045
BRADFORD	1,069	763	5,117	3,392	— 33.7	37,492	37,776
BRISTOL	1,151	1,155	5,399	4,845	— 10.2	52,351	49,422
DUBLIN	4,918	6,333	...	...	...	214,997	214,965
HULL	823	813	3,674	3,352	— 8.7	37,857	35,151
LEEDS	764	905	4,516	3,749	— 16.9	43,706	40,528
LEICESTER	669	708	3,360	2,958	— 11.9	35,227	30,970
LIVERPOOL	8,011	6,800	35,878	25,885	— 27.8	349,919	273,703
MANCHESTER	12,353	11,023	56,714	41,665	— 26.5	558,837	463,278
NEWCASTLE	1,448	1,313	6,578	5,507	— 16.2	66,593	61,958
NOTTINGHAM	623	631	2,863	2,596	— 9.3	27,957	25,984
SHEFFIELD	1,051	1,105	4,275	3,457	— 19.1	44,916	39,280
Total	34,390	34,269	138,875	107,143	— 22.8	1,598,849	1,379,160

OVERSEAS BANK RETURNS.

NOTE.—The latest Return of the Bank of Egypt appeared in the *Economist* of October 25; Canada in November 8; Russia, Denmark, Danzig, Yugoslavia, Latvia and Netherlands in November 8.

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

	Nov. 14, 1929.	Oct. 23, 1930.	Oct. 30, 1930.	Nov. 6, 1930.	Nov. 13, 1930.
Total gold reserves.....	126,180	1,083,100	1,137,280	1,040,060	1,064,190
Total bills discounted.....	77,390	31,840	32,870	54,080	32,770
Total U.S. Govt. securities.....	159,770	187,340	187,340	187,340	187,340
Total bills and securities.....	376,340	266,100	273,010	294,760	288,830
Deposits—Memberbank.....	1,181,410	1,028,220	1,088,350	1,000,280	1,074,390
Ratio of total res. to dep. and Federal Res. note liabil- ities combined.....	78.7%	87.2%	87.6%	85.0%	83.4%

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

	Nov. 14, 1929.	Oct. 23, 1930.	Oct. 30, 1930.	Nov. 6, 1930.	Nov. 13, 1930.
RESOURCES.					
Total gold reserve.....	3,039,170	3,016,610	3,037,190	2,999,390	3,028,500
Total bills discounted.....	971,360	191,980	201,600	212,770	191,660
Bills bought in open market.....	299,510	176,590	165,660	185,600	207,340
Total U.S. Govt. securities.....	3,121,560	602,030	601,440	615,530	601,290
Total bills and securities.....	3,894,980	4,894,980	4,894,980	4,894,980	4,894,980
LIABILITIES.					
Federal Reserve notes in actual circulation.....	1,937,170	1,368,510	1,354,880	1,360,550	1,371,150
Deposits—Memberbank—re- serve account.....	2,607,970	2,437,090	2,468,280	2,409,700	2,490,290
Total deposits.....	2,607,970	2,437,090	2,468,280	2,409,700	2,490,290
Capital paid in and surplus.....	2,645,940	2,489,420	2,519,410	2,479,340	2,539,660
Total liabilities.....	4,211,710	4,477,340	4,477,340	4,477,340	4,477,340
Ratio of total reserves to deposits and Federal Reserve note liabilities combined.....	69.5%	82.1%	82.4%	81.8%	81.2%

SOUTH AFRICAN RESERVE BANK.—In £'s (000's omitted.)

	Oct. 18, 1929.	Sept. 19, 1930.	Sept. 26, 1930.	Oct. 3, 1930.	Oct. 10, 1930.	Oct. 17, 1930.
ASSETS.						
Gold coin and bullion.....	7,702	6,435	6,634	6,962	7,059	6,793
Subsidiary coin.....	81	187	189	182	185	192
Bills discounted.....	8,317	7,667	7,440	7,594	7,032	7,092
Investments.....	670	1,398	1,398	1,397	1,403	1,403
LIABILITIES.						
Capital.....	1,000	1,000	1,000	1,000	1,000	1,000
Reserve.....	600	720	720	720	720	720
Notes in circulation.....	8,111	7,149	7,743	8,424	7,687	7,141
Government deposits.....	1,963	2,036	2,065	706	1,313	2,137
Bankers' deposits.....	4,644	4,840	4,444	4,793	4,422	4,639
Ratio of cash reserves to liabilities to public.....	51.5%	45.7%	47.6%	49.8%	49.5%	49.2%

IMPERIAL BANK OF INDIA.—In rupees (000's omitted.)

	Oct. 18, 1929.	Sept. 12, 1930.	Sept. 19, 1930.	Sept. 26, 1930.	Oct. 3, 1930.	Oct. 10, 1930.	Oct. 17, 1930.
ASSETS.							
Total securities.....	32,800.00	23,785.53	23,731.11	23,856.66	24,206.67	25,206.67	25,206.67
Loans.....	8,407.77	18,514.49	18,460.09	17,446.22	17,241.91	16,841.19	16,841.19
Cash credits.....	22,500.00	28,634.41	28,751.41	28,625.25	27,220.66	27,084.40	27,084.40
Inland bills.....	3,167.77	1,748.61	1,723.53	2,002.28	1,735.36	1,630.90	1,630.90
Foreign bills.....	27.98	49.71	43.06	41.14	30.49	29.15	29.15
Dead stock.....	2,843.30	2,784.19	2,784.19	2,784.19	2,784.19	2,784.19	2,784.19
Bal. with other banks.....	39.89	20.61	26.22	16.26	22.76	13.66	13.66
Cash.....	27,047.75	23,398.68	24,550.09	25,607.67	25,370.70	26,863.37	26,863.37
LIABILITIES.							
Capital paid up.....	5,625.50	5,625.50	5,625.50	5,625.50	5,625.50	5,625.50	5,625.50
Reserve.....	5,275.50	5,375.50	5,375.50	5,375.50	5,375.50	5,375.50	5,375.50
Total deposits.....	85,643.15	86,784.54	87,780.02	88,194.88	88,511.36	88,511.36	88,511.36
The above includes—							
Deposits in London.....	1,011	6,870	6,915	6,867	6,868	6,868	6,868
Advances in London.....	816	7,932	7,878	7,739	7,630	7,359	7,359
Cash, &c., at other banks in London.....	301	156	200	120	170	104	104

BANK OF FRANCE.—In francs (000's omitted.)

	Nov. 8, 1929.	Oct. 17, 1930.	Oct. 24, 1930.	Oct. 31, 1930.	Nov. 7, 1930.
ASSETS.					
Gold.....	40,298,109	50,567,354	50,642,645	50,807,010	51,096,529
Foreign assets.....	7,311,576	6,474,757	6,504,524	6,492,041	6,505,489
Sight deposits.....	18,764,321	19,168,948	19,168,948	19,136,299	19,136,299
Bills discounted.....	9,753,045	4,851,595	6,329,946	7,068,328	...
Commercial bills dis- counted at home.....	8,811,552	8,504,399	8,504,399	8,504,399	8,504,399
Advances against sec. to the State.....	2,658,071	2,883,796	2,799,200	2,770,043	2,994,769
Other advances.....	2,875,106	3,261,142	3,213,448	3,802,370	...
Other assets (exclud- ing forward exch.).....	67,099,716	73,301,796	72,867,560	74,786,601	74,789,038
Notes in circulation.....	13,484,750	12,653,333	12,570,170	13,088,732	13,270,500
Public deposits.....	7,202,906	8,122,863	8,956,533	7,991,475	7,784,117
Private deposits.....	2,684,408	2,633,398	2,754,915	2,733,683	...
Other liabilities.....	...	...	...	...	...

THE REICHSBANK.—In Reichsmarks* (000's omitted.)

	Nov. 7, 1929.	Oct. 23, 1930.	Oct. 31, 1930.	Nov. 7, 1930.
ASSETS.				
Reichsbank shares not yet issued.....	177,212	177,212	177,212	177,212
Gold and bullion.....	2,229,010	2,180,353	2,180,215	2,180,009
Of which deposited abroad.....	149,788	221,376	221,376	221,376
Reserve in foreign currencies.....	366,665	162,533	198,481	219,185
Bills of exchange and cheques.....	2,351,159	1,938,550	2,324,325	2,178,856
Silver and other coin.....	100,000	183,920	151,681	157,726
Notes of other German banks.....	15,534	22,874	5,324	15,766
Advances.....	50,653	61,574	317,731	101,208
Investments.....	92,562	102,475	102,475	102,475
Other assets.....	617,677	493,943	528,901	485,257
LIABILITIES.				
Reduced capital.....	1,122,788	122,788	122,788	122,788
Increase of capital (shares not yet issued).....	177,212	177,212	177,212	177,212
Reserve.....	319,608	371,139	371,139	371,139
Notes in circulation.....	4,550,369	3,980,705	4,674,631	4,372,866
Other daily maturing obligations.....	497,446	419,856	383,055	313,658
Other liabilities.....	333,049	251,739	257,520	260,034

BANK OF LITHUANIA.—In lb. (000's omitted).

ASSETS.	Oct. 31, 1929.	Aug. 31, 1930.	Sept. 30, 1930.	Oct. 31, 1930.	Oct. 15, 1930.	Oct. 31, 1930.
Gold	34,866	35,295	35,302	35,312	36,895	37,113
Silver	3,853	3,946	3,780	3,542	3,300	2,950
State Treasury coins	1,598	1,557	1,530	1,507	1,479	1,453
Foreign currency	66,705	76,354	89,875	93,800	95,630	98,659
Discount and credit	90,656	93,354	92,469	94,044	93,646	97,209
LIABILITIES.						
Capital	12,000	12,000	12,000	12,000	12,000	12,000
Reserve	1,350	1,553	1,553	1,553	1,553	1,553
Banknotes in circulation	104,919	103,208	102,583	108,867	110,522	118,278
Deposits	81,038	95,047	108,863	105,858	106,681	104,672

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

ASSETS.	Position, June 30, 1914.	Oct. 19, 1929.	Sept. 27, 1930.	Oct. 4, 1930.	Oct. 11, 1930.	Oct. 18, 1930.
Gold coin & bullion	221,320	1,123,789	864,887	858,364	854,232	844,910
Other coin & bullion			57,467	58,161	58,574	59,325
Discounts	41,740	681,201	651,834	647,522	647,985	647,252
Advances	70,540	75,462	58,253	58,265	58,258	58,261
LIABILITIES.						
Notes of the bank in circulation	362,270	1,250,266	1,072,408	1,048,950	1,020,830	1,029,065
Govt. deposits	87,340	528,861	544,110	524,120	525,457	497,840
Other deposits	11,440	381,392	196,532	212,495	250,870	245,359

CENTRAL BANK OF CHILE.—In \$'s (000's omitted).

ASSETS.	Oct. 18, 1929.	Sept. 25, 1930.	Oct. 5, 1930.	Oct. 10, 1930.	Oct. 17, 1930.
Gold at home	63,168	61,639	61,684	61,695	61,685
Gold abroad	447,074	362,038	360,683	351,520	349,604
Discounts and advances	60,363	32,290	44,308	34,824	37,245
LIABILITIES.					
Notes of the bank in circulation	331,583	316,025	321,433	308,356	295,720
Deposits	177,338	69,477	72,266	62,221	66,153
Paid-up capital	90,832	90,832	90,832	90,832	90,832

LONDON RATES.

	Nov. 6, 1930.	Nov. 7, 1930.	Nov. 8, 1930.	Nov. 10, 1930.	Nov. 11, 1930.	Nov. 12, 1930.	Nov. 13, 1930.
Bank rate (changed from 5½% May 3, 1930)	5	5	5	5	5	5	5
Market rates of discount—							
60 days' bankers' drafts	2½	2½	2½	2½	2½	2½	2½
3 months' do.	2½	2½	2½	2½	2½	2½	2½
4 months' do.	2½	2½	2½	2½	2½	2½	2½
6 months' do.	2½	2½	2½	2½	2½	2½	2½
Discount (Treasury Bills)	2½	2½	2½	2½	2½	2½	2½
3 months' do.	2½	2½	2½	2½	2½	2½	2½
6 months' do.	2½	2½	2½	2½	2½	2½	2½
Loans—Day to day	2-2½	1½-2	1½-2	2-2½	2-3	2-3	2-2½
Short	2	2	2	2	2	2	2-2½
Deposit allowances: Bank	1	1	1	1	1	1	1
Discount houses at call	1½	1½	1½	1½	1½	1½	1
At notice	1½	1½	1½	1½	1½	1½	1

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

Comparison with previous week—

	Bank Bills.			Trade Bills.		
	3 Months.	4 Months.	6 Months.	3 Months.	4 Months.	6 Months.
1930.	%	%	%	%	%	%
Oct. 23	1½-2	2½	2½	2½	3	3½
Nov. 6	1½-2	2½	2½	2½	3	3½
Nov. 13	2-2½	2½	2½	2½	3	3½

RATES OF EXCHANGE.

London on	Usance.	Par.	Nov. 14, 1929.	Nov. 6, 1930.	Nov. 13, 1930.
New York.....	dollars to £1	Cable	4-866	4-871-87½	4-851-85½
Montreal.....	dollars to £1	Cable	4-866	4-971-98½	4-851-85½
Paris.....	francs to £1	T.T.	124-21	123-84-87	123-66-68
Berlin.....	marks to £1	T.T.	20-43	20-39-39½	20-38-40
Amsterdam.....	guilder to £1	T.T.	12-107	12-07½-8	12-07½-8
Brussels.....	francs to £1	T.T.	35-00	34-85½-86½	34-82½-8
Milan.....	lire to £1	T.T.	92-46	93-18-20	92-79-79
Zurich.....	francs to £1	T.T.	25-22	25-15½-16½	25-04-4
Oslo.....	kroner to £1	T.T.	18-159	18-20½-20½	18-154-16
Stockholm.....	kroner to £1	T.T.	18-159	18-15-15½	18-104-11
Copenhagen.....	kroner to £1	T.T.	18-159	18-20-20½	18-154-16
Madrid.....	pesetas to £1	T.T.	25-22½	24-97-35 00	42-05-11
Lisbon.....	escudo to £1	T.T.	...	105½-108½	108½-4
Vienna.....	schillings to £1	T.T.	34-58½	34-67-70	34-47-49
Prague.....	krone to £1	T.T.	164½	164½-164½	164½-4
Budapest.....	pengo to £1	T.T.	25-22½	27-89-92	27-75-78
Bukarest.....	lei to £1	T.T.	81½-6	81½-818	817-819
Sofia.....	leva to £1	T.T.	25-22½	672-678	668-673
Athens.....	drachmas to £1	T.T.	375	375-375½	374½-375½
Constantinople.....	piastres to £1	T.T.	110	1030-1035	1025
Moscow.....	roubles to £1	T.T.	9-46	9-46½-48½	9-432-9-451
Warsaw.....	zloty to £1	T.T.	43-38	43½-44	43½-44
Helsingfors.....	F. marks to £1	T.T.	193-23	193½-194½	192½-193½
Kyoto.....	yen to £1	T.T.	48-66	48½-49½	48½-49
Reval.....	kroon to £1	T.T.	18-159	18-18-25	18-20-27
Riga.....	late to £1	T.T.	25-22½	25-17-27	25-18-28
Alexandria.....	piastres to £1	Sight	97½	97½-98	97½-98
Buenos Aires.....	pence to peso	T.T.	47-62½	46½-46½	38½-38½
Rio de Janeiro.....	pence to mils.	T.T.	16	5½-5½	4½-4½
Montevideo.....	pence to peso	T.T.	51	47½-48	38½-38½
Valparaiso.....	pence to peso	T.T.	40	39-56	39-56
Lima.....	Eng. to Per. \$1	T.T.	...	19½ prem.	15-20
Calcutta.....	pence to rupee	T.T.	18	1½-1½	1½-1½
Bombay.....	pence to rupee	T.T.	18	1½-1½	1½-1½
Madras.....	pence to rupee	T.T.	18	1½-1½	1½-1½
Hong Kong.....	ster. to dollar	T.T.	...	1½-1½	1½-1½
Shanghai.....	ster. to tael	T.T.	...	2½-3½	1½-1½
Singapore.....	ster. to dollar	T.T.	2½-4d.	2½-3½	2½-3½
Kobe.....	ster. to yen	T.T.	24-58d.	1/11½-2/0	2/0½-1½
Manila.....	ster. to peso	T.T.	24-06d.	2/0½-2/0	2/0½-1½
Mexico.....	pence to peso	T.T.	9-7½	9-9½-10-25	10-30-50
Siam.....	ster. to baht.	T.T.	21-81d.	2/10	1/9½

† Rate for previous day.

OVERSEAS BANK RATES.

	Changed.	From To		Changed.	From To
Amsterdam.....	Mar. 24, 1930	10 3	Oso.....	Nov. 7, 1930	4½
Athens.....	Dec. 2, 1928	10 9	Paris.....	May 1, 1930	3 2½
Batavia.....	May 10, 1930	6 4½	Prague.....	June 24, 1930	4½
Belgrade.....	May 28, 1930	6 5½	Reval.....	Sep. 29, 1930	4½
Berlin.....	Oct. 9, 1930	4 5	Riga.....	Oct. 4, 1930	8 7
Brussels.....	July 31, 1930	3 2½	Rio de Janeiro.....	Oct. 1, 1930	7 6½
Bucharest.....	Nov. 23, 1929	9½ 9	Rome.....	May 20, 1930	6 5½
Budapest.....	May 28, 1930	6 5½	Sofia.....	July 2, 1929	9 10
Calcutta.....	July 10, 1930	6 5	Stockholm.....	Apr. 2, 1930	4 5½
Copenhagen.....	Nov. 12, 1930	4 3½	Swiss Bank		
Helsingfors.....	Aug. 26, 1930	6 5	places		
Kyoto.....	Apr. 1, 1930	7 6	Tokyo.....	July 10, 1930	3 2½
Lisbon.....	Jan. 2, 1930	8 7½	Vienna.....	Sep. 9, 1930	5-11 5
New York Fed- eral Reserve	June 19, 1930	3 2½	Warsaw.....	Oct. 3, 1930	6½ 7½
Madrid.....	July 17, 1930	5½ 6	Wien.....	May 1, 1930	4½ 4

Central Bank of Chile.—Discount rate for member banks, 7%; discount rate for the public, 8%.
 a 6% applied to banks and credit institutions.
 b 7% applied to private persons and firms.

CURRENT PRICES IN NEW YORK.

	Nov. 13, 1929.	Oct. 15, 1930.	Oct. 22, 1930.	Oct. 29, 1930.	Nov. 5, 1930.	Nov. 12, 1930.
Call money.....	6	2½	2½	2½	2½	2½
Time money (90 days' mixed coll.)	6	2½	2½	2½	2½	2½
Bank acceptances—						
Members—eligible, 90 days.....	4½	2	2	2	2	2
Non-members—eligible, 90 days.....	4½	2	2	2	2	2
Ineligible, 90 days.....	5	2½	2½	2½	2½	2½
Commercial accept., 90 days.....	5	2½	2½	2½	2½	2½

Rates of Exchange, New York on—	Par Level.	Nov. 13, 1929.	Oct. 29, 1930.	Nov. 5, 1930.	Nov. 12, 1930.
London—					
60 days.....	Dollars for £1	4-8666	4-81½	4-82½	4-83½
Cable.....			4-87½	4-85½	4-85½
Paris.....	Centas for 1 franc	3-918	3-93½	3-92½	3-92½
Brussels.....	Centas for 1 franc	13-90	13-95	13-94	13-93
Switzerland.....	Centas for 1 franc	19-30	19-37½	19-11	19-40
Italy.....	Centas for 1 lire	5-263	5-23½	5-23½	5-23½
Berlin.....	Centas for 1 mark	23-31	23-89	23-82	23-81
Vienna.....	Centas for 1 schilling	14-07	14-06	14-10	14-095
Madrid.....	Centas for 1 peseta	19-30	14-00	11-21	11-25
Amsterdam.....	Centas for 1 guilder	40-195	40-33	40-26	40-23½
Copenhagen.....	Centas for 1 kroner	26-80	26-78	26-74	26-73
Oslo.....	Centas for 1 kroner	26-80	26-78	26-74	26-73
Stockholm.....	Centas for 1 kroner	26-80	26-78	26-74	26-73
Athens.....	Centas for 1 drachma	1-297	1-2975	1-297	1-297
Montreal.....	Can. Centas for \$1	100	2½ dis.	½ prem.	½ prem.
Yokohama.....	Centas for 1 yen	49-85	49-68	49-65	49-60
Hong Kong.....	Centas for 1 Hong Kong	...	43-50	32-00	31-90
Shanghai.....	Centas for 1 Shing. tael	...	54-70	39-00	39-00
Calcutta.....	Centas for 1 rupee	36-50	36-25	35-98	36-02
Buenos Aires.....	Gold Pesos for \$100	103-65	108-35	129-40	134-5
Rio de Janeiro.....	Centas for 1 milreis	32-42	11-78	10-45	134-45
Valparaiso.....	Centas for 1 peso	12-125	12-03	12-00	12-02

* No quotation.

CENTRAL AND SOUTH AMERICAN EXCHANGE RATES.

The Anglo-South American Bank, Ltd., quotes the following rates of exchange:—

Country.	Method of Quoting.	Par Value.	Usance.	Rate.
Ecuador.....	Soles to \$	24-3325	Sight London	24-55
Venezuela.....	Bolivares to \$	25-25	"	27-05
Colombia (Bogota).....	Pesos to \$	5	"	5-03½
Nicaragua.....	Corobas to \$	4-8665	"	4-92
Salvador.....	Colonos to \$	9-73	"	9-95
Bolivia.....	Pence to Boliviano	18d.	"	13-45

SOUTH AFRICAN EXCHANGE RATES.

The South African Banks quote the following rates:—

	Union of South Africa.	Union of South Africa.
	From November 3, 1930.	From November 25, 1929.
	London on South Africa.	South Africa on London.
	Buying.	Selling.
T.T.	1½ dis.	1½ dis.
Demand	1½ dis.	1½ dis.
30 days	1½ dis.	1½ dis.
60 days	1½ dis.	1½ dis.
90 days	1½ dis.	1½ dis.
120 days	1½ dis.	1½ dis.

OVERSEAS DOMINION RATES.

COMMONWEALTH OF AUSTRALIA AND DOMINION OF NEW ZEALAND.

	London on Australia and New Zealand.	Australia and New Zealand on London.
	Buying.	Selling.
	Aus. tra.	New Zealand.
T.T.	109½	108½
Sight	109½	108½
30 days	109½	108½
60 days	109½	108½
90 days	109½	108½

All Australian Rates are now quoted on the basis of £100—LONDON.

GOLD STANDARD RESERVE.

Statement showing the form in which the balance of the Reserve was held on October 31, 1930:—

	£	£
In India.....	Nil	
In England:		
Cash at the Bank of England.....	3,152	
Gold.....	2,152,334	
British Treasury Bills:—Value as on October 31, 1930.....	10,118,672	
Other British and Dominion Government Securities:—At or below market value on October 31, 1930.....	27,725,842	
		40,000,000
		£40,000,000

BULLION.

The following statistics of imports and exports of gold for week ended Nov. 13, 1930, are issued by the Statistical Department of H.M. Customs and Excise:—

Imported into Great Britain and Northern Ireland.		Exported from Great Britain and Northern Ireland.	
From—	£	To—	£
Spain.....	1,000,000	Germany.....	60,900
Venezuela.....	11,800	France.....	2,367,523
British W. Africa.....	41,907	Switzerland.....	24,180
British S. Africa.....	967,420	Spain.....	93,000
Strait Settlements.....	33,880	Austria.....	13,600
Australia.....	65,000	Kenya.....	2,970
		British India.....	5,080
		Other countries.....	1,260
Total declared value of Imports.....	2,120,007	Total declared value of Exports.....	2,568,580

June 30, 1930.

JOSHUA HOYLE AND SONS, LIMITED.

DIVIDEND ANNOUNCEMENTS.

Name of Company.	Rate % per Annum except where marked % or Stated in Cash. * Interim div. † Final div.			Dividend for Whole Years.	
	Interim or Final.	Date of Payment.	Method of Payment.	Latest Year.	Previous Year.
Palace and Derby Castle	7½%†	...	...	7½	12½
Railway and General Investment	...	...	...	5	5
Ransome and Marles Bearing ...	...	...	...	6	8
Rhodesia Railways Trust	5%*	Nov. 21	Tax free	...	...
Howland and Marwood's Steamship	...	...	Less tax	8	8
S. and W. Berisford	5%+†	...	...	10	10
Scottish Cities Investment Trust	2½%*	...	...	...	...
Siemens Bros.	2½%*	...	...	...	15
South Blackpool Jetty	...	...	...	13	...
Stroud Brewery	7½%†	plus bonus of 5%	...	20	20
Third Caledonian Trust.....	...	...	...	6	5
Third Edinburgh Investment Trust (def.).....	7%+†	...	...	12	12
Trans-Oceanic Trust	2½%†	Nov. 29	...	5	5
United African Explorations	...	...	...	4	10

REPORTS AND NOTICES.

Southern Mahratta Railway Company, Ltd., to fill the vacancies caused by the death of Lieut.-Col. Sir Donald Robertson, K.C.S.I.

GOVERNMENT STOCK, &c.

NATIONAL SAVINGS CERTIFICATES.—Sales of National Savings Certificates for week ended November 1, 1930, were 1,166,206 making a grand total sold of 990,435,998.

MISCELLANEOUS.

ALLIED STORES MERGER.—We are officially informed by the International Tea Company's Stores, Limited, that the negotiations in regard to the proposed merger with the Home and Colonial Stores, Limited, Maypole Dairy Company, Limited, Meadow Dairy Company, Limited, Pearks Dairies, Limited, and Lipton, Limited have broken down.

COMPANHIA DE MOÇAMBIQUE.—The London committee state that the Customs receipts for the Port of Beira during the month of September amounted to £33,430, as compared with £27,366 for the corresponding period of 1929.

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS.

Company.	Period Ending.	Balance from Last Account.	Net Profit After Payment of Deben-ture Interest.	Amount Available for Distribu-tion.	Appropriation.						Corresponding Period Last Year.	
					Dividend.			Carried to Reserve, Deprecia-tion, &c.	Balance Forward.	Net Profit.	Divi-dend.	
					Prefce.	Ordinary.						
						Amount	Amount.					Rate.
		£	£	£	£	£	%	£	£	£	%	
Banks.												
British and Continental Banking.....	Sept. 30	2,303	20,419	22,722	...	...	...	20,000	2,722	...	...	
Breweries.												
Bristol Brewery, Georges and Co.	Sept. 30	111,418	192,331	303,749	18,600	97,200	20†	70,000	117,949	188,063	20†	
Frome United Breweries ...	Aug. 31	9,613	10,025	19,638	2,760	6,900	15	...	9,978	...	...	
Kenward and Court	Sept. 30	4,489	14,629	19,118	...	12,500	12½	...	66,181	22,315	15	
Stroud Brewery.....	Sept. 30	10,039	60,572	70,611	4,020	35,050	20†	21,000	10,541	60,288	20†	
Financial Land, &c.												
Dalgety and Co.	June 30	227,942	235,946	463,888	25,000	150,000	10†	50,000	238,888	422,590	17†	
London and Colonial Invest-ment.....	Sept. 30	3,927	21,592	25,519	5,720	10,026	7	5,000	4,773	21,520	7	
New Zealand and Australian Land	Mar. 31	92,061	Dr 104,796	Dr. 12,735	33,667	67,333	4	Dr 120,000	6,265	250,196	8	
Western Canada Investment Gas.	June 30	4,044	5,994	10,038	4,637	1,700	4	67	3,634	7,210	4	
Oriental Gas Co.....	June 30	63,936	29,975	93,911	...	24,000	8	...	69,911	33,344	8	
Iron, Coal and Steel.												
Thornycroft (John I.)	July 31	61,882	95,876	157,758	12,000	{ 22,500 39,000	{ 9 pf. ord. 13 ord. }	25,000	59,258	129,701	{ 9 17½ }	
Motor and Cycle.												
Enfield Cycle Co.	Aug. 31	43,958	27,029	70,987	1,378	19,375	10†	500	49,734	32,814	10†	
Rubber, &c.												
Bantardawa Rubber Estates	June 30	2,548	Dr. 6,754	Dr. 4,206	...	...	...	1,000	Dr. 5,206	6,034	5	
Bukit Lintang Rubber	June 30	10,362	658	11,020	...	...	...	...	11,020	4,155	10	
Bukit Pulau Rubber	June 30	2,675	Dr. 932	1,743	...	...	...	...	1,743	5,086	4	
Duff Development Co.	Mar. 31	25,472	Dr. 743	24,729	...	...	...	...	24,729	13,538	...	
Glen Muar Estates	July 31	285	2,034	2,319	...	...	...	730	1,589	3,935	2†	
Glen Rubber Co.	June 30	1,417	Dr. 908	509	...	...	...	...	509	1,247	...	
Inch Kenneth Rubber	June 30	8,823	128	8,951	...	...	...	...	8,951	2,162	7†	
Insulinde (Sumatra) Rubber	June 30	4,299	1,353	5,652	...	...	...	1,000	4,652	7,624	5	
Singapore Para Rubber	June 30	5,383	3,350	8,733	...	...	...	...	8,733	9,101	4	
Sumatra Para Rubber	June 30	9,609	1,113	10,722	...	...	...	3,000	7,722	20,601	10	
Shipping.												
Rowland and Marwood's Steamship	July 31	63,783	62,122	125,905	...	17,608	8	43,247	65,050	89,815	8	
Textiles.												
Hoyle (Joshua) and Sons....	Sept. 30	11,901	27,540	39,441	...	...	...	...	39,441	57,436	...	
Wilson, Smith and Sutcliffe	Sept. 30	847	3,040	3,887	3,200	...	...	...	687	...	...	
Trust.												
Clydesdale Investment.....	Sept. 30	16,247	85,465	101,712	21,038	46,750	15	...	33,924	86,666	15	
Foreign Railways Invest-ment.....	Oct. 31	8,091	133,381	141,472	58,125	58,594	5	...	24,753	117,758	8	
Railway and General In-vestment	Sept. 30	2,059	24,020	26,079	11,813	7,875	5	5,000	1,391	18,006	10	
Third Caledonian Trust	Sept. 30	2,433	25,443	27,876	11,625	9,300	6	...	6,951	14,159	5	
Other Companies.												
Berisford (S. and W.)	Sept. 30	4,550	29,173	33,723	4,500	22,500	10	...	6,723	29,962	10	
Chappell and Co.	June 30	10,122	16,358	26,480	11,250	...	...	2,000	13,230	36,249	7†	
Cinzano Limited.....	Sept. 30	5,532	176,579	182,111	24,785	149,723	9	...	7,603	198,428	9	
Coventry Chain Co.	Aug. 31	22,399	61,353	83,752	5,347	31,000	8	17,000	30,405	98,944	12†	
Leeds Fireclay Company ...	June 30	20,148	77,989	98,137	62,500	10,500	10½	...	25,137	77,043	10†	

† Free of income tax.

OIL OUTPUTS.

ATTOCK OIL COMPANY.—Production for October : 12,633 barrels.

THE BRITISH BURMAH PETROLEUM COMPANY, LTD.—A cablegram has been received from Burma reporting the production of crude oil by this company for October, 1930, as 32,668 barrels.

BRITISH CONTROLLED OILFIELDS, LTD.—Production for the week ended October 29 : Venezuela, 37,492 barrels; Trinidad, 20,613 barrels; total, 58,105 barrels.—Production for the week ended November 5th : Venezuela, 35,233 barrels; Trinidad, 20,336 barrels; total, 55,569 barrels. Production for October : Venezuela, 162,469 barrels; Trinidad, 88,230 barrels; total, 250,699 barrels. Deliveries for October : Venezuela, 144,643 barrels; Trinidad, 16,781 barrels; total, 161,424 barrels.

DACIA ROMANO PETROLEUM SYNDICATE, LTD.—Restricted production for October, 6,894 tons. Piscuit perimeter 10-1,826 tons.

MEXICAN EAGLE OIL.—Production for the week ended October 25, 1930, was 229,000 barrels. Production for the week ended November 1, 1930, was 225,000 barrels.

SERVICE PETROLEUM COMPANY, LIMITED.—Production from the company's oil wells at Gura-Oenitzi, Ceptura and Moreni for the week ended October 26th was 4,851 tons (33,957 barrels).

Commercial Reports.

THE CORN TRADE.

Mark Lane, Thursday evening.

A spell of fine weather over the United Kingdom during the past week enabled farmers to push ahead with winter sowings, an excellent seed bed being prepared. Supplies of native wheat continue in small compass at the principal statute markets, and, with a slow demand, prices generally moved in buyers' favour. In the floating and forward cargo section the general tone remained depressed by liberal offerings and a falling off in demand from most importing countries. Large shipments and increasing supplies on passage afforded millers little inducement to operate beyond actual needs, and in sympathy with weak overseas cables prices were marked down for all descriptions. Large quantities of Russian wheat arriving unsold are being stored, and considerable difficulty is experienced in placing samples below milling standard. Reports of rust in Argentina were officially confirmed and tended to arrest the decline temporarily, but the damage does not appear to be serious, and finer weather subsequently led to freer offerings of new crop. While Russian shipments still dominate the immediate situation, it is extremely doubtful if the movement can be maintained at the same high level. It is significant that freight bookings from the Black Sea ports have come to a standstill for the time being, due, no doubt, to the inability to sell cargoes already shipped, and it is felt that the full weight of Soviet competition has now been met. Canadian grades are offering readily, but the lack of export demand is keenly felt in the Dominion, while Argentina continues to ship old crop wheat in order to make room for new supplies. In these circumstances, millers have no anxiety regarding future prospects, particularly as Southern Hemisphere crops will be available early in the New Year, and, meanwhile, current supplies are in excess of requirements. A fair business was reported in home-milled flour, and prices were reduced slightly in sympathy with wheat. Imported makes, however, move off slowly. The demand for maize has improved following the recent spell of colder weather and reduced prices, which encouraged shippers to show more reserve. A better tone for feeding stuffs was also reported from Continental centres.

WHEAT.—Easier. No. 1 hard Manitoba, ex ship, 30s. 6d.; No. 1 Northern Manitoba, ex ship, 29s. 6d.-30s.; No. 2 ditto, 29s.-29s. 3d.; No. 3, 28s. 6d.; No. 4, 27s. 6d.; No. 6 Manitoba, 23s. 6d.; No. 2, mixed Durum, 28s. 6d.; Barusso, 61½ lbs., ex ship to arrive, 25s. 6d.; Australian, 30s.; choice white Karachi, 29s. 8d.; Russian, on sample, ex ship, 25s. 6d.-27s. 6d. per 496 lbs. English, new, 6s. 6d.-7s. per 112 lbs.

FIGURES OF ASSURANCE A.M.P.

By careful and prudent administration the A.M.P. has made more than £42,000,000 for the benefit of its Policyholders since its establishment in 1849, and this, after providing for all expenses of management, commission, taxes, etc. A.M.P. premiums are low, Bonuses high and policies, as befits the largest British Mutual Life Office, world-wide. Assets £74,000,000. Annual Income £10,500,000. Full particulars on application.

MUTUAL AUSTRALIAN PROVIDENT SOCIETY
75-76 King William St., London, E.C.4
D. E. WALKER, Manager for the United Kingdom.

FLOUR.—Quiet. London straight run, 28s. per sack for country deliveries and 27s. London area. Of imported, Manitoba patents, 25s. 9d.-27s. 6d.; Buffalo ditto, 25s.-27s. 6d.; Australian, 23s.-24s. ex store per 280 lbs.

MAIZE.—Easier. Plate, landed, 18s. 6d.; ex ship, 17s. 6d.; November-December, 17s. 3d.; December-January, 17s. 3d.; January-February, 17s. 9d.; No. 2, white flat, African, landed, 18s. 6d. per 480 lbs. Yellow maize meal, £6 5s. f.o.r. London. Yellow African, ex ship, £5 5s.; white, £4 12s. 6d. per ton.

BARLEY.—Dull. Californian, old, landed, 30s.-35s.; new, ex ship, 30s.-41s. as to sample; Chilean, brewing, landed, 30s.-35s.; Chevalier, 38s.-44s.; Australian, 32s.-42s.; Smyrna, 30s.-32s. per 448 lbs; Black Sea, ex ship, 12s. 6d.; Danubian, ex ship, 12s. 6d.; landed, 13s. 9d.; Persian, landed, 13s. per 400 lbs. English, new, malted, 7s.-13s. 9d.; feed, 6s. 6d.-5s. 9d. per 112 lbs.

OATS.—Weak. Plate, landed, 12s. 3d.; ex ship, 11s.; Chilean, tawny, ex ship to arrive, 12s. 3d.; landed, 13s. 3d.; best whites, ex ship, 19s.; landed, 20s.; mixed Canadian feed, ex ship, 9s. 3d.; landed, 10s. 3d.; North Russian, ex ship to arrive, 13s. 3d.; landed, 14s. 6d. per 320 lbs. English, new, 6s.-6s. 4d. per 112 lbs.

COMPARATIVE AVERAGES OF GRAIN.

The following table gives the estimated sales of home-grown wheat during the harvest years 1930-31, 1929-30, 1928-29, 1927-28:—

	1930-1931.	1929-1930.	1928-1929.	1927-1928.
Estimated sales of home-grown wheat—				
1 week to Nov. 8	Cwts. 124,248	Cwts. 216,554	Cwts. 288,752	Cwts. 233,350
10 weeks to Nov. 8	1,449,432	2,940,972	3,039,571	2,476,427
Average price of English wheat per cwt.	s. d. 6 10	s. d. 9 5	s. d. 9 11	s. d. 10 2

The following is a statement showing the Quantities Sold and the Average Price of British Corn in the past two weeks, and for the corresponding week in each of the years from 1926 to 1929:—

Weeks ended.	QUANTITIES SOLD.			AVERAGE PRICE PER CWT.		
	Wheat.	Barley.	Oats.	Wheat.	Barley.	Oats.
1930.						
Nov. 1.....	Cwts. 156,055	Cwts. 543,898	Cwts. 54,868	s. d. 6 11	s. d. 9 10	s. d. 6 0
Nov. 8.....	124,248	526,468	55,294	6 10	9 8	5 11
Nov. 6, 1926.....	396,337	655,149	90,434	12 4	11 9	8 5
Nov. 6, 1927.....	239,070	526,149	87,796	10 5	13 2	9 3
Nov. 10, 1928.....	228,752	606,559	85,299	9 11	10 10	8 11
Nov. 9, 1929.....	216,554	516,386	54,570	9 5	9 8	7 7

AMERICAN WHEAT MARKETS.

The following table shows wheat quotations in recent weeks with comparative figures for 1929:—

NEAREST FUTURE.	Jan. 2, 1929.	Nov. 13, 1929.	Jan. 2, 1930.	Oct. 29, 1930.	Nov. 5, 1930.	Nov. 12, 1930.
Winnipeg (No. 1 Manitoba) —Cents per 60 lb.	122	124½	148½	72½	66½	65½
Chicago (No. 2 Winter) —Cents per 60 lb.	116½	114½	130½	79½	72½	72½

The visible supply of wheat in Canada at 68,298,000 bushels, shows an increase on the week of 3,000 bushels. Supplies a year ago stood at 82,157,000 bushels.

THE COAL TRADE.

Our Sheffield correspondent writes:—Business in South Yorkshire coal remains sluggish in view of the uncertainty regarding marketing schemes. Not much tonnage is being booked on export account, although best steams are firm at 16s. per ton f.o.b. Small fuels continue to be a drug on the market and can be bought at cut rates. Best quality house coals command a ready sale at high prices, but secondary qualities are quiet. The demand for blast-furnace coke for central heating is larger than ever before and is reducing surplus output due to the poor consumption of the iron-smelting furnaces. The price for good qualities is 12s. per ton.

Our Glasgow correspondent writes:—The market has firmed up a little this week as a result of a broadening of the household demand. There has, however, been no material increase in prices so far as shipping business is concerned. With the exception of prime steam qualities, all-round coals are quite easily obtainable for prompt shipment. Among nuts, trebles are fairly well stemmed and doubles are moving off a little better than recently. Shipping prices are approximately as follows (f.o.b. district ports):—**LANARKSHIRE.**—Ell best, 13s. 6d.; splint best, 15s. 3d.; splint second, 14s.; navigation, 15s. 6d. to 16s.; navigation second, 14s. 6d.; Hartley, 15s.; steam, 12s. 6d.; trebles, 12s. 6d.; doubles, 12s.; singles, 10s. 6d.; pearls, 10s. 3d.; dross, 9s. 6d. **FIRE.**—Screened navigation, 16s. 6d.-17s. 6d.; first-class steam, 12s.; third-class steam, 10s. 9d.; trebles, 13s. 6d.-16s.; doubles, 12s. 6d.; singles, 10s. 6d.; pearls, 10s. **LOTHIAN.**—Prime steam, 11s.; secondary steam, 10s. 9d.; trebles, 13s. 3d.; doubles, 12s.; singles, 10s. 6d.; pearls, 10s. **AYRSHIRE.**—Unscreened navigation, 16s.; jewel, 16s.; steam, 13s.; trebles, 13s.; doubles, 12s.; singles, 11s.; pearls, 10s. 6d.; dross, 10s. 6d.

Our Cardiff correspondent writes:—Business on the Cardiff coal market has shown no improvement this week, and some anxiety is felt as to the position which will arise at the end of the month when the present wages agreement expires. The sub-committee which has been during the past three weeks considering the terms of a new agreement is to report to a full meeting of the Conciliation Board next Tuesday and a miners' delegate conference is to be held on the following day. No definite proposals for wage reductions have yet been submitted by the owners to the miners' representatives, but it has been clearly indicated by them that a reduction in labour costs is considered imperative. It is impossible to anticipate what attitude will be adopted by the delegates. A national conference is to be held in London later in the week. Collieries have been dependent almost entirely on their contracts, but shipments continue approximately about 20 per cent. less than at this time last year. Prices for most grades are nominally on the minimum basis. The following are the current approximate quotations:—Best Admiralties, 20s.; seconds, 18s. 9d. to 19s. 9d.; best dries, 18s. 6d. to 19s. 3d.; Black Veins, 18s. 3d. to 18s. 6d.; Western Valleys, 18s. to 18s. 3d.; Eastern Valleys, 17s. 6d. to 17s. 9d.; best small steams, 13s. to 13s. 3d.; cargo smalls, 12s. to 12s. 6d.; coking smalls, 13s. 3d. to 13s. 6d.; anthracite, best large, 36s. to 37s. 6d.; Red Vein, large, 22s. 6d. to 27s. 6d.; machine-made cobbles, 40s. to 45s.; French nuts, 43s. to 46s.; stove nuts, 39s. 6d. to 43s. 6d.; ruffly culm, 9s. 3d. to 9s. 9d.; foundry coke, 29s. to 35s.; patent fuel, 20s. to 21s. 6d.; pitwood, ex ship, 24s. 9d. to 25s.

IRON AND STEEL.

We extract the following from the weekly report of the London Iron and Steel Exchange:—A somewhat steadier tone has developed in the iron and steel markets. Business is still restricted to hand-to-mouth buying; but there seems more activity in most departments of the trade. The pig-iron market is disturbed by cheap offerings of foreign iron which have followed the collapse of the Continental Pig-iron Cartel, and fears are entertained that the anxiety of the foreign producers to dispose of their stocks may lead to increased competition to obtain British orders. In the semi-finished steel department, Continental competition is keen, but prices have become somewhat steadier. The figures quoted by Continental makers, however, are at the lowest point known for many years, and as a result a fair tonnage of orders has gone overseas, particularly to French and Belgian works. The demand for finished steel has been rather more active of late, and this has imparted a somewhat brighter tone to the market; but in this department, as in other sections of the iron and steel trade, the pressure of Continental competition is keen, as the prices of all Continental steel materials have fallen to a very low level. The export demand, however, remains sluggish, although there has been a fair amount of inquiry of late.

Our Middlesbrough correspondent writes:—The market for Cleveland iron is very depressed; Continental competition at low prices is keen, and there are no signs of an early expansion in business. Only a few small home sales of Cleveland iron were reported at Tuesday's market, and the official prices were unchanged, viz.: No. 1, 66s.; No. 3, 63s. 6d.; No. 4 foundry, 62s. 6d.; and No. 4 forge, 62s. f.o.b. or f.o.t. In hematite a fair demand is being experienced, and although stocks are heavy in one or two cases, there is a steady reduction overhead. Home consumers are taking more iron and moderate sales continue to be made for export. Makers remain firm at 71s. for mixed numbers for delivery over a few months, but prompt lots can still be got at threepence to sixpence less. Shipments of pig iron are only poor, the total cleared to the 11th instant being 2,748 tons against 7,774 tons to same date in October. In the finished departments there is a little more doing, and it is very satisfactory to learn of the orders placed with the two local firms of Dorman, Long and Company, Ltd., of Middlesbrough, and Ashmore, Benson, Pease and Company, Ltd., of Stockton, of the approximate value of £1,500,000 and £300,000, respectively, in connection with the new steel plant at Pretoria for the South Africa Iron and Steel Industrial Corporation. In the case of Messrs. Dorman's, they are to construct steel-melting shops and rolling mills which will entail about 15,000 tons of constructional steel, while Messrs. Ashmore are to build a large blast-furnace of a capacity of about 500 tons per day. The whole work will extend over two or three years. Head, Wrightson and Company, Ltd., of Thornaby, have secured orders for three coal hoists for L.N.E.R. at Alexandra Docks, Hull, and seven at Cardiff, Port Talbot and Swansea for the G.W.R. Company, Ltd., the total value of which is about £100,000. Prices of the different steel materials are unchanged at this week. The ore market is idle; best Bilbao rubio is offered at 17s. per ton c.i.f., for delivery over a few months, but odd prompt cargoes can still be bought at 16s. 6d. The rate of freight Bilbao-Middlesbrough for early tonnage is about 5s. Coke is weak, and although the general market quotations for ordinary furnace qualities up to the end of the year is 17s. delivered, it is possible to pick up odd lots at a trifle less. The number of furnaces in blast on the North-East Coast is unchanged at 24, but one is going in on ferro-manganese at the Dinsdale works of the Linthorpe-Dinsdale Smelting Company, Ltd., next week, which will increase the total to 25.

Our Sheffield correspondent writes:—No appreciable change in the conditions of the heavy steel and pig-iron branches has manifested itself. Parcels of low-grade Continental semi steel are being offered in this country at pre-war prices, and this competition tends to accentuate the depression here. Steel production remains at the level of the last few weeks. Dullness continues to charac-

terise the pig-iron situation. There is little or no bulk buying of iron and steel materials. The international situation is no better, and this is responsible for the paucity of export business. As regards the home market, demand is now fairly brisk for many kinds of tools, chiefly machine knives, twist drills, saws, spades and shovels. Quality tools are in demand. Shipments of tools to Australia and other overseas markets, however, remain at a low level. The seasonal trade in cutlery, silver and electro-plate is unsatisfactory, and compares unfavourably with a year ago.

Our Glasgow correspondent writes:—In the West of Scotland business remains dull and, although at times the greater number of inquiries would seem to indicate more interest on the part of buyers, there is actually little new work being placed and at most plants there is some difficulty in finding an outlet for even the present reduced output. Continental competition is keen, prices quoted being exceedingly low, especially for semis, which have touched a lower level than for many years past. In the sheet trade the export demand for both black and galvanised continues unsatisfactory. During the present week Messrs Yarrow and Company, Ltd., of Scotstoun, have received an order for ten water-tube boilers for the Tramways Department electric power station at Greenwich from the London County Council. This order is estimated to be worth over £200,000 and will afford employment to a large number of workers.

Our Cardiff correspondent writes:—No improvement has taken place in the condition in the South Wales tinplate and steel industries this week; on the contrary, demand has been less active and prices easier. Nominally, however, quotations for tinplates, galvanised sheets and tinplate bars are unchanged.

OTHER METALS.

TIN.—The standard market displayed generally quiet features, and with sellers more in evidence a weaker tone resulted, with slight irregularity at times. Closing tone strong on increased buying. Eastern advices were firmer. Standard cash changed hands at £112 2s. 6d., £110 10s. and £115; three months, £113 10s., £111 18s. and £116 10s. Sales in the East were reported at £117 10s. to £117 5s. and £118 10s. per ton, c.i.f. terms.

COPPER.—Market firmer, and a good demand was reservedly met, forward positions being chiefly in request. Small sales in standard cash were reported at £44 8s. 9d. to £49 5s.; and three months sold from £44 to £49 10s. per ton.

LEAD dull and trend of values in buyers' favour, offerings being in excess of requirements. The close was firmer on active support. Good soft foreign pig, December, sold £15 11s. 3d. to £15 10s. and

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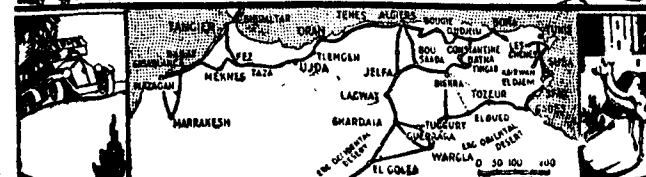
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£16 3s. 9d.; January £15 12s. 6d. to £15 11s. 3d. and £16 2s. 6d.; February, £15 12s. 6d. to £15 11s. 3d. and £16 2s. 6d. per ton.

SPELTER in moderate support but prices firmer on balance. November, sold £14 10s.; December, £14 17s. 6d.; January, £15 2s. 6d. to £15 6s. 3d.; February, £15 5s. to £15 and £15 10s. per ton.

ALUMINIUM maintained. Home trade and export, £85 per ton.

ANTIMONY easier, but buyers more in evidence. English regulus, £38 to £45. Chinese regulus, spot, £25 10s.; November-December, £22 15s.; Chinese crude, November-December, £14 per ton, c.i.f.

ANTIMONY OXIDE.—November-December, £25 per ton c.i.f.

ANTIMONY ORE.—60 per cent., November-December, 3s.; ditto, 50 per cent., 2s. 6d. per unit c.i.f.

WOLFURM quiet and easier. November-December, 17s. per unit c.i.f.

QUICKSILVER steady. Spot, £21 15s. to £22 per bottle.

TIN PLATES steady, with a moderate business passing. I.C. coke, prompt and forward, 17s. per box, f.o.b. Swansea.

THE COTTON TRADE.

LIVERPOOL: November 12th.

The markets have been dull and featureless. The Bureau report issued on Saturday gave the indicated crop as being 14,438,000 bales, against their last month estimate of a crop of 14,486,000 bales. The figures were a little less than expected and prices advanced some 15 points. On the week, however, prices are about 10 points down. To-day the New York Cotton Exchange Service published their estimate of consumption in the United States for October as 441,000 bales, against 385,000 last month and the daily rate as 18,000 bales, against 16,100 bales last month. The official figures of consumption for October last year were 641,000 bales. Spot sales for the week 6th to 12th (inclusive) are 33,000 bales, of which 14,630 bales are American, 1,400 Brazil, 1,350 Argentina, 7,500 Peru, 4,450 Egyptian, 1,400 African, 1,900 East Indian and 370 sundries. Imports for the same period are 64,159 bales, of which 53,388 bales are American, 2,108 Peru, 6,125 Egyptian, 1,167 African, 1,080 East Indian and 291 sundries. Quotations to-day are: American Middling, 6-02; Egyptian Sakel, 9-85; Uppers, 6-82; Brazil Fair, 6-02; Peru G.F. Smooth, 6-57; West African Middling, 6-07; and East African (G.F.), 7-02.

MANCHESTER: November 12th.

There have been very few indications of increased activity in the market and business in yarn and cloth has been confined to miscellaneous lots. The fluctuations in raw material rates have been disconcerting, but on the whole traders hold bearish views at the moment and there is a distinct fear of lower values. Cables continue to be received from India asking for cloth prices to be wired out, but the response in the way of definite offers is poor. Producers of dhooties in Blackburn and district are still without relief. Light bleaching descriptions have been sold in moderate lots for Madras and Karachi. The latest news from China has not been encouraging, and owing to rumours of some change in the settling day for the native dealers there has been a slump in prices for goods at the auctions in Shanghai. Some exporters to the Near East have displayed rather more interest in Manchester goods, but comparatively little has been done for South America and the Continent. Some falling off is showing itself in the demand for the home trade. In American yarns for home use there has been rather more irregularity in quotations. Spinners have sold much less freely than a fortnight ago. A fair business continues to be done in Egyptian counts.

Statement of the Cotton Trade.

	1930.				Corresponding Date.	
	Oct. 22.	Oct. 29.	Nov. 5.	Nov. 12.	1928.	1929.
Raw Cotton—Mid. American..... per lb.	5-87	6-39	6-14	6-02	10-69	9-22
Sakellaris Fully Good Fair						
Egyptian..... per lb.	9-40	10-05	9-90	9-80	18-30	14-80
Yarns—32's twist..... per lb.	9-1	10-1	10-1	9-1	16-1	14-1
40's twist..... per lb.	10-1	10-1	10-1	10-1	16-1	14-1
60's twist (Egyptian)..... per lb.	17-1	18-1	18-1	18-1	28-1	24-1
32-in. Printers, 116 yds., 16 by 16, 32's and 50's.....	8-9	9-19	2-19	0-18	9-25	8-24
36-in. Shirtings, 75 yds., 19 by 19, 32's and 40's.....	21-0	21-4	21-2	21-0	28-6	26-9
38-in. ditto, 38 yds., 18 by 16, 10 lb.....	11-9	12-0	11-10	11-9	15-3	14-6
39-in. ditto, 37 yds., 16 by 15, 8 lb.....	10-7	10-10	10-9	10-7	13-9	13-0

THE WOOL TRADE.

Our Bradford correspondent writes:—Generally speaking, the wool market is sound. Some encouraging information has been received from Australia this week, there being a hardening tendency in all good wools in Melbourne and Sydney. From private information, it is evident that there were fairly large operations on home trade account, and though there may still be some misgiving about the future of faulty merinos, practically none need be entertained about anything with quality and good combing style. The free movement of wool in Australia having been accompanied by substantial turnover here, has created the belief that merino wool is

a sound proposition, there being more safety in buying the raw material than in selling tops on forward account at current prices. Similar opinion is also understood to be held by some of the leading Continental houses whose stocks of wool are small, and who are prepared to go on operating freely. Considerable quantities of South American wools have been bought for Bradford. The clean-scoured cost of both merinos and crossbreds is very reasonable, but it is believed that a basis has been established for the latter from which there will not be much deviation when the New Zealand season commences at Auckland towards the end of this month; 7½d. clean for low Buenos Aires crossbreds and 15½d. for good Monte Video combing merinos indicates a cost at which increasing turnover should be possible. The Bradford market is quite firm. The turnover in tops is not now very large and, following the tendency in wool, merino topmakers are quoting slightly higher prices for any business offered on both spot and future account. Quite a substantial amount of business has been done in botany yarns. Prices seem to have given rather more satisfaction, though spinners of white yarn are still disposed to sell on a basis which does not allow for any advance in wool and tops. Crossbred tops are steadier, but it is still possible to buy medium and low qualities very cheaply.

THE JUTE TRADE.

DUNDEE, November 12th.

Brighter prospects are in store for the jute trade, and buyers of jute cloth are displaying considerably more interest. Though business is still very much under normal and insufficient to warrant the putting on of more machinery, orders have been more numerous for small quantities and inquiries are being received for fair lots for delivery some distance ahead. Prices have come down to such a low level that there is no room for a further fall if spinners and manufacturers are to keep their works open. The raw material is keeping at a level of value that is higher than the comparative rates obtainable for jute yarns and cloth, so that with the improvement noticeable in the market there is a tendency to raise prices of productions. The Indian mills have been purchasing moderately of raw jute during the past week, and this, combined with speculative operations, has caused prices of the fibre to harden. Good quality jute is none too plentiful despite the large crop forecasted, and First Marks and the better qualities are seldom offered for sale. The nominal value of First Marks is £20 10s. to £21, and good Lightnings have been sold this week at from £17 5s. for five mark group to £18 for Red H. November-December. Daisee assortment rose to £15 10s., and threes have been sold at £15 for long group, with fours offered at £14. Tossa assortment is quoted at £17 5s., threes at £17 and fours at £16, November-December. Spinners have purchased fairly freely during the past week, because of the incentive received in the better sale of jute yarns, which have commanded a good deal of attention from manufacturers. The price of common 8-lb. cops is more often 2s., and for 8-lb. spools 2s. 1d. is wanted, though business has not yet been reported at more than 1s. 11d. and 2s. respectively. Transactions have been recorded forward into the first few months of next year. Twist is from 3½d. to 4d. for 3-ply 8 lb., according to quality. Sacking yarns are in moderate request at 2½d. lowest for 24-lb. woft and 3½d. for 8-lb. chains, while rove is very steady at £25 for 48 lb. and £17 for 200 lb. Fine yarns are firmer at 3s. for second quality 8 lb. Rio warp, 2s. 8d. for third, and 2s. 5d. for fourth. Business in jute cloth has increased to some extent, and manufacturers are trying to get away from the uneconomical level at which prices have been ruling for some time. There is, however, the inclination to first consolidate the position, and any business being done is at last prices for the heavier weights, viz., 2½d. to 3d. for 10½ oz. 40 in., and 2d. is now the lowest for 8 oz. Linoleum hessians continue dull and nominal, and heavy goods remain quiet. The Calcutta goods market has firmed up in sympathy with the raw jute market. The value of 10 oz. 40 in. is 18s. 6d. for November-December and 18s. 7d. for January-March, with 8 oz. at 14s. 9d. and 15s. respectively. Spot prices are up to 18s. 9d. for 10 oz. and 15s. 3d. for 8 oz.

HIDE, LEATHER AND ALLIED TRADES.

The downward tendency of prices for hides from home-slaughtered cattle was again in evidence at the auctions held at Manchester on Tuesday, all first clear and warbled ox and heifers, with the exception of the two bottom weights, making ½d. per lb. less money. Calfskins were from ½d. to ¾d. per lb. cheaper, while cows and bulls sold at the previous week's figures. Sales of imported hides have again been on the small side, and although a regular trade is being done, turnover is not sufficiently large to make for a firm market, with the result that values for most descriptions are again slightly lower. In the South American market, parcels of Argentine ox have changed hands on the basis of 6½d., with light ox sold at 5½d., and cows at 6½d. Dry South Americans have been a poor trade with B.A. Americans still quoted at 7½d., and M.V. Americans at 8d. Capes have been inquired for and sales of drys have been made at 7½d., and 6½d., for firsts and seconds, with the same selection of drysalted on offer at 6½d. and 5½d. for 20/30 lbs. Prices for Australians are inclined to be easier. Sole leather business has not been up to the average and in some directions the turnover is considered below what might normally have been expected for the time of the year. English and wetsalted bends have been the best feature of the trade done, and the inquiry for these on repairing account has covered all weights. In regard to dry hide bends the only inquiry of any consequence has been that for the heavier weights for the production of men's winter footwear. In the upper leather section a moderate turnover is done from day to day in most of the stale lines, with willow calf still the best seller.

OVERSEAS TRADE RETURNS.

IMPORTS (Value C.I.F.).

	Month ended October 31.		10 Months ended October 31.	
	1929.	1930.	1929.	1930.
I.—Food, Drink, and Tobacco—				
A. Grain and flour.....	11,001,743	6,878,398	81,000,777	59,869,478
B. Feeding stuffs for animals.....	839,847	413,312	7,958,034	4,877,443
C. Meat.....	8,268,163	8,156,541	94,882,902	93,810,847
D. Animals, living, for food.....	2,009,073	2,392,227	12,750,483	14,799,223
E. Other food and drink, non-dutiable.....	19,413,944	18,558,968	175,523,329	158,021,716
F. Other food and drink, dutiable.....	6,655,795	5,139,585	56,106,410	47,598,397
G. Tobacco.....	2,993,283	2,565,611	13,116,106	11,606,437
Total, Class I.....	51,181,848	44,104,642	441,338,041	390,583,541
II.—Raw Materials and Articles Mainly Unmanufactured—				
A. Coal.....	3,252	2,591	28,976	23,994
B. Other non-metallic mining and quarry products and the like.....	537,970	390,835	4,920,049	4,571,541
C. Iron ore and scrap.....	676,608	332,549	5,556,284	4,642,657
D. Non-ferrous metalliferous ores and scrap.....	1,238,770	742,958	14,273,611	10,627,905
E. Wood and timber.....	5,881,012	4,554,952	37,620,543	36,235,701
F. Raw cotton and cotton waste.....	6,312,793	3,204,104	59,437,917	35,720,329
G. Wool, raw and waste, and woolen rags.....	1,793,308	1,601,620	53,724,356	39,460,200
H. Silk, raw, knubs and noils.....	212,901	127,666	1,540,664	1,294,658
I. Other textile materials.....	1,094,530	455,186	11,989,710	8,487,671
J. Oils, seeds, nuts, oils, fats, resins and gums.....	3,569,951	2,698,113	37,250,243	29,482,668
K. Hides and skins, undressed.....	1,835,600	1,285,344	17,297,554	14,170,856
L. Paper-making materials.....	1,068,319	898,240	10,473,663	9,990,589
M. Rubber.....	1,986,118	740,809	14,611,035	9,453,679
N. Miscellaneous raw materials and articles mainly unmanufactured.....	1,083,993	1,072,037	9,869,234	9,522,214
Total, Class II.....	27,295,125	18,107,004	278,399,839	213,684,662
III.—Articles Wholly or Mainly Manufactured—				
A. Coke and manufactured fuel.....	236	255	10,844	7,353
B. Earthenware, glass, abrasives, &c.....	1,035,038	1,012,562	9,195,980	9,018,979
C. Iron and steel and manufactures thereof.....	2,131,327	1,989,408	20,325,386	19,653,665
D. Non-ferrous metals and manufactures thereof.....	3,019,238	2,265,561	30,123,444	25,532,033
E. Cutlery, hardware, implements, and instruments.....	747,035	708,373	6,962,352	6,460,846
F. Electrical goods and apparatus.....	813,969	734,644	5,049,429	5,770,048
G. Machinery.....	1,724,115	1,498,879	15,977,529	15,308,188
H. Manufactures of wood and timber.....	874,343	787,740	7,960,189	7,419,488
I. Cotton yarns and manufactures.....	1,079,295	989,552	8,976,279	8,138,703
J. Woollen and worsted yarns and manufactures.....	1,429,550	1,420,521	13,711,605	12,072,448
K. Silk and silk manufactures.....	1,184,291	995,457	11,433,562	9,715,925
L. Manufactures of other textile materials.....	1,647,525	1,302,231	14,440,860	13,114,232
M. Apparel.....	1,811,928	1,835,728	16,857,553	16,638,623
N. Chemicals, drugs, dyes and colours.....	1,836,229	1,252,822	14,005,988	11,572,461
O. Oils, fats, and resins, manufactured.....	3,818,263	3,641,509	37,004,365	41,075,383
P. Leather and manufactures thereof.....	1,353,189	1,483,428	12,796,028	12,658,630
Q. Paper and cardboard.....	1,441,375	1,693,468	14,724,807	15,053,473
R. Vehicles (including locomotives, ships, and aircraft).....	715,411	609,149	9,293,843	5,988,920
S. Rubber manufactures.....	329,170	413,668	3,124,787	3,343,051
T. Miscellaneous articles, mainly or wholly manufactured.....	3,181,568	3,089,344	26,467,482	23,558,872
Total, Class III.....	30,173,095	27,715,299	278,442,312	262,101,321
IV.—Animals, not for food.....	351,930	390,659	2,908,555	3,204,642
V.—Parcel Post, non-dutiable articles.....	1,235,542	542,409	6,108,653	6,211,082
Total.....	110,237,540	90,860,013	1,007,197,400	875,785,248

OVERSEAS PRODUCE.

SUGAR.—Trade demand shows no appreciable revival and is still largely measured by immediate requirements, but no further change occurred in quotations. In view of the satisfactory progress of the Chadbourne plan which, having passed the Lower Cuban House by a large majority, awaits ratification by the Senate, sellers naturally adopted a good deal of reserve. In spite of this, however, an extensive business was arranged in raw terminal section at higher prices. It is understood that a meeting of Cuban European interests to discuss mutual crop restrictive measures will be held in Brussels on the 29th instant. Cane raw sugars offered very sparingly. Terminal section for raw manifested activity and prices responded. December delivery sold 5s. 4d. to 6s. 5½d.; March, 6s. 6½d. to 6s. 7d.; May, 6s. 9½d. to 6s. 10d.; August, 7s. 0½d. to 7s. 1½d. and 7s. 1d.; December, 7s. 3d. to 7s. 4d. Foreign, 96 per cent. centrifugal, in odd parcels for November, quoted 6s. 3d., and representative quantities, 6s. 6d.; Continental, 88 per cent. beet, 6s. c.i.f. United Kingdom. Imports into the United Kingdom last month, 150,554 tons, against 165,869 last year; consumption, 148,939, against 139,885; exports, 13,305, against 26,237; stocks, 176,450, against 276,850; stocks of home-grown, 24,550, against 29,450 same time last year. Cuban receipts last week cabled 38,720 tons, against 9,160 same time last year; exports, 99,300, against 30,000; stocks, 896,670, against 305,670. Messrs Willett estimate quantity on plantations and in course of transit 1,109,000 tons, against 403,813 last year. Stocks of raw sugar in the three chief ports of the United Kingdom for week ending November 8 totalled 19,623 tons, against 21,172 last year.

COFFEE.—Quiet conditions continue and prices show a weaker tendency, except for attractive quality, of which supplies are scarce.

EXPORTS OF PRODUCE and MANUFACTURES of the UNITED KINGDOM (Value F.O.B.).

	Month ended October 31.		10 Months ended October 31.	
	1929.	1930.	1929.	1930.
I.—Food, Drink, and Tobacco—	£	£	£	£
A. Grain and flour	404,354	330,758	4,030,752	3,668,490
B. Feeding stuffs for animals	252,487	190,996	2,639,340	1,794,704
C. Meat	179,073	133,589	1,380,259	1,196,472
D. Animals, living, for food	23,335	19,014	171,611	151,652
E. & F. Other food and drink	3,613,449	3,158,301	28,850,757	25,911,721
G. Tobacco	971,379	547,797	8,000,031	7,236,145
Total, Class I.	5,444,077	4,380,455	45,072,750	39,959,184
II.—Raw Materials and Articles Mainly Unmanufactured—				
A. Coal	4,764,831	3,953,745	40,012,515	38,883,762
B. Other non-metallic mining and quarry products and the like	151,893	152,602	1,659,230	1,413,291
C. Iron ore and scrap	101,958	45,497	1,320,197	458,901
D. Non-ferrous metalliferous ores and scrap	185,488	78,718	1,607,672	702,851
E. Wood and timber	25,482	21,808	323,561	248,742
F. Raw cotton and cotton waste	97,628	41,918	993,351	537,292
G. Wool, raw and waste and wool- len rags	793,673	386,191	8,297,482	4,135,345
H. Silk, raw, knubs and noils ...	1,422	1,160	24,171	12,424
I. Other textile materials	33,083	16,071	362,112	242,772
J. Oil seeds, nuts, oils, fats, resins and gums	367,071	270,597	4,220,962	3,076,910
K. Hides and skins, undressed ...	169,985	83,781	2,290,666	1,248,480
L. Paper making materials	132,333	84,785	1,299,181	900,191
M. Rubber	25,004	11,751	236,270	149,716
N. Miscellaneous raw materials and articles mainly unmanufactured	244,206	197,828	3,313,307	2,400,337
Total, Class II.	7,094,057	5,346,452	65,960,677	54,411,014
III.—Articles Wholly or Mainly Manufactured—				
A. Coke and manufactured fuel	415,674	341,971	3,461,664	2,922,155
B. Earthenware, glass, abrasives, &c.	1,347,471	1,023,290	11,676,780	10,297,917
C. Iron and steel and manufactu- res thereof	6,057,346	4,349,638	56,477,985	44,858,297
D. Non-ferrous metals and manu- factures thereof	1,631,041	987,118	15,272,503	10,370,919
E. Cutlery, hardware, implements, and instruments	936,945	608,813	7,751,757	6,277,854
F. Electrical goods and apparatus	1,374,543	981,537	10,750,394	10,243,342
G. Machinery	4,803,020	4,127,796	44,871,567	40,075,476
H. Manufactures of wood and timber	318,957	225,044	2,451,678	1,896,487
I. Cotton yarns and manufactures	10,316,770	6,091,337	114,873,666	77,443,766
J. Woollen and worsted yarns and manufactures	4,296,635	2,919,146	45,534,889	32,037,361
K. Silk and silk manufactures ...	1,38,316	1,798,331	1,569,715	1,569,715
L. Manufactures of other textile materials	2,276,714	1,671,429	22,496,527	17,113,259
M. Apparel	2,806,465	1,925,509	21,673,673	17,319,654
N. Chemicals, drugs, dyes, and colours	2,544,020	1,941,454	21,487,511	18,876,166
O. Oils, fats, and resins, manu- factured	725,453	513,394	7,128,319	6,360,976
P. Leather and manufactures thereof	777,892	425,400	6,548,076	4,600,940
Q. Paper and cardboard	976,165	722,184	8,034,108	7,271,299
R. Vehicles (including locomotives ships, and aircraft)	4,012,313	3,864,889	42,529,644	41,714,194
S. Rubber manufactures	299,883	221,024	2,872,604	2,423,443
T. Miscellaneous articles mainly or wholly manufactured	4,026,248	2,836,876	32,911,604	25,898,902
Total, Class III.	50,335,169	35,916,165	480,603,280	379,364,122
IV.—Animals, not for food	187,960	108,204	1,663,655	1,255,470
V.—Parcel Post	1,528,185	1,170,537	14,700,192	13,047,356
Total	64,589,448	46,921,813	608,000,554	488,037,144

COMMERCIAL TIMES—WEEKLY PRICES CURRENT.

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

LONDON, TUESDAY.			FRUIT (continued).			WOOL—			HIDES—			
CEREALS AND MEAT.			Spanish Onions,			English Southdown, washed			Wet salted—Australian			
GRAIN, &c.	s. d.		Valencia:—			per lb.			per lb.			
Wheat, No. 3, N. Man.	49 1/2	28 6	case, 4s.	5	0	6	0	14	10	West Indian.....	0 4 1/2	0 4 1/2
Eng. Gaz. av., per cwt.	6	10	case, 5s.	6	0	7	3	42	0	Dry and Dried.....	0 3 1/2	0 4 1/2
Barley, Eng. Gaz. av.	9	8	Onions, Oporto.....	case	0	0	0	11	11	Market Hides, London—	0 6	0 8
Oats.....	5	11	Chestnuts, Naples.....	bags	18	0	22	0	9	Best heavy ox and heifer	0 5 1/2	0 7 1/2
Maize, La Plata, landed,	480 lb.	18 6	Grapes, Lisbon.....	boxes	0	0	0	8	28	Best cow.....	0 3 1/2	0 4 1/2
Rice, Lon. Stan. ex mill	s. d.		Almeria.....	barrels	10	0	27	0	24 1/2	Best calf.....	0 8 1/2	0 10 1/2
280 lb.....	26	6	LARD.....					12	11 1/2	INDIGO—		
Rice, No. 2 Burma, per cwt.	9 1/2	0	Irish bladders.....	70	0	80	0			Bengal gd. red-vio. to		
Sago, Pearl, per cwt.	19	0	American, boxes 55 lbs.	66	0	67	0			fine—per lb.	5	6
Tapioca, per cwt.			SPICES—							LEATHER—		
B.T. flake, fair spot	17	6	Pepper, per lb.—							Sole Bends 8/14 lb.—		
Medium pearl.....	20	0	Munk, fair White.....	0	0	0	11 1/2			per lb.	1	2
Potatoes, good English	5	0	Black Lampong.....	0	0	0	7 1/2			Bark Tanned Sole.....	2	3
per cwt.	5	0	Cinnamon—1st sort, per lb.	0	11	0	0			Shoulders fm DS Hides	0	7
Beef, per 8 lbs.—			Gloves—Zanzibar per lb.	0	1	5				Do. Eng. or WS do.	0	11
English long sides.....	4	10	Ginger—per cwt.—							Bellies from DS.....	0	6
Argentine chilled hinds.	4	8	African.....	40	0	0				Dressing Hides.....	1	7
Mutton, per 8 lbs.—			Jamaica, ord. to good	60	0	90	0			Ro. Eng. Calif, 20/30 lb.	3	6
English wethers.....	6	8	Nat. 55s.....	16	1	10	2			Aust. Bends.....	1	2
N.Z. frozen.....	3	6	Must. 55s.....	1	3	0	0			VEGETABLE OILS—		
Pork, English, per 8 lbs.	4	8	SUGAR—							Lined, naked, p. ton net	21	10
			(Duty 11s. 8d. per cwt.)							Rape, refined.....	30	0
BACON— OTHER FOODS.			B.W.I. crystallised.....	19	6	22	6			Cotton-seed, crude.....	24	0
Irish.....	86	0	Java, white, c. & f. India	7	8	1	0			Cocnut, dec.	32	0
Danish.....	70	0	Nov.-Dec.	7	8	1	0			Palm.....	21	2
Canadian.....	70	0	REFINED—London—							Oil Caken, Linsed, Eng.	9	0
Dutch.....	65	0	Yellow Crystals.....	19	14	0	0			per ton		
HAMS—Irish.....	0	0	Cubes.....	23	6	24	0			Oil Seeds—Linsed—		
Canadian.....	0	0	Crushed.....	22	2	2	6			La Plata, p. ton—		
American.....	95	0	Granulated.....	19	10	20	7 1/2			Nov.-Dec. 10/26	0	0
BUTTER—			HomeGrown(Nov.-Dec.)	19	3	19	10 1/2			Calcutta—per ton		
Irish creamery per cwt.	nom.		TBA—							Nov.-Dec. 13	0	0
Australian.....	94	0	Indian & Ceylon—per lb.									
New Zealand.....	100	154	Pekoe.....	0	8	2	3					
Danish.....	140	0	Broken Pekoe.....	0	9	2	1					
			Orange Pekoe.....	0	10	2	2 1/2					
			Broken Orange.....	0	10	2	9					
CHESSE—			TOBACCO—									
Canadian..... per cwt.	74	0	(Duty 8/10-11/24 per lb.,									
New Zealand.....	69	0	Empire growths, 6/94									
English Cheddars.....	66	0	per lb.)									
Dutch.....	41	0	Virginia lead.....									
COCOA—			Common to fine.....	0	10	2	6					
(Duty, British grown,			Rhodesian leaf.....	0	6	1	3					
11s. 8d.; foreign, 14s. cwt.)			Nyasaland leaf.....	0	7	1	0					
Acacia, 4s. per cwt.	27	0	strips.....	0	10	1	0					
Tinned.....	48	0	East Indian leaf.....	0	4	0	6					
Grenada.....	41	0	strips.....	0	5	1	0					
COFFEE—			COTTON— TEXTILES.									
(Duty, British grown,			Common to fine.....									
11s. 8d.; foreign, 14s. cwt.)			Mid-American..... per lb.									
Arabia, 4s. per cwt.	27	0	Yarn, 32s. twist.....									
Trinidad.....	48	0	Yarns, 32s. twist.....									
Grenada.....	41	0	60's twist.....									
COFFEE—			PLAX—									
(Duty, British grown,												
11s. 8d.; foreign, 14s. cwt.)												
Arabia, 4s. per cwt.	27	0										
Trinidad.....	48	0										
Grenada.....	41	0										
COFFEE—												
(Duty, British grown,												
11s. 8d.; foreign, 14s. cwt.)												
Arabia, 4s. per cwt.	27	0										
Trinidad.....	48	0										
Grenada.....	41	0										
COFFEE—												
(Duty, British grown,												
11s. 8d.; foreign, 14s. cwt.)												
Arabia, 4s. per cwt.	27	0										
Trinidad.....	48	0										
Grenada.....	41	0										
COFFEE—												
(Duty, British grown,												
11s. 8d.; foreign, 14s. cwt.)												
Arabia, 4s. per cwt.	27	0										
Trinidad.....	48	0										
Grenada.....	41	0										
COFFEE—												
(Duty, British grown,												
11s. 8d.; foreign, 14s. cwt.)												
Arabia, 4s. per cwt.	27	0										
Trinidad.....	48	0										
Grenada.....	41	0										
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Arabia, 4s. per cwt.	27	0										
Trinidad.....	48	0										
Grenada.....	41	0										
COFFEE—												
(Duty, British grown,												
11s												

9½d.; October-December dealt in at 9½d.; and January-March 9½d. London stocks of black reduced 29 tons on the week to 465, against 1,142 same time last year; white 12 tons higher at 158, against 1,054. deliveries 4,681, stocks 75,159, against 49,302 last year. Liverpool stocks 395 tons higher, landings 697, deliveries 302, stocks 39,336, against 18,158.

FRUIT (Dried).—Currants: Market firm with a fair trade passing. Pyrgos, 30s. 9d.-31s.; Vostizza, 50s.-60s. Sultanas move off freely at full rates. Smyrna, 40s.-60s. Raisins sell readily. Valencia, quarter boxes, 38s.-65s. Dates firm. Figs steady. Genuine, 26s.-30s. Evaporated Fruits: Market quiet and prices tend easier for apricots, but plums firm, especially large sizes. Californian peaches, 40s.-47s. 6d.

CANNED GOODS.—Fruit : A steady demand continues for English fruits and Australian varieties also sell fairly well, peaches being chiefly favoured, but large quantities of Californian available meet with limited attention, though prices are at a reasonable level. Fish : Sardines in moderate demand, chiefly for the cheaper grades. Meat : Market quiet and prices barely maintained. Condensed milk : Steady on reserved offerings. Dutch condensed milk, full cream, sweetened, 5-cwt. casks, 34s. Honey : Generally quiet at late rates.

MEAT.—According to the Smithfield Market official report, supplies of meat during last week amounted to 9,304 tons, as compared with 9,225 tons in the corresponding week last year. Imported beef, principally Argentine, formed 79.9 per cent. of the supplies, as against 76.9 per cent. a year ago, and imported mutton, mainly New Zealand, formed 73.6 per cent. of the total supply, as against 69.6 per cent. last year. With the exception of South American beef, which shows a slight fall, prices are scarcely changed on the week.

RUBBER.—After a firmer opening, buyers adopted more reserve and prices became fractionally easier. Standard sheet, spot and November, sold 4½d. to 4½d.; December, 4½d. to 4½d.; January-March, 4½d. to 4½d.; April-June, 4½d. to 4½d.; July-September, 4½d. to 4½d.; October, 5d.; October-December, 5½d. to 4½d. To New York, estate sheet, December-January, sold 4½d. c.i.f. London stocks reduced 2,321 tons on the week, landings being 2,360.

deliveries 4,681, stocks 75,159, against 49,302 last year. Liverpool stocks 395 tons higher, landings 697, deliveries 302, stocks 39,336, against 16,158.

HEMP.—After fair activity, subdued conditions governed the market for Manila descriptions. J2, November-January, quoted \$24 6s.; K, sellers, \$23 10s.; L1, \$23; L2, quoted \$22; M1, \$22; M2, \$21. Sales: H grade, November-January, at \$23 10s.; African sales unaltered. Receipts last week, 21,000 bales, against 25,000 last year; estimate for next week, 21,000, and week after 21,000. Manila shipments last week: 3,000 to the United Kingdom, 9,000 Continent, 7,000 U.S.A., 7,000 Japan. 2,000 other countries, and local consumption, 1,000.

VEGETABLE OIL AND OILSEEDS.—The easier conditions have become accentuated, and business further restricted. Linseed is in poor demand and on lower Plate options values have again declined. A large quantity of old crop Argentine is still unsold, and with considerable pressure to sell, prices have got down to the lowest levels for many years. Seed on passage and for November shipment offering at £10 12s. 6d. without finding buyers. New crop, December, is quoted £10 5s. and for January and February, £9 17s. 6d. Baltic linseed is offering at £11 12s. 6d. on spot at Hull. The quantity of linseed on passage to Europe is now 80,700 tons, against 50,200 tons a year ago, while the estimated balance (including India) for shipment to the end of November is 219,000 tons, against 143,000 tons. Cotton seed is slow and neglected, black Egyptian on passage and loadings to January quoting £6 3s. 9d. Linseed oil is in moderate demand and not too plentiful in near positions, current value on spot being around £26 10s., ex Hull, and November delivery £25 10s. Forward delivery is lower, and January-April is reported done at £21 17s. 6d., and May-August, £21 5s. Cotton oil is quiet, with crude Egyptian offering at £22, and common edible at £25 5s., ex Hull. Sellers of copra exercised more reserve, and the market improved slightly, while moderate inquiries circulated. Straits S.D., December, to Rotterdam, sold £16 1s. 3d.; Dutch East Indies, December, sellers £16 2s. 6d.; Ceylon, £17 2s. 6d. Palm Kernels, November-December, to Hamburg, quoted £11 2s. 6d. c.i.f.

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WEEKLY COMMERCIAL TIMES,

Bankers' Gazette and Railway Monitor

A POLITICAL, LITERARY, AND GENERAL NEWSPAPER.

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THE MONEY MARKET.

MONEY was again in demand early in the week, and on Tuesday rates of $2\frac{1}{4}$ and $2\frac{1}{2}$ per cent. were paid. On Wednesday easier conditions prevailed, with rates running down to 2 per cent., while the three months' bill rate, which previously had been up to $2\frac{1}{4}$ per cent., also eased to a weak $2\frac{3}{8}$ per cent. The cause of this change was believed to be extensive buying of three months' bills by one of the clearing banks. In view of the general desire to bring discount rates up to a level which would leave brokers with a bigger margin, this operation excited some comment.

Apart from the effects of this operation, there is a general impression that rates higher than those of a month ago will exist for some time to come. The volume of outstanding Treasury bills is steadily expanding, and brokers are beginning to have large numbers of bills left in their hands—especially January bills, which are not a very useful or popular maturity. December bills have now passed mainly into the hands of their permanent holders, who need them to meet their requirements for the end of the year, and February bills also have their uses, as they mature at the time when tax collection is normally taking money off the market. The number of January bills held by brokers means that there is a larger demand for loans, and this is accentuated by the French withdrawals of funds, which still continue, and by the absence of any Continental demand for bills. Thus, although the banks continue to have money offered to them which in better times would be needed to finance trade, it is possible that there will not be more money about than is required by the market.

	Oct. 30, 1930.	Nov. 6, 1930.	Nov. 13, 1930.	Nov. 20, 1930.	Previous Rate and Date Changed.
Bank Rate	3%	3%	3%	3%	3½ (May 1, '30)
Banks' Deposit Rate	1	1	1	1	1½ (May 1, '30)
Discount / Call	1	1	1	1	1½ (May 1, '30)
Houses / Notice	1½	1½	1½	1½	1½ (May 1, '30)
Market rate (3 months' bills)	2½-½	2½	2½-½	2½	...

The gold drain to France continues. All Tuesday's Cape gold was bought forward on Paris account, and this week's withdrawals on French account from the Bank amount to £1,835,000, making a total of £3,716,000 for the fortnight since the outflow began. Against this the Bank has obtained during this fortnight £500,000 in sovereigns from South Africa and £940,000 in sovereigns from Brazil, so that, allowing for minor movements, including the shipment of sovereigns for Spain for Customs duties purposes, the net efflux is only £2,475,000. As this week's Bank return records gold stocks in the Issue Department of £157,913,000, the gold position so far is not such as to arouse any anxiety.

The October statements of the nine English clearing banks reveal an expansion in deposits nearly to the level of last July. Cash, too, is appreciably higher than in September.

	October, 1929.	July, 1930.	August, 1930.	September, 1930.	October, 1930.
Capital and reserves	130.8	131.8	131.8	132.1	132.1
Acceptances	203.2	124.5	121.7	117.8	116.4
Deposits (including undivided profits, &c.)	1,764.7	1,794.2	1,767.4	1,764.1	1,791.2
Total Liabilities	2,098.8	2,050.5	2,020.9	2,014.0	2,039.7
Coin, notes, balance at bank, and cheques in course of collection	247.1	242.6	235.4	232.6	239.3
Money at call	144.9	141.7	133.7	132.9	141.9
Investments	265.5	267.0	276.5	281.3	283.3
Discounts	226.9	284.5	279.3	283.8	296.0
Loans and advances	974.0	950.4	934.3	925.4	922.3
Over for accept., premises, &c.	240.4	164.3	161.7	158.0	156.9
Total assets	2,098.8	2,050.5	2,020.9	2,014.0	2,039.7

The contraction in advances has for the moment been checked, for the shrinkage between September and October is comparatively insignificant. Notwithstanding the relatively unremunerative level of discount rates, the October averages bear witness to a further large increase in the banks' holdings of bills.

NEW YORK.

Money has remained easy, with call rate unchanged at 2 per cent. The usual Federal Reserve statement says that reporting member banks' loans on securities fell during the latest week by \$181,000,000, but that other loans, including those for commercial purposes, rose by \$42,000,000. The October trade returns show that exports were valued at \$328,000,000. This is slightly better than the corresponding September figure of \$312,000,000, but

is exactly \$200,000,000 below that for October last year. Imports at \$248,000,000 display similar trends, as the September figure was \$226,000,000 and last year's October figure \$391,000,000. The numerous bank failures, especially in the South, announced during the week are regarded as evidence of the dangers of chain banking. In some cases the banks may be reopened, and in any event only a few banks of importance are concerned.

THE STOCK MARKETS.

The Stock Markets were quiet, business everywhere tending to contract, though prices showed only a small decline. Long-term gilt-edged stocks were easier, though War Loan remained firm. Apart from speculative buying of Chinese issues, foreign bonds made an unsatisfactory showing. Home railway stocks declined on the publication of a drastic wage-reduction programme by the companies. Dealings in industrial shares were of narrow dimensions, although the carry-over showed that the bear account in numerous stocks had been considerably reduced. The tea and rubber share markets remained in an idle condition, and oil shares showed sensitivity to selling pressure from the Continent. Mining descriptions were featureless, apart from a decline in the leading copper shares on the failure of the metal to consolidate the higher price level of last week-end.

THE COMMODITY MARKETS.

Apart from an increase in the demand for house coal and coke for heating purposes, the coal trade continues depressed, and it is feared that the negotiations for a new wages agreement in South Wales may reach a deadlock. Business in the finished steel department has been slightly more active, but the pig-iron and semi-manufactured departments, in which Continental competition is severe, show no signs of an early revival. Raw cotton prices are again lower, and business, which is confined to deliveries for immediate requirements, continues on a low level. The upward trend in wool prices has resulted in increased activity in Bradford. Demand for leather continues to fall off and hides are weak. Wheat prices are erratic and Canadian grain shows a sharp decline on the week.

THE FOREIGN EXCHANGES.

Dull and irregular is the best description of conditions in the Foreign Exchange market this week. Several currencies fluctuated within narrow limits, whilst internal conditions in Spain operated adversely on the peseta. Sterling on New York remained at about 4.85½ throughout, but closed better at 4.85½. Montreal improved by ½ to 4.85. Paris, after touching 123.63 gained three points on balance at 123.66. Brussels weakened fractionally to 34.82½. Milan was better at 92.76. Madrid after touching 42.05 and 45.20, settled down at 42.90. Amsterdam was irregular, and moved in our favour to 12.07 after having been higher. Berlin gained ½ at 20.38, and Switzerland rose sharply from 25.04 to 25.05½. Of the Scandinavian currencies Stockholm fell from 18.11 to 18.09½, Oslo gained ½ at 18.15½, and Copenhagen was weaker by the same margin at 18.16½. South American exchanges were again uncertain, Rio after fluctuating, was unchanged at 4½d., Buenos Aires was decidedly weak at 38½d., and Montevideo ½d. worse at 39d. In the Far East the rupee was weak at 1s. 5½d., and the yen lost ½d. at 2s. 0½d. In the forward market dollars were quoted at 1.64 cent discount for one and three months, while Paris was firmer at reduced discounts of 2 and 13 centimes. Brussels was quoted at one centime premium for one month, and at one centime discount for three months. Milan went to rather wider discounts of 16 and 45 centesimi, whilst Madrid was rather better at premiums of 4 and 11 centimos. The premiums on Amsterdam rose from ⅞ cent and 1½ cent for one and three months to ½ cent and 1½ cents, respectively. Berlin was ½ weaker in each case, at 3 and 9½ pfennigs discount. Business in the silver market was featureless and narrow, and spot and forward prices both fell by ⅞d. to 16½d. and 16½d. The Chinese silver exchanges reacted differently, Hong Kong falling ½d. to 1s. 3½d., whilst Shanghai gained by the same margin at 1s. 7½d.

FEDERALISM AND RESPONSIBILITY.

The Round Table Conference, so far as can be judged from the plenary sessions held this week, has begun well. The conception of a federal constitution, not as a remote ideal, but as an achievement capable of realisation in the immediate future, has been brought to the forefront by the speeches of the representatives both of British India and the States, whose tenour has fully confirmed the anticipations expressed in these columns a week ago that the task of preparing a real All-India constitution would prove to be the crucial item on the Conference agenda. At the first session on Monday, Sir Tej Bahadur Sapru, having made it plain that, subject to reservations necessary in a transitional period, he stood firmly for real responsibility at the Centre, stated that he was a very strong believer in the federal form of government.

I believe that therein lie the solution of the difficulty and the salvation of India; and if I were to express my opinion freely, I would welcome the association of the British States with British India mainly for three reasons—that they will furnish a stabilising factor in our constitution; that the process of unification will begin at once; and that, in regard to matters of defence, they will furnish a practical experience which is as yet wanting in British India.

The Maharajah of Bikaner, who followed, gave it as his view that the starting point in the deliberations of the Conference must be sought "not in the dead hand of impossible uniformity, but in an associated diversity." The establishment of a unitary State with a sovereign parliament at Delhi was, to his mind, impossible. In such a constitution there would be no room for the Indian States, and a government on this basis would "crack under its own ponderability."

We of the Indian States are willing to take our part in, and to make our contribution to the greater prosperity and contentment of India as a whole. I am convinced that we can best make that contribution through a federal system of government composed of the States and of British India.

On the following day, the Moslem attitude was set forth with equal explicitness by Sir Muhammad Shafi, who suggested that a self-governing India side by side with an Indian India, having its relations with the Crown, would be "a hopelessly impossible conception." In his view there was "only one form of government, one basis for the future constitution of India which will suit the circumstances of the case, and that is the federal system."

These declarations in favour of federation, which received further support from the Maharajah of Rewa, who spoke for what he described as "the conservative element in the Indian States," and from Lord Peel, as spokesman for the Conservative members of the delegation from the British Parliament, are impressive in their unanimity. But though the principle of federation in India may be endorsed on all sides as affording the most hopeful lines on which to pursue agreement with regard to the various issues which confront the Conference—and above all the dominant issue of the completeness and rapidity with which responsibility at the Centre is to be transferred—a number of debatable points, as we pointed out last week, remain to be cleared up before the federal idea can take clear concrete shape. There are, as the Maharajah of Bikaner remarked, several kinds of federation; and it is evident that before much progress can be made the Conference will have to choose broadly between two alternative lines of constitutional policy.

On the one hand, there is the possibility of what might be described as a "single" All-India federation. Under this constitution the Governors' Provinces, enjoying autonomy in all "provincial subjects" of legislation and administration, and with executives responsible (subject to the Viceroy's over-riding powers) to elected legislatures, would send representatives in common with the States to a federal legislature whose purview would cover all the "central subjects," and to which the Central

Executive—subject to agreed reservations—would be responsible. That is to say, except in spheres wherein Provinces and States alike were autonomous, the federal legislature would make enactments applicable both to States and Provinces. This would imply two things—firstly, the disappearance of the existing elected legislature of British India and, secondly, the surrender to the new federal legislature by the Princes of a certain measure of the sovereignty which they now hold.

There is no reason to suppose that the difficulties involved in satisfying this second condition need prove insurmountable. On Wednesday the Maharajah of Patiala made it plain that the Princes would not abandon any of their claims to complete "internal autonomy, without any interference on the part of British India, whatever the constitution of British India may be"; but, even though the States preserved their "internal autonomy" intact, and though their internal constitutions might continue to differ substantially from that of the Provinces of British India, there should be no insuperable obstacles to agreement as to where sovereignty should be vested in matters of "common concern." On the other hand, the possibility cannot be overlooked that the delegation from British India may regard the abandonment of a central British Indian Parliament as a serious setback to national aspirations. Indeed, we believe that some, at least, of the delegates adhere strongly to the view that a solution is to be sought in a bi-cameral system whereby there would be a central legislature (preferably by direct election) for British India, and, side by side with it, a federal legislature for All-India. We do not say that such a system would necessarily be unworkable, but it appears to raise points of considerable difficulty. Unless the functions of the British Indian central legislature were to be confined simply to the co-ordination of "provincial subjects," it is not easy to see how the operations of the two legislatures could be prevented from conflicting with one another; nor, unless there were to be in effect two central executives—one "minor" and one "major"—can we readily conceive how the Viceroy and his Council could accord to two legislatures, the larger of whose orbits would include the lesser, the desired degree of responsibility.

In any event, it is clear that much hard thinking and, we hope, a helpful lead from the British Government, will have to be given to the task of shaping, at least in the rough, the broad lines of a federal constitution before public opinion in this country can usefully be asked to make up its mind on the crucial question how far "responsible government" is to be established in the immediate future at the Centre.

In this connection there are two main points to be considered. The first is that of the Army. From the trend of the speeches at the Round Table Conference it is evident that there should be no insuperable difficulty to an arrangement under which defence is reserved, provided the process of Indianisation, as indicated in the Viceroy's Despatch, is really pressed forward. The other, and more difficult, problem relates to the transfer of responsibility for finance.

This lies at the root of the matter, and the section dealing with it is perhaps the most penetrating and realistic in the Government of India's lengthy statement. If defence, which absorbs the greater part of the central budget, is reserved, and if Parliament cannot divest itself of all responsibility with regard to the existing loans of India and the status of the Services, Parliament, the Despatch observes, must be satisfied as regards items which cover nearly the whole of central expenditure. While, therefore, it will inevitably be provided in the new constitution that the sums required under these headings should be a statutory first charge on an Indian

consolidated fund, payable independently of any vote of the Indian Legislature, such a charge is of no use unless the necessary taxes are levied to produce it. Again, India's credit is of vital importance, not merely because of the Government loans involved, but having regard to the enormous investment of British capital in the country, to say nothing of the additional capital which is still needed for India's full development. Moreover, a shock to credit would affect not only British but Indian capital, which would undoubtedly seek investment abroad. Thirdly, it is well known that the remittance of funds to meet foreign exchange requirements is an important feature of the Indian situation, and it is clearly desirable that India should fall into line with the general trend of recent years, and that these important functions should be conducted in accordance with the dictates of sound finance and be free from political influence. The establishment of a Reserve Bank is, therefore, regarded by the Government of India as a necessary condition precedent to any transfer of financial responsibility at the Centre. Finally, the Despatch concludes, the present is a very bad time to make such a change, because of the economic depression, the disturbing effects of political agitation and of boycott, and the fact that the amount of existing loans to be redeemed in the next few years is exceptionally heavy. "It would indeed hardly be possible to imagine a combination of circumstances more unfavourable to an immediate change of policy, which might result in shaking public confidence in the credit of India."

The Despatch, however, does not find in these circumstances a final obstacle to a transfer which is a necessary condition of the policy on which we are embarked. It urges that both sides should endeavour to work towards a condition under which transfer would be made possible, and notably "rational and normal economic conditions, the re-establishment of credit and confidence, and the inauguration of the successful working for some time of a Reserve Bank with sterling reserves." It is suggested that the Government must be the judge as to whether some of the less definable of these conditions are fulfilled, but that definite steps might be taken towards creating the necessary conditions, and that we should forthwith embark upon a period of preparation for the transfer. The creation of a central bank is a definite step, another is a clear statement by leaders of Indian opinion disposing of any suggestion of repudiation; while a still more tangible proof would be if Indians would show their willingness "to mobilise their private resources for the sake of establishing the national financial position." Clearly, if national enthusiasm could be diverted to the raising of a great internal loan for launching the new constitution, it would be the best possible guarantee of the maintenance of India's credit.

When the conditions have been achieved, however, and the transfer made, it is suggested that safeguards will still be necessary, and they will include the creation of a consolidated fund as suggested above, some power of supervision and control to be vested in the Governor-General to maintain financial stability, and provision for the resumption of control by the Secretary of State in the event of an actual breakdown or a default of the consolidated fund. The Despatch attempts to envisage how the operation of these powers would work with an Indian Chancellor of the Exchequer, and proposals are made which clearly envisage something like a time-table in the process of transfer, fixed in terms not of years, but of fulfilment of certain conditions.

If we have emphasised the importance of finance in connection with any scheme which may be devised for Central Government in India, it is for the reason that, just as the Statutory Commission recognised that provincial autonomy depended essentially on the Provinces having effective control over revenue, so, at the Centre no measure of "responsibility" can be considered as real, without the transfer—under whatever transitional safeguards may be necessary—of financial responsibility. It is by this test, above all, that the Conference's proposals will be judged in India.

EUROPE'S ARMED CAMPS.

THE present and final session of the Preparatory Commission for the Disarmament Conference is turning out like and unlike the previous sessions—like them in making little or no headway in the direction of its proper objective, but unlike them in producing a positive result. This positive result is not an agreed basis for a general limitation and reduction of armaments throughout the world; it is something quite different. It is a redivision of the Powers of Continental Europe into two opposing camps, a reconstitution of the Continental European Balance of Power, which, it was hoped, had been overthrown by the Great War and the peace settlement.

As far as the ostensible business of the Commission is concerned, it will be seen from our League correspondent's message on page 953 that the principle of the direct limitation of war materials has been defeated. On Friday, November 14th, a proposal for direct limitation, moved by Germany, was lost on an equal vote of nine to nine. The United States, the U.S.S.R., and Italy, as well as one state-member of the British Commonwealth, the Dominion of Canada, were among the states that voted for the German proposal; France and her European allies, Belgium, Poland, and the three members of the Little Entente, were among the states that voted against. If the British vote had been cast in favour of the German proposal it would have given it its majority; but the British delegate, Lord Cecil, abstained from voting. On the same day, Italy moved a proposal for a combination of the two methods of direct limitation and budgetary limitation. This was defeated by eleven votes to nine, Lord Cecil's vote being among the eleven. A Russian proposal on the same lines as the Italian proposal obtained only five votes in its favour. Thereafter, Lord Cecil made a motion to record that the majority of the Commission associated itself with the principle of limiting war material for land warfare by budgetary methods, while recognising that certain members of the Commission would prefer the direct method by specific enumeration and that certain members would desire to see some combination of the two methods. Lord Cecil's motion was carried by sixteen votes to three; but the three dissentients were important. They were Germany, Italy and Russia—an ominous combination.

This week, the Commission has been giving its attention to the limitation of naval armaments; but the grouping of Powers which was revealed in the course of last week's proceedings seems likely to be the substantial result for which this session will be remembered. For the plain truth is that France and her European allies cannot bring themselves voluntarily to renounce that decisive superiority of land armaments on the European Continent which they have secured through the outcome of the war and the terms of the peace treaties. At Paris, in the small hours of the morning of November 14th—that is, a few hours before the German proposal for the direct limitation of war materials failed to secure a majority of votes in the Preparatory Commission at Geneva—the French Chamber, by 323 votes to 270, reaffirmed its confidence that Monsieur Tardieu's Government would "persevere in the organisation of peace by guaranteeing national security and the observance of the treaties." And in the course of the preceding debate, both Monsieur Tardieu and Monsieur Briand vehemently denied that the ex-Allied and Associated Powers were under any obligation to reduce their armaments.

It is difficult to see how this thesis can be maintained, considering that, in the peace settlement, these Powers solemnly declared that the immediate compulsory unilateral disarmament of Germany and her late allies was intended as the first step towards an eventual voluntary reduction of armaments in all countries. But it would be idle for us to enter into a controversy with our own late allies over this matter. The important—and lamentable—fact is that, when it comes to the point, France and her allies are unwilling to renounce their present superiority of military force over the other military Powers of Continental Europe. Instead of discussing whether they are legally or morally justified in taking this line, it will be more useful to consider what the consequences of this policy are likely to be.

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The first consequence, as the terms of the resolution in the French Chamber show, will be to set up a vicious circle of inequality in armaments and intangibility of treaties. The preservation of the precise dispositions of the peace treaties, which are so greatly to the advantage of this group of Powers, is the object for which they desire to maintain their superiority in armaments. But the very effort to maintain this superiority in armaments compels the French Group, conversely, to insist more than ever upon the sacrosanctity of the treaties. France dare not assent to the diminution of Poland's present political assets by one jot or tittle, for fear that Poland might abandon the French alliance, and vice versa, for the same reason, Poland dare not approve any revision of the peace treaties which might not be agreeable to France. Thus the refusal to disarm and the refusal to revise the treaties are bound up with one another, and each, under the influence of the other, is bound to grow ever more intransigent with the passage of time.

Now, if this situation sets hard, there is only one possible outcome. The armed force by which it is maintained will evoke a counter-accumulation of armed force; and this counter-accumulation will gradually grow until it is powerful enough to overthrow the present French "system of Europe" by violence in another general war. In the long run the French side is bound to be the losing side, because it stands for the past against the future, for fixity against change. In other words, it is an attempt to arrest the course of Nature; and Nature, which consists of change, cannot be bound permanently in any chains of human forging. Thus the French "system," if it is not relaxed at an early stage by persuasion and agreement and common sense, is doomed to be broken at a later stage by war. In which of these two ways is the French "system of Europe" to come to an end? The answer to that question will make the whole difference to the future of Western civilisation; and it looks as though the question were being settled—and settled in favour of future war—at Geneva now.

Is it too late to prevent the question of the future from being given this fatal answer? May it not still be possible to save the peoples of Europe from being herded again into two mutually hostile camps from which, in the fullness of time, they will be led out to slaughter one another? In concrete terms, this is equivalent to asking whether it may not be possible to secure a change of policy in France. For the prevalent policy does not represent the feelings and opinions and wishes of the entire French nation. There are people in France who desire to turn her feet away from the path of destruction and to explore the road of disarmament all round and of a moderate revision of the peace treaties by agreement. Why is this element in France—an element which is neither numerically nor politically negligible—apparently impotent at this moment? Is it because they have been looking for en-

couragement and support from those who think and feel like them in Great Britain, and have been perplexed to see the British delegate at Geneva pursuing a policy which, in their eyes, is simply strengthening the hands of their own opponents at home in the Chamber and the country?

Lord Cecil's tactics at Geneva have indeed been puzzling to English as well as to French observers. One knows that the art of statesmanship is to give way on minor points in order to secure agreement on essentials; yet this time it almost looks as though the British Government had allowed its eagerness for agreement to betray it into doing something quite different. It looks as though it has been letting vital points go in order to secure an agreement on minor matters which is of little value in itself and which only throws into sharper relief the real and growing division of hearts and minds between the French group of Powers and the rest of Europe.

THE NATIONAL CAPITAL.

THAT branch of statistical science which concerns itself with estimating the national wealth is still in its early adolescence, and since the outbreak of war in 1914 its growth seems to have been arrested, owing to the rapid changes in conditions which never remained stable long enough to allow such an estimate to be attempted. Fortunately the recent election of Sir Josiah Stamp to the Presidency of the Royal Statistical Society, has provided the occasion for a fresh attack upon the subject in an inaugural address delivered last Tuesday.

The two accepted methods of approach to the subject are the Giffen method, which attempts to value the assets of the country as a going concern by capitalising incomes, and the "multiplier" method, which obtains the result from the annual value of estates subject to death duty by multiplying by a figure representing the ratio between estates passing on death annually and the total capital. This method takes no account of property in public ownership, but includes the national debt. Sir Josiah Stamp works by the Giffen method, and then checks his results by the "multiplier." His principal sources of material are the income-tax returns for 1928. Under Schedule A, the net annual values of houses, after allowing for repairs, reductions and discharges, amount to £220 millions for England and Wales, and £23.5 for Scotland and Ireland. Capitalised at 17.5 and 11.7 years' purchase respectively, these give a total value of £4,125 millions. The addition of the new houses built in 1928 brings the total to £4,238 millions, which Sir Josiah Stamp raises to £4,500 millions to allow for the effect of rent restriction in reducing the capital value of house property and giving rise to a corresponding increase, which is not capitalised, in the

real incomes of tenants. Land, after an allowance for the value of undeveloped sites, is valued at £950 millions. Owing to the exclusion of the Irish Free State, and to the very much lower rates of interest, this is less than the 1914 figure. Farmer's capital is put at £450 millions.

Trading profits assessed under Schedule D form the largest category to be dealt with. After the necessary deductions for wear and tear and overcharges, the net profits from manufacturing, mining, distribution, transport and communications, less profits from retail trade and businesses not run by limited companies, amount to £480 millions. The distribution of these, assumed to be in the same proportion as in the case of the large sample of industrial profits analysed in the *Economist*, relating to the year ended June, 1928, after setting off debenture interest as being about equal to the annual value of property, and the income from outside securities (which do not enter into the assessed profits of Somerset House, though they do come into the samples), is as follows: Distributed on preference capital, £91 millions; on ordinary, £289 millions; reserve, £100 millions. In order to find a multiplier for the capitalisation of this group of incomes, Sir Josiah Stamp has carried out a most interesting classification according to yield of a large sample of stock exchange securities, from which he arrives at 11.88 years' purchase as the overall multiplier for capitalising these incomes.

To the figure of £5,700 millions thus arrived at must be added £950 millions for the retail group. This is composed of £50 millions companies' profits capitalised on the same basis as the other industrial profits, giving a capital figure of £600 millions, and an estimated capital of £350 millions in the hands of a large number of very small business people. Profits from finance and professions are capitalised at £1,450 millions, bringing the total of capitalised profits so far to £8,100 millions.

These capital values of profits have been arrived at simply on the basis of stock exchange valuations. From a large personal experience, Sir Josiah Stamp estimates the magnitude of the "unrevealed value" representing the excess of assets over market capitalisation as $7\frac{1}{2}$ per cent. When $7\frac{1}{2}$ per cent. is added to £7,700 millions (since it does not apply to professional and small traders' profits) the total of £8,100 millions becomes £8,675 millions. Railway capital is estimated at £860 millions, the capital value of interest on Government securities at £4,866 millions, and Dominion and foreign securities and possessions at £1,290 millions. An allowance of 5 per cent. is allowed for losses and evasion, amounting to £475 millions, so that the total capital value of profits and interest amounts to £16,166 millions. Profits below the income-tax level and national savings certificates add a further £475 millions, and moveable property is estimated at £1,500 millions. In estimating the value of the property of Government and local authorities, Sir Josiah Stamp points out that his predecessors have made a mistake of double counting in including profit-making concerns, since these are already allowed for under industrial profits. He estimates the national wealth under this head as £900 millions.

The gross capital thus amounts to £24,945 millions, from which must be deducted £500 millions estimated to be held abroad. In arriving at the net national capital Sir Josiah Stamp decides, after some discussion, to deduct the entire national and local debt, but he says that "There is room for discussion, with a nice balance of argument, whether these valuations should not also be made on a present-price basis, and not a face-value basis, inasmuch as a large part has been included as wealth on the former basis in the gross figures." Since he decides against valuation on a present-price basis, it would have been interesting to know the arguments composing the "nice balance" which determined him upon this course, since the *prima facie* more natural procedure would appear to have been the other. The choice is important, since Sir Josiah Stamp goes on to show that the net figure is the more important for general reference.

The results of the estimates are summed up in the following table:—

THE NATIONAL CAPITAL. (Million £.)			
		Statistical Approximation.	
Real property—Buildings	4,500	300	200
Land	950	75	75
Farmers' capital	450	40	40
Capitalised profits and interest	16,170	875	875
Capitalised profits below income-tax level	475	50	50
Furniture and moveable property	1,500	100	300
Government and local property	900	300	100
	24,945	1,740	1,630
Less belonging to people abroad	500	150	150
Gross wealth	24,445	1,890	1,780
Deduct debt charges	6,400	200	200
Net wealth	18,045	2,090	1,980
		say $\frac{1}{2}$ rds.	
		±1,350	

When the gross total is compared, after making deductions for death duty evasion, unrevealed profits, Government, charity, and other corporation property, with that reached by the "estate multiplier," it emerges as £21,275 millions, against Mr J. C. Wedgwood's multiplier calculation (brought up to date) of £20,050 millions. The reason suggested for a part of the difference is inadequacy of the deduction for war loan held abroad.

It can hardly be too strongly emphasised that exact comparison between different estimates of the national capital is not possible, as there have been wide differences in the rate of capitalisation and the treatment of the national debt, and other differences of treatment have been imposed by changes in the presentation of official statistics. With this reservation, Sir Josiah Stamp's result and those of earlier inquiries may be set out side by side:—

ESTIMATES OF NATIONAL CAPITAL OF UNITED KINGDOM.
(Million £.)

Year.	Amount.	Author.
1845	4,000	Giffen.
1868	6,115	
1875	8,548	
1885	10,037	
1895	10,663	Economist.
1905	13,036	
1909	13,986	
1902	11,413	
1912	16,472	Money.
1914	14,300	E. Crammond.
1914	16,000	Stamp.
1928	18,045	Money.
		Stamp.

In the fourteen years immediately before the war our national wealth, on these estimates, grew from about £11,000 millions to somewhere between £14½ and £16 thousand millions, an increase of from 32 to 45 per cent. In the next fourteen years it increased to £18,000 millions, an increase of from 11 to 28 per cent., according to which estimate we accept for 1914.

It is, however, a very complicated matter to make any intelligent comparison between pre-war and post-war figures owing to the change in the price level. The valuation of many material things, such as houses or plant producing commodities which have responded to the movement, has risen, though not necessarily in proportion to the rise in prices. On the other hand, property giving rise to fixed income, including, for example, Sir Josiah Stamp's railways, the Act governing which only pretends to give them the same percentage on capital as before the war, has fallen in value as a result of rising prices and the rate of interest. It would, therefore, require a much more detailed comparison—which perhaps Sir Josiah Stamp will give us at a future date—to follow the effect of the price movement on the change in valuation.

Looking at the matter very broadly, it is perhaps at first sight surprising that the increase is not greater in view of the rise in prices, for some seven years ago it was estimated that our post-war annual savings were at the rate of some £500 millions a year. But even if this rate has been in existence for a decade—giving a net figure of new savings of £5,000 millions—there has to

to be set against this the loss of the war period when no real savings were being made at all and capital was depreciating. This more modest rate is in keeping with the facts that the method of computation makes no allowance for the accumulation of capital investment in persons and the tendency in post-war years for a larger proportion of the national income to be consumed than before the war. We are indebted to Sir Josiah Stamp for his new essay in this field on which, however, there is clearly still ample room for further work.

THE RAILWAY OUTLOOK.

(BY A CORRESPONDENT.)

ATTENTION is at present focussed on railway wages, the revision of which is now the subject of negotiations between the railway managements and their employees. To prophesy the course of these negotiations would be futile, but it may be assumed with safety that the final agreement will take the form of a middle course between the demands proposed and discussed at recent union meetings and the drastic reductions of pay and alterations in the conditions of service which were put forward by the railway managements at their recent meetings with the union leaders. Quite obviously both sides are, so far, only manœuvring for position, but in view of the close relationship of the country's trade and industry to the financial well-being of its main transport system, it is especially important at this time that the general public should appreciate the fundamental considerations of the existing railway situation.

Turning, therefore, from future probabilities to financial facts, it has to be remembered that the $2\frac{1}{2}$ per cent. voluntary deduction from all fees, salaries and wages of railway directors, officers and employees, terminated in May last, and the present negotiations have been inaugurated immediately after the conclusion of the six months' "truce" which was agreed upon in 1929 when railway revenue was on the up grade and before the full effects of the present world-wide depression in trade had been felt. During the first forty-five weeks of this year the gross traffic receipts of the four main-line railways had fallen by £8,889,000. When it is remembered that in 1929 the Great Western Railway only earned 4.85 per cent. on total capital invested, the Southern Railway 4.26 per cent., the London Midland and Scottish 4.00 per cent., and the London and North Eastern Railway only 3.80 per cent., the gravity of the situation will be realised.

Net revenue in 1929 amounted to approximately £45,000,000, divided between the companies as shown in the following table:—

Railway.	Net Revenue, 1929. £	Reduction in Gross Traffic Receipts for First 45 Weeks, 1930. £
G.W.R. ...	8,198,644	1,245,000
S.R. ...	6,547,966	536,000
L.M.S.R. ...	17,175,283	4,292,000
L.N.E.R.	13,061,250	2,816,000
	44,983,143	8,889,000

Gross traffic receipts, however, only apply to revenue from railway working, and it can hardly be hoped, in view of existing trade conditions, that the gross revenue from docks and other ancillary services will attain figures equivalent to those of 1929. Hence the actual reduction is probably greater than the above figures demonstrate, nor does it seem possible to expect any material improvement in railway traffic returns before the end of the year. It may be that the dividends from large investments in motor-bus operating companies will offset to some extent the reductions in revenue sustained under the heading of passenger traffic, which for the first forty-five weeks totalled approximately £2,750,000, but an increase of revenue from this source approaching the size of the passenger traffic decline cannot be expected.

It has, in fact, been patent for some years that the future salvation of the railway industry in Great Britain must depend upon decreased expenditure rather than

SKANDINAVISKA KREDITAKTIEBOLAGET

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upon increased revenue, and, thanks largely to the policy of amalgamation, reductions in expenditure have been achieved during the last few years which would hardly have been considered possible, even by the best informed, six years ago. Taking the London Midland and Scottish Railway as an example, gross expenditure fell from about £70,300,000 in 1927 to £65,800,000 in 1929, and on the London and North Eastern from £53,670,000 to £50,890,000 during the same period. It is a point to be noted that in both these cases reduction of expenditure over the two years exceeded the reduction in gross receipts, and in the case of the London and North Eastern Railway exceeded it to the important extent of over £1,000,000. No similar example can be quoted of any railway overseas, serving highly industrial areas and with its employees strongly organised in trade unions, yet succeeding in effecting economies on a comparable scale.

These reductions, admittedly, could not have been attained without the voluntary $2\frac{1}{2}$ per cent. reduction. The wages bill of the British railways amounted to nearly £115,500,000 in 1929, as compared with £118,000,000 in 1928 (these figures include the staff of the Underground Railway and the Metropolitan, which together number about 14,000, out of a total of about 656,500 persons). Of the saving of about £2,500,000 shown above, approximately £2,000,000 was due to the $2\frac{1}{2}$ per cent. all-round deduction, but the bearing of these figures should not be emphasised too strongly in view of the variations in numbers employed as a result of such changes as the operation of road passenger vehicles. The peak figure of personnel was reached in the 1925 census with 702,000, which fell to a minimum of 642,000 in 1929, followed by a small rise to 656,500 in March, 1930, well spread over all the railways, and partially due to increased traffics in 1929 and the extension of road services. The next census to be taken in March, 1931, will almost certainly yield a much lower figure of persons employed, but it must be borne in mind that the application of the eight hours' day and guaranteed week has served to increase the number of employees and the wages bill in the railway industry far more than similar regulations would have affected manufacturing industries.

The present wage negotiations, conducted against this general background, but with the difficulties of the immediate depression in the forefront of the picture, are likely to be influenced more by the circumstances of the moment than by probabilities of the future. The question arises, however, whether the present railway situation is primarily of a permanent nature, that is to say, due to road and other competition, or whether it is of a temporary nature and mainly due to the international trade depression. Obviously, if trade had been normal, the incidence of road competition would not have been felt so severely; and it is unfortunate that the period of flux and instability as regards inland transport created by the rise of road motor transport should have occurred in a period of national trade depression accentuated further in 1930 by a world-wide international depression. It is significant, however, that British railway traffic receipts have not slumped to anything like the extent to which those of the United States and Germany have; and trade recovery should be quickly reflected in rising gross revenue. Moreover, the fact that the last five years have forced upon the rail-

ways the strictest study of operating and other economies, such as improved signalling and reduced fuel consumption, augurs well for the future.

Whatever may be the outcome of present wage negotiations (the companies' suggested reductions are estimated to amount to approximately £9,500,000), it will be argued by shareholders, who have been, and are, passing through a very lean period, that the entire benefit should accrue to them. In support of the contention that there will be no margin available to pass on to the railway users, it may be pointed out that the average receipt per passenger mile has now fallen to just over three farthings, or a little over 50 per cent. of the average fare paid by the tramway passenger, while the average receipt per ton mile is under three-halfpence. It is evident that lower fares or freight rates could be established, without injustice to shareholders, only if the volume of traffic expanded considerably. The railway trade unions have recognised in the past, and doubtless still recognise, that in their own interests the prior charges of the railways must be met; and, moreover, it can reasonably be claimed that savings in labour costs previously made have in fact been passed on to the consumer and have helped to check the decline in traffics. At the same time, if further sacrifices are asked of the railwayman, he is hardly likely to agree to make them solely for the benefit of holders of the equity stocks of the companies. Wage readjustments in the "sheltered" industries will be greatly facilitated if representatives of capital can satisfy the trade unions that reductions accepted by labour will be passed on to the consumer.

THE DIRECTION OF OVERSEAS TRADE.

WITH the October Trade and Navigation Returns the Board of Trade includes its usual quarterly analysis of our foreign trade by countries of origin and destination. The trade figures for the first nine months of this year, discussed in the *Economist* of October 18th, showed very heavy falls as compared with the corresponding returns for 1929. Imports had fallen from £897 millions to £785 millions, British exports from £543 millions to £441 millions, and exports of imported merchandise from £84 millions to £68 millions. Thus, imports fell by £112 millions and total exports by £118 millions—a case of close parallelism between imports and exports. The Board of Trade analysis makes possible an examination of the geographical distribution of this decline.

The first table shows imports from and exports to the principal European countries:—

	Imports from				Exports to			
	1913.	1928.	1929.	1930.	1913.	1928.	1929.	1930.
Russia	28,592	15,632	17,285	19,641	12,942	2,890	2,880	5,030
Finland	9,152	10,565	9,337	...	2,631	2,526	1,745	...
Latvia	...	1,810	2,163	1,599	...	415	356	273
Estonia	...	4,877	4,185	4,104	...	881	1,105	828
Sweden	10,103	15,504	18,405	16,899	6,123	7,182	7,630	7,897
Norway	5,709	9,141	10,531	9,646	4,765	5,729	7,352	8,962
Denmark	17,490	39,284	40,942	40,214	4,525	7,144	7,787	7,740
Poland	...	4,264	5,284	6,189	...	3,783	3,281	2,068
Germany	59,116	46,767	49,943	47,804	30,085	30,602	27,996	20,449
Netherlands	20,666	44,606	45,860	40,735	17,298	24,161	23,961	19,829
Belgium	17,276	33,060	32,906	29,248	10,232	13,068	15,116	12,202
France	37,526	51,077	47,877	41,966	24,187	23,177	28,083	26,749
Switzerland	8,458	10,764	9,977	9,280	3,163	6,138	4,794	4,061
Portugal	2,771	3,347	3,657	3,372	4,660	6,482	6,127	5,795
Spain	11,562	15,905	15,752	14,700	7,545	8,685	10,080	8,529
Italy	6,046	11,637	12,130	11,371	11,151	10,644	12,049	10,990
Austria	5,632	1,692	2,373	...	3,378	2,051	1,946	1,704
Hungary	...	291	318	549	...	774	815	600
Czechoslovakia	...	6,367	4,851	4,472	...	1,663	1,631	1,736
Greece	1,043	1,327	1,106	794	1,678	3,844	3,773	2,736
Romania	1,000	1,251	1,424	3,807	1,340	2,408	1,727	1,576
Turkey in Europe	905	1,141	635	509	1,684	1,575	1,944	1,243
Other European countries	55	1,440	1,571	1,593	278	2,414	2,742	2,026
Total	233,950	328,346	339,259	320,202	145,034	167,741	175,501	154,408

This group accounts for only £19 millions of the decline of £112 millions in imports. The heaviest diminutions were those of £6 millions in our imports from France, £5 millions in our imports from the Netherlands, £3.6 millions in those from Belgium and £2.1 millions in imports from Germany. These were partly offset by increases of about £2½ millions each in imports from Russia and Roumania and smaller increases in those from Poland and Austria; all these four countries had also shown increases as between the same periods of 1928 and 1929.

Of the decline of £102 millions in exports, Europe accounted for only £21 millions, i.e., about a fifth, though exports to Europe in 1929 were nearly one-third of our total exports. Of the decline of £21 millions, £7½ millions occurred in our exports to Germany, while exports to the Netherlands and to Belgium fell by £4 millions and £3 millions respectively. Exports to Russia were £2.3 millions higher, and there were small increases in our exports to Norway and Sweden. In most cases there were declines as compared even with the 1928 level. It will be noted that France again takes the place of our best European customer instead of Germany.

The next table shows our trade with foreign countries outside Europe:—

	Imports from				Exports to			
	1913.	1928.	1929.	1930.	1913.	1928.	1929.	1930.
Turkey in Asia	2,241	£ 722	£ 836	£ 700	£ 3,792	£ 559	£ 557	£ 216
Egypt	13,541	18,243	16,789	10,219	7,170	8,324	9,293	7,641
Iraq	...	1,177	1,062	700	...	2,063	1,861	1,316
Persia	329	7,000	6,314	7,234	518	1,229	1,559	2,198
China	3,519	8,812	8,805	7,492	11,250	10,364	11,058	6,797
Japan	3,237	6,519	6,221	5,928	12,119	11,280	10,134	6,779
United States	95,385	132,154	140,689	113,906	21,467	35,645	34,692	23,658
Cuba	3,288	7,779	6,698	6,180	1,698	1,234	1,655	1,069
Mexico	1,560	1,669	2,071	2,237	1,825	2,185	1,856	1,824
Colombia	798	1,689	1,806	1,110	1,277	2,617	2,701	1,108
Peru	2,070	4,522	4,411	5,046	1,109	1,434	1,478	1,155
Chile	4,412	7,184	8,159	6,303	4,610	3,707	6,152	4,638
Brazil	7,790	3,659	4,820	7,235	9,705	11,839	10,381	6,442
Uruguay	2,362	6,201	4,490	6,001	2,314	2,335	2,639	2,572
Argentina	34,175	60,129	60,790	43,170	16,899	23,736	22,118	19,152
Other foreign countries (non-European)	6,113	14,715	13,049	10,944	5,201	7,544	8,923	6,723
Total	180,820	282,174	287,010	232,405	100,954	126,095	127,067	92,288

Imports from this group, which were £54.6 millions lower than in the first three quarters of 1929, were responsible for more than half the decline in the total imports. Our purchases from the United States show a spectacular drop of £26½ millions, or nearly 19 per cent. Of this no less than £12 millions was due to the diminished volume and the much lower prices of our imports of raw cotton. Of the decline of £17½ millions in our imports from the Argentine, £9½ millions is attributable to wheat imports, which were very much lower even than in 1928. Imports from Egypt declined by £6½ millions, almost entirely due to the decline in the cotton trade. The only increases were shown by Persia, Brazil, Mexico and Uruguay.

On the export side, this group contributed £85 millions to the decline. Here again, the United States shows the sharpest decline, of £12 millions. The most marked diminutions among other countries were those of £3.3 millions, £4 millions and £3 millions in exports to Japan, Brazil and Argentina respectively. The only increase was a continued expansion in our exports to Persia.

Trade with British countries, shown below, underwent a greater relative decline than that with European countries, but less than that with non-European foreign countries:—

	Imports from				Exports to			
	1913.	1928.	1929.	1930.	1913.	1928.	1929.	1930.
Irish Free State	£ 3,871	£ 32,014	£ 31,788	£ 31,219	£ 26,248	£ 26,526	£ 26,187	£ 26,187
West Africa	9,026	8,923	8,911	7,020	16,506	16,589	8,796	8,175
South Africa	39,614	18,141	17,902	14,729	28,990	24,468	20,170	19,829
India and Ceylon	12,332	56,602	55,032	47,501	54,984	67,052	63,566	46,415
Straits Settlements	2,891	1,785	2,503	1,865	4,356	8,460	9,502	6,022
Malay States	27,239	41,976	43,738	35,098	968	2,817	2,350	2,475
Australia	18,928	40,927	41,272	38,363	25,730	40,634	39,843	26,385
New Zealand	21,879	40,749	34,085	28,047	8,155	14,194	15,531	14,038
Canada	1,766	4,523	4,372	3,962	18,110	25,308	26,544	21,700
West Indies	5,485	22,478	21,510	17,212	1,566	5,605	3,396	3,427
Other possessions	...	...	...	...	9,798	19,321	20,331	19,425
Total	143,031	275,481	270,842	232,586	144,774	241,118	240,853	194,419

A reduction of £38 millions in imports was felt most in our purchases from Australia, India and Canada, which declined by £8 millions, £7½ millions and £6 millions respectively. The decline in exports amounted to £17 millions in the case of India and £18½ millions in the case of Australia. These are the heaviest falls of all. The

Indian figure shows the effect not merely of trade depression but also of the political boycott; while the Australian figure has fallen below our exports to France. Exports to Canada, South Africa and the Straits Settlements also fell off considerably. Only our trade with the Irish Free State was maintained almost unimpaired. In the last three years our sales to the Empire have fallen from 45 per cent. of the whole to 44 per cent., while our purchases have fallen from 31.1 per cent. to 29.6 per cent.

The last table shows our exports of imported merchandise to the principal destinations:—

	1913.	1928.	1929.	1930.
Russia	£ 7,231	£ 1,640	£ 1,999	£ 1,871
Sweden	794	891	841	694
Norway	388	346	354	261
Denmark	484	554	627	554
Germany	15,384	20,667	18,534	13,375
Netherlands	3,976	3,553	3,976	3,312
Belgium	5,195	8,192	7,259	5,342
France	8,512	14,211	13,950	17,583
Italy	684	1,674	1,289	728
China	134	92	82	69
Japan	231	215	164	121
United States	23,180	17,092	13,112	9,156
Irish Free State	...	7,201	7,495	7,464
South Africa	1,425	1,160	1,174	943
India and Ceylon	1,144	1,038	986	1,104
Australia	707	565	611	607
New Zealand	2,699	1,860	1,741	1,456
Canada	7,605	8,864	8,552	7,863
Other countries	...	...	...	...
Total	82,364	91,552	84,437	67,679

The most marked declines, as compared with 1929, are those of over £5 millions in our re-exports to Germany and of £4 millions in those to the United States. Both countries are now taking a smaller quantity of re-exports from us than in 1913. Re-exports to France and Belgium have also declined substantially, and the only slight increase is shown by re-exports to India and Ceylon.

These tables show fairly clearly where the centres of depression are to be found. So far as our export trade is concerned, the world's industrial centres, Germany (with Holland and Belgium) and the United States, have bought between them £28 millions less than a year ago, the economic crises in India and Australia account for £30 millions, while the Far East is responsible for another £8 millions. The reduced purchases in Malaya bring the total fall in the countries named to no less than £70 millions of the total decline. In every one of these cases, except that of the United States, our imports have fallen less than exports. In other words, the trouble is an internal one to the buyer. On the other hand, there are a number of countries whose main products have slumped heavily in price, notably Egypt, the Argentine and the United States. In the first of these two cases, the fall of exports is comparatively small. The same is true of France, whose sales to us have fallen by £6 millions, but whose purchases from us have fallen by a very much smaller amount. Thus the exceptional depression of certain industries, the fall in commodity prices, and political and financial embarrassments are responsible for the particular movements shown, and in these circumstances it would be rash to draw any conclusions from the figure of 1930 as to any permanent change in the trend of British trade.

THE IMPERIAL CONFERENCE.

SHORTLY before the Imperial Conference met, Mr Ramsay MacDonald expressed his surprise, which sounded curious at the time, that it was upon the economic side of the Conference that public opinion was concentrated; and went on to emphasise the importance of the constitutional issues which it would be called upon to decide. This speech by the British Prime Minister is recalled to our minds by the official report* of the deliberations. On the economic side little has been done, except to adjourn discussions to a further meeting at Ottawa next year; but

on the constitutional side much necessary, if unspectacular, work has been performed. Such work, it is true, consisted mainly in rounding off the really important achievements of the 1926 Conference in this sphere. But it had to be done, and could only have been done by a representative Empire gathering, and the way is now fairly clear for the expression of the 1926 decisions on Dominion autonomy in statute form. Some of the hasty indictments of the futility of the Conference, to which politicians and Press have treated us, therefore bear the stamp of petulant exaggeration.

The report shows that scores of minor economic subjects were deliberated, ranging from such old friends as the double income tax, research, standardisation, forestry, statistics, communications, aviation and overseas settlement; and although no startling decision has anywhere been taken, the discussions and interchange of opinions were presumably helpful. But no one can read through the document without agreeing that the Conference has been disappointing. The one piece of solid work which we hoped to see accomplished on the economic side was the establishment of a permanent Commonwealth Economic Secretariat, and, through it, the machinery for continuous liaison and consultation, which might prove of inestimable value. This step, it will be remembered, was jointly recommended by the official representative bodies of British employers and trade unions, and was also supported by the Federation of British Chambers of Commerce throughout the Empire. Indeed, home opinion appeared to be unanimous as to the advisability and practicability of action on this line; and since the proposal has apparently been dropped, the only logical assumption is that it was because of objections raised by the Dominion representatives. What these objections may be, we shall be interested to hear. The Report does not tell us, and it would appear that the nearest that the delegates got to considering it was to recommend some slight reconstitution of the existing Imperial Economic Committee.

Disappointment must, nevertheless, be tempered by relief; for the Conference has parted without taking any of the far-reaching and mischievous economic schemes which were so freely pressed upon it. Nor can we join with the chorus of critics who lay the blame for the smallness of achievement upon the shoulders of the British Government. It may be that Mr MacDonald and his colleagues entered the Conference without adequate preparation and forethought. But if the major blame must be apportioned, and the reason stated why the Conference did so little in the practical field of organisation where so much waits to be done, the blame clearly lies most heavily upon Mr Bennett. For the Prime Minister of Canada rushed in at the very start of the proceedings with the obviously unacceptable proposition that Britain should agree at once to a complete reversal of her fiscal system in return for the very problematical recompense of slightly increased preference margins on heightened Canadian import duties. This ill-considered attempt to stampede the British Government diverted the attention of the Conference from its most useful sphere of work. In giving Mr Bennett's proposal an unqualified rejection, the British Government were impelled to soften this inevitable negative by showing the maximum willingness to discuss alternative methods of diverting trade into Empire channels by means of "quotas" for wheat and other primary commodities, of bulk purchase schemes, and of import boards. All these discussions, which seem to have absorbed most of the time and energy which the delegates were able to devote to economic questions, appear so far to have been abortive. Mr Bennett's egregious red herring drew the Conference clean away from the trail that might have led to solid work in the sphere of organisation.

We are told in some quarters that the Dominion Premiers have gone away "empty-handed." This is hardly accurate. True, the promise of the maintenance for three years of existing preferences, conditioned, as it is, by the reserved right of the British House of Commons to remove any duty altogether, carries no great weight. But they have got something more. They have secured the adjournment of the economic discussions until next year, and, after studying the political position here, they are

*Cmd. 3717. H.M. Stationery Office. 2s.

probably buoyed up on their journey homewards with the hope that before discussions are resumed at Ottawa the present occupants of Downing Street will have made way for those who are ready to barter away this country's fiscal freedom. That their hope will be fulfilled is unlikely, for we do not believe that the British electorate will empower any Government to impose those taxes on foodstuffs and raw materials which must be the basis of any real scheme of Imperial Preference. Nevertheless, there is just the chance, and Mr Lloyd George is afforded one more reason for keeping the present Government in power so long as madcap fiscal policies are to be apprehended as the most likely result of a change.

There are reasons, too, for thinking that the Conference has been more useful than is generally supposed. The Dominion Premiers have taken a hand in exposing the impossibility of that grandiose plan of wholesale trade diversion, which Lord Beaverbrook euphemistically describes as Empire Free Trade. Again, there may be a compensatory blessing in the mere fact that the main fiscal issue has been raised and faced. All the constituent States of the Commonwealth, including the Mother Country, have made it quite clear that each is bound to pursue its policy primarily in conformity with its own needs. "Canada first," says Mr Bennett; "Australia first," says Mr Scullin; "Britain first," echoes Mr MacDonald. This plain speaking should surely convince all the Governments of the Empire of the strict limitations imposed upon the fiscal method of Empire trade propagation; so let us hope that, with the air cleared, the delegates at Ottawa next year will settle down to the organising work that should have been done in London. If that happens—and we are inclined to hope that it will, unless the fiscal revolutionaries achieve power in this country—there will be eventual compensation for all the time wasted in the starting and killing of hares at the Imperial Conference of 1930.

Notes of the Week.

Another Ten Millions.—This week has brought a new shock to the taxpayer in the shape of a supplementary estimate of £10½ millions for unemployment. It would be a million more if it were not for a grim saving caused by the fact that fewer people are employed and Exchequer contributions in respect of employed persons are therefore reduced. Actually "transitional benefit" which, on the optimistic basis of a live register of 1,200,000, was estimated to cost £10½ millions in the current financial year, is now to cost, "so far as can now be estimated," no less than £22 millions; and there is something ominous in the official warning that the figure "cannot be forecast with any certainty." Perhaps the most disquieting thing about the figures is that £4 millions of the new vote is required because the latest Unemployment Insurance Act has brought new classes, such as "married women and seasonal workers," within reach of transitional benefit; and disquietude is heightened by the analysis of unemployed benefit recipients in the current issue of the *Ministry of Labour Gazette*, which computes that the new Act has retained within the insurance system 315,000 persons who would otherwise have passed outside it. This may be right and proper, but it is impossible to read the *Gazette's* analysis without feeling that the new Act has so widened the holes in the benefit sieve that public money in large quantities may be improperly leaking through. This official analysis, coinciding with the supplementary estimate, underlines with new emphasis the urgent need for an immediate and thorough review of the whole system. It is, in our opinion, the biggest blot on the Government's escutcheon that they refuse to face this need, save by promising a Royal Commission and making no haste even to appoint that.

The Land Bill.—On Tuesday the Agricultural Land (Utilisation) Bill secured its second reading by 297 votes to 216; but though Dr. Addison's measure received powerful support from Mr Lloyd George, the vigour of Conservative opposition augurs badly for its progress through Committee, and the House of Lords will undoubtedly be hostile. The justification for this opposition is not easy to discern. The Bill provides, briefly, (a) that an Agricultural Land Corporation shall be established, with power to acquire land by purchase (compulsorily if Parliament approves) for experiments in large-scale farming (limit of sanctioned expenditure £1,000,000); (b) that the Minister of Agriculture may similarly acquire land for demonstration farms and for reclamation and subsequent letting or resale (expenditure limited to £5,700,000); and (c) that the Minister shall be empowered to train unemployed persons who wish to be resettled on the land, to finance small holdings and allotments for this purpose, at an estimated capital cost of £1,100 per small holding, and £640 per allotment, and to provide loan capital, where needed, for settlers. To argue that this measure is calculated to produce a wholesale "back to the land" movement would be absurd, and it obviously represents only one side of the Government's agricultural policy. But the attempt to foster the small holding and the allotment on the lines proposed is sound enough, as indeed all parties in the House conceded; and though all expenditure in present circumstances requires careful scrutiny, outlay might be directed to purposes much less useful and ultimately productive than the reclamation and reconditioning of neglected land. The large-scale farms to be run by the Land Corporation are an experiment whose justification must be tested by the results, but the expenditure sanctioned here is of relatively modest dimensions. There is, moreover, one all-important point in favour of the Bill. In seeking "to redress the balance" by lending State support to certain agricultural activities, it avoids the easy and fatal road of artificial price-rigging, whether by tariffs or quotas. This merit, we fear, accounts for much of the somewhat captious criticism directed against it.

The Dyestuffs Act.—On January 15, 1931, the Dyestuffs (Import Regulation) Act, 1920, is due to expire, and Mr Graham informed the House of Commons on Wednesday that it will be allowed to lapse. This decision of the Government, assailed though it inevitably will be by the bigoted Protectionist, is sound from every point of view. The Great War disclosed that this country was dependent upon Germany for supplies of aniline dyes; and the demand arose that a strong British dye industry must be built up. Hence the Act of 1920, which established a system of prohibition of imports subject to licensing. It was sanctioned by Parliament on the strict understanding that the period of this protection should be limited to ten years, and many Free Traders accepted it on the basis of the "infant industry" argument. British dye users have had to pay for this decade of protection, and it is unreasonable, especially in view of the textile depression, to expect them to continue doing so. On the other hand, we can see nothing in the dye industry's case for an extension of time, except that it is mere human nature; for, if the industry has not used its monopolistic opportunity during the past ten years to build itself up into a position of independent strength, there is no reason to think that it would do so in another ten years of shelter. Moreover, the report,* published in September, of the Dyestuff Industry Development Committee, leaves one with a feeling that the time has come when the tonic breeze of competition would do no harm.

The Palestine Debate.—On Tuesday, November 18th, the Government's Palestine policy was debated in the Commons on a motion of adjournment. The ablest and wisest speech was made by Sir Herbert Samuel, who contributed to the debate his broad liberal outlook, as well as

* Cmd. 3658. Stationery Office. 1s. 6d.

his experience as the first British High Commissioner in Palestine. That a statesman of his eminence, who is both an Englishman and a Jew, should have laid down publicly the four maxims which he did lay down in regard to British policy towards the Arabs, was an important political event which may have a happy effect on the relations of the two Palestinian communities. Mr Amery, in his speech, played a *beau rôle* (too seldom played by politicians) when he reminded the House of his responsibility for the reduction of the British armed forces in Palestine in 1925-26—a reduction which proved to have gone beyond the limits of safety, in the light of what happened in August, 1929. But the most important thing that came out in the debate was Dr. Shiels's announcement that, in order to put in hand the land development scheme which has been recommended by Sir John Hope Simpson and approved in the much-abused White Paper, the Government propose to arrange for a Palestine loan of two and a-half millions sterling under the guarantee of His Majesty's Government in Great Britain, and that during the first years of the development scheme it will be necessary to provide from British votes such annual amounts as may be required to meet the interest and sinking fund charges on the loan. If development is to continue, this is perhaps inevitable, however unpleasant it may be in the present state of British finances; for the financial situation in Palestine in Dr. Shiels's view would not permit so large a loan to be raised on Palestine's credit alone. We have pledged ourselves to establish in Palestine a national home for the Jewish people without prejudicing the rights and position of the existing inhabitants of the country, that is, the Palestinian Arabs. The time has now come when the Jews cannot acquire more land for Jewish settlement in Palestine without dispossessing Arab cultivators, and the only way out of the dilemma is to develop the agricultural capacity of the whole country systematically. It is to be hoped that this tangible evidence of goodwill, at a time when it means much more to the Exchequer than in days of plenty, will stimulate a fresh co-operative effort on the part of the two parties concerned.

The Strikes in Spain.—On Saturday, November 15th, a forty-eight hours' general strike was declared at Madrid on account of the shooting, on the previous day, of certain workmen who were attending a fellow-workman's funeral. The strike duly came to an end on Monday morning without any untoward incidents having occurred. On the other hand, general strikes were started on Monday, on the same account, at both Granada and Barcelona; and the Barcelona strike, at any rate, has certain dangerous possibilities, since the two forces of Catalan nationalism and the semi-communistic form of syndicalism which is endemic in the capital of Catalonia may come into play at any moment. General Berenguer has issued a proclamation to say that revolution is impossible because a general election is in prospect and because the Army is loyal to the Monarchy. This assurance can only be tested by the event; but the fact that the Government has thought it desirable to issue it is a further indication of the fact that the idea of revolution has been constantly in Spanish minds ever since the collapse of the Directory. It remains to be seen whether the Dynasty can permanently keep its footing, for it has to face opposition from at least three quarters: the Catalans, the Syndicalists and the bourgeois Republicans. The elections may bring things to a head—it is to be hoped, in a peaceful and orderly way.

Elections and Violence in Poland.—The Polish General Election has produced the results which it was intended to produce. The Dictator's party has gained about 120 seats, and has thus secured a clear majority of about 25 over all the other parties in the aggregate. It is not surprising to learn that the national parties of the various non-Polish minorities have been even more heavily hit than the Polish parties that are in opposition, and that the Government's successes have been most overwhelming in the provinces along the eastern border. These provinces are inhabited almost entirely by non-Polish popu-

lations; and they are relatively remote from the observation of the world. Hence, the methods of force and fraud by which the elections appear to have been "made" throughout Poland can be carried to extremes, with impunity, in these eastern marches. Indeed, to judge by the accounts published recently by the *Manchester Guardian*, the force used during the elections, is here merely one incident in a permanent *régime* of force which has been manifesting itself latterly in the "pacification" of Eastern Galicia. Eastern Galicia is an ex-Austrian territory—a country of Ukrainian peasants and Polish landlords—which the Allied and Associated Powers allowed Poland to annex by force of arms against the will of the great majority of the inhabitants. The subsequent "Polandisation" of this country has aroused a resentment among the Ukrainian peasantry which has latterly found vent in sporadic agrarian outrages—rick-burnings and the like—of the kind which occurred in Ireland in the nineteenth century. The Polish retort, according to the *Manchester Guardian's* correspondent, is to send troops into an Ukrainian village, seize a batch of peasants at a venture without attempt to ascertain their guilt or innocence, and castigate them. Many of the victims have received permanent injuries, and several have died. Thus minorities in Poland are suffering the same violence, oppression and injustice to-day, as they suffered in the days of Partition before the war. Indeed, the situation in Eastern Galicia under Polish domination seems to be unhappier than it was under the Austrian *régime*. Was it for this that the political map of Europe was redrawn at the peace-settlement, at the cost of all the suffering and destruction of the war? And there is an even more devastating question: Is not the present state of Poland just the kind of thing that will produce war in Europe again? The present state of Poland is very like the pre-war state of Hungary, and we know how deeply responsible the pre-war *régime* in Hungary was for producing the European catastrophe of 1914. It is indeed disheartening that Poland, once partitioned and now precariously restored, should have set her feet on a path which can lead nowhere but to her own re-destruction—and to the destruction of Europe into the bargain.

Imports and Foreign Investments.—At the conclusion of the debate last week on wages and tariffs, Mr Gillett and Mr A. M. Samuel had a rough and tumble on the subject of whether we can reduce imports without reducing our exports. Mr Samuel provoked the discussion by observing that "we were short in exports last year by £134 millions to meet our imports." He arrived at this conclusion from the fact that our interest on foreign investments (£285 millions) exceeded our net investments of capital abroad (£151 millions) by that amount. In other words, we imported goods in part payment of the interest due to this country on its foreign investments. Mr Samuel seems to think this most reprehensible, and asserted that we ought to stop this amount of imports and reinvest this £134 millions overseas in addition to the £151 millions which we actually invested in that way. But many who use this sort of argument are misled by the way in which for convenience we often speak of reinvesting abroad our interest from overseas. In fact, of course, we do no such thing. Interest or profits from overseas investments is part of the income of individuals, companies and concerns in this country and forms part of the annual income of the nation. The new resources which we invest overseas may in some cases come from foreign interest, but this is accidental. From whatever source they come they are part of the savings of individuals and concerns in this country. There is no direct relation between interest from overseas sources and the capital we invest abroad; nor is the amount which we can afford to invest abroad in any way governed by the interest on our foreign investments, any more than it is governed by our shipping or finance profits or any other single item by means of which our nationals acquire foreign assets. The amount which we invest abroad, being part of our annual savings, depends on two factors:—(1) Our total savings, that is the surplus of our national income from all sources over

our consumption; and (2) the proportion of this surplus which we invest at home. If an additional £134 millions is to be added to our foreign investments it must be saved by somebody, i.e., consumption must be reduced, unless we can continue to invest overseas this additional amount out of our existing savings. If by reducing consumption, savings are increased and invested abroad, the country goes without the imports which it formerly consumed—it does not replace them by home-produced goods. Whatever else may be said regarding the balance of our imports and exports, we see nothing whatever to be said for the idea that there is any merit in investing abroad precisely the amount due to us on our foreign investments. We might add, in this connection, that we have not normally reinvested abroad our total foreign interest for a long time past. Mr E. D. Simon, in a recent article, makes the assertion that the post-war situation in this respect is different from that before the war, on the ground that in former days we not only invested our foreign interest, but some additional savings as well. This is not the case. In only three years between 1880 and 1914 did we invest abroad more than our foreign interest. What has happened is that since the war, with reduced savings and a larger need for capital at home, our foreign investments have recently amounted to about half our foreign interest, whereas during the thirty or forty years before the war, we normally reinvested abroad 62 per cent. of our foreign interest.

The Wheat Collapse.—Although commodity prices in general have lately displayed greater stability, it is clear from this week's sharp fall in wheat prices that the world is by no means yet out of its troubles. The extent of the fall is shown in the following table:—

WHEAT PRICES, "NEAREST FUTURE."

	Chicago. Cts. per bushel.	Winnipeg. Cts. per bushel.
1930—July 30th	83½	87½
October 29th	79½	72½
November 18th	73	55½

The table shows that during the autumn a divergence between Chicago and Winnipeg has developed, and the higher price now quoted in the former centre can be attributed directly to the support given to the American market by the Federal Farm Board. It also illustrates the grave plight in which the Canadian wheat pools must now be finding themselves, especially as a few months ago they authorised an initial payment to their members of 60 cents a bushel. Finally, the divergence between Chicago and Winnipeg, which now amounts to 17½ cents a bushel, represents a position of extreme artificiality and danger, and shows clearly the trouble that arises when organised attempts are made to hold up prices in the face of dwindling purchasing power and huge and world-wide surplus stocks. It is, indeed, questionable whether the actions of the Canadian wheat pools and the Federal Farm Board have not aggravated the very disease they set out to cure.

Trade Depression and Gold.—Two important speeches were delivered on this question at the end of last week. The first, by Sir Josiah Stamp at the Eighty Club, consisted mainly of a broad exposition—to a mainly lay audience—of the implication of the gold standard. In the course of his speech Sir Josiah was careful to say that the operation of the gold standard was not the only cause of the trade depression—in fact, he half-seriously added, he could name no fewer than eighteen different causes. He gave it as his opinion, however, that another fall of 20 or 30 per cent. in the price-level, coming on top of that of last year, would strike at the roots of all contractual relations throughout the world, and would even prove a serious danger to democracy itself. Having thus shown a lay and political audience how serious and fundamental a question it was, he proceeded to discuss the gold standard from the standpoint of what was the way out of the world's present troubles. He made the

obvious point that it was a case for international action, and then added some well-timed words of warning. It would be, he said, worse than useless to seek to impute blame against any particular country for the difficulties that had arisen. Progress must be slow, and could not be hastened by bullying tactics directed against any nation or nations. The first task was to create a well-informed body of public opinion, and he welcomed the hard thinking being done at Geneva, in London and in America. One of the great advantages of the B.I.S. was that it provided the world's central bankers with a "club," where they could meet together quietly, naturally and unostentatiously. On these lines, especially if the gold question were kept out of party politics, there was hope that a common policy could be developed. The second speech was that delivered on Saturday by Lord d'Abernon to the Liverpool Chamber of Commerce. Lord d'Abernon was able to speak with greater freedom than Sir Josiah Stamp could, and in addition to covering part of the ground explored by the League Gold Delegation's interim report, he was critical of the United States policy of demanding repayment of her debts, and at the same time impeding the entry of goods by building up high tariffs. His arguments, it is generally agreed, are incontestable, but they mostly relate to ancient history, and are not likely to lead to any useful results at the present juncture. His address became more constructive when he urged that the British Government should initiate, without delay, negotiations with the principal gold-holding and gold-using countries with a view to arresting the excessive enhancement in the price of gold which had already occurred and threatened to proceed farther. Even here, however, it is well to remember that Sir Josiah Stamp in another passage of his Eighty Club speech had misgivings about the holding of an international conference, because of the publicity which would beat upon such a gathering.

Royal Bank of Scotland.—The accounts of this bank for the year to October 11th last reveal a net profit, after providing for bad and doubtful debts, of £533,665, compared with £504,532 for the previous twelve months. An interim dividend at the rate of 17 per cent., less tax, required £164,688, while it is now proposed to pay a dividend at the same rate on a capital augmented by the new stock issued up to October 11th in respect of the transference of certain shares of Williams Deacon's Bank, and to be issued in respect of further shares to be acquired. This will absorb £248,371.

	Twelve Months to		
	Oct. 13, 1928.	Oct. 12, 1929.	Oct. 11, 1930.
Net profit	£ 502,561	£ 504,532	£ 533,665
% of capital	20.1	21.8	21.9
% of total resources	0.91	0.91	0.87
Dividends { Amount	340,000	340,000	413,059
Rate %	17.0	17.0	17.0
Written off buildings and property	20,000	20,000	20,000
To Pension Reserve Fund	30,000	30,000	30,000
Added to "Rest"	112,561	114,532	70,606

A further sum of £20,000 has been written off expenditure on bank buildings and rentable property, and £30,000 has been again added to pension reserve fund. The balance added to rest totals £70,606, against £114,532 last year. Additional capital stock was created and issued by the bank during the year to the shareholders of Williams Deacon's Bank, in exchange for transfers of their shares, amounting as at October 11th last to £862,442, and increasing the bank's capital to £3,362,442, but of the premium emerging on the transaction, a sum of £600,000 has been added to rest, bringing that item to £3,580,926, or more than the total capital. A further issue of capital amounting to £407,902 will raise the total issued capital to £3,770,344 and the rest to £3,780,926. The balance-sheet, printed in summary form on a later page, shows that deposits have increased from £46,235,129 to £50,387,090, while drafts and acceptances reveal a moderate decline.

British Government securities have advanced by nearly £3 millions and shares in Williams Deacon's Bank form a new item of £2,084,141. Total assets, at £61,561,346, show an expansion of £5,073,474.

International Bank Policy.—Mr Gates McGarrah, the President of the Bank for International Settlements, has delivered, to the New York Academy of Political Science, an important address on the experience and policy of the bank. He began by reviewing the inception of the bank, and in this connection gave an interesting summary of the allocation of the issued share capital to date. First of all, there were the 112,000 shares issued to the central banks of Belgium, England, France, Germany and Italy; to a banking group acting for the Bank of Japan; and to Messrs. J. P. Morgan & Co., the First National Bank of New York and the First National Bank of Chicago. Next, the directors, at their first meeting, invited the central banks of Sweden, Switzerland and Holland to become shareholders; and each took 4,000 shares. At a later meeting, a similar invitation was extended to the central banks of Austria, Bulgaria, Czechoslovakia, Danzig, Denmark, Finland, Greece, Hungary, Poland, and Roumania, each of whom also took 4,000 shares. Finally, the central bank of Esthonia has subscribed for 100 shares. Thus 164,100 shares out of the authorised capital of 200,000 shares have been issued, while applications from the central banks of Portugal and Yugo-Slavia have been declined until the currencies of those countries are stabilised. Mr McGarrah went on to observe that the transfer of reparations was already regarded as a routine work of secondary importance, and that reparations funds proper only represented 20 per cent. of the bank's total assets. This means that the B.I.S. is already embarking upon the wider functions of regulating and stabilising the international movement of funds envisaged by its founders. Here Mr McGarrah briefly defined the bank's policy at its present stage of development, though he made it clear that the bank was still to some extent feeling its way. It was not, he said, the function of the bank to earn large profits. The bank, however, had assumed the following duties:—(a) The maintenance of great liquidity, on the ground that a considerable portion of its funds constitute the foreign exchange reserves of central banks; (b) the transfer of capital to markets where it may be so needed, either to counteract a temporary efflux such as that experienced by Germany a few weeks ago, or to level out discrepancies in interest rates; (c) the movement of funds in aid of currencies which may be temporarily or seasonally weak; (d) assistance in the organisation of discount markets in countries where they may be needed. In conjunction with these duties Mr McGarrah defended the bank's refusal to publish details of the geographical distribution of its funds on the ground that, by so doing, it might advertise the existence of weaknesses it was endeavouring to correct. He said that in fixing deposit rates, one average rate was allowed for all currencies on the gold or gold exchange standard, but that they were unwilling to publish their rate, lest it should be given the significance of a world discount rate. Mr McGarrah gave a very encouraging account of the way in which the B.I.S. was becoming the focus of central banking thought and co-operation. The bank, he said, had already made certain re-discount agreements with banks of issue, whereby it was enabled to procure currency in various countries without putting pressure on the foreign exchange market. In addition, an examination was being made into the possibilities of organising a foreign exchange settlement fund and even an adjustment fund designed to prevent unnecessary movements of gold. These schemes obviously possess very far-reaching potentialities and will doubtless receive careful study before they can take definite shape.

Unemployment and Cost of Living.—The decline in employment continued throughout October. According to the *Ministry of Labour Gazette*, among the workpeople insured against unemployment in Great Britain and Northern Ireland, the percentage unemployed at

October 27th was 18.7. This compares with 17.6* per cent. at September 22nd and 10.3 per cent. at October 21, 1929. The number of insured persons in work in Great Britain at October 27th is estimated to have been 9,533,200. This was 113,300 less than a month before and 732,800 less than a year before. The number of registered unemployed (excluding those normally in casual employment) amounted at the end of October to 1,551,095, as compared with 1,413,242 a month ago and 903,631 a year ago. Those temporarily stopped numbered 581,614 at October 27th. This was 15,159 less than at September 22nd but 323,477 more than a year ago. Of those normally in casual employment, 104,792 were registered as unemployed at October 27th, against 99,643 a month before and 72,620 a year before. The Ministry of Labour has this week announced that the total number of registered unemployed at November 10th was 2,261,777, including 1,623,540 wholly unemployed, 535,154 temporarily stopped, and 103,083 normally in casual employment. With regard to the cost of living in October, a slight increase was recorded, the index number of the Ministry of Labour at November 1st registering 57 per cent. above the level of July, 1914, as compared with 56 per cent. a month ago and 67 per cent. a year ago. For food alone the corresponding figures were 44 per cent., 43 per cent. and 59 per cent. respectively.

The Disarmament Conference.—As things now stand in the Preparatory Disarmament Commission, writes our League correspondent, the question of military effectives is more or less disposed of; the method to be applied is global limitation of effectives, together with limitation of categories of officers and non-commissioned officers. It has not, however, been explained how effectives are to be limited in conscriptionist countries without limitation of the annual contingents. The other essential question, limitation of material, has also been substantially settled. The German proposal for direct limitation of material received nine votes, and there were nine against. Those in favour of it were not opposed to the British proposal for budgetary limitation, but they considered that it should be combined with direct limitation, the budgetary method in itself not being sufficient. Lord Cecil argued that it was not possible to apply to fifty States direct limitation of guns, tanks, rifles, etc., such as had been possible to apply to Germany, and that the system would leave unlimited any new weapons or devices subsequently discovered. He pressed strongly for budgetary limitation, which was adopted by a majority of sixteen votes to three (Germany, Italy and Russia), with the United States abstaining; but he observed that it would not be possible for Great Britain to apply budgetary limitation to the Navy if other naval Powers declined to do so. M. Sato, of Japan, took the same attitude. So that while the general conference will be presented with a draft convention containing these methods of limiting effectives and materials, and although it may be possible for the time being, but not indefinitely, to proceed against German dissent, there remains still the fact that these are majority decisions affecting not only Germany's attitude but also that of Italy, Russia and the United States. Discussions have begun on naval questions, and the Italians have stated that it is difficult for them to express an opinion on methods before settling the proportions and the levels of maximum tonnage of the various countries. The smaller Powers are insisting upon some elasticity for transfers from one category of ships to another, and the reasonableness of this demand within proper limits is fairly generally recognised. Lord Cecil, however, emphasised the fact that should such liberty be granted, definite stipulations must be made regarding the construction of submarines. The Swedish delegate proposed the maximum of 100,000 tons within which to permit transfers from one category to another, but the general view seems to be that the fixing of the limit should depend upon the decision of the general conference. A sub-committee has been set up to seek an agreed formula.

* Revised figure.

Indian Cotton Duties.—Our Manchester correspondent writes:—The action of the Directors of the Manchester Chamber of Commerce in passing a resolution on the Indian cotton duties, and sending copies of it to the British delegates at the Round Table Conference, has caused some comment in Lancashire trade circles. During the last two or three years the Manchester Chamber has exercised considerable caution in expressing any opinion on the attitude of the Indian Government towards fiscal policy, the opinion being held that more harm would come from interference than from keeping quiet. It is evident, therefore, that the Directors of the Chamber have decided upon a change of policy, as the resolution asserts that the "true interests of British India, the Indian States and the British Commonwealth of Nations can best be served by recognition of the fact that Great Britain's industrial and commercial existence is of mutual and paramount importance to India and the rest of the British Empire." The directors, therefore, "call upon the Government and the delegates at the Round Table Conference in framing India's constitutional reform to uphold the supreme necessity of guarding the mutual trade between Great Britain and India against injury or suppression by penal tariffs and fiscal enactments." The President of the Chamber, Mr Herbert W. Lee, in a statement, says:—"It may be said that the resolution is a selfish one, dictated by self-interests. Our India Section, in my opinion, can justly reply, first, that their admitted self-interest is also the interest of this country as a whole, and is not contrary to the interests of the masses in India; and, secondly, that since the Indian side has been given every freedom to express their self-interested view, it seems not unreasonable for Lancashire and Britain generally to do the same with equal frankness."

Overseas Correspondence.

LEAGUE OF NATIONS.

Economic Conference — Tariff Questions — The British Proposals.

(FROM OUR CORRESPONDENT.)

GENEVA, November 18.

TWENTY-SIX States are attending the Conference for Concerted Economic Action, which opened in Geneva yesterday, and the United States, China, Japan, Mexico, Turkey, Cuba and the Dominican Republic are represented by observers. The first object is to determine whether, and in what conditions, the Commercial Convention of March last shall be put into force. Ten States only have ratified, but other ratifications are shortly expected, including probably those of Germany, France and Italy. The convention provides for provisional stabilisation of commercial treaties and tariffs until April 1st next, so as to provide a proper atmosphere for economic negotiations designed to reduce, as far as possible, hindrances to international trade.

The countries, including Great Britain, which have ratified the convention are not ready to put it into force amongst themselves in view of the insufficiency of ratifications, but it has been agreed to extend the period during which ratifications may be deposited to the end of January next. The conference is concerned mainly with the programme of negotiations based on the report of the Economic Committee of the League, which provides for the resumption of efforts to secure the adoption of the convention for the suppression of import and export prohibitions and restrictions, the solution of the question of the treatment of foreigners, the progressive reduction of Customs tariffs, a study of preference in favour of Eastern European cereals, the British proposal for negotiations on two groups of articles—machinery and textiles—with a view to reduction of tariffs, and the Dutch proposal for

bilateral negotiations between countries with a liberal tariff policy and those with a system of protection.

The discussion has begun on the British and Dutch proposals. There are certain countries, including Germany, Belgium and Switzerland, which are prepared to make concessions to Great Britain for the maintenance of their present customs régime, Great Britain being the principal market for a number of Continental States. France takes a different attitude. Her delegate this morning stated roundly that circumstances were not favourable to concerted action for tariff reduction, that the French tariff was as a whole moderate, and was even considered insufficient on certain points. France, like other countries, was beginning to suffer from economic depression, and it was necessary to avoid creating a panic by precipitating a general action for tariff reduction. He favoured action on non-tariff questions, but, as was pointed out by several other delegates, they were not only particularly difficult to settle, but studies were not sufficiently advanced. This was the view of the German delegate, whose attitude to the British proposal was in marked contrast to that of France. He would be prepared to negotiate owing to the importance of taking Great Britain's difficulties into consideration, but he thought the Dutch proposal more practical.

The Roumanian and Italian delegates observed that both the British and Dutch proposals asked for concessions, but offered nothing in exchange. (What, one may inquire, is Britain asked to "offer"?) The British formula would be more likely to achieve success (said the Roumanian delegate) if it provided for dealing simultaneously, with textiles, which interested one group, and cereals, which interested another. This would establish compensation. The Swiss delegate expressed the fear that if Great Britain abandoned free trade, Holland would follow her example, and protectionism in France, Germany, Belgium and elsewhere would be reinforced. He made an interesting comparison, as an example of the prudence required in classifying countries as "free trade" or "protectionist." On machinery and textiles, two categories of wares important to the British export trade, the import duties into Switzerland varied up to, but did not exceed, 8 per cent., whereas, for the principal Swiss exports, watches and silk, the import duties in England were 33½ per cent. The Dutch representative spoke with some warmth of the negative attitude of France, and said that, unless something was accomplished, the strong current in Holland in favour of abandoning free trade would be accentuated.

The state of mind is generally one of looking for compensations in every stage, and of doing nothing without some return. This is explicable, but requires application with foresight and a broad view, of which there is not yet much sign anywhere in the world. All States seem to be hoping still to save themselves on their own terms, despite the fact that one by one they are getting caught in the general depression. France, beginning to feel the signs of it after a happy immunity, turns her thoughts, apparently, to the possibility of higher tariffs, and, at any rate, refuses to discuss reductions. The danger is that there will be an aggravation of the existing obstacles to international exchanges at a moment when most, if not all, States are becoming more and more dependent on economic conditions everywhere.

If the British proposals prove impracticable, it would be well for the British Government to begin to discuss possibilities on a more limited scale with States which are prepared to do business. Such an effort must be made by someone unless the world is to resign itself to the prospect of sinking deeper into the mire before it realises that "concerted action" is not a mere phrase, but a stark necessity. It applies to the gold problem in the same way, and the tendency to take refuge in isolated, but temporary, self-satisfaction is equally disturbing and short-sighted.

It should perhaps be noted that one speaker has to-day been bold enough to refer to the recommendation of the Economic Conference of 1927 that tariffs ought to be lowered.

UNITED STATES.

Public Expenditure — Money Market — Copper Output Agreement — Railroad Amalgamation — Steel Industry.

(FROM OUR CORRESPONDENT.)

NEW YORK, November 12.

THE completed tabulation of election returns leaves the Republican party with a slight majority in both Houses of Congress, but without effective control of either. It is apparent that for the next two years legislation along strictly party lines will be a difficult matter. From a business standpoint the situation is not without its advantages, for it probably will mean that interference from Congress will be kept at a minimum. So far as the tariff is concerned, no one had expected that the Democrats would elect sufficient new members to make any material change.

It is expected that the one per cent. taken off the income tax last December will have to be restored this year, to apply to 1930 earnings for which the first quarterly tax payments will be made on March 15th next. Personal and corporation incomes have dropped sharply this year, so that even with the restoration of the tax reductions the Government probably will obtain a smaller revenue from that source in 1931. Meanwhile, in carrying out the Administration's programme of large expenditures for public works, in the hope of relieving unemployment and stimulating a business revival, Government expenditure will be substantially higher. In addition to larger appropriations for building, the Government will be compelled to make larger outlays on its farm relief schemes.

This week the Treasury announced a discount bill offering of \$125,000,000, on which tenders will be submitted next week. The issue will provide for the maturity of another bill issue and give the Treasury \$5,000,000 extra. In all probability bids will be accepted at under 2 per cent. The last bill sale went at 1.85 per cent., and part of it was resold at a profit. Treasury financing at the December 15th tax date will be heavier than usual. A \$450,000,000 certificate issue falls due, bearing 3½ per cent., and on the two following days the Treasury must refund \$102,500,000 of non-interest bearing bills. With rising expenditure, income tax collections on that date will probably not be applied towards reducing the floating debt, so that new certificate and bill issues of \$550,000,000 to \$600,000,000 are likely.

Money is as comfortable as ever, and the flatness of the bond market during the past two or three weeks has been a great disappointment. New issues have been scarce and none of importance are on the near horizon. October financing totalled only about \$200,000,000, of which nearly half was for domestic refunding and foreign public utility bond issues. Federal Reserve banks continue merely to stand by and see the present volume of surplus credit maintained. The System statement of November 5th reflects month-end operations, which involved a rise of about \$20,000,000 in bill holdings and a similar gain in total Reserve Bank credit. Brokers' loans have declined further; last week's reduction of \$58,000,000 was the sixth decline in succession and left the total only \$50,000,000 above the lowest level since the weekly reports began four years ago.

No real improvement in industry is visible and no recovery is now expected before next year. It is, however, hoped that various measures which are being taken to alleviate distress will be of great value in hastening the return to more normal conditions. After daily meetings for the past few weeks, the leading American and Canadian copper producers have agreed with the Belgian representatives of Katanga to curtail output by approximately 20,000 tons a month. There is still some uncertainty as to just how this agreement can be made effective without violation of the Sherman Anti-Trust law of this country, but that the necessity for world-wide curtailment is great can admit of no doubt.

Stocks of refined and blister copper for North and South America rose 8,000 tons in October, and for the

past year or so there has been an average monthly increase of about 12,000 tons, in spite of steadily declining output. Canadian production has been on the increase, and the American trade was taken by surprise at the figures for Katanga's output, which turns out to have been about 16,000 tons a month. Most observers of the situation here feel that while the curtailment agreement is a step in the right direction, it is inadequate. To the published figures of stocks on hand and their monthly increase must be added unreported metal production and the heretofore unknown excess production of Katanga. Allowing for these items, the actual and effective reduction involved in a 20,000 ton a month cut may be no more than 12,000 to 15,000 tons, whereas it had been hoped that a reduction of nearly twice that could have been agreed upon. The larger figure would have meant a real inroad into stocks, instead of mere prevention of further increase.

Trade stagnation is also reviving the railroad merger question. With traffic lower than at any time since 1921, the weaker roads are having a difficult time of it and even the strong lines are taking more interest in ways of reducing operating expenses. It is understood that the Washington administration would welcome more activity in mergers, provided for under the Transportation Act of 1920, in order to combine the weak roads with the strong into a few systems of equal size and strength. Conferences among the heads of the four leading trunk lines in the East—Pennsylvania, New York Central, Baltimore and Ohio, and Chesapeake and Ohio-Erie-Nickel-Plate (the Van Sweringen lines), after being broken off four years ago, have been resumed. Most likely the Interstate Commerce Commission will approve any alignment which can be agreed upon by these roads for eastern territory.

The steel industry operations have receded further, the rate now being about 44 per cent. of capacity, and a further decline before the end of the year is anticipated. However, a firmer stand is being taken on prices and much hope is placed in the action of the United States Steel Corporation this week in announcing minimum quotations for leading products. Motor output continues at a low rate, October output having been approximately 156,000 vehicles.

FRANCE.

M. Péret's Resignation — Year's Revenue — October Revenue — Public Debt.

(FROM OUR CORRESPONDENT.)

PARIS, November 19.

THE week has again been filled with unusual incidents, chief of which has been the resignation of M. Raoul Péret, Minister for Justice, and thus vice-President of the Ministerial Council, following an extremely bitter and partisan attack launched against him by the Opposition. This was based on the facts that on June 23, 1926, a week after the resignation of the Cabinet in which he was Minister for Finance, but while the Ministry was still carrying on, pending the advent of its successors, the quotation was rendered possible on the Bourse of Snia Viscosa shares, one of the issues which constituted the basis of M. Oustric's meteoric rise to power as one of the outstanding figures of the Paris financial market; and that subsequently, after M. Péret had returned to the Bar, he acted as legal adviser to M. Oustric. M. Péret had no difficulty in demonstrating that there was nothing abnormal in his action in either case; and this his opponents have since privately admitted. M. Georges Bonnet, who was M. Painlevé's Minister for the Budget during the five weeks when the latter held the dual post of Premier and Finance Minister, nevertheless drove home the (Socialist) preliminary attack by accusing both the Bank of France and the Government of having facilitated M. Oustric's speculative operations, the former by discounting £1,200,000, of what it was alleged to have known were merely accommodation bills, and the latter by doing nothing to strengthen the law concerning auditors of

public companies and the publication of honest balance sheets. The critical situation of the Oustric group, M. Bonnet insisted, was perfectly well known to everybody, including the Finance Minister, during several weeks before the Bourse crisis, and a single word from the Minister to the Coullisse authorities would have enabled the trouble to be avoided; instead of which the Minister, on September 10th, formally authorised the quotation on the Bourse of 500,000 Holfra "parts" at an enormously inflated price.

The Finance Minister, in reply, pointed out that no real financial "crisis" of confidence between the State and the public had occurred, but only as between bankers and depositors. If there has been an Oustric in Paris, he said, there has also been a Hatry in London and a Gualino in Milan. He denied emphatically that the Government had in any way facilitated M. Oustric's operations, or that the Bank of France had ever discounted for him anything other than sound commercial bills. The Ministry, on a vote of confidence, obtained a majority of 47 votes. As a direct result of the attack, however, M. Péret felt compelled to resign his portfolio. "If M. Oustric's arrest follows the complaints made against him," he said, "people will accuse me of not having acted earlier, and if the proceedings take some time they will hold me responsible for not expediting them." The incident has again called attention to the complications that may result from practising lawyers occupying Ministerial posts. The Bar, however, as in most countries, is usually regarded as a stepping stone to political advancement, and it is widely felt that any barrier of the kind suggested would result, owing to the chequered nature of Ministerial tenure in France, in depriving Parliament of a substantial proportion of its best brains. The Bill prohibiting senators or deputies from holding posts as directors of public companies after their election to Parliament has still to secure the approval of the Senate, but it is possible, in view of recent events, that the Upper House may send it back to the Chamber for its scope to be widened.

Official figures are now available showing the actual revenue secured during the past financial year—which, it will be recalled, comprised 15 months, owing to the extension of the normal year by three months, with the result that the French financial year now begins on April 1st, as in Great Britain. The total revenue on account of the General Budget during the 15 months was 62,930,356,669 francs. Practically the whole of this was from "normal and permanent sources," the amount received from "exceptional sources" being only 242,516,700 francs (consisting of 225,761,500 francs from outstanding arrears on the now suppressed special tax on war profits, and 16,755,200 francs in respect of further liquidation of war stocks). The largest item in the return is the yield from the turnover tax, which produced 12,384,280,000 francs during the 15 months, or nearly one-fifth of the total revenue. Income-tax came second with 10,186,215,000 francs, followed by "indirect taxes" 8,689,743,000 francs (this item in France includes several important categories classified in Great Britain as "direct" taxes, and comprises only a portion of what you know as "indirect" taxes); registration, 6,536,554,000 francs; Customs, 5,432,115,000 francs; taxes on securities, 5,069,385,000 francs; stamp duties, 2,888,174,000 francs and taxes on petrol, 599,494,000. The actual yield from imports classified here as indirect taxes and from monopolies (exclusive of tobacco), was 45,696,711,000 francs, and was 7,438,000,000 francs, or over 16½ per cent., more than Budget Estimates. The foregoing figures do not include the amount recovered by the Caisse d'Amortissement from tobacco, and the special taxes devoted directly to debt extinction, the revenue of the Postal Department or the yield from local taxation.

The revenue returns for October, which were made public yesterday, indicate total recoveries of 5,487,154,000 francs (or 2,073,000,000 francs more than in September), against 5,987,500,000 francs in October, 1929, and 5,582,647,000 francs in October, 1928. The increase on the month is to be accounted for by the fact that the season for payment of income-tax demands begins here

in October. The drop of 500,000,000 francs, as compared with the corresponding month of last year may be regarded as due to the substantial reductions of taxation that have come into force this year.

Attention is being called to the fact that, although in the Budget proposals for 1930-31 provision is made for an estimated expenditure of 23,856,647,000 francs to meet the public debt services (or 47.8 per cent. of the total expected outgoings), it would be fallacious to regard this sum as entirely representing money required to pay interest and redemption charges. As a matter of fact 10,661,769,000 francs of the amount appearing under the heading of the public debt concerns civil and military pension and other annuities. The capital of the public debt (exclusive of these annuity payments, which will be automatically decreased by death, and of the political foreign debt placed at the charge of Germany under the Young Plan) amounted on May 31, 1930, to 264,426,000,000 francs, and was made up as follows:—

	Frs.
Irredeemable debt	96,855,000,000
Redeemable debt	106,236,000,000
Moderate and short term debt	22,175,000,000
Floating debt	33,818,000,000
Foreign commercial debt	5,342,000,000

The total debt on December 31, 1927, amounted to 302,203,000,000 francs. This had been brought down, so far as the internal debt is concerned, from 284,464,000,000 francs on December 31, 1927, to 259,084,000,000 francs on May 31st last, while the foreign commercial debt had been reduced in the same period from 17,739,000,000 francs to 5,342,000,000 francs. The annual charges of the public debt (exclusive of the various pension annuities) have been modified in ratio to the variations in the capital. The charge on the Budget, which was 15,534,000,000 francs in 1927, will total for 1930-31 only 13,195,000,000 francs. On the other hand the increases in the pension annuities, owing to the devaluation of the franc, have largely neutralised the substantial economies that have been effected in the annual expenditure on the rest of the debt. The credits necessary for these annuities in 1914 totalled less than 400,000,000 francs, and now total 10,662,000,000 francs, as stated.

The problem of the pending war debt conversion plans still remains unsolved. Pressed by an Opposition interpellation in the Chamber yesterday, M. Tardieu confined himself to stating that the question did not merely affect small *rentiers*, as many large holders of the issues existed, and that Parliament would be notified in advance, in any case, of the Government's plans. The recent striking success of the Crédit Foncier's 4½ per cent. issue of £17,600,000, designed to retire a previous 6½ per cent. issue, and absorbed within the day the lists were opened, was a happy omen for the Government's future plans.

GERMANY.

Price Reduction Campaign — Reichsrat — Budget — Film Industry — Steel Dispute in Saxony.

(FROM OUR CORRESPONDENT.)

BERLIN, November 18.

THE Government is doing everything in its power to bring about a reduction in the cost of living, and a special committee of the Cabinet has been constituted for the purpose. An attempt has been made, by a public appeal, to obtain strong moral support for the movement and to place both producers and traders under the pressure of a vigorous public opinion. Moral suasion apart, the only weapon at the disposal of the Government is the cartel law, but this is applicable only when prices are demonstrably being maintained by monopolistic agreements. Where that is the case, the Government has, indeed, very extensive powers. The emergency decree of July practically empowered the Government to dissolve any cartel whose effects they considered anti-social, without right of appeal on the part of the persons concerned.

At that time, the Cabinet asked the Federal Economic Council to pronounce upon the use to be made of these powers. The decision has now been issued. The Economic Council recommends proceedings in certain cases, on the basis of the emergency decree, against the coal, brick and tile, and carpet industries. It abstains from recommending action against the cement cartel only on the grounds that a price reduction has voluntarily been made during the last few days. Most strongly of all, the Council urges the necessity of a reduction in iron prices, though it recognises the great difficulties of the industry. The German iron industry undertook a thorough reconstruction and modernisation of its equipment in the years preceding the depression, and with this enormous expansion of its fixed capital the immense increase in its idle capacity at present is felt as a heavy burden. Nevertheless, in view of the importance of iron as a raw material, the Council is convinced that a further reduction of iron prices is indispensable to German economy. One fall was already brought about by the so-called Oeynhausen Award last June, when the wages of ironworkers in Westphalia were reduced.

The Economic Council was unable to agree as to whether the undertaking by retailers selling proprietary articles to charge the price fixed by the manufacturers—an obligation they are obliged to undertake in order to obtain the goods—should be prohibited by the Government or not. In some circumstances this binding of retailers to prescribed prices has the same effect as a retailers' cartel, and substantially increases the margin between the price at the works and the price paid by the consumer. As the trader cannot obtain from other manufacturers goods which are protected by a trade mark, he cannot even make price concessions to the consumer when he wants to do so in order to extend his own market. On the other hand, the lively competition between different proprietary goods helps to prevent too serious overcharging. At all events, the Council could not see its way to agreeing to a judgment requiring the Government to secure the relaxation or, in certain cases, the abolition of the price requirements for proprietary articles.

For the first time since stabilisation, the Budget for 1931 shows a fall in the estimates of expenditure. The estimates for 1931 are Rm. 10,500 millions, against Rm. 11,900 millions for the preceding year. Of these, Rm. 7,300 millions are for Federal expenditure, against Rm. 8,300 millions for the year before, while the rest is on behalf of the States and Communes. The share of the Reich is divided as follows:—

	Million Reichsmarks.
Reparations	1,793.8
War pensions	1,599.3
Other internal war burdens	271.8
Financial administration	542.0
Debt service	912.0
Defence	764.5
Social insurance subsidies	435.4
Unemployment relief	463.1
Other expenditure	553.1
Total	7,335.0

The raising of unemployment insurance contributions has transferred a heavy burden from the Reich to the employers and employees. The 463 millions for unemployment relief which are still included in the Budget go for the most part not to the insured but to those of the unemployed who have already exhausted their right to benefit but are not yet to be handed over to the Poor Relief of the local authorities.

Meanwhile, the Reichsrat, which represents the States, has been working on the financial and economic Bills prepared by the Cabinet. These Bills include such important projects as the reduction of the State participation in housing, the reduction in salaries of officials, the reduction of the industrial and real property taxes, and the raising of the tobacco tax. So far, the Cabinet and the State Governments appear in the main to have been in agreement. Only in connection with the tobacco tax do there appear to have been differences of opinion on the grounds of its effects on the cigar industry. The Reichsrat has decided—and the Government has acquiesced in the decision—that the reduction of official

salaries shall not wait for April 1st, but shall be brought into operation on February 1st. If the Reichsrat finishes with these Bills in the next few days, as is to be anticipated, the most difficult task of the Government will then begin—to secure agreement with a sufficiently large number of parties as to the next stage in the development of these proposals.

The local elections in Baden and Oldenburg have shown that the internal political situation is not improving. Although there are considerable local differences, while the small poll invalidates comparison with the Reichstag elections, the Social Democrats and still more the Liberal Parties seem to have lost ground everywhere. The National Socialists, on the other hand, have gained fresh successes. The impression of these election results will hardly make the political tasks which lie before the Reich easier.

The Universum Film A.G., which is by far the greatest film company in Germany, has published its first accounts covering the period of transition from silent to talking films. This transition has cost Ufa 19 million marks in the year. The company announces that, notwithstanding that it was only obliged to have recourse to bank credits for a few months, and already has restored its cash balances to over two millions, in the business year ended May 31st it still produced 54 silent films to 30 sound films, but it is of particular importance for the company that, during the last year in Europe, and the last two years in America, practically no silent films have been produced. In consequence, the large stock of silent films, which was, before, a financial burden to Ufa, has now become a valuable asset, as out of the 28,565 cinematograph theatres in Europe, only 3,763 were equipped for the exhibition of sound films by the end of May, and of these more than two-thirds were in Great Britain and Germany, as the following table shows:—

	Number of Cinematograph sound films at Theatres. May 31, 1930.	Number equipped for]
Germany	5,200	1,200
France	4,200	340
Great Britain	4,200	1,450
Italy	2,800	100
Scandinavia	1,772	141
Austria	870	72
Spain	3,000	40
Czechoslovakia	1,875	85
Hungary	524	50
Other European countries	4,124	285
Total Europe	28,565	3,763

During the last four months of the current business year the income from the renting of films has doubled, and 35 per cent. of the income was derived from silent films.

An interesting conflict has arisen in Saxony between the Saxon Government and Vereinigte Stahlwerke. Vereinigte Stahlwerke acquired, about a year ago, the Saxon foundry Döhlen. The purchase arose out of the renewal of the cartel agreements which made it important for Vereinigte Stahlwerke to acquire, not plant but quotas. The rapid deterioration of the market in recent months made the maintenance of production in this relatively small works uneconomic, so Vereinigte Stahlwerke announced at the beginning of November that it was to be closed. The Saxon Government has now protested, in its anxiety to prevent an increase of unemployment in Saxony. The Government maintained that Döhlen is of vital importance for Saxony and could even be made profitable. Vereinigte Stahlwerke thereupon offered the Government 3.6 millions out of the 9.69 millions share capital, and asked them to guarantee half any future credits raised on behalf of the foundry. The Saxon Government replied that it was prepared to accept the principle of participation, but demanded a majority holding and refused to give any guarantees. Thereupon the owners closed down the foundry. The Government, whose policy, it may be observed, is strongly anti-socialist, now threatens expropriation, but whether it could legally carry this out is not yet clear.

HOLLAND.

Depression — Foreign Trade — Prices — Revenues —
Money — Capital Issues — Shipping.

(FROM OUR CORRESPONDENT.)

AMSTERDAM, November 8.

GRADUALLY the effects of the economic depression are becoming more and more apparent in the Netherlands. Unemployment is increasing, and in undertakings which are still in a position to work at full capacity profits are depressed by the low prices prevailing for the products. For a great many companies, therefore, shareholders will receive lower dividends. In the case of the Phillips Works, for instance, the prospectus of their flotation of 30,000,000 guilders 5 per cent. bonds at 99½ per cent. clearly shows that the satisfactory reports concerning this company which have been in circulation recently referred only to the extent of the turnover. The factories, in fact, are fully provided with orders, but the profits will be lower than last year, and shareholders will have to count upon the distribution of a lower dividend on the increased capital.

Considering that Germany and the Dutch East Indies are among the principal customers for Dutch products, it is only natural that the unsatisfactory economic situation prevailing in those countries is being severely felt here. The foreign trade returns accordingly reveal a less satisfactory state of affairs during the last few months. According to the official statistics, the value of imports in September was 196 million guilders, against 231 millions in September of last year, while the figures for exports were 147 million guilders in September, 1930, compared with 182 millions in September, 1929. For the period January-September, imports into Holland were 1,874 million guilders against 2,042 millions, and exports 1,324 millions against 1,495 millions. Exports covered 70.7 per cent. of the import value, against 73.2 per cent. in the corresponding period last year. In respect of the weight of imports and exports the first nine months of 1930 were comparatively satisfactory, the figure for imports being 23,928,000 tons, against 22,820,000 tons, while exports were 12,286,000 tons, against 12,028,000 tons the previous year.

Imports from and exports to England are summarised below:—

	Imports. (In million guilders.)	Exports. (In million guilders.)
January-September, 1928	192	328
January-September, 1929	194	307
January-September, 1930	178	294

In our imports from England declines are recorded in cattle food, which dropped to 4,700 tons against 15,300 tons, value 0.6 million guilders against 2 millions; in coal and coke, which dropped to 1,591,000 tons against 1,643,000 tons, value 17.3 million against 17.4 million guilders; in yarns, which dropped from 28.5 million guilders in 1929 to 21.7 millions in 1930; and in fabrics, which decreased from 31.5 million to 24.1 million guilders this year.

As regards our exports to England during the nine months under review, the value of bacon exported dropped from 39.6 millions to 34.1 millions, and of milk and milk products from 26.1 millions to 23.7 million guilders. The export of fresh vegetables recorded a pronounced increase as far as the weight is concerned, but the total value remained practically unchanged. This year England was a better customer for bulbs.

The effects of the general depression are distinctly reflected in the unemployment figures, and the seasonal decrease in unemployment usual during the summer months was hardly felt at all this year. The index figures of prices continue to move downwards, though the pace at which prices are falling is becoming slower. In January, 1930, the general index (1913 = 100) was 131, and this has gradually dropped to 112 for the month of

September, as compared with 141 in September, 1929. Prices have practically reached pre-war levels.

The economic depression is not yet being reflected to any extent in the revenue. This is only natural, as the reduced revenue will be felt later on when the taxes over the period of depression are due for collection. During the first eight months of the year the revenue was 5½ million guilders higher than in 1929, and remains about 16½ millions above the estimate.

The prevailing lack of commercial and industrial activity results in extremely abundant supplies of money. Quotations for prolongation money ranged from 1½ per cent. to 2 per cent. in October, while market rates of discount fluctuated between 1½ per cent. and 2 per cent. Developments on the foreign exchange market were such that there were imports of gold from Germany, but when it was seen that practically no troubles arose with the settlements on November 1st, which has often proved to be a particularly difficult settlement day, foreign exchange rates soon became firm again.

Very little activity indeed was manifested in the issue market. In October funds available for investment are particularly abundant, and the result is that October is usually a "peak" month for the issue market. Last year, in fact, October was only surpassed by January and February in the total of new issues floated, whereas October, 1930, has distinguished itself by being the smallest month of the year in that respect. The prospects are that this inactivity of the issues market will continue, but November at least, thanks to the new Phillips issue, will show a better figure. The total of issues in October, calculated according to the rate of issue and after deduction of amounts destined for conversion of old loans, was 11.7 million guilders, against 64.7 millions in October, 1929. Of these 11.7 million guilders, 4.2 millions were for foreign account, the remaining 7.5 millions represented domestic issues. Among the foreign issues, 2.9 millions for the Arbed was the most important item. The issues of shares were once more of very insignificant extent, which amply illustrates the lack of public confidence in the future development of industry.

GREECE.

Public Finance — Interest Rates — Agriculture —
Foreign Trade — Public Works and Foreign
Capital — Politics.

(FROM OUR CORRESPONDENT.)

ATHENS, October 31.

IN spite of the economic depression, revenue receipts by the Treasury for the first six months of the current financial year are on the whole satisfactory, and, if they continue to come in at the same pace, the Budget may be expected to balance. Receipts from the revenues assigned for the service of the National Debt for the period January-August, 1930, at Drs. 2,520 millions, show a decline of Drs. 219 millions, as compared with the corresponding period of last year. This difference, due principally to lower import duties and to diminished receipts from tobacco and alcohol, owing to a decline in consumption of these articles, is, in any case, of relatively small importance.

Rumours that the Government had received tenders for a big conversion loan have been officially denied. It is true that the conversion of certain loans has been contemplated for some years now, and is in principle feasible, owing to the improvement in recent years of Greek credit. The yield on Greek stocks quoted on the London market is now around 6½ per cent. But the opportunity to effect such a conversion is still not in view. Besides, the country has for the moment to borrow new money for completing its reconstruction programme. Thus it is hoped that early in 1931 the second part, £8,000,000, of the Productive Works Loan will be floated in London and New York.

There has recently been much discussion of the high interest on loans and discounts which prevails on the Greek markets. The Union of Banks has lowered, as from October 15th, the rate of interest allowed by its members on deposits and current accounts. On the other hand, the fixing of the rate of interest charged to their customers by these banks has been left to their discretion, and varies according to the nature of the accommodation and the security offered. The Government wishes to have the rates cut, and to this effect it approached the Bank of Greece to inquire how far the official rediscount rate could be lowered. It seems, however, that such a decrease would not at present be justified. The fact is overlooked that the level of interest rates at a given time is a function of numerous quantities, and cannot be arbitrarily fixed without unfavourable economic consequences.

In the face of the difficulties encountered by agriculture, owing to bad crops, falling prices, and lack of demand for certain products, the National Bank of Greece has acceded to a request of the Government to grant a moratorium to farmers for certain categories of short-term loans, payment of which will now be made in four yearly instalments. Payment of the loans granted by the Agrarian Bank is required regularly at maturity, though it would appear that many farmers show little disposition to repay even these loans punctually, constantly irritated and misled as they are by unscrupulous newspapers and irresponsible demagogues.

The area under tobacco this year is smaller, and, consequently, the crop is estimated also to be over 10,000,000 kg. less than that of last year. Notwithstanding this decrease, difficulties are anticipated for the sale of the crop of 1930, owing to the balance carried forward from 1929, and the large offers from the other tobacco-producing countries. It was recently announced that the Agrarian Bank obtained from the Bank of International Settlements a short-term loan of £200,000 at 6 per cent.

Imports for the first eight months of this year amounted to Drs. 7,126 millions, and exports to Drs. 2,891 millions. Both exports and imports are lower than in the same period of 1929, in quantities as well as in value, but the excess of imports is Drs. 261 millions less than last year. Proposals for the exploitation of the water power of Greece are being considered by the responsible Minister. Certain groups of foreign capitalists, including British financiers, are interested in the scheme, some of them in co-operation with Greek capital. While each group has made offers for a certain part only of the whole scheme, the American firm of Dwight J. Robinson is offering to undertake the utilisation of all the rivers and to supply the whole country with electricity. Should their proposal prove feasible and advantageous—a possibility about which doubts are expressed by responsible people—the Government seems to have decided to give them the contract. Otherwise, if a division of the scheme takes place, the tenders of the other groups will be examined, and accepted if their terms prove satisfactory. Offers are also under consideration for the construction of two big refugee quarters in the vicinity of Athens at an estimated cost of over £2,000,000. The competitors are a French syndicate and an English group co-operating with the National Mortgage Bank of Greece. Though the terms of the latter are more advantageous, the delay in their submission may result in their being rejected. Once more it is advisable to intimate from these columns to British firms desirous of working in Greece that they should display more broadness of mind and accommodating spirit if they are to hold their ground in this country in the face of the keen competition of other foreign interests.

Details have been published of the abortive new *coup d'état* of ex-dictator General Pangalos and a few of his friends. Public opinion strongly condemns this ridiculous attempt, and it is to be hoped that for once the authors of this plot will be severely punished by application of the laws. For it cannot be denied that non-punishment has made of revolutions in recent years an easy, enterprise for certain irresponsible elements.

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CANADA.

Crops — Agricultural Difficulties — Business — Tariff —
Foreign Trade — Federal Revenues — Fruit
Exchange with South Africa.

(FROM OUR CORRESPONDENT.)

OTTAWA, November 8.

THE Dominion Bureau of Statistics estimates the 1930 wheat yield of the prairie provinces at 362,000,000 bushels, a figure which is 27 million bushels below the estimate of the North-West Grain Dealers' Association. The crop compares favourably with the average for the last ten years, which amounted to 360,600,000 bushels. The Bureau also estimates the oats yield at 267 million bushels, which is 126 million bushels more than last year's, and the barley crop at 112 million bushels, which is a gain of 32 millions. Wheat, of which up to October 24 165 million bushels had been delivered by farmers as compared with 162½ million bushels at the corresponding date in 1929, has continued to grade high, but the later deliveries, which have suffered from exposure to rain and snow, will show a lower average grade. Grain prices have shown a slight improvement, but they are still far from satisfactory and this winter will see a regrettable prevalence of real hardship in many rural areas on the prairies.

All the three prairie provinces have now in operation organisations created to assist the farmers in the financial predicament into which they have been brought by low prices for grain and livestock. Saskatchewan and Manitoba have debt adjustment bureaux whose purpose is to assist needy farmers in their troubles and effect a fair distribution of credit and collections. Alberta has established an agricultural development board, which will act as intermediary between institutions supplying credit and farmers desiring assistance to purchase livestock. Every effort is being made to encourage farmers to feed as much of their cheaper grain as possible to livestock and to stabilise the livestock market by keeping cattle through the winter. The Federal Department of Agriculture has co-operated with a number of western ranchers in making a shipment of beef cattle to Manchester in order to determine whether ranch cattle will be saleable in Britain at profitable prices and what shrinkage *en route* can be expected; the ranchers have contributed the cattle without recompense or even promise of immediate returns and the experiment is being watched with interest in the West.

Hope of any real improvement in the business situation this year has now been abandoned and practically all the accepted indices show that the downward movement still persists. The decline in commodity prices is not arrested and the bank clearing figures and railway traffic returns record the contraction of trade which is still in progress. The car-loading figure for the week ending

October 18th, at 65,157 cars, was 6,122 cars below the figure for the previous week and no less than 17,470 cars below that for the corresponding week in 1929. The lumber industry is depressed and there was a further recession in September in the output of the newsprint mills. The iron and steel industry is also struggling with difficulties and is likely to be very short of orders during the winter, as practically all the industries using iron and steel as raw material are working well below capacity. For instance, the output of motor vehicles in Canada during September amounted to 7,957 cars, the lowest figure for any month of this year; it is also 19 per cent. under the total of 9,792 recorded for the previous month and 42 per cent. less than the 13,817 cars made in September, 1929.

In the industrial field, easily the brightest spot is to be found in the textile mills, thanks to the heavy increases in the tariff decreed at the special session of Parliament. So far, the cotton mills have experienced the greatest increment of business, but the silk and rayon mills are also well employed and there are signs of a revival in the woollen factories. There is a superabundance of shipping space available on both the inland waterways and the ocean routes, and the shipping interests complain that they never had a more unprofitable year. The expenditure now being undertaken upon a variety of public works will help to relieve the unemployment situation, but even so the problem will be serious during the winter months. Retail trade in the urban centres is well below the level of a year ago, but it is even worse in the country districts, and it is generally agreed that there can be no real revival of business until better prices for farm produce bring about an increase in rural purchasing power. The Bennett Government is apparently still convinced that higher tariffs will help matters, and it has just raised the duties on tin sheets and plates for the purpose of helping the establishment of a tinplate factory in Western Ontario. The new rates are British preferential $7\frac{1}{2}$ per cent., intermediate $12\frac{1}{2}$ per cent. and general 15 per cent., instead of free under the British preference and 5 per cent. under the intermediate and general tariffs.

The foreign trade returns for September again showed a decline. The Federal revenues are also falling in alarming fashion; in the first half of the fiscal year customs and excise duties are down by $36\frac{1}{2}$ million dollars and special excise taxes are down by $10\frac{1}{2}$ million dollars. The only revenue gain is in income tax, which is up by nearly $2\frac{1}{2}$ million dollars, but it is plain that a substantial deficit by the end of the fiscal year cannot now be avoided and that additional taxation will be necessary in the next Budget.

Efforts are being made to develop a trade interchange in fruit between Canada and South Africa. Shipments of oranges and lemons have reached Canada from South Africa and met with a good reception in the markets of Eastern Canada, and it is hoped that Eastern Canada at least will soon cease to be dependent upon California and Florida for citrus fruit. On the other hand Canadian apples are being shipped in increasing quantities to South Africa. There is a positive glut of apples in British Columbia owing to the decline in the demand in the prairie provinces and elsewhere and the growers are finding that the special protection recently granted them against American dumping is no guarantee of prosperity for themselves. The Committee of Direction appointed under the Marketing Act of British Columbia have taken steps to put large quantities of apples in cold storage in order to prevent the bottom being knocked out of the apple market. On the prairies the position of the wheat pools is still a source of anxiety and when wheat fell below 70 cents they felt it advisable to reduce the rate of their initial payment from 60 to 55 cents per bushel. The stock markets are still in a very depressed condition and the volume of trading has shrunk to small dimensions.

Letters to the Editor.

GOLD: PRICES: WAGES.

TO THE EDITOR OF THE ECONOMIST.

SIR,—Sir Henry Strakosch, in his notable memorandum "Gold and the Price Level" (*Economist* of July 5th), described the sterilisation of £110 millions of gold by the U.S.A. and France in 1929 as "sufficiently explaining the catastrophic fall of the general level of commodity prices in 1929 and the beginning of this year." Lord D'Abernon, in his recent address at Liverpool, as reported in the *Times* of last Saturday, said that the present distress "should be considered rather as a crisis of currency in the first place, and a crisis of indebtedness in the second, the one complicating the other; both aggravated by defective lubrication through the money factor..." and that "if we wished for higher freights and more trade activity we would achieve these with greater certainty and greater speed by dealing with the gold and currency problem than by any other means."

It is not for a mere man in the street to question either of these authoritative pronouncements; but there is a real danger that, read together as meaning that our unemployment is due wholly to the price fall, and that in turn wholly to the shortage of gold, they may be understood by such a man to imply that our present critical condition, of which unemployment is the symptom, is attributable wholly to world-causes beyond our control—for we, at any rate, have neither cornered nor sterilised gold—so that there is nothing for us to do but "wait till the clouds roll by," unless it be to try to exorcise the Midas-complex of other nations.

Such an interpretation, though welcome to a Government with neither the vision to see our economic position clear of class prejudice, nor the courage to grapple with its realities, would be most mischievous; we are already far too prone to think that if only we hang on by our teeth the good old days will come back; but as the coming of the world-slump did not find us prosperous (as it did the U.S.A.), so its passing will not find us abreast of our competitors, unless meanwhile we have cured those faults in our system which are not world-wide but national. Of these, there can be little doubt that the gravest is the pegging of money wages (and salaries) irrespective of price movements. Mr Hilton's statistical researches, referred to in a Note of the Week in your last issue, have (it is true) failed so far to reveal a clear arithmetical relation between the unemployment percentages and the divergence of real from money wages—a result that should cause no surprise—but they do not call in question the conclusion that the pegging is one of the causes of unemployment. And the Strakosch diagram ("Coloured Annex I.") with its curve showing that, with no increase of productivity and a price fall of less than 20 per cent., constant money wages absorb the whole of the profits of enterprise, is eloquent of the importance of this cause, although the curve as drawn does not pretend to represent statistical facts. Our plight to-day is not the inevitable result of a price-fall, but of such a fall under a system of pegged money wages—a mad combination, under which, the weaker industry becomes, the larger is the toll taken by the wage and salary earners, just as a parasite may wax stronger and stronger as its host weakens, until death ensues. But our Prime Minister can find nothing wiser to say on this point than that money wages as covenanted—a retort full of fallacies that it would weary your readers even to enumerate. He shuts his eyes to the fact that the pegging of money wages inevitably results in post-short of some form of repudiation, is the only practicable way now open to us of lightening its real burden.

So little is the distinction between real and money wages appreciated by the public that it is rarely, if ever, referred to in the Press when the issues in our never-ending wages-scuffles are in question. The proposals of the railway companies have just been set forth as involving a reduction of roughly one-tenth in wages and salaries, without any reference to the fall of 6 per cent. (from 167 to 157) in the cost-of-living index during the past year, though there are many references to the famous temporary abatement of $2\frac{1}{2}$ per cent., now seen wages the case for its restoration had vanished.

A general system of constant real wages, increasing when productivity increased but not otherwise, would have far-reaching effects. It would tend to counteract trade depression, by carrying a fall of wholesale prices down to the retail consumer, so applying to consumption the natural stimulus of cheapness, whereas at present the money wages of the sheltered distribution industries (including transport), pegged high and

hard, absorb the greater part of the fall. It should even have a righting effect on the shortage of gold itself; for if the costs of gold mining fell, as and because the value of the metal rose, the share of the product remaining after costs were paid would increase as well as its value per unit, so that any considerable appreciation of gold should be doubly reflected in mining profits and the margin of extraction should be powerfully raised.

It appears from your Overseas Correspondence that our principal European competitors have grasped the importance of concentrating attention on real wages, and are already acting accordingly. In Germany, reductions in money wages, with corresponding reductions in retail prices of necessities, are being enforced; while from France, still prosperous by comparison, it is reported that "wage scales in many industries are now closely linked up with the cost-of-living indices and efforts are being made to develop this system further." Sooner or later, world industry will again get into full swing and commodities will be cheap, not for want of buyers, but because of abundant supply. If, when that happens, we in this country are still clinging to a system which is paralysed by a fall from the inflated price-levels of war, we shall still be found incapable of bringing our costs into harmony with buyers' limits in the world-markets, and unemployment will continue to avenge our political obstruction of economic laws. And from this fate does anyone believe that improved manipulation of international gold stocks is going to save us?—Yours faithfully,

C. HARRIS.

Cookham, November 19th.

RICARDO'S LETTERS.

TO THE EDITOR OF THE ECONOMIST.

SIR,—The Royal Economic Society are preparing a definitive and complete edition of the works of David Ricardo, probably in seven volumes, under the editorship of Mr Piero Sraffa. This edition will include not only all his published works and substantial extracts from his speeches in Parliament and contributions to Royal Commissions and the like, but also so much of his correspondence as can be discovered and is of general interest.

May I, on behalf of the Society, ask for the kind help of your readers in tracking down any of Ricardo's letters which have not yet been traced by the editor? We have already had the good fortune, through the good offices of Mr Frank Ricardo, to discover the letters of Malthus to Ricardo, which give the other side of that famous correspondence, and also a small number of unpublished letters of Ricardo to various correspondents. We are all the more anxious, therefore, to obtain any further unpublished material that there may be.

Apart from his work as an economist, Ricardo was a stock-jobber and loan contractor during and after the Napoleonic Wars and a Member of Parliament from 1819 to 1823. Besides the published series of his letters, it is known that there must have existed regular correspondence with James Mill, Pascoe Grenfell, Jeremy Bentham, Edward Wakefield, Thomas Smith of Easton Grey, C. H. Hancock, Robert Torrens, Thomas Tooke, and many contemporary politicians. For any letters of Ricardo to these others we should be most grateful. We should also be obliged for any reference to items of Ricardian interest, especially to portraits and caricatures.

Any communication should be addressed to Piero Sraffa, Esq., King's College, Cambridge.—Yours, etc.,

46, Gordon Square, Bloomsbury. J. M. KEYNES.
November 12, 1930.

INTERNATIONAL MIDDLE-CLASS LIVING COSTS.

TO THE EDITOR OF THE ECONOMIST.

SIR,—We are not surprised to see that our calculations on international middle-class living costs have been criticised. You, sir, are aware that such criticism was directly invited because it was only too manifest to us that this first attempt could be improved upon in many directions. At the same time, we are disappointed to see that your correspondent in his letter to you of November 11th does not seem to appreciate the difficulties in attempting to fix a series of index figures in respect of incomes as widely apart as £500 at the lower end of the scale and £3,000 at the other. The investigations of the International Labour Office deal with one income only, that of the workman in various countries. Even so, if Mr Halford will refer to the paper of Professor Richardson at the Royal Statistical Society on April 15th, he will see it stated that "a study of the problem soon leads to the conclusion that theoretically perfect comparison is not possible of attainment." If this is the case in respect of cost-of-living figures relating to the working-class income only, then *a fortiori* the problem becomes more complex in such an investigation as ours.

In some respects, however, our task may have been more simple. We have not had to deal, like the I.L.O., with people without any degree of mobility and whose dietary necessarily comprises those commodities which are the cheapest in their particular locality, such dietaries therefore differing from country to country, and even from town to town in the same country. We had to compile a budget for people, on the whole fairly well-to-do, whose travels bring them frequently into contact with colleagues in other European countries, and whose dietaries therefore become somewhat cosmopolitan. We felt, therefore, justified in fixing a certain dietary standard (the English) for each of the salaries in the scale and in proceeding to apply to these standards the food indices applying to the various countries. In this connection it is interesting to note that our food figure for a salary of £700 in Holland shows only a difference of approximately 5 per cent. from that which is given in the Dutch periodical *Economisch Statistische Berichten* of November 12, 1930, as applying to June, 1930, which was about the time of the preparation of our figures. (The dietary employed in the Dutch calculation refers to the period October, 1923, to September, 1924.)

In the case of servants and general household expenses we were, of course, careful not to assign full-time servants to the family of a man earning £500, but made provision for occasional help only. Here again, after establishing an English budget for each of the salaries in question, we compiled an index figure from information obtained from our Continental correspondents and applied this index to find the corresponding cost of service in the other countries.

As regards clothing, we appreciate Mr Halford's difficulties and would refer to our remarks on the same subject. We had no option but to use the empirical method as outlined in our remarks.

We gather that your correspondent is more satisfied with the rent and motor-car upkeep figures. In regard to these two items, of course, we were dealing with facts which are more or less capable of more definite measurement.

As to taxation, that shown in our figures as such is direct taxation, indirect taxation being necessarily included in the prices of commodities. It should be borne in mind that even direct taxation in most of the Continental countries is not so easy to calculate as it is in this country. There are in existence not only State taxes but Provincial and Communal taxes, or, as is the case in France, a general income tax plus a salary tax. Our taxation figures have been checked by competent authorities, and we are satisfied that they are correct. They refer, of course, to taxes in force at the present time, not to those of three or six years ago.

Education, we grant, is a difficult proposition with which to deal. The fact that education on the Continent is very largely a State affair makes the position in most Continental countries entirely different from what it is here. People who, in this country, would certainly not send their children to a secondary school do not hesitate in countries like Germany to use a "Lyceum" or "Gymnasium" which prepares the children for the university. Where exclusiveness is not desired, why provide for it?

We are sorry Mr Halford finds it "difficult to speak seriously of the surplus item." We did not state that entertainments, clubs, holidays, or recreations cost the same in all countries; but expenditure on these items affects savings to such an extent that we consider we were justified in treating these as a composite item. Your correspondent asks, "Why not on other items also?" The difference is just this—that the other classes of expenditure are of a more definitely essential nature, and, despite a certain amount of individual elasticity, they can be, and therefore have been, measured on a basis of typical expenditure. The allocation of the international officials' surplus as to entertainments, holidays, clubs, or life insurance or various forms of investment is not of an essential nature and defies any measurement. We know of no other method of dealing with this problem other than by an "approximation to uniformity," whether unprecedented or otherwise.

We have already dealt with one or two of the "oddities" or "irregularities." Another of these, viz., the expression "motor-car upkeep (including chauffeur if one is employed)," is due to our desire to retain the same description of items throughout the various statements. The "if" here is sufficient to indicate our meaning. As set out in our notes, the lowest salary at which the upkeep of a motor car has been provided for in England is £900 per annum. In other countries the first motor car enters into the budget at higher salaries, and in Norway not before £1,800 is reached.

After reading again some of Professor Bowley's remarks, at the discussion of Dr. Richardson's paper, on the merits of the I.L.O. figures, we do not feel unduly perturbed by Mr Halford's parting shot.—Yours faithfully,

London. November 17, 1930.

THE COMPILERS.

the "non-dividend payers" to 56 per cent., and that of the "shipbuilders" to 47 per cent. of the "book" figure, omitting those concerns whose ordinary stocks have no market quotations. The third group is heavily weighted by the low market value of Cammell Laird shares.

A closer study of the table suggests that, striking as are the differences between one group and another, those arising between company and company are even more significant. The investor, in short, must, in this industry, examine the record of every single company on its own merits. Depression in any industry sets a premium on good management and emphasises differential advantages due, e.g., to geographical position or the relative "elasticity" of demand for its various products. Under post-war conditions, for instance, the position of a concern like Guest Keen, whose activities culminate in the turning out of relatively small and specialised products like screws, has been found to be stronger than that of "vertical" combinations leading up to shipbuilding or armament work. Broadly speaking, the shares of companies which have reorganised are, *prima facie*, more attractive to the investor than those of concerns which may still be faced with that unwelcome necessity, but the onset of cyclical depression has tended to obscure the financial effects of rationalisation, even in the case of relatively well-situated concerns.

It is already evident, however, that reorganisation, on the lines on which it is at present envisaged, will fall short of setting up in Great Britain any industrial unit comparable in size and power with the United States Steel Corporation or with certain of this country's most formidable Continental competitors. "Rationalisation" has proceeded, so far, on sectional rather than national lines. Its most noteworthy achievements have been the Guest Keen-Baldwins heavy steel merger in South Wales, the Dorman, Long-Bolckow Vaughan fusion on the North-East Coast, the formation of the Lancashire Coal Corporation, and the Lancashire Steel Corporation, the Vickers-Armstrong arrangements, and the agreement in the tube industry between Stewarts and Lloyds and Tube Investments. Co-operation, however, has not yet been envisaged as between the larger groups which are emerging after reconstruction, or between different producing districts, or even within single districts, except, possibly, in South Wales. In the North-East, for instance, the compact and economical unit which might be formed by combining the Dorman Long-Bolckow Vaughan and South Durham-Cargo Fleet groups and the Consett Company remains an ideal and nothing more.

That the industry is experiencing a slowing down of activity, as a result of world depression, is clear from its recent output figures. Whereas British steel ingot production, in the first six months of this year was 10½ per cent. below that of 1930, the total for the last four months has been 34 per cent. below the corresponding figure for last year. Last month, the steel industry was working at approximately 50 per cent. of capacity. Difficult conditions are not, at the moment, peculiar to Great Britain as may be inferred from such phenomena as the breakdown of the European Steel Cartel, and the fall in the operating rate of the American steel industry, early this month, to no more than 43 per cent. of capacity.

British producers, it is true, have cut their costs to the bone, and, within the limits of their present organisation, should be in a position to compete at home and abroad, when better times return, on at least as favourable terms as they have enjoyed at any time since the war. The decision of Guest Keen to pass its interim dividend for the first time for many years is, however, one among many indications of the probable effect of contemporary depression on iron and steel company earnings. The question whether, or when, the iron and steel share market will regain something of its pre-war popularity with investors depends less on the passing of "cyclical" depression, than on what the future reveals as to the earning power of representative companies after reconstruction, and the extent to which rationalisation by big groups and areas within the industry, as distinct from rationalisation by separate companies, is likely to go.

THE WEEK IN THE MARKETS.

THE LONDON STOCK EXCHANGE.

SETTLING DAYS.

TICKET. December 2.	ACCOUNT. December 4.
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DEALINGS this week were on a reduced scale, with an evident lack of interest inside and outside the "House." Though liquidation from the Continent was considerably reduced, the French position did not inspire complete confidence, while the failure of another American Stock Exchange firm provoked distrust in the "staying power" of the upward movement in Wall Street. While potential schemes of War Loan conversion continued to be canvassed in the City, the steadiness of this stock, concurrently with a definite check to the rise in long-dated gilt-edged securities, suggested that the week's events had not brought a definite proposal any nearer. Both industrial and "speculative" shares were affected by unfavourable developments in the commodity markets, particularly the relapse in copper prices after the ill-advised attempt of the American Copper Exporters abruptly to raise quotations, and the weakness of the wheat market.

Gilt-edged stocks again lacked support, partly as a result of the unfavourable foreign exchange position. Funding Loan was most affected, but Conversion Issues and Four per Cent. Consols also lost ground. War Loan, on the other hand, more than maintained its position. India Loans were steady, the opening "atmosphere" of the Round Table Conference being as satisfactory as could be expected. Despite the immediate success of the Cape Town Loan, South African stocks were a shade easier. Numerous advances were recorded in Australians early in the week, but the tone later became easier.

Foreign bonds were quiet, Brazilians suffering a sharp relapse on disappointment with the manner in which the sinking fund operations of the 1883 bonds were effected in the market. San Paulo stocks were also offered. The opening of a Conference at Nanking on China's debts (discussed on page 968), encouraged speculative buying of some issues, but a general reaction occurred in mid-week. Among European stocks, the Young Loan was subjected to further realisations, particularly from Amsterdam.

Home rails were dull and dispirited on fears induced by the companies' labour programme, though the tone was steadier towards the end of the week. The traffic figures showed a modest improvement except in the case of the London and North-Eastern, but remained below the level of last year. Undergrounds were bought on the good revenue returns of last week, which included the extra traffic of Lord Mayor's Show Day. Among foreign railways, the prices of Argentines were substantially lowered by dealers on an unexpectedly pessimistic speech by Lord St. Davids at a company meeting. The slump in wheat values induced a fair amount of selling of Canadian Pacifics.

Stagnant conditions prevailed in the industrial market, dealings being everywhere on a small scale. Monday's carry-over revealed a considerable reduction in the bear position. Motor shares, especially Leyland and Austin, declined on moderate selling. Nebulous reports of intended price-cutting caused further liquidation of tobacco shares, including Carreras. A fair investment business was done in electrical equipment and supply shares. The iron and steel group was quiet. The outlook for this market is dealt with in a leading article on the previous page. Textile shares lost ground. The maintenance of the Daily Mail Trust dividend caused a modest rally in the newspaper group, but the market became easier in mid-week. Hudsons Bays were a weak spot on the assumption that the pending report of the investigation committee would reveal an unsatisfactory position. Turner and Newall were sold from the provinces. Tate and Lyle relapsed sharply on the drop in the final dividend. Gaumont British and British International Pictures were active early in the week, but the rise brought out stock, and quotations eased. Among banks, Hong Kong and Shanghai were firm, but Bank of London and South America fell on the dividend

reduction. Dealings in insurance shares tended to broaden, with a fair inquiry for Royal Insurance.

Dealings in rubber shares were again on a meagre scale, prices showing no measurable change. Though business in the tea share market was even more restricted, values had an easy tendency. Jokai were pressed for sale, and Darjeelings fell on the announcement of a reduced interim dividend. The oil market remained in a sensitive condition. London, which had refused to follow the lead of Wall Street in putting up values early in the week, was later depressed by Continental liquidation, particularly of Royal Dutch and Shell.

The Mining share markets were practically featureless, and movements were insignificant. In the Kaffir section, Geduld and Springs Mines were moderately firm, and Sub Nigel also improved. Gold Fields, Union Corporation and "Johnnies" were a shade easier. Little business was done in Northern Rhodesian issues. Congo Borders lost a further fraction. Among diamond producers De Beers were heavy. Tin shares were again unpopular, but Kampar Malaya advanced on the publication of a fairly satisfactory report. Tinto and International Nickel rose on the early strength of copper prices, but quickly receded when the movement was seen to be a flash in the pan.

"FINANCIAL NEWS" DAILY BARGAIN INDEX.

(Approximate number of Bargains recorded in Stock Exchange Lists.)

	Nov. 13, 1930.	Nov. 14, 1930.	Nov. 17, 1930.	Nov. 18, 1930.	Nov. 19, 1930.	Nov. 20, 1930.
Government and Municipal Loans.....	1,447	1,493	1,753	1,399	1,313	1,302
Transport, Communications, and Public Utilities	976	999	1,163	986	902	921
Commercial and Industrial Banks, Insurance and Financial	1,749	1,756	2,009	1,835	1,683	1,540
Mines (including Nitrate)	613	544	718	630	613	612
Oil	403	421	511	486	295	297
Rubber, Tea and Coffee	181	164	174	129	147	127
Total	5,463	5,477	6,478	5,581	5,030	4,921

* Including iron and steel and breweries.

"FINANCIAL NEWS" DAILY AVERAGE OF 30 INDUSTRIAL ORDINARY STOCKS. (1928 = 100.)

Highest of 1930. (Apr. 17).	Lowest of 1930. (Aug. 26).	Nov. 13, 1930.	Nov. 14, 1930.	Nov. 17, 1930.	Nov. 18, 1930.	Nov. 19, 1930.	Nov. 20, 1930.
90.6	72.6	75.8	75.5	75.5	75.4	74.8	74.3

FOREIGN STOCK EXCHANGES.

NEW YORK.

The trend of markets was not unsatisfactory, having regard to unfavourable external influences. The rise in copper was too sharp to last. The wheat position caused much uneasiness. News was received of banking difficulties in Tennessee and Kentucky. In New York, the firm of Bauer, Pogue, Pond and Vivian, members of the Stock Exchange, were suspended on a default. Despite all this bad news, a rally in prices made some headway after the liquidation of Monday, and was regarded as evidence that the technical position of the market was better than had been imagined. A certain amount of cautious buying by strong interests, in expectation of business improvement, was also reflected in the movement. Railroads had an advancing tendency and utilities showed strength. Motor stocks were also prominent, the 1931 models being regarded as having fair prospects. The industry was reported to be increasing its orders for steel. Production in the latter industry, however, was no more than 43 per cent. of capacity last week. Car-loading figures continued to decline, and the returns from the oil industry showed

an increase in gasoline stocks and crude oil production. Call money was steady at 2 per cent.

	Nov. 6, 1930.	Nov. 13, 1930.	Nov. 20, 1930.	Nov. 6, 1930.	Nov. 13, 1930.	Nov. 20, 1930.
U.S. 3½% T. Bds.	106½	106½	106½	Natl. Biscuit	77½	78
Do. 4½% T. Bds.	113½	113½	113½	Phelps Dodge	22½	24
Lib. 3½% '32-47	101½	101½	101½	Pullman	57½	60
Do. 4½% '32-47	102½	102½	102½	Sears-Roebuck	47½	47½
Do. 4½% '35-38	103½	103½	103½	Studebaker	21	21
Atchafalpa	195	191	193	Un. Fruit	66½	66½
Ches. & Ohio	41½	40½	43½	U.S. Leather	6½	5½
Erie	33½	27½	30½	U.S. Rubber	12½	12½
Illinois Central	95½	87½	84½	U.S. Steel	143½	145
N.Y. Central	135	135	135	Westinghouse	98½	99½
Pennsylvania	83½	80½	80½	Woolworth	61½	58½
Southern Pacific	102½	100	103½	Worthington Pump	76½	80½
Southern Ry.	67	64½	67	Am. Tel. & Tlg.	192½	187½
Union Pacific	192	183½	191	Electric P. & L.	44½	43½
Am. Can.	113½	114½	117½	Int. Tel. Teleg.	27½	27½
Amer. Smelting	51½	53	52	Radio Corp.	19½	14½
Anacosta	34½	38½	36½	Utilities P. & L.	24½	23½
Bethlehem Steel	66½	63½	64½	W. Union Tlg.	135½	138½
Chrysler Motor	15½	16	19½			
Corn Produce	75½	78	81½	Associated Gas "A" ..	21	21
Eastman Kodak	162½	166	168½	Pan Amer. B.	46½	43
Gen. Electric (New)	49½	48½	50½	Sinclair Oil	13½	13
Gen. Motors	33½	35½	36½	Std. California	51½	51½
Int. Harvester	59½	58½	61½	Do. N.J.	52	53
Montg. Ward	18½	18½	20½			

By courtesy of the Standard Statistics Company, Inc., of New York and 13, Copthall Avenue, London, we print the following index figures of American values calculated on closing prices (1926 = 100):—

	1928.		1929.		1930.		
	Lowest.	Highest.	Lowest.	Highest.	Beginning of Year.	Nov. 12.	Nov. 19.
335 Industrials ...	132.5	186.4	134.5	218.9	146.0	105.4	110.8
33 Rails	120.5	139.7	127.8	173.5	134.3	102.8	102.8
34 Utilities	128.3	180.6	177.6	230.4	202.2	161.2	171.6
Total, 402 Stocks ..	130.3	178.9	140.3	228.1	153.0	113.1	119.1
Average yield of 50 Industrial Common Stocks..	3.32%	4.42%	3.10%	5.23%	4.83%	5.85%	5.48%

DAILY AVERAGE OF 50 INDUSTRIAL COMMON STOCKS (1926 = 100).

Highest of 1930. (Apr. 10.)	Lowest of 1930. (Nov. 10.)	Nov. 12, 1930.	Nov. 13, 1930.	Nov. 14, 1930.	Nov. 15, 1930.	Nov. 17, 1930.	Nov. 18, 1930.	Nov. 19, 1930.
202.4	121.5	126.2	129.3	131.7	132.8	128.2	129.9	132.4

TOTAL DEALINGS IN NEW YORK.

	Nov. 13, 1930.	Nov. 14, 1930.	Nov. 15, 1930.	Nov. 17, 1930.	Nov. 18, 1930.	Nov. 19, 1930.	Nov. 20, 1930.
Stock Exchange—Shares (Thous.)	3,446	2,635	1,708	2,134	2,018	2,474	2,621
Bonds (Value Thous. \$)	9,821	11,443	4,470	7,335	8,977	8,155	8,494
Curb—Shares (Thous.)	721	628	413	514	512	576	576

* 2-hour session.

AMSTERDAM.

The Amsterdam Stock Market has been in a particularly nervous mood during the past month, fluctuations of 20 per cent. to 30 per cent. having been recorded in certain share values on several occasions, particularly in those of Philips and Royal Dutch. The discouraging statements of the Philips directors at the general meeting of shareholders made a deep impression in exchange circles, especially as Philips will have to reduce their dividend from 21 per cent., and the result was a sharp decline in the shares, a contributory cause being the fact that, of the 20 million guilders of the recent 5 per cent. loan issue allotted to the Dutch market, only 14 million guilders were subscribed for. An almost greater rush to sell characterised the Royal Dutch market, and on a single day these shares dropped about 30 per cent., under the influence of the pronouncement by the directors at the meeting of shareholders. Later, when it proved that the statement had been misinterpreted and an unchanged interim dividend of 10 per cent. was declared, a pronounced recovery set in. Apart from these two instances, big fluctuations were also recorded in sugar shares, largely

(Continued on page 968.)

NEW ISSUE PRICES.

Stock or Share.	Issue price.	Am. paid.	Price, Nov. 13, 1930.	Price, Nov. 20, 1930.
Ayr 5% 1947-57	101	5	3½-4 pm	3½-4½ pm
Buenos Ayres Gt. Southern Rly. 4% deb. stk.	74	24	2½-2½ pm	2½-2½ pm
Central Argentine Rly. 5% deb.	87½	37½	1-1 pm	1-1 pm
Central London Rly. 5% deb.	99½	25	4½-4½ pm	4½-4½ pm
Ceylon 4½%	95	55	2½-2½ pm	3-3½ pm
Gas Light and Coke 4½% deb.	95	21½	2-2½ pm	1½-2½ pm
General Electric 5% deb.	98	25	3½-3½ pm	3½-4½ pm
Grosvener House (Park Lane) 7½% cum. pref. £1	par	fy. pd.	17/-18/-	17/-18/-
India 6% 1935-37	100	30	3½-3½ pm	2½-3½ pm
London Electric Railway 5% deb.	99½	50	4½-4½ pm	4½-4½ pm
London and North Eastern Railway 4½% deb.	90	5	1-1½ pm	1-1½ pm
Myatt (Frank) 5½% deb.	100	...	1-1½ pm	1-1½ pm
Second British Steamship Trust New £10	£10	£2	...	10/-5/- dis
South Africa 4½% 1955-75	95½	5	1½-1½ pm	1-1½ pm
Treasury Bonds 4% 1936-46	100½	25½	10-10½ dis	10-10½ dis
Yorka Electric Power	98½	...	10-10½ dis	10-10½ dis

(Continued from page 965.)

in sympathy with the nature of the reports as to the new sugar conference and of Cuban intentions. At first there was a sharp recovery, but shares receded again rapidly when the V.I.S.P. once more reduced their prices after having raised them only a week previously, especially as this coincided with less hopeful news regarding Cuban restriction. Among industrials, Margarine Unies kept more in the background, with prices fairly well maintained. Rubbers were, if anything, slightly better. Tobacco and shipping shares were neglected. The United States elections and the financial difficulties in Paris connected with the crash of the Banque Oustric apparently had little influence on the market, these outside factors being overshadowed by local influences.

	Sept. 15, 1930.	Oct. 15, 1930.	Nov. 15, 1930.		Sept. 15, 1930.	Oct. 15, 1930.	Nov. 15, 1930.
4½% Gov. Bds., 1916	102½	102½	101½	Algernon Explorat.	131	109½	111½
4½% Bonds, 1916	100½	101½	100½	Ansem	280	265	262½
4½% Bonds East Indies	99½	98½	98½	Ned. Ind. Gas	215	210½	210
4½% Amsterdam, 1913/1914	100½	101½	100½	Royal Dutch	364	333½	309½
4½% Rotterdam, 1930	100½	100½	100½	Amsterdam Rub'r	86½	97	114½
Amsterdam Bank	173½	175½	176½	Deli Batavia	48½	50	63½
Koloniale Bank	151½	160	160½	East Java	131	130	147½
Ned. Ind. Handelsbank	126½	129½	130	Hessa Rubber	65	74½	94½
Neth. Trading Soc.	150½	147	147½	Serbadiadi Sumatra	57½	56½	66½
Rotterdam Bank	106½	104½	102½	Allied Sumatra	44½	39½	46
Van Berkels Pat.	73½	71½	61½	Holland Amer. Line	23½	19	18½
Central Sugar	55½	47	45½	Royal Packet	165	160	168½
Shipbuilding Wilton	57½	50½	53	Neth. Shipping U.	141½	136½	139½
Dutch Art. Silk	80½	72½	75½	Navigation "Nederland"	144½	135	139
Margarine Unie	245½	227½	223½	Royal Steamship Line	62	60	57
Kuechenmeister Aco.	101½	82	78½	Java China Japan	71	70½	79½
General Art. Silk	81	62½	68½	Vorstenlanden	114½	112	113½
Dutch Ford	258½	233	225	Trading Co. Amsterdam	365½	384½	386½
Philips Elect. Lamp	322	291	231	Java Plantations	285	285	307½
Swedish Match	269	253½	240	Neth. India Sugar	176	179½	185
Kreuger & Toll	492	455	433	Besock	314½	290	326
Intern. Cred. Trad.	191	200	212½	Deli Batavia	239½	286½	283½
Redjang Leboeng	70½	64½	64½	Deli	288½	279	273½
Singkep Tin	95½	92	115	Senembah	319½	316½	314½
Bolton	71½	73	82½				

x Ex dividend.

INVESTMENT NOTES.

War Loan Conversion.—The perplexed holder of 5 per cent. War Loan is receiving a variety of advice at the present time. Some brokers recommend his selling, others recommend his holding. Some even go so far as to say that War Loan is the cheapest stock in the gilt-edged market and should be bought. One or two Stock Exchange firms have recently compiled lengthy memoranda dealing with the historical aspect of debt conversion and elaborating their views as to the possibilities of the refunding of the £2,096 million of 5 per cent. War Loan. One firm regards the refunding of 5 per cent. War Loan as urgent and practical, and as a necessary prelude to a trade revival. The plan which they put forward is the offer to 5 per cent. War Loan holders of a 4 per cent. loan at or near par on which the interest is guaranteed for ten years, reduced to 3½ per cent. for a further 20 years, and then fixed at 3½ per cent. as from 1961, when the loan will be "married" with the 3½ per cent. Conversion Loan. The

plan takes its inspiration from the Goschen conversion scheme of 1883, when three issues of 3 per cent. Consols were converted into an equal amount of 2½ per cent. stock, the interest on which fell to 2½ per cent. after 14 years. It is declared, possibly with some optimism, that the experience of previous conversion schemes suggests that the number of holders who would not convert but would demand repayment in cash would not be excessive. The following table is given by way of illustration:—

	Amount.	Dissentients.	Per cent.
1822.....Navy's 5's	149,627,876	2,794,276	1.88
1824.....Old 4's	76,248,180	6,149,245	8.0
1830.....New 4's	150,790,176	2,880,915	1.91
1844.....3's	248,757,311	103,352	...
1888.....Consol 3's	557,993,508	about 19,000,000	3.35

The Goschen conversion operation in 1888 was remarkably successful, the holders of the old 3 per cent. stock, 1752, being attracted by the offer of a 5s. bonus on conversion. The national debt in 1888 was £705,575,072, and the budget £89,589,000. To-day the national debt is ten times and the budget nearly nine times as large. The Goschen scheme was applied to nearly 80 per cent. of the national debt then outstanding, while the amount of 5 per cent. War Loan to-day is less than one-third the amount of the present debt. But what Mr Goschen did not have to contend with was a large volume of foreign holdings. As the interest on 5 per cent. War Loan is paid without deduction of income tax, the loan has been popular with foreign or non-resident holders, who escape tax altogether. One firm of brokers estimates the amount of the foreign holdings at £500 millions. This, in our opinion, is too high a figure. Another estimate has been put forward of £100,000,000, which is said to be based on semi-official opinion. The actual amount, however, may be large enough to make it impracticable to call War Loan for repayment as a whole (it cannot be called for repayment in part) unless the foreign holder is offered stock on which interest is also paid without deduction of tax to residents abroad. Some firms of brokers favour the refunding of War Loan by instalments of, say, 10 per cent. or 20 per cent. in view of its size and the uncertain amount of foreign holdings. There is, however, undoubtedly a consensus of opinion in the City in favour of an early attempt to tackle this problem while monetary conditions are relatively favourable.

A Chinese Loan Conference.—A preliminary conference is now sitting in Nanking to discuss means of consolidating Chinese indebtedness. There are present at the conference, besides experts of the Kemmerer Commission, representatives of Belgium, Britain, France and other countries interested in China's finance, including Japan. The Chinese authorities state that they recognise all loans due to Britain, but the stumbling block will be the "Nishihara" Loans, made by Japan to the Pekin Government during the Great War and used to finance the latter Government's efforts to suppress the forces in Southern China. The National Government now in power not unnaturally resents efforts to enforce the recognition of a loan raised by its former enemies for its suppression. The Kuo-min-tang recognises that all Britain's loans were used for purposes of internal development of the country and does not object to the Customs revenue being applied to this purpose. The arrears on railway loans now amount to more than £4,000,000, but are largely due to the policy of various generals in commandeering railways for troop trains and raiding their cash boxes for money to pay troops. Whenever there is a reasonable prospect of permanent peace in China, the question of an early settlement of debts and arrears is eagerly canvassed. In February, 1929, the Chinese Government raised the Customs duties. The increased revenue, in taels, has enabled China to meet the heavier requirements for interest payments resulting from the fall in the exchange value of the tael. Every penny collected so far this year, however, is earmarked, by reason of the fall in value of the monetary standard. Some time ago there was some talk of China's

adopting a gold standard, based on a monetary unit valued at 1s. 7d., to be known as the "sun." But China, which is in debt at every turn, cannot afford to go to the tremendous expense of changing her standard from silver to gold. The present conversations between the Chinese President, General Chiang-Kai-Shek, and Marshal Chang Hsueh-liang, of Mukden, are progressing favourably, and afford some prospects of a return of normal internal conditions. The exact total of the Nishihara Loans is unknown, but is put at something between £10,000,000 and £20,000,000. Authorities in close touch with the situation believe that there is no likelihood of China's repudiating other loans on which interest payments are in arrears, and that if and when normal conditions are well established, the loans will be redeemed, and interest arrears paid off. The eventual dates of redemption, however, are likely to be considerably later than those announced when the loans were floated.

New Companies and the Investor.—A serious indictment of present-day methods of financing new companies was made in a speech last week by Mr. Henry Morgan, the President of the Society of Incorporated Accountants and Auditors. Mr Morgan declared that at least 75 per cent. of the public companies formed in the first half of 1929 to develop new inventions or to establish new businesses had failed. Speaking from practical experience as a liquidator, he declared his conviction that the odds were heavy against the successful establishment of any new industry by means of public companies offering their shares to the public and having a Stock Exchange quotation. He described the history of a company with a board consisting partly of directors interested as vendors, and partly of men with no interest beyond their share qualification, who lacked the capacity and experience necessary for the protection of shareholders' interests. While this company's shares were being run up to indefensible levels on the Stock Exchange, the money subscribed by some 13,000 shareholders was being frittered away on the acquisition of capital assets at grossly extravagant prices. The subsequent investigations of the liquidator showed that the books were in a state of chaos and the whole of the capital had been lost. Those of our readers who have followed both our criticisms of speculative company finance during the boom and the melancholy facts revealed by our subsequent post mortem examinations, will be well aware that this story is typical of far too many cases. As Mr Morgan pointed out, the state of affairs it illustrates has proved damaging to the interests not only of investors but of all new industries, whose task of raising capital for legitimate developments has been rendered extremely difficult owing to the lowering of their credit. We do not endorse Mr Morgan's view that new industries cannot be successfully started in this country without the protection of a tariff on foreign imports, nor are we impressed by his endeavour to make "speculation" the chief scapegoat for the disasters of 1928 and 1929. The remedy would appear to be rather the better education of the public in the principles of sound investment, and the placing of the task of securing capital for reasonably promising new industries and companies in more responsible hands than those of the individual speculative promoter. We may also venture to observe that during the next boom, whenever it may come, a stronger "lead" from the Stock Exchange and the general Press would be of invaluable assistance in preventing a repetition of some of the worst excesses of recent years.

Iron and Steel Reconstruction Schemes.—In a leading article on page 963 of this issue we show the extent to which the share capital of six large iron and steel companies has been reduced as a result of recent reconstruction schemes. To complete the picture, a brief summary is given below of the arrangements made in cases where the methods of reorganisation precluded a direct comparison between capital accounts before and after reorganisation:—

Cammell Laird.—Debentures revised. Repayment date of 5 per cent. first mortgage debentures to be extended for five years

from July 1, 1930, with redemption at 110 instead of 103, and interest 5½ per cent. instead of 5 per cent. Corresponding revision of conditions of 4½ per cent. stock. Certain steel interests have been transferred to the English Steel Corporation (representing a merger of the steel interests of Vickers, Vickers-Armstrong and Cammell Laird), and certain other businesses to the Metropolitan Cammell Carriage, Wagon and Finance Company.

United Steel and United Strip and Bar Mills.—Reconstruction scheme provides for formation of a new company, to be called United Steel Companies, with a capital of £6,650,000 in ordinary shares, most of which will be issued to holders of the share and debenture capital and unsecured obligations of United Steel Companies and of the preference capital of United Strip and Bar Mills, the whole of whose ordinary shares are held by the former company. The total share and loan capital of the two companies was £14,172,163, which is being exchanged for £5,022,884 of the new company.

South Durham Steel and Iron and Cargo Fleet.—In December, 1928, Cargo Fleet Iron was absorbed by South Durham Steel and Iron by the creation of 600,000 "B" ordinary £1 shares by the latter, which were exchanged for the ordinary shares of Cargo Fleet in the ratio 3:5.

Dorman Long and Bolckow Vaughan.—In November, 1929, Dorman Long and Company increased their capital and absorbed the issued capital of Bolckow Vaughan.

Pearson and Knowles and Partington Steel and Iron.—Two new companies, the Wigan Coal Corporation and the Lancashire Steel Corporation, formed to take over, respectively, the coal and colliery assets and the iron and steel assets of Pearson and Knowles, Moss Hall Coal Company, Wigan Junction Colliery Company, Wigan Coal and Iron, and Partington Steel and Iron. The Wigan Coal Corporation will have a nominal capital of £1,746,555 and the Lancashire Steel Corporation of £5,750,000. The existing concerns will become holding companies in the new companies.

Guest, Keen and Baldwins.—The British (Guest, Keen, Baldwins Iron and Steel Company, Ltd., was registered as a private company on March 24th, with nominal capital of £150. The objects are to take over as going concerns and amalgamate those branches of the undertakings of Guest, Keen and Nettlefolds and Baldwins respectively, which relate to the heavy iron and steel trades.

Stewarts and Lloyds and Tube Investments.—Closer co-operation by issue of "liaison" shares.

Reorganisation schemes are pending in the case of Pease and Partners and Richard Thomas. Among the companies which have not yet intimated their intentions, but may be presumed to have the question in mind, are Harland and Wolff and Ebbw Vale. For an analysis of the complex details of the Armstrong Whitworth reorganisation we would refer readers to a leading article on page 347 of the *Economist* of February 16, 1929.

The Nitrate Situation.—The publication in America of a relatively unfavourable report by the Anglo-Chilian Consolidated Nitrate Corporation has drawn renewed attention to the problems of the Chilean nitrate industry. The Corporation, which in March last finally shut down its remaining "Shanks" plant in favour of the new Guggenheim large-scale methods, reports income for the year ended June 30th last of \$4,803,798 (excluding a special receipt of \$485,000 for a patent licence), compared with \$4,485,699 last year. The net profit, before deducting depreciation, amounts to \$718,928, against \$148,984, but depreciation, amortisation of patents, and depletion of ore reserves require \$2,232,380, leaving a further debit of

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\$1,513,452 to be added to the debit balance of \$9,430,661 brought forward from last year. It seems clear that these results should not be taken wholly at their face value. The current year has been one of exceptionally heavy experimental costs of a non-recurring nature, and the experiment is declared to have been fully justified by the considerably lower costs of production achieved, particularly during the second half-year. The new processes are stated to require, for a given production of nitrate of soda, only 30 per cent. of the labour and about 18 per cent. of the fuel used under the old methods. Unfortunately, the period of highest overhead costs has corresponded with a world decline in consumption, and the corporation reports that it has been able to sell only 60 per cent. of its output. In the light of this fact, the present negotiations which are being conducted in New York for the launching of "Cosach," the new company which is to take over the whole of the Chilean industry, take on a new interest. Assuming, as seems probable, that the new £75,000,000 company will be able to produce large quantities of nitrate of soda at reduced costs, the shareholders of existing companies will, nevertheless, be inclined to question the advisability of undertaking large-scale production, which can only repay the capital invested in it on the assumption of large sales, at a time when the nitrate market is badly congested. Moreover, if the present negotiations with regard to the raising of some £20 millions of debenture stock are successful, and part of the proceeds is utilised, according to plan, to meet dividends and taxes guaranteed to the Chilean Government to the tune of £12,000,000 by 1933, Cosach will begin its career hampered with a burden of debt which the immediate market outlook can hardly justify. On the other hand, the amalgamation of the small producers will probably facilitate some rationalisation of the sales organisation, while the recent agreement with the "synthetic" producers allows the Chilean industry an unrestricted European market at prices which should tend to encourage the wider use of their product when normal market conditions return. Until it is possible, however, to assign a time limit to the present world depression, the prospects of Cosach will not be free from obscurity.

The Outlook for Tea Shares.—Few important primary commodities have made so favourable a showing as tea during the recent price slump. The average price realised in London has fallen only from 1s. 7.34d. in 1926 to 1s. 4.25d. in 1929 and to 1s. 3.24d. in 1930 to date, though medium and common teas have suffered more than the high-grade varieties. Tea shares declined steeply during 1929, but have this year been remarkably steady, with an upward trend in the earlier part of the year, a steady decline in the summer, and a modest subsequent gain. Early this year tea growers in the most important producing areas agreed to curtail output along the following lines:—

(000,000 omitted.)			
	1929 Crop.	Reduction Envisaged by Scheme in 1930.	
	lbs.	Amount.	Per Cent. of 1929 Crop.
Northern India.....	370½	32	8.65
Southern India.....	52½	4	7.65
Ceylon	251½	11	4.37
Java and Sumatra ...	158½	10	6.30

Unfavourable weather in some areas has helped the growers to live up to their bargain. The current issue of *The Rubber and Tea Quarterly** indicates that the Northern India crop figures, to the end of October, show a reduction of 39½ million lbs. this season, while the export figures for other areas show a decline, as compared with 1929, of 13½ per cent. in Southern India, 11½ per cent. in Ceylon and 5 per cent. in Java and Sumatra. Figures given in the same publication suggest that important changes have taken place as regards the marketing arrangements of this year's crops. Since the new season opened, offerings of Northern India tea in London have fallen off by 10 per cent. (as compared with the corre-

sponding period last season), but offerings in Calcutta by as much as 24 per cent. In the last five months the Ceylon tea dealt with in London has shown a decline of one-half per cent., but that dealt with in Colombo a decline of 14½ per cent. as compared with last year. Java and Sumatra, in the same period, have offered much the same quantity of tea in London, but their offerings in Holland have shown an increase of 10 per cent. These figures must be interpreted very broadly, since no centre publishes details of private sales. Visible stocks of tea in London are estimated to have been reduced by nearly 40 million lbs. over the last eight months, but their total is about 6 per cent. higher than at this time a year ago and 24 per cent. higher than two years ago. The trade still regards these stocks as pressing heavily on the market, and efforts are being made to prolong the restriction arrangements for at least another year. Whether Dutch support will be forthcoming remains to be seen. In Java and Sumatra the industry is "younger" than in India or Ceylon, and up to the beginning of this year was developing at a much more rapid rate. Some traders in London, however, have contended that Dutch exports in the past have included a proportion of tea of decidedly low quality, and that any scheme involving a cessation of the plucking of this low-grade tea must in the long run be to Java's advantage. In the meantime, shareholders in British tea companies can scarcely hope for better financial results in 1930 than in 1929, particularly in the case of those concerns in Ceylon which have rubber as well as tea plantations, and must necessarily be affected by the acute depression in the latter industry.

A New Index of Kaffir Shares.—In view of the suggestion made in a recent letter to the *Economist*—and current in many parts of the City—that gold-mining shares, under present economic conditions, offer sound investment prospects, special interest attaches to a new index number of "Kaffir" share values which has been forwarded to us by a correspondent. The latter has made a selection from among the Kaffir mines which declared dividends in December, 1928, of those having then estimated lives of ten years or more. The object of this selection was, firstly, to obtain, as constituents of the index, only mines of proved dividend-paying capacity; and, secondly, reduce the factor of mortality redemption, in the figures, to the lowest possible proportions. The sixteen companies eventually chosen were: Brakpan, Consolidated Main Reef, Crown, Geduld, Government Areas, Langlaagte, Modder "B," Modder East, New Modderfontein, New State Areas, Nourse, Springs, Sub Nigel, Van Ryn Deep, Village Deep and West Springs. The average market capitalisation of these companies in 1928 (taken at the end of each month) was approximately £70,292,000. If this figure be represented by 100, the index for succeeding months is as follows:—

End of	1929.	1930.	End of	1929.	1930.
January	95.7	87.7	July	88.8	81.4
February	91.5	82.7	August	87.5	81.4
March	86.9	88.8	September...	83.8	77.5
April	86.5	81.8	October.....	81.6	75.1
May.....	86.7	84.4	November...	81.6	...
June	89.8	80.2	December...	81.7	...

Apart from the well-defined seasonal fluctuations in prices, which tend to rise on the June and December declarations, and to drop when the shares go ex dividend, Kaffirs have shown an over-all depreciation comparable with that of industrial ordinary shares, as shown, e.g., by the *Financial News* index, which, on October 31st last, on the same basis, stood at 76.3. A purchase of the shares comprised in the Kaffir index, at the 1928 mean level, would have given a yield of 9.61 per cent. in 1928, 9.52 per cent. in 1929, and 4.62 per cent. for the half-year ended June, 1930. Of the 16 concerns, Village Deep has been absorbed, and of the remainder four have increased and six reduced their rates of dividend (that of Geduld being made on an increased capital which cannot immediately become fully remunerative). In the aggregate, however, there has been a slight though progressive diminution in the amount distributed, accentuated more recently by an increased deduction for tax. A purchase at present prices (with British tax at 4s. 6d. in the £, less the appropriate

rate of Dominion tax relief), not allowing for accrued dividend, would give a yield of over 12 per cent. net. Assuming the maintenance of the June declarations, allowance for accrued dividends brings the net yield figure, on current quotations, to over 14½ per cent. This, our correspondent observes, is not an unattractive figure for a group of speculative investments, though amortisation has to be allowed for out of it.

Gillette and Auto-Strop Developments.—In the *Economist* of October 11th last we referred to a merger concluded between the Gillette and Auto-Strop companies. This brought to an end the suit filed by Auto-Strop against Gillette for alleged infringement of patents, but no sooner had this been dropped than another suit was started. This was brought by certain stockholders of the Gillette Company against the company and its directors, its objects being (a) to restrain the company from reclassifying its capital and issuing \$20 millions gold debentures, and (b) to obtain restitution from certain directors for the sale of certain shares to the company. This suit has now been dropped on a full statement being made by the directors and certain sales of shares being rescinded. The statement of the directors, it is understood, showed that the cost of the acquisition of Auto-Strop was to be 310,000 shares of a new \$5 dividend preference stock convertible share for share into common stock, and 12,500 shares of common stock. The preference shares were to be created through the reclassification of 198,731 shares of common stock which had been purchased by the company mainly in July and August, 1930. Of the common stock shares so acquired 60,000 were purchased from a pool in which some of the directors were interested, at an average price of \$79.50 per share, while 46,500 shares were purchased direct from certain of the directors at market prices. The market price of the stock subsequently fell to about \$30. The sales of these shares by directors have now been rescinded, and the directors have repaid the company in full with the exception of 20,000 shares purchased from the chairman, Mr King C. Gillette, who is too ill at the present time to attend to business. The directors interested in the pool have also repaid a sum corresponding to their participation in that syndicate, together with interest, and the company's bankers have taken in hand the issue of \$20 millions ten-year 5 per cent. convertible gold debentures, subject to the purchase of Auto-Strop being completed. A new executive committee of directors has been constituted, with the chairman of Auto-Strop and representatives of the bankers as members. Further, a restatement of the accounts of Gillette Safety Razor has been made for the past five years. *Inter alia*, the directors explained that it had long been the practice of the company to "bill" its razors and blades to its selling subsidiaries in foreign countries, not at factory cost, but at prices a little less than selling prices. The parent company had thus taken a profit on such "billings" in the form of accounts receivable before the profit had actually been realised by final sale to customers. Assuming that final sales remained constant this practice would, of course, only swell the profit figures in the year in which it originated, but if sales fell off considerably in any year it would again show profits at a fictitious level. The accounts having now been re-cast, it has been found that the difference in net earnings between the new and old figures averaged about \$2,370,000 a year. The directors are now confident that the company will not only benefit from the large earnings of the Auto-Strop but from its substantial economies in manufacturing and distributing costs. The net earnings of Auto-Strop this year have been at a rate substantially above the dividend charge on the new preference shares. The earnings of Gillette have fallen from \$8,407,518 to \$4,806,370 for the first six months of the year, as against the first half of 1929, but it is believed that the combined earnings of the two companies are now showing an increase.

Bass, Ratcliff and Gretton.—The accounts of this old-established brewery for the year to September 30th last show a slight decline in profits. Trading profit stands at £1,207,405, compared with £1,247,958, and net revenue, at £538,969, is down by £3,662. In the circumstances shareholders will probably regard the cut of 1 per cent. in dividend as a precautionary and conservative "gesture":—

Year to September 30.	1928.*	1929.	1930.
	£	£	£
Net profit	716,903	542,631	538,969
Brought forward	173,487	246,480	273,983
Preference dividend.....	85,000	68,000	68,000
Rate %	5	5	5
No. of times covered	7.9	8.4	7.9
Ordinary capital:			
Earned £	631,903	474,631	470,969
Paid £	558,910	447,128	424,772
Earned %	22.6†	21.2	21.1
Paid %	20†	20	19
Carried forward	246,480	273,983	320,181

* 15 months.

† On 12 months' basis.

The carry-forward item is augmented by £46,198 to £320,181, though nothing is added to the satisfactory reserve item of £1,000,000. The balance sheet reveals the customary strong and liquid position, available assets at £2,456,374 greatly exceeding current liabilities. The reserve for property depreciation and reserve for contingencies together total £400,000, which the directors consider an adequate amount. At 3½, the £1 ordinary shares give a yield of about £5 17s. per cent., allowing for a final dividend of 14 per cent.

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Peter Walker (Warrington) and Robert Cain.—The report of this north-country brewery for the year to September 30th last shows, like that of Bass, very slight variations, as compared with its predecessor:—

Year to September 30.	1928.	1929.	1930.
Trading profit	548,131	567,266	570,805
Net profit	398,131	416,266	418,005
Brought forward	53,207	66,088	98,104

Preference dividend.....	160,000	160,000	160,000
Rate %	8	8	8
No. of times covered	2.5	2.6	2.6

Ordinary capital:			
Earned £	238,131	256,266	258,005
Paid £	170,250	170,250	170,250
Earned %	10.5	11.3	11.3
Paid %	7.5	7.5	7.5

To reserve	50,000	50,000	50,000
Other allocations	5,000	5,000	5,000
Carried forward	66,088	98,104	130,860

The percentage earnings and payments during the past eight years are set out below:—

Year to Sept. 30.	Earned %	Paid %	Year to Sept. 30.	Earned %	Paid %
1923	10.0	9	1927	9.7	7.5
1924	11.5	9	1928	10.5	7.5
1925	12.9	9	1929	11.3	7.5
1926	11.2	9	1930	11.3	7.5

Some £50,000 has been added to reserve account, which stands in the balance sheet at £500,000. Staff Super-annuation Fund is further augmented by a contribution of £5,000, and £130,860 is carried forward, against £98,104 brought in. At 18s. 6d. the £1 ordinary shares yield £8 11s. 5d. per cent., allowing for a final dividend of 5 per cent.

Shell Union Oil Corporation.—According to the figures compiled by a London Stock Exchange house, the earnings of the Shell Union Oil Corporation for the nine months ending September, 1930, as compared with the nine months ending June, 1929, have been as follows:—

1929.	Net Income.	Depreciation, etc.	Fed. Taxes.	Deb. Int.	Net Profit.
First quarter	13,531,021	11,100,216	...	972,228	1,458,577
Second quarter	20,780,045	11,759,957	...	969,006	8,051,082
Third quarter	22,328,064	12,190,915	...	964,403	9,172,746
Fourth quarter	17,246,438	15,427,698	1,036,659	1,891,237	Dr 1,109,116
Total year	73,885,568	50,478,786	1,036,659	4,796,874	17,573,249

1930.	Net Profit.	Depreciation, etc.	Fed. Taxes.	Deb. Int.	Net Profit.
First quarter	10,073,697	11,650,213	...	1,578,492	Dr 3,155,008
Second quarter	15,885,989	11,434,471	...	1,577,486	2,874,032
Third quarter	14,255,279	11,573,961	...	1,735,658	1,107,660

1929.	Net Profit.	Prof. Divs.	Com. Divs.	Div. Rate.	Addition to Surplus.
First quarter	1,458,577	...	4,457,239*	35c.	Dr 3,108,662
Second quarter	8,051,082	...	4,571,817	35c.	3,479,265
Third quarter	9,172,746	495,000	4,583,599	35c.	4,908,147
Fourth quarter	Dr 1,109,116	550,000	4,563,330	35c.	Dr 6,222,486
Total year	17,573,249	1,045,000	18,285,985	\$1.40	Dr 1,757,736

1930.	Net Profit.	Prof. Divs.	Com. Divs.	Div. Rate.	Addition to Surplus.
First quarter	Dr 3,155,008	550,000	4,574,719	35c.	Dr 8,279,727
Second quarter	2,874,032	550,000	4,574,696	35c.	Dr 2,250,664
Third quarter	1,107,660	550,000	...	...	557,660

* Capital increased from \$10,000,000 to \$13,000,000.

"OLD 'MUM.'" Many friendless old women live in Church Army Homes. Here are details of one:

"At 7.45 each morning this brave old soul of 76 goes to work at washing-up. At 6 p.m. she returns—wears perhaps—but full of good humour which bubbles over to entertain the others." Nearly all "the others" are old age pensioners who earn a little extra by selling matches in the cold streets, washing-up, and so on. A very independent but worthy community. Freedom to come and go as they reasonably like is priceless to them.

CHURCH ARMY wants to give MORE COMFORT at prices within their scanty means. Will you help by gifts to Preb. Carlile, "Old People's Fund," 55, Bryanston St., London, W.1.

The disappointing results for the third quarter may be explained by the fact that in the Mid-Continent districts, where the Shell Union derives more than 50 per cent. of its sales revenue, gasoline prices have broken sharply. Further, 50 per cent. of the Shell Union production in California is shut in, so that half the capital invested in the Pacific Coast producing fields is temporarily not earning any profit. On account of the shut-in production the Shell Union has to buy crude oil from other producers instead of running its own crude in its refineries, and it may be presumed that its profits on purchased crude are far less than on crude drawn from its own fields. It will be seen that for the nine months to September 30th the preference dividends, which required \$1,650,000, were not earned, the available profits being \$826,684. The market fully expects the preference share dividends to be paid this year. Two quarterly dividends of 35c. have been paid on the common shares.

Burma Corporation.—Twelve months ago, writes our mining correspondent, hopes were entertained that the renewed decline in metal prices would, in the case of this undertaking be more or less offset by the projected increase of the treatment plant for dealing with the lower-grade ore. These expectations have not been realised owing to the decision of the directors not to proceed with the expansion programme, a decision impelled by the falling off in the demand for metals and the renewed depreciation in values. Actually, last year's output showed a modest increase in lead and copper, and a decline in silver and zinc. The average quotations having been lower to the extent of about 35s. per ton for lead, £5 for zinc, and 5d. per oz. for silver, a distinct set-back in the profits inevitably followed, although some further economy was effected in costs. The dividend rate was reduced from 16 to 13 annas. As will be seen from the following table, payment of the latter involved a heavy draft upon the carry-forward:—

	1927-28.	1928-29.	1929-30.
Ore mined	429,850	463,060	500,590
Yield refined lead	72,390	78,720	79,270
Yield fine silver	6,920,900	7,347,330	7,225,880
Working profit	1,191,750	1,488,680	1,059,560
Depreciation, &c.	246,150	253,900	225,650
Taxes	214,070	257,990	222,270
Net profit	788,290	1,054,842	693,600
Per cent. earned	7.76	10.38	6.8
Per cent. paid (free of Indian and British tax)	7.5	10.0	8.1
Reserve	235,640	235,640	235,640
Carried forward	164,031	203,246	71,650

Development has furnished the satisfactory feature of the discovery at Nos. 2 and 6 levels of the southern extension of Chinaman ore-body, the principal deposit in the mine. Drives are being put in to test the intervening levels. Exclusive of this discovery, the ore reserves stand at 4,265,670 tons, an expansion of 124,000 tons, although the values are slightly lower than before. The total represents fully eight years' supply for the mill. On the basis of last year's dividend, the yield shown is over 12 per cent. free of British and Indian income tax. The figures suggest, however, that the maintenance of the 1929-30 rate is unlikely during the current session, metal prices having shown a fresh decline since the date of the accounts.

Roan Antelope.—The position of this undertaking is of interest, as it will be the first of the new Northern Rhodesian copper companies to start production. The report now in the hands of the shareholders contains an estimate of ore reserves. These are placed at the globular figure of 102,000,000 tons, averaging 3.44 per cent. Obviously, such a quantity will represent many years' work for the treatment plant, which is to have a capacity of 5,000 tons per day. The compilation, however, is based merely upon drilling results. The value, of course, is moderate. The need for further financing was met by the creation of £2,500,000 debentures, of which £1,500,000 was issued at 99 per cent. On June 30th £618,700 had in all been received on account

of this issue, while the cash in hand amounted to £1,051,800. Up to the date of the accounts the expenditure on development and equipment amounted to £2,670,850. The directors refer in favourable terms to the progress made generally. What the future profits are likely to be depends upon various factors—including the price of copper, which has lately undergone sharp fluctuations.

CAPITAL ISSUES.

Apart from a small issue by tender, on behalf of the *York Gas Company*, and a larger issue by the same method on behalf of the *South Suburban Gas Company*, there were only two public offers this week. They were made by the *City of Cape Town* and *City of Bloemfontein*. The *City of Cape Town* issue brings the total net indebtedness of the Council, after deduction of accumulated sinking funds, to a little over £11 millions, equal to about five and-a-half times the annual revenue, against which the City has assets amounting to £17½ millions, together with considerable property and lands upon which no expenditure has taken place. Though not a trustee issue, the stock is a high-class investment giving a flat yield of £4 19s. per cent. and a redemption yield, allowing for repayment at par in 1961, of £4 18s. 9d. per cent. The *City of Bloemfontein* offer is for £500,000 in 5 per cent. stock, 1960 at issue price of 101 per cent. The method of private placing is being followed by more than one large borrower at the moment. The *Hertfordshire County Council* has issued a 4½ per cent. Loan of £750,000, redeemable 1955-65, on offer at 98½ per cent. The *Scottish Power Company* has placed a line of 6 per cent. Preference shares at 23s. 1½d., in connection, it is understood, with the proposed acquisition of the share capital of the *Scottish Southern Electric Supply Company*.

ISSUES OF THE WEEK.

By Prospectus or Offer for Sale.

Net total recorded, January 1 to November 15, 1930, £230,147,805.	
Total, including conversion recorded, January 1 to November 15, 1930, £411,903,436.	
National Savings Certificates.	
Net sales, week ended November 15, 1930, £200,000.	
Total receipts, April 1, 1930, to November 15, 1930, £5,100,000.	

	Nominal Capital.	Conversions or Repayments.	New Money Cash Subscriptions.	First Payment.	Further Liability.
To the Public.					
Bloemfontein	500,000	...	505,000	25,000	480,000
City of Cape Town	750,000	...	757,500	37,500	720,000
Total offered to public week ended November 22, 1930 ...	1,250,000	...	1,262,500	62,500	1,200,000
To Shareholders only.					
Manchester Brewery, £650,000 5½ per cent. deb. stk. at 98½ ...	650,000	637,000	...	637,000	...
Ruabon and District Electric Supply, 15,000 ord. £1 at 25/-	15,000	...	18,750	7,500	11,250
Total to shareholders only, week ended November 22, 1930 ...	665,000	637,000	18,750	644,500	11,250
Total Offered for Subscription—					
Including Conversions.					
Jan. 1 to date	414,021,686	231,629,055			
1930	483,751,288	279,425,688			
1929	516,593,704	342,563,973			
1928	...	319,847,283			
1927	...	208,126,017			
1926	...	208,794,177			
1925	...	182,134,775			
1924	...	259,169,608			
1923	...	...			
Whole year—					
1929	488,764,940	285,239,400			
1928	693,100,056	269,058,073			
1927	...	365,165,970			
1926	...	230,182,600			
1925	...	232,214,500			
1924	...	209,326,101			
1923	...	271,399,173			
1922	...	573,675,653			

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By Stock Exchange Introduction.

	Amount of Capital Introduced.	Prices at which Dealings Began.	Total Cash Involved.
Amount previously recorded	17,302,953	...	19,003,832
Kingdom of Iceland, £540,000 5½ per cent. 40-year sterling bonds, 1930, at 96½% (Nov. 12)...	521,100	96½	521,235
Terry (Joseph) and Sons, 116,040 7% second cum. pref. £1 (Nov. 12)	116,040	23/9	137,790
Total for week ended November 22, 1930....	637,140	...	659,025
Total to date, 1930.....	17,940,093	...	19,662,857
Total to date, 1929.....	31,269,288	...	43,350,779

City of Bloemfontein.—Issue of £500,000 5 per cent. Inscribed Stock, redeemable at par December 31, 1960, at issue price 101 per cent.

City of Cape Town.—Issue of £750,000 5 per cent. redeemable stock, 1961, at £101 per cent. The principal will be repaid at par on July 1, 1961, and a sinking fund of not less than ¾ per cent. per annum will be provided for the redemption of the issue. The net indebtedness of the Council in respect of loans outstanding at December 31, 1929, after deduction of accumulated sinking funds, was £10,689,975.

York Gas Company.—Issue by tender of £90,000 5 per cent. redeemable debenture stock, to be redeemed at par on December 31, 1950, at a minimum price of £97 per £100 stock, yielding at that price £5 5s. 5d. per cent., allowing for redemption. The net revenue of the company for the year ended December 31, 1929, was £18,194, covering interest on debenture stock, including the present issue, more than three times.

South Suburban Gas Company.—Issue by tender of £200,000 5 per cent. perpetual debenture stock, minimum price £99 per £100 stock, and £300,000 5 per cent. perpetual preference stock, minimum price £92 per £100 stock. The proceeds of the present issue are required for repayment of loan by the company's bankers and for development and general purposes.

Particulars of the following have been issued "for information only," with a view to Stock Exchange introduction. **Bermuda Development Company.** Issued capital, £1,044,280 in £10 shares. Particulars are given of an issue of £500,000 5½ per cent. guaranteed first mortgage debentures at 97½ per cent. **South London Electric Supply Company.** Particulars of an issue of £300,000 4½ per cent. debenture stock at 92 per cent., redeemable at par on December 15, 1972. **Hertfordshire County Council.** Particulars of an issue of £750,000 4½ per cent. redeemable stock, 1955-65. The stock will be redeemed at par on April 15, 1965, or at the option of the Council on or after April 15, 1955, on six months' notice. The stock is a trustee security.

[Other Stock Exchange information, including the latest dividend announcements, profit and loss figures, weekly traffic returns, summary of balance sheets and shorter notices will be found on page 981 under the heading "Company News."]

OIL OUTPUTS.

BRITISH CONTROLLED OILFIELDS, LIMITED.—Production for the week ended November 12th: Venezuela, 35,512 barrels; Trinidad, 18,607 barrels; total, 54,119 barrels.

MEXICAN EAGLE OIL.—The production for the week ended November 8, 1930, was 225,000 barrels.

TOCUYO OILFIELDS OF VENEZUELA, LTD.—Oil produced during October, 1930, 2,904 tons.

THE VENEZUELAN OIL CONCESSIONS, LIMITED.—Production for the week ended November 1st was: Bolivar district, 94,403 metric tons; Maracaibo district, 14,270 metric tons; total, 108,673 metric tons. Production for the week ended November 8th was: Bolivar district, 94,328 metric tons; Maracaibo district, 13,441 metric tons; total, 107,769 metric tons.

RHODESIAN GOLD OUTPUT.

Month.	1927.	1928.	1929.	1930.
January	206,094	217,027	195,481	194,953
February	195,996	195,649	191,786	185,967
March	213,708	204,000	200,435	192,354
April	206,234	203,780	203,780	185,522
May	207,818	200,130	203,798	201,101
June	223,418	218,745	204,603	190,909
July	207,448	206,877	196,016	193,566
August	199,860	214,077	196,528	195,010
September	193,646	201,625	190,354	195,001
October	197,501	182,032	198,308	...
November	200,481	201,689	195,386	...
December	208,016	189,319	197,884	...
Total Gold.....	2,458,862	2,438,404	2,374,359	...

ECONOMIC CONDITION OF YUGOSLAVIA IN 1930.

STABILISATION of conditions—that is the chief success and the final balance of last year's work in the Kingdom of Yugoslavia, which gained its title officially by the measure of October 3, 1929. The same measure effected the division of the country into nine banovinas, and the decentralisation of the state administration, and by the creation of banovina councils laid the foundation on which to build up local budgets to cope with local needs.

But all these local ambitions can only be realised on the basis of unified State administration and unification of laws, and it was precisely in this sphere that nothing had been accomplished during the whole of the ten years since the Union by the body which was called the legislative body in spite of the fact that the work of legislation was its least activity.

The great need, then, was to catch up this lost time. It is difficult to estimate the gain to the whole national economy from the unification of the law of bills and cheques, that of court of justice procedure, the criminal law, &c. Very shortly work will be concluded on the preparations of the municipalities law, the law of economic co-operatives, &c. Foundations are being created on which normal economic life can develop and flourish.

Repercussion of World Crisis in Yugoslavia.

But the question obtrudes itself as to whether normal economic life can exist in any country at a time of world crisis. Even the biggest states are not capable of economic autonomy, while Yugoslavia, with its 13.5 millions of population is closely dependent on the world markets. Poor in home capital she has attracted foreign capital in order to enable her to exploit her natural wealth. The payment of interest on this capital, the paying off of pre-war and war debts can only be done in kind, and this obliges Yugoslavia to develop the export of her products.

Industry being as yet undeveloped she exports primarily raw and semi-manufactured goods to an amount of 44.12 per cent. Next, with 36.13 per cent., comes food and drink stuffs, and then with 11.07 per cent., live animals. This composition of the country's export trade is merely the expression of the condition that four-fifths of the population of Yugoslavia is engaged in agriculture. At the same time the very nature of her export trade exposes her to the effect of the world crisis.

Already in the first half of 1930 the weight of exported building timber is 6.3 per cent. less than in the same period of 1929. In later months the decrease is still heavier. There is no need to seek further than the decrease of buying power abroad and Russian dumping for the main causes of this falling off.

Comparing the export of eggs in the same period—the first half-year—we find that this export has increased in weight by 66.3 per cent., but in value only by 47.2 per cent. This relation is merely an illustration of the catastrophic fall in the price of agrarian products which, as is well known, most heavily affected cereal products—wheat and maize—which compose the bulk of Yugoslav exports.

The price of wheat fell in the course of a year from 195 to 145 dinars, and that of maize from 168 to 105 dinars per quintal, while harvest returns in these products were quite ample, and in tons amounted as follows:—

Year.	Wheat.	Maize.
1927	1,539,545	2,108,505
1928	2,811,236	1,819,057
1929	2,585,468	4,147,664
1930 (estimated return)	2,413,337	3,500,000

As is seen above, Yugoslavia had in 1929 a record harvest of maize and a very good wheat harvest, and the 1930 harvest falls very little short of this record. Unfortunately conditions were very unfavourable for the realising of this exceptional harvest and Yugoslavia was not able to reap full profit from her excellent offer.

Agrarian Policy.

The measures which it has been possible to undertake are of two kinds. On the one hand it was necessary to rationalise production, for instance, by reducing the rate on credit accounts, and help the agriculturist to proceed to the cultivation of the better-paying industrial plants, to exchange cereal production for stock raising, &c. Such steps involve the outlay of considerable capital, and this led to the opening on April 16, 1929, of the Privileged Agrarian Bank with a capital of 700 mil. dinars (about 2½ million £ sterling), which will be fully paid up by December 1 of this year, so that, in point of capital, this bank is the second financial institution in the Balkans. The State guarantees all bonds which the bank will issue on the basis of its mortgage loans, or amelioration works effected, or even on the credit of co-operative organisations. This will place at the disposal of agriculture the means necessary for complete reconstruction. An indispensable condition for mortgage credit has been created by the law of land records, which establishes a new basis for regulating deeds of ownership.

On the other hand, unfavourable agricultural conditions make it imperative to improve the conditions for the disposal of agricultural produce. But as Yugoslav export is too insignificant to be able to affect prices on the world markets, the need for combined action with other exporting countries became evident. The means

of such action were investigated at the conferences at Bucarest, Sinaja and Warsaw, in which Yugoslavia took part.

An agreement of this kind involves the export of standardised goods in large quantities, and this can best be achieved by the centralisation of export.

This aim has led to the foundation of the Privileged Association for the export of agricultural produce. In order to regulate the offer of grain, a system of silos must be created where grain can be collected and stored. The law of the building of these storehouses regulates at the same time the question of the issue of warrants and the lombarding of stored goods. And although it has not been possible to undertake the building of these silos, the Association has done a great deal for the improvement of the conditions for the export of agricultural products.

Industry and Mining.

The wood industry has suffered from the unfavourable conditions of the world market. The same is true of the cement, artificial manure and similar industries, whose products are mainly of foreign consumption. The contrary is true of the textile and other industries which supply the home consumption, and which are now to a great extent in a position to extend their plant.

New factories are springing up in the glass and artificial silk industries. Electric power stations of lesser and greater capacity are springing up on all sides creating the conditions for a wider utilisation of water power which holds out vast possibilities for industrial installations of all sorts.

After preparatory works lasting over a year the Trepča Mines, Ltd., has begun to produce chrome and lead, increasing at the same time its capital to £1,125,000. In the case of these home enterprises the low cost of raw materials helps to reduce cost of working and to some extent helps them to tide over the present economic depression. It is not pure chance that the number of bankruptcies for the first nine months of this year amounts to 508 as against 842 for the same period of last year.

Budget.

A time of trade depression is not a favourable moment for increasing the taxation burden. The budget for 1930-31, amounting to 13,348,013,160 dinars, is somewhat bigger than its predecessor, but this increase is due in no wise to a new levy, but purely to a real estimate of budget position. On the expenditure side the increase is primarily due to the automatic increase in the payment of war debts, as also to the inclusion in the budget of new expenditure on the basis of the agreement with the holders on the valorisation of pre-war debts.

The actual figures of payments of state taxes are the best proof that the budget estimates were real. Both Monopoly returns and revenue from direct state taxes show considerable increase on the budget estimates and on the actual amounts collected in the same period of last year.

And, besides, the integral lowering of prices automatically causes a rise in the taxation burden. In the same way the payment of the war debt grows heavier since it is based on agreements made when the index of prices was at least 15.20 per cent. more favourable. In view of the agricultural depression the Government has effected a decrease in the taxation scale for certain groups of agriculturists. In order to fulfil obligations abroad Yugoslavia is increasing her exports. During the first seven months of 1930 exports were 159,178 tons higher than for the same period of last year. The trade balance for 1929 showed a credit of 347 mil. dinars. But the first half-year of 1930 shows a deficit of 316.3 mil. dinars. This is a usual occurrence in an agricultural country where the bulk of export takes place in the autumn after the harvest. This year also, as happened last year, Yugoslavia has considerable surplus of wheat and maize which hardly finds a sale on the world markets and only at much reduced prices.

For this reason it may well happen that this year's trade balance will close with no surplus, but even with a considerable deficit in spite of increased quantities of export. Such an event is no menace to the stability of the currency considering the fact that the gold and devise returns at the National Bank exceed 2,280 mil. dinars, and the note covering amounts to 42.42 per cent. It is worthy of note that one of the causes of the reduced devise reserve (besides the deficit in the trade balance for the spring months) has been the sale in this country of the Yugoslav dollar loans from the American exchanges. It is estimated that 300 to 400 thousand dollars worth of these bonds came into the country. This is a clear proof that home buyers look with greater confidence on the state of the country than is the case with ill-informed foreign buyers.

Yugoslavia has not been able to escape entirely the unfavourable effects of the world economic crisis, but these effects are minimised by the nature of her economic conditions and the fact that she has not yet begun the intense utilisation of the natural wealth of the country. On all sides there is proof of the energy of the population, which is now realising the need for intensive work as the main factor towards the raising of its buying power. This has fallen as a result of foreign conditions on the world market, without any connection with home economic conditions, for these are secure on the foundations of rich soil, unified legislation and improved administration.

COMPANY MEETINGS, &c.

WANKIE COLLIERY COMPANY, LIMITED. INCREASED PROFITS.—DIVIDEND 17½ PER CENT.

The seventh ordinary general meeting of the Wankie Colliery Company, Ltd., was held, on the 20th instant, at the Liverpool Street Hotel, London.

Sir Edmund Davis (chairman and managing director) said in the course of his speech: We are pleased to report a satisfactory year's trading. Although coke sales show a slight falling-off as compared with the previous year, coal sales have increased by 38,792 tons, the total amounting to 855,088 tons, as compared with 816,296 tons for the previous year and 724,186 tons in 1928. The profit and loss account shows sales of coal, coke and other products amounting to £596,001, compared with £590,466 last year, an increase of £5,535. Cost of production amounts to £329,671, as compared with £388,613 last year, a reduction of £58,942 on a considerably increased output. This result is mainly due to the large capital expenditure we have incurred at both collieries in plant improvements to reduce costs and place the collieries in a position to meet increased demands as Northern Rhodesia develops. The balance of profit carried to the balance sheet is £189,808, as compared with £129,430 last year.

I would here like to say a few words in connection with our employees. The community at Wankie consists almost entirely of colliery employees, who are isolated some 7,500 miles from home, nearly 900 miles from the nearest seaport, and over 200 miles from Bulawayo, which is the nearest town. We have about 190 Europeans (45 being employed at the new colliery), and of these 61 per cent. are married. In such circumstances, it is obvious that unless such a community is able to create suitable social amenities, deterioration might ensue. In our case I think I can say without hesitation that on the whole no concern in South Africa can boast of a more loyal and contented staff, and in this connection we give unstinted credit to our esteemed general manager, Mr. A. R. Thomson, M.L.A., who is with us to-day, and whose popularity with his co-workers, and his human understanding of their needs, has been for the past 22 years one of our greatest assets.

CAPITAL EXPENDITURE.

At our last ordinary general meeting I stated that, with the two collieries opened out and producing, we were in a position to meet any likely demands for fuel we might be faced with, both in Northern and Southern Rhodesia, and to make this position absolutely safe we have, as you will have gathered from my remarks, incurred very heavy capital expenditure during the year under review, and we have found ourselves, for the purpose of placing the colliery in a safe production position, and to assure our customers of their supplies, obliged to incur further capital expenditure for the duplication of a very large portion of our power plant. The result of all this capital expenditure has meant a considerable reduction in our working costs.

It will interest you to know that the Rhodesian Railways are also dealing with the positions which will arise at no distant date through the continued growth in our northward-bound coal and coke traffic, and the fact that when the new copper mines in Northern Rhodesia start operations on a large scale there will be a further considerable increase. The railways have recently been considering what steps they should take to provide for the expeditious handling of this traffic. At present the traffic requires ten trains per day in each direction over the Wankie-Livingstone section, which, owing to many steep gradients, restricts the loads of such trains and results in congestion.

A NEW RAILWAY LINE.

The railways have, therefore, decided to improve this section, and they have recently obtained legislative authority for the construction of an entirely new line between Wankie and Livingstone. This new line will be 74½ miles in length, some 11½ miles longer than the existing line, but the ruling gradient for traffic going northwards will be 1 in 120 against 1 in 50 on the existing line. This improvement in gradient will enable trains of 1,100 tons to be hauled northwards instead of 440 tons on the present line. In other words, one train on the new line will carry as much traffic as 2½ trains on the existing route.

The railways will have to expend on this new line, which is being started at once, and which will take about two years to complete, about £500,000. When presiding at our meeting a year ago, I referred to the demand for coal which is bound to arise in Northern Rhodesia, and I see no reason to vary the estimates I then made, though I anticipate the demand for the Roan Antelope and the Bwana M'Kubwa's N'Kana Mine will arise at a much earlier date than originally anticipated.

The report and accounts were unanimously adopted.

DALGETY AND COMPANY, LIMITED.

CONDITIONS IN AUSTRALIA AND NEW ZEALAND.

The forty-sixth annual general meeting of Dalgety and Company, Ltd., was held on the 20th instant, at 65-68 Leadenhall Street, London.

The Hon. Edmund W. Parker (the chairman) said that the year under review had proved a very difficult period for all those whose operations were connected with Australia. They had had to contend against a bad season for most of the year, and a phenomenal fall in the price of the primary products of the Commonwealth. The income derived from wool alone would show a reduction of £30,000,000 or thereabouts, and that was an appalling drop in the resources of a country with a population of about 6,500,000 people which had to find some £36,000,000 annually in interest on its external debt. In addition to this tremendous fall in wool prices, there came an equally serious slump in the price of the Commonwealth's second most important industry, viz., wheat production. These movements had contributed in a great measure to the creation of a financial situation which could only be described as very serious. The Federal Government were doing their utmost to cope with the situation, and it was to be hoped that Mr. Scullin's Government would face the situation with a resolute front, and fearlessly take those steps which would restore the credit of the Commonwealth to the high pinnacle on which it had rested for so many years.

THE CURRENT SEASON.

At the moment it could be said that, excluding a few districts, the season in Australia gave every promise of being exceptionally good. This would greatly assist the company's clients to recover some of the leeway which they had lost owing to the drought, but here again they were up against the problem of finance. To re-establish themselves it would be necessary for them, in many instances, to re-stock, and it would be the duty of the company, in so far as could safely be done, to assist in this process. The recuperative powers of Australia were well known, and if only there was an improvement in prices for the primary products, it would not be long before many of those accounts which were causing the company anxiety to-day would again be in a flourishing condition.

New Zealand was suffering, too, from a big slump in the prices of its primary products. Wool and dairy produce had shown a great decline, and the situation as regarded returns to the company's clients was much the same as in Australia.

Last year he was able to report a substantial increase in the company's returns from New Zealand, but, owing to the fall in commodity values, this increase had not been maintained. Nevertheless, their business in the Dominion was a sound one, and he had no doubt that, given a reduction in the cost of production and a return to higher prices, they would continue to receive handsome contributions from this source.

He had the fullest confidence in Australia's ability to surmount all her difficulties, but he would warn the shareholders that he saw very little prospect of improvement during the current twelve months, and if the company was able to pay the same dividend next year he thought they would do remarkably well.

In New Zealand the past season had been a disappointing one from all sides of the trade, the growers having had to accept prices well under the cost of production, with buyers struggling against a falling top market since the season opened in November. Financially, the results of the past season had been a staggering blow from which it would take the industry some considerable time to recover, the Australasian wool cheque of £39,054,950 having shown a falling off of £30,284,479 as compared with the previous season.

WHEAT CROP AND PRICES.

With regard to wheat, although the 1929-30 crop had turned out larger than at one time seemed likely, wheat had been a most disappointing article in which to deal. The yield of 128½ million bushels was poor as compared with the previous season. Far more important, however, for the grower than the shortage of crop had been the very serious slump in prices. As regarded the coming 1930-31 season, never in the history of Australia had the outlook for a bumper crop been more favourable at this time of the year than at present, but what this wheat would fetch they could not predict and hardly liked to think. Crops everywhere were large and, with a surplus of wheat in the world, selling would be difficult.

The net profits showed a reduction of £186,643 on those of last year, and the directors recommended the usual dividend of 10 per cent. for the year, but, in view of the uncertain conditions ahead, they had deemed it prudent to discontinue the bonus payment. The present dividend, paid free of British income tax, was equal to a distribution of 12s. 11d. per share, which was a satisfactory return in these times.

The report and accounts were unanimously adopted.

JOHN I. THORNYCROFT AND COMPANY, LIMITED.

SATISFACTORY RESULTS.

The twenty-ninth annual general meeting of John I. Thornycroft and Company, Ltd., was held, on the 19th instant, at Winchester House, Old Broad Street, London.

Sir John E. Thornycroft, K.B.E., M.Inst.C.E. (managing director), said that the accounts showed a profit of £109,376 for the past year, and the directors recommended a final dividend of 3 per cent. on the cumulative preference shares, making 6 per cent. for the year; a final dividend of 5½ per cent. on the participating preferred ordinary shares, making 9 per cent. for the year, and being the maximum to which these shares were entitled; and a dividend of 13 per cent. on the ordinary shares. It was also proposed to transfer £20,000 to reserve and to contribute £5,000 to the benevolent fund. After giving effect to these recommendations the reserve account would stand at £275,000 and the special reserve at £50,000, so that, including the amount carried forward, £59,258, the total in reserve was altogether £384,258, as against £366,882 last year.

The shipbuilding and marine engineering side of the business had shown satisfactory results. Following the delivery of the six destroyers to the Chilean Navy, the company had been engaged upon the "Acheron," the special experimental destroyer for the British Navy, and the "Saguenay" and "Skeena" for the Canadian Navy. The company had recently delivered to the Bovril Company another motor-vessel for carrying 600 live cattle in the Argentine, and also three motor torpedo-boats for the Siamese Navy. In addition to the destroyers already referred to they had in hand a twin-screw passenger and cargo vessel for Trinidad, a number of motor-boats, and a twin-screw Diesel passenger vessel for the Isle of Wight-Southampton service.

It was disappointing to have to report a reduction in overseas trade generally, and no one was able to forecast the break in prices of such products as wheat, wool, rubber, coffee, and tin. The effect of that break in prices on the purchasing power of the countries in which they were produced was well known, and shareholders would realise the effect on the company's business when he mentioned that their best markets abroad were Australia, New Zealand, Malaya, and Brazil. In the Argentine and Uruguay they could report the opening up of a satisfactory business, and in South Africa also they had secured their share of the business placed.

The report was unanimously adopted.

OFFER TO NEW READERS.

Any reader who makes his first acquaintance with this journal with this week's issue is invited to fill up the attached: To Publisher, "Economist Newspaper Ltd.," 8, Bouverie Street, E.C.4.

In order to test the value of your publication I should like you to forward this to me by post for the next four weeks. If I then decide to become a subscriber, it is understood that there will be no charge for the copies thus received, but otherwise I shall be willing to pay 4s. to cover their cost.

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164 Branches
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CAPITAL AND RESERVES:
Fmk. 426,000,000.
TOTAL ASSETS (30/6/30):
Fmk. 3,065,966,000.

KANSALLIS-OSAKE-PANKKI

(National Joint Stock Bank)

HEAD OFFICE: HELSINKI
(HELSINGFORS), FINLAND

Established 1889.

Government Returns, &c.

NATIONAL ACCOUNTS.

As is shown from the Treasury Return printed below, the total ordinary revenue for the week ended Nov. 15, 1930, amounted to £9,041,600, against ordinary expenditure of £19,015,800. After allocating £492,900 to the Sinking Fund, and having allowed for an increase in Exchequer Balances of £175,900, the week's operations, as shown below, increased the National Debt by £643,000 to £7,691,626,000.

(000's omitted.)

Bank of England Advances	£ 2,750	Treasury Bills	£ 1,907
National Savings Certificates ..	200	P.O. and Tel. Money	400
	+ 2,950		- 2,307

A complete analysis of the National Debt at the end of last quarter was printed in the *Economist* of October 4.

REVENUE	Estimate for the year 1930-31.	Total Receipts into the Exchequer.			
		April 1, 1930, to Nov. 15, 1930.	April 1, 1929, to Nov. 16, 1929.	Week ended Nov. 15, 1930.	Week ended Nov. 16, 1929.
ORDINARY REVENUE.					
Inland Revenue—					
Income Tax	£ 260,000,000	£ 71,980,000	£ 68,958,000	£ 974,000	£ 1,513,000
Sur-tax, including Arrears of Super-Tax	64,500,000	15,520,000	13,240,000	340,000	290,000
Estate, &c., Duties	83,000,000	51,010,000	49,910,000	1,470,000	1,280,000
Stamps	27,000,000	10,120,000	14,370,000	550,000	400,000
Excise Profits Duty and Corporation Profits Tax ..	1,700,000	...	10,000	...	...
Land Tax and Mineral Rights Duty	800,000	160,000	170,000	...	...
Total Inland Revenue ..	437,000,000	148,790,000	146,658,000	3,334,000	3,483,000
Customs and Excise—					
Customs	122,710,000	76,261,000	77,011,000	2,141,000	1,920,000
Excise	129,860,000	75,977,000	76,455,000	1,877,000	2,255,000
Total Customs and Excise ..	252,570,000	152,238,000	153,466,000	4,018,000	4,175,000
Motor Vehicle Duties (Exchequer Share)	4,950,000	1,954,298	1,737,824	Dr 510,000	Dr 967,863
Post Office (Net Receipts) ..	10,125,000	9,700,000	8,950,000	1,100,000	800,000
Crown Lands	1,300,000	900,000	830,000	...	...
Receipts from Sundry Loans ..	33,000,000	21,470,144	20,934,708	...	...
Miscellaneous Receipts	34,500,000	18,623,116	20,701,126	1,099,604	71,177
Appropriation from Rating Relief Suspense Account ..	16,000,000	16,000,000	...	...	...
Total Ordinary Revenue ..	789,445,000	369,675,558	355,277,656	9,041,600	7,561,314
SELF-BALANCING REVENUE.					
Post Office	60,275,000	34,300,000	34,050,000	900,000	1,000,000
Motor Vehicle Duties apportioned to Road Fund	23,560,000	8,398,702	8,128,176	660,000	1,102,863
Total Self-Balancing Revenue ..	83,835,000	42,698,702	42,178,176	1,560,000	2,102,863
Total	...	412,374,260	397,455,832	10,601,604	9,664,177

EXPENDITURE.	Estimate for the year 1930-31 (including Supplementary Grants).	Total Issues out of the Exchequer to meet payments.			
		April 1, 1930, to Nov. 15, 1930.	April 1, 1929, to Nov. 16, 1929.	Week ended Nov. 15, 1930.	Week ended Nov. 16, 1929.
ORDINARY EXPENDITURE.					
Interest and Management of National Debt	£ 304,600,000	£ 184,026,782	£ 196,373,502	£ 860,481	£ 4,493,230
Payments to Northern Ireland Exchequer	6,000,000	3,291,382	2,823,244	52,265	42,336
Payments to Local Taxation Accounts	3,300,000	1,570,593	1,521,220	...	53,000
Other Consolidated Fund Services (excluding Post Office)	418,933,000	263,527,467	218,604,128	8,100,000	6,850,000
Total Ordinary Expenditure ..	732,833,000	452,416,224	425,230,243	9,015,835	11,441,424
Sinking Fund	55,400,000	27,355,599	26,172,799	492,851	495,000
SELF-BALANCING EXPENDITURE.					
Post Office	60,275,000	34,300,000	34,050,000	900,000	1,000,000
Road Fund	23,560,000	8,398,702	8,128,176	660,000	1,102,863
Total Self-Balancing Expenditure ..	83,835,000	42,698,702	42,178,176	1,560,000	2,102,863
Total	...	522,470,525	493,581,218	11,068,686	14,039,287

The aggregate revenue and expenditure to Nov. 15, 1930, is shown below:—

FINANCIAL YEAR, 1930-31, APRIL 1ST TO NOVEMBER 15TH.		(000's omitted.)	
Expenditure	£ 452,416	Revenue	£ 369,676
Sinking Fund	27,355	Decreases in balances	3,443
		Net Amount borrowed	106,653
	479,772		479,772

POSITION OF THE FLOATING DEBT.

Ways and Means Advances Out- standing	Nov. 15, '29.	Mar. 31, '30.	Nov. 15, '30.	Nov. 15, '30.
Advances by Bank of England ..	2,500,000	...	2,750,000	+ 2,750,000
Advances by Public Departments ..	36,130,000	48,530,000	33,900,000	...
Treasury Bills outstanding	791,875,000	588,885,000	671,820,000*	- 1,915,000
Total Floating Debt	830,505,000	637,415,000	708,470,000	+ 835,000

* Includes £12,000, the proceeds of which were not carried to the Exchequer within the period of the account.

TREASURY BILLS BY PUBLIC TENDER.

Tenders for £40,000,000 in Treasury Bills were opened on November 14, 1930, and the total amount applied for was £54,175,000. Tenders were accepted for bills at three months, dated Monday to Friday at £99 8s. 10d., about 62 per cent., and Saturday at £99 9s. 0d. and above in full. The amount allotted was £40,000,000.

Date.	Amount Offered.	Amount Applied For.	Treasury Bills at 3 Months. Average Rate.
1930.			
Oct. 24	45,000,000	64,420,000	2 1 7-8
Oct. 31	40,000,000	61,860,000	2 1 2-78
Nov. 7	40,000,000	51,400,000	2 3 9-56
Nov. 14	40,000,000	54,175,000	2 4 0-37

The Bankers' Gazette.

BANK OF ENGLAND.

Return for Week ended Wednesday, November 19, 1930.

ISSUE DEPARTMENT.

Notes Issued—	£	Government Debt	£
In Circulation	353,740,322	Other Government Securities ..	1,015,100
In Banking Department	64,172,894	Other Securities	11,476,450
		Silver Coin	4,462,325
		Amount of Fiduciary Issue ..	260,000,000
		Gold Coin and Bullion	157,913,216
	£417,913,216		£417,913,216

BANKING DEPARTMENT.

Proprietors' Capital	£ 14,553,000	Government Securities	£ 33,431,247
Reserve	3,169,754	Other Securities—	
Public Deposits	17,779,906	Discounts and	
Other Deposits	...	Advances	£4,398,154
Bankers'	£59,460,865	Securities	24,864,042
Other Accounts	32,953,368		
7-Day and other Bills	1,800	Notes	29,262,196
		Gold and Silver Coin	1,052,356
	£127,918,693		£127,918,693

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

Both Departments.		Amount, £ (Nov. 19, 1930.)	Inc. or Dec. on Last Week.	Inc. or Dec. on Last Year.
Note circulation		353,740,322	- 1,640,597	- 1,346,517
Public deposits		17,779,906	+ 801,397	+ 2,439,733
Bankers' deposits		59,460,865	- 860,426	+ 915,942
Other deposits		32,953,368	- 196,770	+ 5,591,540
Other deposits		1,800	+ 215	+ 171
Seven-day bills		463,936,261	+ 1,896,181	+ 3,582,211
Total outside liabilities		17,722,752	+ 11,395	+ 40,147
Capital and rest		277,492,462	- 3,293,551	- 31,391,731
Government debt and securities ..		4,398,154	+ 110,350	+ 3,710,007
Discounts and advances		36,340,502	+ 2,413,996	+ 5,708,424
Other securities		4,462,325	- 607	- 360,979
Silver coin in issue department ..		158,965,572	- 1,114,974	+ 26,134,935
Coin and bullion (bank's reserve) ..		...	...	...
Reserve of notes and coin in banking department		£55,225,250	+ 525,623	+ 27,481,452
Proportion of reserve to outside liabilities		59½%	+ ½%	+ 25½%
(a) Banking department only ("proportion")		34½%	- ½%	+ 6½%
(b) Gold stocks to deposits and notes ("reserve ratio")		...	...	...

(000's omitted.)

Date.	Issue Department.		Banking Department.			Gold in or out of Bank.	Bank Rate.
	Notes Issued.	Circulation.	Public Deposits.	Bankers' Deposits.	Other Deposits.		
1930.							
Oct. 1	£ 415,619	£ 359,386	£ 21,645	£ 61,318	£ 34,789	£ 748 out	3 3/4
8	417,477	359,580	12,861	66,447	34,251	1,856 in	3 3/4
15	417,824	357,061	12,337	66,163	36,067	290 in	3 3/4
22	418,542	354,528	27,933	55,505	34,099	1,114 in	3 3/4
29	419,504	355,626	20,970	55,694	35,002	553 in	3 3/4
Nov. 5	420,373	356,464	19,377	55,533	34,515	865 in	3 3/4
12	418,920	355,381	16,979	60,321	33,150	1,457 out	3 3/4
19	417,913	353,740	17,780	59,461	32,353	1,018 out	3 3/4

(000's omitted.)

Date.	Issue Department.		Both Depts.		Banking Department.			Reserve & the "Proportion."
	Govt. Debt and Securities.	Other Securities.	Govt. Securities.	Dis- counts & Advances.	Govt. Securities.	Dis- counts & Advances.	Other Securities.	
1930.								
Oct. 1	£ 243,910	£ 11,627	£ 156,803	35½%	£ 44,536	11,917	22,158	57,417 48½%
8	243,913	11,628	156,683	35½%	44,666	4,879	22,530	59,123 52½%
15	243,912	11,627	159,021	35½%	42,301	5,128	22,882	61,961 54½%
22	243,908	11,627	160,126	34½%	41,636	4,979	22,969	65,598 55½%
29	243,908	11,627	160,667	34½%	37,666	4,249	22,367	65,041 58½%
Nov. 5	243,907	11,627	161,542	34½%	35,091	4,459	22,487	65,079 59½%
12	244,060	11,477	160,081	34½%	36,726	4,288	22,449	64,700 58½%
19	244,061	11,476	158,966	34½%	33,431	4,398	24,864	65,225 59½%

BANKERS' CLEARING RETURNS (000's omitted.)

	Town.	Metropolitan.	Country.	Total.
1930.				
January 1 to November 5	£ 33,506,935	£ 1,550,347	£ 2,536,971	£ 37,593,253
Week ended November 12	733,076	33,204	57,158	813,438
Week ended November 19	671,946	33,925	59,434	765,305
Total to date, 1930	34,901,957	1,617,476	2,652,553	39,171,986
Total to date, 1929	35,603,476	1,678,764	2,749,425	40,031,665
Increase or decrease in 1930	- 701,519	- 61,288	- 96,862	- 859,669
	= 1.9%	= 3.6%	= 3.5%	= 2.1%
Total for year, 1929	39,935,924	1,881,789	3,078,764	44,896,477
Do. 1928	39,311,117	1,854,190	3,039,422	44,204,729
Increase or decrease in 1929	+ 624,807	+ 27,599	+ 39,342	+ 691,751
	= 1.6%	= 1.5%	= 1.3%	= 1.6%

PROVINCIAL CLEARING RETURNS.

(000's omitted.)

	Week ended Nov. 15.		Month of October.		Aggregate Weekly Totals Jan. 1 to Nov. 15.	
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BANK OF FRANCE.—In francs (000's omitted).

ASSETS.	Nov. 15, 1929.	Oct. 24, 1930.	Oct. 31, 1930.	Nov. 7, 1930.	Nov. 14, 1930.
Gold	40,539,532	50,642,645	50,807,010	51,096,529	51,380,027
Foreign assets—					
Sight deposits	7,136,847	6,504,524	6,492,041	6,505,489	6,513,085
Bills discounted	18,757,748	19,154,016	19,136,298	19,136,940	19,132,794
Commercial bills discounted at home	8,782,754	6,329,946	7,068,328	6,837,693	...
Advances against sec.	8,811,552	8,604,399	8,504,399	8,504,399	8,504,399
To the State	2,617,651	2,799,200	2,770,043	2,994,769	2,914,495
Other advances	3,215,478	3,213,448	3,802,370	3,602,739	...
Other assets (excluding forward exch.)	66,582,948	72,867,560	74,786,601	74,709,038	74,698,198
LIABILITIES.					
Notes in circulation	13,957,485	12,570,170	13,088,732	13,270,500	13,564,728
Public deposits	7,187,793	8,955,533	7,991,475	7,784,117	8,545,922
Private deposits	2,533,339	2,754,915	2,713,683	2,914,908	...
Other liabilities	...	...	...	...	...

THE REICHSBANK.—In Reichsmarks* (000's omitted).

ASSETS.	Nov. 15, 1929.	Oct. 31, 1930.	Nov. 7, 1930.	Nov. 15, 1930.
Reichsbank shares not yet issued	177,212	177,212	177,212	177,212
Gold and bullion	2,234,039	2,180,215	2,180,009	2,179,847
Of which deposited abroad	149,788	221,376	221,576	221,376
Reserve in foreign currencies	369,017	198,481	219,185	485,905
Bills of exchange and cheques	2,062,705	2,324,325	2,178,856	1,664,817
Silver and other coin	111,703	151,681	157,726	176,553
Notes of other German banks	21,105	5,354	15,766	19,860
Advances	331,961	317,731	101,208	98,377
Investments	92,562	102,475	102,475	102,474
Other assets	591,363	628,901	485,257	471,906
LIABILITIES.				
Reduced capital	122,788	122,788	122,788	122,788
Increase of capital (shares not yet issued)	177,212	177,212	177,212	177,212
Reserve	319,609	371,139	371,139	371,139
Notes in circulation	4,346,357	4,674,631	4,372,863	4,130,784
Other daily maturing obligations	495,244	383,055	313,558	281,711
Other liabilities	350,504	257,520	260,034	293,318

* Equal to one billion paper marks or one Rentenmark.
The gold reserve is calculated in accordance with the new legal prescription of one pound of fine gold equals 1,392 Reichsmarks.

NATIONAL BANK OF BELGIUM.—In Belgas (000's omitted).

ASSETS.	Position, May 28, 1914.	Nov. 14, 1929.	Oct. 23, 1930.	Oct. 29, 1930.	Nov. 6, 1930.	Nov. 13, 1930.
Gold	232,650	579,690	870,493	887,029	885,372	910,909
Foreign bills and balances abroad	1,893	4,700	4,340	4,340	4,139	4,649
Silver and other coin	697,600	803,648	739,332	746,793	727,479	737,598
LIABILITIES.						
Notes in circulation	934,150	2,702,568	3,107,109	3,127,387	3,148,461	3,153,598
Current accounts	112,125	122,304	158,941	152,173	100,890	145,986

(b) In thousand francs.

NETHERLANDS BANK.—In florins (000's omitted).

ASSETS.	Position, May 30, 1914.	Nov. 11, 1929.	Oct. 20, 1930.	Oct. 27, 1930.	Nov. 3, 1930.	Nov. 10, 1930.
Gold	163,092	442,621	425,483	425,512	425,906	426,174
Silver	8,436	23,899	24,415	24,415	24,101	24,827
Home bills discounted	153,504	65,843	47,027	46,536	50,150	49,630
Foreign bills	153,504	213,217	250,431	250,460	250,537	250,659
Loans and advances	...	90,415	82,434	83,263	114,516	85,137
LIABILITIES.						
Notes in circulation	316,632	844,748	816,770	815,702	873,656	837,668
Deposits	5,016	16,084	54,178	53,708	17,420	18,713

BANK OF JAVA.—In florins (000's omitted).

ASSETS.	Position, May 30, 1914.	Nov. 16, 1929.	Oct. 25, 1930.	Nov. 1, 1930.	Nov. 8, 1930.	Nov. 15, 1930.
Gold	22,971	145,402	171,700	172,400	172,900	174,200
Silver	29,785	24,207	...	...	...	...
Discounts, advances, and other investments	77,567	176,744	206,700	199,700	113,500	108,200
LIABILITIES.						
Notes in circulation	109,499	303,999	256,700	258,500	283,000	259,900
Deposits and bills payable	11,250	51,458	41,200	43,400	41,600	42,100

SWISS NATIONAL BANK.—In francs (000's omitted).

ASSETS.	Position, May 31, 1914.	Nov. 15, 1929.	Oct. 23, 1930.	Oct. 31, 1930.	Nov. 7, 1930.	Nov. 15, 1930.
Gold	171,175	533,631	664,542	664,499	671,926	671,977
Foreign bills and balances abroad	...	278,511	356,184	353,972	346,612	339,686
Discounts	...	115,126	24,324	32,516	22,853	22,554
Advances	103,000	55,247	37,668	39,779	37,518	36,266
LIABILITIES.						
Notes in circulation	275,925	882,034	916,924	988,979	955,651	924,158
Deposits	33,750	119,976	247,881	189,033	202,812	242,992

BANK OF ITALY.—In lire (000's omitted).

ASSETS.	Nov. 10, 1929.	Oct. 10, 1930.	Oct. 20, 1930.	Oct. 31, 1930.	Nov. 10, 1930.
Gold, coin and bullion	5,174,700	5,290,700	5,292,700	5,292,700	5,292,700
Foreign bills and balances abroad	5,290,300	4,897,800	4,812,500	4,891,400	4,741,700
Other cash	204,000	590,500	614,400	723,400	606,800
Gold deposited abroad due by the State	1,813,100	1,790,100	1,788,200	1,788,200	1,788,200
Discounts	3,866,800	2,798,700	2,766,600	2,789,300	2,767,500
Advances	1,469,300	1,146,300	1,151,500	1,524,500	1,520,300
Credit with "Istituto di Liquidazione"	897,500	630,500	630,500	630,500	630,500
Government securities	1,075,800	1,144,300	1,161,900	1,161,500	1,162,800
LIABILITIES.					
Notes in circulation	16,835,200	16,075,000	15,850,000	15,740,500	15,723,500
Public deposits	300,000	300,000	300,000	300,000	300,000
Other deposits and drafts	1,499,600	1,631,600	1,733,200	1,690,100	1,690,100
Ratio of reserve to note and sight liabilities combined	56.16%	56.58%	56.51%	57.44%	57.22%

BANK OF SWEDEN.—In kronor (000's omitted).

ASSETS.	Nov. 16, 1929.	Oct. 25, 1930.	Nov. 1, 1930.	Nov. 8, 1930.	Nov. 15, 1930.
Gold	240,765	241,888	241,795	241,747	241,662
Government securities—Swedish	3,279	10,514	10,586	9,565	9,565
Foreign	70,211	65,992	65,992	65,992	65,992
Other Swedish bonds quoted on foreign bourses	166	84	84	84	84
Bills payable in Sweden	169,950	36,172	47,048	33,780	34,189
abroad	52,046	90,316	90,060	90,253	80,435
Balance abroad on Government securities and bonds	121,587	246,566	241,983	234,478	232,646
LIABILITIES.					
Notes in circulation	57,647	27,634	31,167	28,648	30,552
Government deposits	525,114	524,092	534,946	547,892	542,211
Private deposits	130,513	104,975	85,435	89,234	94,406
Deposits at sight	5,741	37,809	9,634	16,244	10,750

† The sum of the items "Bills payable in Sweden" and "Advances made on Government Securities and Bonds" excludes advances and cash credit which are not available as cover for the note issue.

BANK OF NORWAY.—In kroner (000's omitted).

ASSETS.	Position, May 31, 1914.	Nov. 7, 1929.	Oct. 22, 1930.	Oct. 30, 1930.	Nov. 7, 1930.
Gold and bullion—Gold	44,224	146,731	146,415	146,427	146,428
Balance abroad and foreign bills	28,533	54,250	28,891	35,675	36,039
Norwegian and Foreign Government securities	8,816	23,534	55,942	55,942	55,712
Discounts and loans	76,911	239,146	206,352	217,323	201,619
LIABILITIES.					
Notes in circulation	113,484	299,275	308,504	312,250	301,793
Deposits at sight	7,188	95,564	66,629	80,838	70,405

BANK OF SPAIN.—In pesetas (000's omitted).

ASSETS.	Position, May 30, 1914.	Nov. 16, 1929.	Oct. 25, 1930.	Oct. 31, 1930.	Nov. 8, 1930.	Nov. 15, 1930.
Gold	521,775	2,564,881	2,476,206	2,476,712	2,477,133	2,478,890
Silver	728,600	704,484	702,522	702,149	698,168	700,454
Loans & Discounts	800,725	2,310,966	2,224,291	2,256,136	2,243,938	2,151,036
Spanish 4% stock	344,475	344,475	344,475	344,475	344,475	344,475
Advances to Treasury	150,000	150,000	150,000	150,000	150,000	150,000
LIABILITIES.						
Circulation	901,550	4,460,616	4,668,993	4,699,305	4,760,594	4,708,626
Deposits	477,500	907,045	818,468	841,958	829,132	846,576

BANK OF PORTUGAL.—In escudos (000's omitted).

ASSETS.	Sept. 18, 1929.	Aug. 27, 1930.	Sept. 3, 1930.	Sept. 10, 1930.	Sept. 17, 1930.
Gold and bullion	10,068	8,882	8,873	8,864	8,874
Of which gold	8,577	8,577	8,577	8,577	8,577
Balance abroad	374,541	188,871	188,205	183,971	171,676
Silver coin and bullion	321,952	402,619	407,694	408,884	402,356
Discounts	1,789,718	1,530,372	1,530,372	1,530,372	1,530,372
Government loans	...	...	...	...	...
LIABILITIES.					
Notes in circulation	1,930,423	1,925,788	1,960,165	1,942,605	1,927,472
Deposits	55,310	93,960	76,182	101,845	116,618

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

ASSETS.	Nov. 7, 1929.	Oct. 15, 1930.	Oct. 23, 1930.	Oct. 31, 1930.	Nov. 7, 1930.
Metal reserve—					
Gold coin and bullion	162,744	162,651	162,652	162,652	162,652
Drafts and notes	40,739	14,629	11,584	14,195	12,458
Silver coin and bullion	7,456	9,431	9,243	8,422	8,642
Inland bills, warrants and securities	322,424	189,429	222,858	238,738	228,425
Advances to the Treasury	88,589	69,348	69,348	68,679	68,340
Share capital (gold crowns 30,000,000*)	34,756	34,756	34,756	34,756	34,756
Notes in circulation	416,223	391,066	388,748	499,528	447,845
Current accounts, deposits, &c.	112,277	39,657	56,024	22,197	28,845

* Calculated at pre-war parity of exchange.

NATIONAL BANK OF CZECHOSLOVAKIA.—In Cz. K. (000's omitted).

ASSETS.	Nov. 7, 1929.	Oct. 15, 1930.	Oct. 23, 1930.	Oct. 31, 1930.	Nov. 7, 1930.
Gold and silver holdings	1,239,331	1,412,757	1,412,437	1,479,773	1,513,415
Balance abroad and foreign currency	1,837,223	2,452,687	2,413,974	2,344,545	2,318,619
Discounts and advances	1,150,764	258,616	236,263	268,411	196,136
State notes debt balance	3,597,214	3,513,207	3,510,866	3,509,579	3,507,271
Other assets	734,488	1,009,158	992,799	970,269	964,461
LIABILITIES.					
Bank notes in circulation	7,351,426	6,453,538	6,290,617	7,144,188	6,742,849
Check account balances	729,332	1,330,171	1,391,228	558,077	890,699
Other liabilities	305,668	354,328	376,106	351,924	357,956

NATIONAL BANK OF JUGOSLAVIA.—In dinar (000's omitted).

ASSETS.		LIABILITIES.				
	Nov. 8, 1929.	Oct. 15, 1930.	Oct. 22, 1930.	Oct. 31, 1930.	Nov. 8, 1930.	
Cash Reserve—						
Gold	94,646	98,116	98,140	98,171	98,226	
Other coin and notes	18,205	17,332	18,192	18,314	18,285	
Foreign credits	280,287	180,633	164,932	170,551	204,287	
Bills	1,304,518	1,295,095	1,292,902	1,315,303	1,338,415	
Government advances	4,213,370	4,074,753	4,074,759	4,074,761	4,075,761	
LIABILITIES.						
Notes in circulation	5,807,680	5,511,285	5,401,876	5,571,880	5,486,483	
State credits	227,893	148,267	148,273	148,276	148,276	
Deposits	1,282,921	1,042,100	1,045,903	918,690	1,046,656	

LONDON RATES.

	Nov. 13, 1930.	Nov. 14, 1930.	Nov. 15, 1930.	Nov. 17, 1930.	Nov. 18, 1930.	Nov. 19, 1930.	Nov. 20, 1930.
Bank rate (changed from 3 1/2% May 3, 1930).....	5	5	5	5	5	5	5
Market rates of discount:							
60 days' bankers' drafts.....	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2
3 months' do.....	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2
4 months' do.....	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2
5 months' do.....	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2
Discount (Treasury Bills):							
2 months'.....	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2
3 months'.....	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2
Loans—Day to day.....	2-2 1/2	2-2 1/2	2-2 1/2	2-2 1/2	2-2 1/2	2-2 1/2	2-2 1/2
Short.....	1	1	1	1	1	1	1
Deposit allowances: Bank.....	1	1	1	1	1	1	1
Discount houses at call.....	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
At notice.....	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2

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

Comparison with previous week—

	Short Loans.	Bank Bills.			Trade Bills.		
		3 Months.	4 Months.	6 Months.	3 Months.	4 Months.	6 Months.
1930.	%	%	%	%	%	%	
Oct. 30	1½-2	2½	2½	2½ ½	3	3½	4
Nov. 6	2	2½	2½	2½	3	3½	4
" 13	2-2½	2½ ½	2½	2½	3	3½	4
" 20	2	2½ ½	2½ ½	2½	3	3½	4

RATES OF EXCHANGE.

London on	Usance.	Par.	Nov. 21, 1929.	Nov. 13, 1930.	Nov. 20, 1930.
New York.....	dollars to £1	Cable	4-8 1/2	4-8 1/2	4-8 1/2
Montreal.....	dollars to £1	Cable	4-8 1/2	4-8 1/2	4-8 1/2
Paris.....	francs to £1	T.T.	124-21	123-86-89	123-64-66
Berlin.....	marks to £1	T.T.	20-45	20-38-39	20-38-38 1/2
Amsterdam.....	guilder to £1	T.T.	12-107	12-08-08 1/2	12-07 1/2
Brussels.....	belga to £1	T.T.	35-00	34-86-87	34-82 1/2
Milan.....	lire to £1	T.T.	92-46	92-14-16	92-77-79
Zurich.....	francs to £1	T.T.	25-22	25-12-13	25-05 1/2
Olo.....	kroner to £1	T.T.	18-159	18-20-20 1/2	18-15 1/2
Stockholm.....	kroner to £1	T.T.	18-159	18-14-14 1/2	18-10 1/2
Copenhagen.....	kroner to £1	T.T.	18-159	18-20-20 1/2	18-16 1/2
Madrid.....	pesetas to £1	T.T.	25-22 1/2	25-05-07	24-05-11
Lisbon.....	escudo to £1	T.T.	25-22 1/2	25-05-07	24-05-11
Vienna.....	schilling to £1	T.T.	34-58 1/2	34-65-68	34-48-49
Prague.....	kroner to £1	T.T.	164 1/2	163-164 1/2	163 1/2
Belgrade.....	dinars to £1	T.T.	25-22 1/2	27-25 1/2	27-1 1/2
Budapest.....	pengo to £1	T.T.	27-82	27-85-88	27-75-78
Bukarest.....	lei to £1	T.T.	813-6	816-818 1/2	817-819
Sofia.....	leva to £1	T.T.	25-22 1/2	27-25 1/2	27-75-78
Athens.....	drachma to £1	T.T.	110	108-108 1/2	108 1/2
Constantinople.....	piastre to £1	T.T.	375	372-375	374-375 1/2
Moscow.....	ruble to £1	T.T.	9-46	9-46-47	9-43-9-45 1/2
Warsaw.....	zloty to £1	T.T.	43-38	43-43 1/2	43-43 1/2
Heligoland.....	marks to £1	T.T.	193-23	193-194 1/2	192-193 1/2
Kovno.....	litas to £1	T.T.	48-66	48-49 1/2	48-49 1/2
Reval.....	kroner to £1	T.T.	18-159	18-18-25	18-20-27
Riga.....	late to £1	T.T.	25-22 1/2	25-17-27	25-18-28
Alexandria.....	piastre to £1	T.T.	97 1/2	97 1/2	97 1/2
Buenos Aires.....	pesos to £1	T.T.	47-62 1/2	46-46 1/2	38-38 1/2
Rio de Janeiro.....	pesos to £1	T.T.	16	5-1/2	4-1/2
Montevideo.....	pesos to £1	T.T.	51	47-47 1/2	38-39 1/2
Valparaiso.....	pesos to £1	T.T.	90 days	40	39-97
Lima.....	Eng. to Per. £1	90 days	par	19 1/2 prem.	15-25
Calcutta.....	rupee to £1	T.T.	1 1/2	1 1/2	1 1/2
Bombay.....	rupee to £1	T.T.	1 1/2	1 1/2	1 1/2
Madras.....	rupee to £1	T.T.	1 1/2	1 1/2	1 1/2
Hong Kong.....	ster. to dollar	T.T.	1/9 1/2	1/9 1/2	1/9 1/2
Shanghai.....	ster. to dollar	T.T.	2 1/2	2 1/2	2 1/2
Singapore.....	ster. to dollar	T.T.	2 1/2	2 1/2	2 1/2
Kobe.....	ster. to dollar	T.T.	2 1/2	2 1/2	2 1/2
Manila.....	ster. to dollar	T.T.	2 1/2	2 1/2	2 1/2
Mexico.....	pesos to £1	T.T.	9-76	9-56-10-25	2/0 1/2
Siam.....	ster. to baht.	T.T.	21-81 1/2	21/8	1/9 1/2

† Rate for previous day.

OVERSEAS BANK RATES.

Changed. From To	Nov. 24, 1930	Nov. 25, 1930	Nov. 26, 1930	Nov. 27, 1930	Nov. 28, 1930	Nov. 29, 1930	Nov. 30, 1930
Amsterdam.....	Mar. 24, 1930	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2
Athens.....	Dec. 2, 1928	10	10	10	10	10	10
Batavia.....	Mar. 10, 1930	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2
Belgrade.....	May 28, 1930	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2
Berlin.....	Oct. 9, 1930	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
Brussels.....	July 31, 1930	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2
Budapest.....	Nov. 23, 1929	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2
Buenos Aires.....	May 28, 1930	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2
Calcutta.....	Nov. 20, 1930	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2
Copenhagen.....	Nov. 12, 1930	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
Danzig.....	Oct. 10, 1930	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
Heligoland.....	Aug. 26, 1930	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2
Kovno.....	Apr. 1, 1930	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2
Reval.....	June 2, 1930	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2
Riga.....	June 17, 1930	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2
Alexandria.....	July 17, 1930	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2

Central Bank of Chile.—Discount rate for member banks, 7%; discount rate for the public, 8%.
 a 6% applied to banks and credit institutions.
 b 7% applied to private persons and firms.

CURRENT PRICES IN NEW YORK.

	Nov. 20, 1929.	Nov. 20, 1930.	Oct. 29, 1930.	Nov. 5, 1930.	Nov. 12, 1930.	Nov. 19, 1930.
Call money.....	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2
Time money (90 days' mixed coll.).....	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2
Bank acceptances:—						
Members—eligible, 90 days.....	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
Non-members—eligible, 90 days.....	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
Insoluble, 90 days.....	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
Commercial accept., 90 days.....	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2

Rates of Exchange, New York on—	Par Level.	Nov. 20, 1929.	Nov. 5, 1930.	Nov. 12, 1930.	Nov. 19, 1930.
London—					
60 days.....	Dollars for £1	4-8 1/2	4-8 1/2	4-8 1/2	4-8 1/2
Cable.....		4-8 1/2	4-8 1/2	4-8 1/2	4-8 1/2
Cheques.....		4-8 1/2	4-8 1/2	4-8 1/2	4-8 1/2
Paris.....	Cents for 1 franc	5-918	5-918	5-918	5-918
Brussels.....	Cents for 1 franc	13-90	13-90	13-90	13-90
Switzerland.....	Cents for 1 franc	19-30	19-30	19-30	19-30
Italy.....	Cents for 1 lire	5-263	5-263	5-263	5-263
Berlin.....	Cents for 1 mark	23-31	23-31	23-31	23-31
Vienna.....	Cents for 1 schilling	14-07	14-065	14-095	14-09
Madrid.....	Cents for 1 peseta	19-30	15-91	11-25	11-17
Amsterdam.....	Cents for 1 guilder	40-195	40-30	40-23 1/2	40-21 1/2
Copenhagen.....	Cents for 1 kroner	26-80	26-76	26-73	26-73
Stockholm.....	Cents for 1 krona	26-85	26-81	26-73	26-73
Athens.....	Cents for 1 drachma	1-297	1-2975	1-29 1/2	1-29 1/2
Yokohama.....	Can. Cents for \$1	100	1 1/2 dis.	1 1/2 prem.	1 1/2 prem.
Hong Kong.....	Cents for 1 yen	49-85	48-95	49-60	49-56
Shanghai.....	Cts. for 1 Shanghai	43-95	43-90	43-70	43-70
Calcutta.....	Cents for 1 rupee	36-50	36-28	36-00	36-00
Buenos Aires.....	Gold Pesos for \$100	103-65	106-70	134-5	134-30
Rio de Janeiro.....	Cents for 1 milreis	32-42	11-70	134-5	134-30
Valparaiso.....	Cents for 1 peso	12-125	12-03	12-02	12-02

* No quotation.

CENTRAL AND SOUTH AMERICAN EXCHANGE RATES.

The Anglo-South American Bank, Ltd., quotes the following rates of exchange:—

Country.	Method of Quoting.	Par Value.	Usance.	Rate.
Ecuador.....	Sucres to £	24-3325	Sight London	24-58
Venezuela.....	Bolivares to £	25-25	"	27-05
Colombia (Bogota).....	Pesos to £	5	"	5-03 1/2
Nicaragua.....	Cordobas to £	4-8665	"	4-92
Salvador.....	Colonos to £	9-73	"	9-95
Bolivia.....	Bolivianos to £	15-33	"	13-45

SOUTH AFRICAN EXCHANGE RATES.

The South African Banks quote the following rates:—

Country.	Method of Quoting.	Par Value.	Usance.	Rate.
Union of South Africa.				
From November 3, 1930.				
From November 25, 1929.				
London on South Africa.				
South Africa on London.				
Buying.	Selling.	Buying.	Selling.	
T.T. Demand.....	1 1/2% dis.	1 1/2% dis.	par to 1 1/2% pm.	1 1/2% prem.
30 days.....	1 1/2% " "	1 1/2% " "	1 1/2% " "	1 1/2% " "
60 days.....	2 1/2% " "	2 1/2% " "	2 1/2% " "	2 1/2% " "
90 days.....	3% " "	3% " "	3% " "	3% " "
120 days.....	3 1/2% " "	3 1/2% " "	3 1/2% " "	3 1/2% " "

OVERSEAS DOMINION RATES.

COMMONWEALTH OF AUSTRALIA AND DOMINION OF
NEW ZEALAND.

London on Australia and New Zealand.				Australia and New Zealand on London.			
Buying.		Selling.		Buying.		Selling.	
Aus- tralia.	New Zealand.	Aus- tralia.	New Zealand.	Aus- trails.	New Zealand.	Aus- trails.	New- Zealand.
T.T.	...	108½	95½	108½	104½	109	105
Sight	110½	108½	95	107½	103½	108½	104½
30 days	110½	93½	...	107½	103	108½	104
60 days	111½	92½	...	107½	102½	108½	103½
90 days	111½	92½	...	106½	102	108	103½

All Australian Rates are now quoted on the basis of £100—LONDON.

INDIA COUNCIL REMITTANCES.

The total remittances from the Government of India to the Secretary of State for India in Council from April 1 to November 15, 1930, were £5,478,491, of which £5,395,000 was remitted by purchases of sterling in India and £83,491 was transferred from the paper currency reserve in England to the Treasury account of the Secretary of State for India in Council to meet sales of sterling in India.

BULLION.

The following statistics of imports and exports of gold for week ended Nov. 20, 1930, are issued by the Statistical Department of H.M. Customs and Excise:—

Imported into Great Britain and Northern Ireland.	Exported from Great Britain and Northern Ireland.
From—	To—
Brazil.....	Denmark.....
British S. Africa.....	Poland.....
Straits Settlements.....	Germany.....
Australia.....	Netherlands.....
Other countries.....	France.....
	Switzerland.....
	Spain.....
	Austria.....
	British India.....
	Other countries.....
Total declared value of imports.....	Total declared value of exports.....
1,930,391	2,581,212

GOLD MOVEMENTS.

The arrivals and withdrawals of gold during the past week, as announced by the Bank of England, have been as follows:—

1930.	ARRIVALS.	£	1930.	WITHDRAWALS.	£
Nov. 14	Sovereigns.....	940,000	Nov. 14	Bar gold.....	281,465
15	Bar gold.....	37	15	Sovereigns.....	13,000
17		Nil	17	Bar gold.....	365,477
18		Nil	18	Sovereigns.....	5,000
19		Nil	19	Bar gold.....	260,491
20		Nil	20	Sovereigns.....	29,000
				Do. set aside.....	20,833
				Bar gold.....	293,769
				Sovereigns.....	15,000
				Bar gold.....	319,904
				Bar gold.....	291,909
				Sovs. for export.....	20,000
Total.....	£940,037		Total.....	£1,915,848	
	Net withdrawals, £975,811				

GOLD.

Messrs Samuel Montagu and Company write on November 19, 1930, as follows:—

The Bank of England gold reserve against notes amounted to £158,920,423 on the 12th instant (as compared with £160,372,970 on the previous Wednesday), and represents an increase of £12,960,339 since January 1st last. Of the £16,000 bar gold which arrived from South Africa this week, £744,000 had been sold forward to France; thus only £72,000 was available in the open market yesterday and this was secured by India and the home and Continental trade at the price of 85s. 1d. per fine ounce. Withdraw

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS.

Company.	Period Ending	Balance from Last Account.	Net Profit After Payment of Dividend Interest.	Amount Available for Distribution.	Appropriation.			Corresponding Period Last Year.	
					Dividend.		Carried to Reserve, Depreciation, &c.	Balance Forward.	Net Profit.
					Prefer.	Ordinary.			
					Amount.	Rate.			
Banks.									
Royal Bank of Scotland ...	June 30	...	533,665	533,665	...	413,059	17	120,606	...
Breweries.									
Ansell's Brewery.....	Sept. 30	243,414	174,734	418,148	17,500	107,500	15†	253,148	189,329
Bass, Ratcliff and Gretton	Sept. 30	273,983	538,970	812,953	68,000	424,772	19†	320,181	542,631
Northampton Brewery	Sept. 30	38,325	56,957	95,282	8,250	24,859	2/8 p.s.†	20,000	54,540
Walker, Peter (Warrington) and Robert Cain and Sons	Sept. 30	98,105	418,005	516,110	160,000	170,250	7½	55,000	412,267
Financial Land, &c.									
Australian Mercantile Land and Finance	June 30	81,179	2,971	84,150	...	49,000	3½†	Dr. 50,000	85,150
Cheapside Land Development.....	Sept. 30	7,668	13,520	21,188	...	12,000	6	7,250	1,938
Investors' Mortgage Security	Sept. 30	27,903	164,497	192,400	40,281	85,932	16	28,187	157,042
Peruvian Corporation	June 30	129,749	283,072	412,821	223,832	...	...	188,989	370,124
Hotels, Restaurants, &c.									
Grand Hotel, Manchester ...	Sept. 30	6,134	6,453	12,587	1,744	2,000	10†	816	8,027
Palace and Derby Castle ...	Oct. 31	5,267	12,237	17,504	3,000	8,250	7½	1,000	5,254
Seacroft Hotel Company ...	Sept. 30	2,084	1,959	4,043	...	822	8	250	2,971
Iron, Coal and Steel.									
Cargo Fleet Iron	Sept. 30	185,455	43,976	229,431	...	...	...	43,000	186,431
Instone (S.) and Company...	June 30	71,782	22,503	94,285	...	...	...	94,285	52,537
South Durham Steel & Iron	Sept. 30	138,664	69,229	207,893	18,000	21,000	6	30,000	138,893
Motor and Cycle.									
Humber, Limited	July 31	23,134	42,275	65,409	11,602	...	...	13,702	40,105
Oil.									
Anglo-Ecuadorian Oilfields	June 30	37,650	104,115	141,765	...	...	...	...	Dr. 79,345
Service Petroleum	Sept. 30	Dr. 30,121	Dr. 4,963	Dr. 35,084	...	40,688	3½	23,456	77,621
Rubber, &c.									
Bantam (Java) Rubber.....	June 30	6,758	5,818	12,576	...	...	...	...	67,831
Bekoh Consolidated Rubber	June 30	16,431	6,016	22,447	...	...	...	5,000	13,727
Biting Rubber	Mar. 31	1,091	1,256	2,347	...	...	...	...	20,326
Djasinga Rub. and Produce	June 30	13,736	Dr. 1,355	12,381	...	...	...	...	2,347
Jabi Rubber	Mar. 31	4,314	1,768	6,082	...	...	...	1,250	1,948
Java Produce Co.	June 30	1,087	3,059	4,146	...	...	...	4,832	23,395
Johore Rubber Lands	Mar. 31	6,449	2,978	9,427	...	...	...	4,146	9,829
Langkapoera (Sumatra) ...	June 30	13,396	4,380	17,776	200	...	...	9,427	4,527
Pullangode Rubber	June 30	4,220	Dr. 3,595	625	...	...	...	17,576	8,777
Sagga Rubber Co.	July 31	13,733	5,997	19,730	...	...	...	625	2,398
Sekong Rubber Co.	Aug. 31	Dr. 343	Dr. 6,513	Dr. 6,856	...	...	...	2,000	17,370
Sonosekar Planting	June 30	5,690	Dr. 2,368	3,322	...	...	...	...	Dr. 2,802
Sungei Tukong Rubber ...	June 30	2,241	2,588	4,829	...	...	...	3,322	7,260
Shipping.									
Danube Navigation	July 31	8,051	26,579	34,630	...	...	...	1,400	5,597
Shops and Stores.									
Timothy Whites (1928).....	July 31	10,616	114,824	125,440	76,219	36,428	15	...	28,524
Tramways and Omnibuses.									
Buenos Aires Town, &c. ...	June 30	3,881	44,004	47,885	...	17,328	3½	26,528	37,490
Trust.									
Charterhouse Investment...	Nov. 11	63,334	18,138	81,472	...	58,125	7½	10,043	13,304
Daily Mail Trust.....	Sept. 30	37,140	367,019	404,159	...	352,537	17½†	...	162,156
Foreign Securities Invest....	Oct. 15	...	6,027	6,027	2,613	2,761	3½	...	51,622
Second Co-operative Invest-ment Trust	Sept. 30*	6,281	30,397	36,678	1,669	21,814	4½	10,000	387,822
Third Edinburgh Investment	Nov. 5	47,056	56,792	103,848	17,438	23,250	12	...	653
Tobacco Securities Trust ...	Oct. 31	52,331	800,954	853,285	...	594,000	Ord. 18	...	3,195
Trans-Oceanic Trust	Oct. 31	7	51,506	51,513	23,250	15,500	5	50,000	38,107
Other Companies.									
Aome Tea Chest.....	Aug. 31	21,227	3,671	24,898	8,370	...	...	12,743	57,395
Baker (G. P. and J.)	June 30	24,270	15,674	39,944	3,245	12,530	10	...	110,285
Clarke (W. G.) and Sons.....	Aug. 31	6,025	46,825	52,850	18,750	18,600	6	20	731,949
Colour Photographs (British and Foreign)	Sept. 30	Dr. 4,150	Dr. 499	Dr. 4,649	...	...	...	51,942	2,472 d
Ilford Limited	Oct. 31	14,220	133,218	147,438	23,331	86,130	15	...	Def. 5
India Rubber, Gutta Percha and Telegraph Works.....	Aug. 31	23,816	Dr. 95,978	Dr. 72,162	...	...	...	...	...
Liverpool Warehousing	Sept. 30	17,142	25,843	42,985	18,657	2,975	5	3,000	Dr. 72,162
Lloyd's Packing Warehouses	Sept. 30	56,460	113,224	169,684	13,853	62,969	12½	33,000	22,828
Morland and Impey	Sept. 30	51,193	72,869	124,062	11,980	69,109	10	...	32,893
New Darvel Bay (Borneo)	July 31	4,756	13,391	18,147	12,673	846	5	...	110,435
Tobacco	June 30	Dr. 16,878	Dr. 22,625	Dr. 39,503	...	...	...	4,628	120,045
Prices, Tailors (1928).....	June 30	4,080	63,575	67,655	15,750	16,953	12½	...	20,913
Ransome and Marles Bearing	June 30	27,211	26,159	53,370	...	23,250	6	...	...
Sporting and Dramatic Pub-lishing	Sept. 30	2,690	9,737	12,427	4,200	2,347	7½	3,200	4,358
Wallpaper Manufacturers ...	Aug. 31	295,796	585,200	880,996	60,000	140,000	Ord. 10	2,680	34,881
						300,000	Def. 15	120,000	41,180

* For half-year.

† Free of income tax.

WEEKLY TRAFFIC RETURNS.
RAILWAYS OF GREAT BRITAIN AND IRELAND.

(b) Week ended Nov. 13, 1930. (c) Week ended Nov. 14, 1930.	Miles Open.	Week ended Nov. 15, 1930. (000's omitted.)					Aggregate 46 weeks, 1930. (000's omitted.)				
		Passen-ger, &c.	Merchandise, &c.	Coal and Coke	Total Goods	Total	Passen-ger, &c.	Merchandise, &c.	Coal and Coke	Total Goods	Total
		£	£	£	£	£	£	£	£	£	£
Great Western.....	3,751	183	204	116	503	11028	9,710	5,397	15,107	26,135	11429
Do. for 1929...	3,751	190	220	129	539	11429	10267	5,720	15,987	27,416	11429
Lon. & N. Eastn. (c)	6,362	289	410	269	968	16417	17824	11644	29,468	45,885	17062
Do. for 1929...	6,361	299	455	291	1,045	17062	19329	12381	31,716	48,778	17062
Lon. & Mid. & Scot.	6,956	423	515	275	1,213	24327	24189	11511	35,700	60,027	25736
Do. for 1929...	6,957	477	592	289	1,358	25736	26313	16385	38,698	64,434	26313
Southern	2,179	257	78	32	367	14851	3,545	1,356	4,901	19,752	15192
Do. for 1929...	2,175	260	80	33	373	15192	3,614	1,487	5,101	20,293	15192
Total of above	19248	1152	1208	692	2052	66623	55268	29908	85,176	151799	66623
Do. for 1929...	19244	1196	1347	742	2085	69419	59523	31979	91,502	160921	69419
Metropolitan (c)	59	31.8	4.1	...	35.9	1494.7	183.0	...	...	1677.7	1494.7
Do. for 1929...	59	32.5	4.2	...	36.7	1489.5	178.4	...	...	1667.9	1489.5
† Undeg. E. R. (c)	...	305.2	...	...	305.2	13886	...	...	...	13,886	13886
Do. for 1929...	...	277.5	...	...	277.5	13159	...	...	...	13,159	13159
Lon. & Sub. Gr. up	...	44.4	...	...	44.4	2044.5	...	...	...	2044.5	2044.5
Do. for 1929...	...	40.3	...	...	40.3	1931.7	...	...	...	1931.7	1931.7
* E. R. & Co. D. W. S.	80	1.8	...	...	1.8	126.7	34.2	...	...	160.9	126.7
Do. for 1929...	80	1.8	...	...	1.8	125.4	40.7	...	...	165.1	125.4
Great Northern b	562	9.1	15.7	...	24.8	...	...	...	...	1328.1	...
Do. for 1929...	562	9.6	16.2	...	25.8	...	...	...	...	1330.9	...
Great Southern b	2,187	21.1	148.6	...	69.7	...	...	...	...	3304.9	...
Do. for 1929...	2,187	22.7	149.8	...	72.5	...	...	...	...	3466.6	...

* Aggregate 45 weeks.
† Includes receipts from independent omnibuses during current year.

OVERSEAS RAILWAY RECEIPTS.

Name.	Weeks.	Ending.	Present Mileage.	Gross Receipts for Week.		Total Gross Receipts.	
				1930.	+ or -	1930.	+ or -
INDIAN.							
				Rs.	- Rs.	Rs.	Rs.
Assam Bengal ...	42	Oct. 18	1,306	4,37,000	- 1,593	11,58,286	- 4,25,703
Barelly L. Ry.	30	25	202	21,300	- 9,200	11,47,700	- 2,35,800
Bengal & N. Western	28	25	2,133	4,76,289	- 1,32,077	17,66,923	- 3,10,096
Bengal-Nagpur	28	25	3,133	19,91,100	- 8,10,896	4,32,55,203	- 47,75,828
Bombay Bar. & C.I.	42	Nov. 8	3,094	21,91,000	- 1,17,000	6,10,08,000	- 50,13,000
Madras & S. Mahr.	42	Oct. 18	3,229	13,71,000	- 1,91,469	4,31,58,948	- 84,60,703
*Rohilk'd & Kumaon	28	25	561	82,733	- 27,400	3,26,320	- 60,950
South Indian	28	11	2,371	20,35,962	- 1,072	3,47,89,091	- 12,74,410

+ Including Lucknow-Bareilly State Railway.

† Including Lucknow-Bareilly State Railway.

CANADIAN.

				\$	\$	\$	\$
Canadian National	45	Nov. 14	20290	4,063,594	- 685,689	197,543,405	- 39,616,150
Canadian Pacific...	44	7/15/470	3,250,000	- 445,000	156,189,000	- 29,595,000	

SOUTH AMERICAN.

Antofagasta (Chili and Bolivia) ...	46	Nov. 16	804	£ 5,520	- £ 11,080	£ 1,224,570	- £ 544,295
Argentine N.E. ...	20	15	753	13,400	- 4,100	289,900	- 17,000
Argentine Trans. In.	20	15	111	3,304	- 1,591	676,23	- 15,643
B.A. and Pacific	20	15	2,806	124,000	- 1,000	2,357,000	- 558,000
B.A. Central	20	16	...	11,786	- 981	259,774	- 8,954
B.A. Gt. Southern	20	15	5,009	195,000	- 20,000	3,690,000	- 667,000
B.A. Western	20	15	1,926	70,000	- 18,000	1,334,000	-

REPORTS AND NOTICES.

MISCELLANEOUS.

AGAR, CROSS AND COMPANY, LIMITED.—The Board resolved to pay a final dividend on the ordinary shares for the year ending June 30, 1930, at the rate of 6 per cent. actual, free of income tax, this distribution making a total on the ordinary shares for the year of 11 per cent., free of tax, as against a total of 16 per cent. for last year. In addition, the directors have transferred the sum of £100,000 from general reserve to exchange depreciation reserve account to meet the depreciation on exchange at June 30, 1930. It is proposed that this dividend should be payable on the date of the annual meeting, which has been fixed for December 15th next. A notice to be posted to shareholders will contain particulars of the alterations in the company's articles. The directors are also recommending an issue of 225,000 additional ordinary shares in the proportion of one in three to all holders on the register of ordinary members as at December 1st next, price of issue being 30s. per share. The price of the old shares on November 19th was 45s.

ANSSELLS BREWERY, LIMITED.—A net profit of £174,733 for the year to September 30, 1930, was secured, compared with £189,329 for preceding year. With the larger balance brought in, the sum available is £17,233 higher at £418,147. The directors have capitalised £200,000 of the reserve by allotting, *pro rata*, among the ordinary shareholders 40,000 ordinary shares of £5, leaving the reserve at £280,000. It is proposed to maintain the ordinary distribution at 15 per cent., tax free, but £17,500 more is now required by the final 8½ per cent., which includes 2½ per cent. as bonus. Reserve allocation is £10,000 less at £40,000, bringing this account up to £320,000, and £253,147, compared with £243,414, carried forward.

ALLIED STORES LIMITED—GROCERY MERGER.—A circular has been issued to shareholders of the International Tea Stores, Ltd., in reference to the proposed merger with other companies. The International Tea Stores, Ltd., state that, although the merger in its original form had become impracticable, the friendly trading arrangements between the International Tea Stores and those interested in the other group of companies will be continued, and it is hoped will be extended for the benefit of all the companies concerned. In the circumstances the directors will not proceed with the merger unless further authority is given by a representative majority of shareholders.

HUNGARIAN TREASURY BILLS.—The Bills have been placed at 5½ per cent. discount and brokerage. They are yearlings maturing November, 1931. The total amount is approximately £3,000,000, placed by Barings, Rothschilds and Schroders, of which £1,000,000 in London, £1,000,000 on the Continent, and \$5,000,000 in New York.

HARRODS (BUENOS AIRES), LIMITED.—Subject to completion of audit the accounts for the year ended August 31, 1930, after payment of salaries, advertising and all other working expenses, and including interest receivable, also dividends amounting to £357,258 (against £403,094 last year) receivable from the South American Stores (Gath and Chaves), Ltd., show a profit of £571,503. Less realised loss on exchange, £37,928; depreciation of installations, fixtures, fittings and plant, £31,248; to premises account, £5,000; to reserve for income tax, £27,000; leaving £470,329. An interim dividend of 4 per cent., less income tax, was paid upon the preference shares on June 17, 1930, absorbing £94,000; leaving £376,329. The directors recommend the following payments, less income tax:—Funding certificates, 5 per cent. interest, £13,790; preference shares, dividend of 4 per cent., making, with the interim dividend, 8 per cent. for the year, £94,000; funding certificates, redemption, £22,834; leaving £245,705; and the following appropriations:—To reserve, in accordance with articles of association, £24,570; to exchange reserve, £70,000; leaving balance of £151,135; to which must be added the undivided profits brought forward from last year, £122,029; leaving £273,164; and a dividend on ordinary shares of 5 per cent., i.e., 9d. per share, less income tax, £150,572; leaving a balance of undivided profits to be carried forward, £122,592. The profit of £470,329 for the year ended August 31, 1930, compares with £556,115 for the preceding year, a decrease of £85,786. Sums aggregating £158,633 in respect of realised losses on exchange have been charged against revenue in the accounts of the company and its controlled companies.

PERUVIAN CORPORATION, LIMITED.—The gross traffic receipts for year ended June 30, 1930, amounted to £1,865,519, as compared with £1,834,375 for preceding year. Working expenses were higher at £1,228,080, as compared with £1,205,409. Net receipts were higher at £637,439, as against £628,966, the rate of exchange of Peruvian Sol being again 20d. for the year. The preference stockholders receive 3 per cent. for the year. The carry-forward is increased from £129,749 to £188,989.

Commercial Reports.

THE CORN TRADE.

Mark Lane, Thursday evening.

Climatic conditions were rather unsettled over the United Kingdom during the last week, with a fall in temperature, but field work proceeded actively, and there is every indication of a larger area being placed under winter wheat compared with last year. Small supplies of native wheat at the principal Statute markets met a poor demand, purchases being mainly for seed purposes, as millers are able to buy foreign wheat on more favourable terms, and prices consequently marked a downward tendency. Depressed conditions prevailed on the import market under heavy offerings from practically all exporting countries, and continued large shipments, in which Russia figured prominently, Soviet clearances last week at 944,000 quarters, being up to a pre-war level. Many cargoes arriving, including good milling wheat, are being stored, and with port stocks rapidly accumulating, millers are afforded little inducement to book ahead. Prices have slumped in Canada owing to the poor export demand and the uncertainty arising regarding financial support, but steadied later in unison with the United States, where values were stabilised by Governmental operations. Southern Hemisphere crops are nearing maturity under favourable climatic conditions, and pressure to market new supplies is likely to be felt in the near future, as harvesting has already commenced in the early districts. India also has a large quantity of wheat for export, and offers from this source were reduced sharply in order to attract demand before the Australian and Argentine movement is in full swing. The flour trade exhibited quiet features, and prices of home milled were easier in sympathy with the wheat position. Most imported makes were also obtainable on lower terms, but failed to arouse much interest. Of feeding stuffs, liberal offerings of Plate maize resulted in a downward course of prices, though trade proceeded on fairly active lines, with rather more interest shown by Continental consumers. South African descriptions are held above market parity, while Danubian shippers are not seriously competing. Barley remains dull of sale, and oats tend in buyers' favour.

WHEAT.—Depressed. No. 1 hard Manitoba, ex ship 28s.-28s. 3d.; No. 1 Northern Manitoba, ex ship 27s. 3d.-27s. 9d.; No. 2 ditto, 26s. 3d.-27s. 3d.; No. 3, 27s. 6d.; No. 4, 26s.; Barusso, 61½ lbs., ex ship to arrive, 24s.; Australian, 28s. 6d.; choice white Karachi, 27s.; Russian, on sample ex ship, 22s. 6d.-25s. 6d.; landed 22s. 9d.-26s. per 496 lbs.; English new, 6s. 5d.-6s. 8d. per 112 lbs.

FLOUR.—Quiet and easier. London straight run, 26s. per sack for country deliveries, and 25s. for London area. Of imported, 22s.-23s. ex store per 280 lbs.

MAIZE.—Easier. Plate, landed 18s. 3d.; ex ship, 17s.; November-December, 16s. 9d.; December-January, 16s. 9d.; January-February, 17s. 3d.; No. 2 white flat African, landed 18s. 3d. per 480 lbs. Yellow maize meal, £6 f.o.r. London. Yellow African, ex ship £5 5s.; white, £4 12s. 6d. per ton.

BARLEY.—Dull. Californian old, landed 30s.-35s.; new, ex ship 30s.-41s. as to sample; Chilean brewing, landed 30s.-35s.; Chevalier, 38s.-44s.; Australian, 32s.-42s.; Smyrna, 30s.-32s. per 448 lbs.; Black Sea, ex ship 13s.; landed, 14s.; Danubian, ex ship 13s.; landed 14s.; Persian, landed 13s.; ex ship, 12s. per 400 lbs. English new malting, 6s. 3d.-13s. 9d.; feed, 5s. 6d.-5s. 9d. per 112 lbs.

OATS.—Quiet of sale. Plate, landed 12s. 3d.; ex ship 10s. 9d.; Chilean tawny, ex ship to arrive 12s. 3d.; landed 13s. 3d.; best whites, ex ship 19s.; landed 20s.; mixed Canadian feed, ex ship 9s. 3d.; landed 10s. 3d.; North Russian, ex ship to arrive, 13s.; landed 14s. 6d. per 320 lbs.; English new, 5s. 8d.-6s. 4d. per 112 lbs.

COMPARATIVE AVERAGES OF GRAIN.

The following table gives the estimated sales of home-grown wheat during the harvest years 1930-31, 1929-30, 1928-29, 1927-28:—

	1930-1931.	1929-1930.	1928-1929.	1927-1928.
Estimated sales of home-grown wheat—				
1 week to Nov. 15	Cwts. 124,662	Cwts. 231,816	Cwts. 288,752	Cwts. 233,350
11 weeks to Nov. 15	1,574,094	3,172,788	3,039,571	2,476,427
Average price of English wheat per cwt.	s. d. 6 9	s. d. 9 6	s. d. 9 11	s. d. 10 2

The following is a statement showing the Quantities Sold and the Average Price of British Corn in the past two weeks, and for the corresponding week in each of the years from 1926 to 1929:—

Weeks ended.	QUANTITIES SOLD.			AVERAGE PRICE PER CWT.		
	Wheat.	Barley.	Oats.	Wheat.	Barley.	Oats.
1930.	Cwts. 124,248	Cwts. 526,468	Cwts. 55,204	s. d. 6 10	s. d. 9 8	s. d. 5 11
Nov. 8	124,248	526,468	55,204	6 9	9 8	5 11
Nov. 15	124,662	526,923	55,204	6 9	9 8	5 11
Nov. 13, 1926	437,303	510,451	77,977	12 7	11 6	8 4
Nov. 12, 1927	233,350	474,282	75,582	10 2	12 6	9 2
Nov. 17, 1928	322,172	588,284	82,105	9 11	10 7	9 1
Nov. 16, 1929	231,816	477,980	55,068	9 6	9 5	7 5

AMERICAN WHEAT MARKETS.

The following table shows wheat quotations in recent weeks with comparative figures for 1929:—

WHEAT FUTURE.	Jan. 2, 1929.	Nov. 20, 1929.	Jan. 2, 1930.	Nov. 5, 1930.	Nov. 12, 1930.	Nov. 19, 1930.
Winnipeg (No. 1 Manitoba)	122	133½	148½	66½	65½	59½
Chicago (No. 2 Winter)	116½	121½	130½	72½	72½	73½

The visible supply of wheat in Canada at 63,953,000 bushels, shows a decrease on the week of 4,345,000 bushels. Supplies a year ago stood at 82,907,000 bushels.

THE COAL TRADE.

Our Sheffield correspondent writes:—The South Yorkshire coal market develops no new features. Export business continues on a limited scale, but prices of best steams are firm at 16s. per ton f.o.b., Humber ports. All secondary qualities are in surplus supply and weak in price. The industrial demand still tends to shrink, especially as regards the iron and steel section, and there are considerable accumulations of smalls. The consumption of coke at the blast furnaces is declining, but there is a record demand for such fuel for central heating. Demand for best house coal is brisker.

Our Glasgow correspondent writes:—Shipment business shows little expansion, and owing to the uncertain outlook neither the collieries nor importers abroad are disposed to engage in extensive forward commitments. Prompt quotations, however, are definitely firmer, this arising from an increase in home demands, owing to seasonal influences and also to fears of trouble in the coalfields. Household coals have been raised 1s. 6d. per ton, and a further advance is under consideration. Shipment prices (f.o.b. district ports):—LANARKSHIRE: Eli best, 13s. 9d.; splint best, 15s. 3d.; splint second, 14s.; navigation, 15s. 6d.-16s.; navigation second, 14s. 6d.; Hartley, 15s.; steam, 12s. 6d.; trebles, 12s. 6d.; doubles, 12s.; singles, 11s.-11s. 3d.; pearls, 10s. 6d.-10s. 9d.; dross, 9s. 6d. FIFE: Screened navigation, 16s. 6d.-17s. 6d.; first-class steam, 12s.; third-class steam, 11s.; trebles, 13s. 6d.-16s.; doubles, 12s. 6d.; singles, 11s.; pearls, 10s. 6d. LOTHIAN: Prime steam, 11s.; secondary steam, 10s. 9d.; trebles, 13s. 3d.; doubles, 12s.-12s. 3d.; singles, 10s. 9d.-11s. 3d.; pearls, 10s. Ayrshire: Unscreamed navigation, 16s.; jewel, 16s.; steam, 13s.; trebles, 13s.; doubles, 12s.; singles, 11s.; pearls, 10s. 6d.; dross, 10s. 6d.

Our Cardiff correspondent writes:—Interest in the South Wales coalfield this week has centred in the negotiations for a new wages agreement. At a meeting of the Conciliation Board on Tuesday the sub-committee, which has been considering the question for the past three or four weeks, submitted its report, but the workmen's representatives rejected the conditions laid down by the colliery owners, and this decision was supported by a delegate conference of the miners on Tuesday. No further meeting of the Joint Board has been arranged, and the next step will probably be decided by the policy recommended to the workmen by the National Conference,

which was to be held in London on Thursday. The main proposal of the owners was that the workmen's leaders should consider with them the distribution of the balance of the proceeds remaining after the reduction of costs other than wages, but as this procedure involved a reduction in the present wage level, it has been resolutely resisted by the workmen's leaders. Apparently there has been no effort on either side to seek a way out of the deadlock through the adoption of the 90-hours spreadover arrangement. The colliery owners have declared emphatically that in view of the fact that they have suffered a loss of between £4 and £5 millions under the present agreement, that the industry is at present being worked at a loss, and that trade is continuing to decline, they cannot continue the working of the pits with the certainty of a further increase in costs of production of from 1s. to 1s. 6d. per ton as the result of the reduction in working hours. The outlook is very serious, and consumers are accumulating stocks in anticipation of a stoppage of work on December 1st. The following are the current approximate quotations:—Best Admiralties, 20s.; seconds, 18s. 9d. to 19s. 9d.; best drys, 18s. 6d. to 19s. 3d.; Black Veins, 18s. 3d. to 18s. 6d.; Western Valleys, 18s. to 18s. 3d.; Eastern Valleys, 17s. 6d. to 17s. 9d.; best small steams, 13s. to 13s. 3d.; cargo smalls, 12s. to 12s. 6d.; coking smalls, 13s. 3d. to 13s. 6d.; anthracite best large, 36s. to 37s. 6d.; Red Vein large, 22s. 6d. to 27s. 6d.; machine-made cobbles, 40s. to 45s.; French nuts, 43s. to 46s.; stove nuts, 39s. 6d. to 43s. 6d.; rubbly culm, 9s. to 9s. 6d.; foundry coke, 29s. to 35s.; patent fuel, 20s. to 21s. 6d.; pitwood, ex ship, 24s. 9d. to 25s.

IRON AND STEEL.

We extract the following from the weekly report of the London Iron and Steel Exchange:—There has been more activity in the iron and steel markets during the past week than for some time. A more optimistic tone was noticeable at the weekly meeting of the Exchange on November 18th, and the hope was freely expressed that a definite change for the better had set in. So far the improvement has been principally in the Continental steel section of the market, but some of the British works report an expansion in the demand and more inquiry. The position in the pig iron department does not look so promising, as Continental iron has been offered in this country at much lower prices than of late. This is due to the collapse of the Pig Iron Cartel and the existence of heavy stocks of iron on the Continent. It was probably to meet this position that the British Midland pig-iron producers reduced their prices at the end of last week. Buying, however, has been quiet and the lower Continental prices do not seem to have attracted much business. In the semi-finished steel department rather more business has been moving. Prices of Continental semi-finished steel have become firmer and consumers have shown greater interest in the market. The British producers have also experienced a rather better demand. The improvement in the market, however, is more noticeable in the finished steel department, in which there has been a fair amount of buying. Some of the export markets also have shown a greater inclination to buy.

Our Middlesbrough correspondent writes:—Extremely dull conditions continue to prevail on the market for Cleveland iron, and business during the past week has been on a very limited scale. Local consumers' requirements are practically covered up to the end of the year and there is no disposition shown to make purchases ahead at present figures. This cannot be wondered at in view of the competition of outside irons. Midland prices were reduced 2s. 6d. per ton last week, and although the quantity used here is not large, the fact of a reduction having been made has some effect with local consumers. A matter of more serious importance, however, is the competition of Continental foundry iron, which is

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"TRANSAT"
the Open Sesame
to
**ALGERIA, TUNISIA,
MOROCCO, THE SAHARA**

To have visited North Africa without having seen the great oases of the Southern Sahara, is to have not seen the country at all.

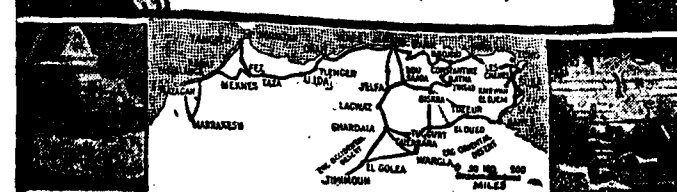
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being delivered at considerably below the official local prices, and is still pressed for sale. In spite of these adverse factors makers decided to make no change at the weekly market on Tuesday, and very little business was reported. No. 1 therefore remains at 66s.; No. 3, 63s. 6d.; No. 4 foundry, 62s. 6d.; and No. 4 forge, 62s. f.o.b. or f.o.t. The demand for hematite is on a steady scale and fair quantities have been booked during the past week. Deliveries from works on the Tees are in excess of the small production and stocks continue to be drawn upon. Makers adhere to 71s. for mixed numbers for delivery over a few months, but 70s. 6d. is being accepted for prompt lots. Shipments of pig iron are on a disappointing scale, the total cleared to the 18th instant being only 7,512 tons, against 15,215 tons to the same date in October. In the manufactured departments there are no new contracts of importance reported this week, but a few moderate orders have been received in one or two departments which help to keep things moving. Prices for steel, for home use under the rebate scheme, are unchanged, viz.: Plates, $\frac{3}{4}$ -in. up, £8 15s.; joists, £8 10s.; angles, &c., £8 7s. 6d. Other quotations include heavy steel rails, £8 10s.; iron crown bars, £10 15s.; 24-gauge black sheets, £8 12s. 6d.; 24-gauge galvanised corrugated sheets, £11 12s. 6d., also for home consumption. There is no change in ore, consumers being entirely off the market. Best rubio is quoted nominally 16s. 6d. for prompt and 17s. for delivery a few months ahead. The freight Bilbao/Middlesbrough for early tonnage is about 5s. Coke is freely offered for this year's delivery at 17s. delivered furnaces, but there is very little demand and a few small prompt parcels have been sold at 16s. 9d. The furnace at Dinsdale Works on ferro-manganese is expected to be in operation this week, making the total in blast on the North-East Coast 25.

Our Sheffield correspondent writes:—Prices of Midland brands of foundry and forge pig iron were reduced 2s. 6d. last week, but the concession has not benefited the market as a whole, although users are now seriously considering the placing of forward contracts. Further weakness has developed in the open-hearth steel section so far as crude materials are concerned. Evidence of this feature is seen in the closing of the Redbourne Hill Works, Lincolnshire. Notices to several thousand workmen employed there expire at the end of the present week. The works have been producing mainly sheet and tinplate bars. All branches of the local steel trade continue to suffer from the international situation, which makes overseas business very difficult to negotiate. Home trade for tools of various kinds continues fairly brisk, whereas exports are below the average of the winter months. Sheffield firms have been able to reduce their prices of tools and are consequently in an improved position to compete for overseas business as soon as it recovers. The plate and cutlery branches are not experiencing much seasonal trade and the position is very mixed. Unemployment in Sheffield continues to increase.

Our Glasgow correspondent writes:—Although a number of contracts have been placed with Glasgow firms within the past week or two which involve a very considerable tonnage, there is not yet much improvement in the position at the steel works, and operations are being carried on at much below plant capacity. Buyers of semis are showing a little more interest, but not much business is being placed. At the tube works things are somewhat quieter. Sheet makers are still working only intermittently, but there is a slight improvement in the export demand for galvanised sheets.

Our Cardiff correspondent writes:—The outstanding events in the South Wales iron and steel industries this week have been the discontinuance of the minimum price machinery of the regulation scheme, which has been in operation in the tinplate trade since the beginning of last year, and a reduction in the price of South Wales steel bars from £5 15s. to £5. It is officially explained that one of the objects of the suspension of minimum prices is to facilitate the admission into the pool of non-associated manufacturers, and a meeting for this and other purposes is to be held in the course of the next few days. Market prices of tinplates have dropped to 16s. 3d. per basis box, which compares with an official minimum of 17s. the previous week, and 18s. 9d. to 19s. at the corresponding period last year. Galvanised sheet prices are unchanged at £11 12s. 6d. per ton. Tinplate shipments were very small last week, and stocks are now standing at the exceptionally high figure of 208,507 boxes.

OTHER METALS.

TIN.—Dealings in the standard market were attended by considerable irregularity, but prices easier on balance owing to selling pressure and weak Eastern advices. Standard cash changed hands at £117-£112 10s. and £115 10s.; three months, £118 10s.-£112 and £117 5s. Sales in the East were reported at £122-£112 10s. and £120 5s. per ton c.i.f.

COPPER.—Market easier in sympathy with reduced prices of electrolytic in America, and liberal offerings here, but business active at the decline. Standard cash sold at £49 12s. 6d. to £45 10s.; three months, £51 down to £45 11s. 3d. per ton.

LEAD opened firmer with dealings on a fair scale, but later prices exhibited weakness and irregularity on liberal offerings. Good soft foreign pig, November, sold £16 to £16 2s. 6d.; December, £16 17s. 6d. to £16; January, £16 18s. 9d. to £16 2s. 6d.; February, £17 to £15 15s. and £15 18s. 9d.; March, £17 to £16 1s. 3d. per ton.

SPELLER in fair support, but after a firm opening the market weakened in sympathy with other metals. November sold at £15 to £15 1s. 3d.; December, £15 6s. 3d. to £14 15s.; January, £15 10s. to £14 18s. 9d. and £15 1s. 3d.; February, £15 10s.-£15 16s. 3d. and £15 6s. per ton.

ALUMINIUM maintained. Home trade, also export, £85 per ton.

ANTIMONY firmer on stimulating advices from China. English regulus, £38 to £45. Chinese regulus, spot, £25 10s. to £26 10s.; November-December, £23 5s. Chinese crude, November-December, £14 12s. 6d. per ton c.i.f.

ANTIMONY OXIDE, November-December, £25 5s. per ton c.i.f.

ANTIMONY ORE, 60 per cent., November-December, 3s.; 50 per cent. ditto, 2s. 6d. per unit c.i.f.

WOLFRAM quiet and values tend in buyer's favour. Chinese, November-December, sellers, 16s. 6d. to 17s. per unit, c.i.f.

QUICKSILVER steady. Spot, £21 15s. to £22 per bottle.

TIN PLATES quiet and easier. I.C. coke, prompt and forward, 16s. per box, f.o.b. Swansea.

THE COTTON TRADE.

LIVERPOOL: November 19th.

Prices have been fairly steady during the week, but are about 13 points lower. The U.S. consumption during October was 444,000 bales, against 394,000 bales in September, and 641,000 in October last year, the rates per day being 18,100 bales for October, and 16,800 for September, 1930. The Garside Service estimates the stock in the U.S. of all kinds of cotton at the end of October, including unpicked portions of the crop as 15,367,000 bales against 12,976,000 bales last year. To-day the Garside Service issued an estimate of the ginnings figures to November 14th as 11,764,000 bales, and Fossicks as 11,850,000 bales. During the last few days the Farm Board has been supporting the market. Spot sales for the week 13th to 19th (inclusive) are 22,000 bales, of which 10,650 are American, 1,500 Brazilian, 650 Argentine, 5,500 Peru, 1,900 Egyptian, 900 African, 450 East Indian, and 450 sundries. Imports for the same period are 80,153 bales, of which 52,525 are American, 3,504 Argentine, 3,604 Peru, 17,412 Egyptian, 68 African, 110 East Indian, and 2,930 sundries. Quotations to-day are: American Middling, 5-97; Egyptian Sakel, 9-80, uppers, 6-74; Brazil Fair, 5-92; Peru G.F. smooth, 6-47; West African Middling, 5-97; and East African G.F., 6-92.

MANCHESTER: November 19th.

Business in the market is still very slow in expanding. Contracts of importance are few and far between, and buyers as a body are disposed to operate with caution and only place orders for limited quantities. There is rather more nervousness with regard to raw material prices, as it is recognised that present rates are only being maintained by the policy of the American Farm Board. With regard to piece goods for India, some exceptional sales have occurred in light bleaching descriptions for Karachi and Amritsar, certain merchants having bought speculatively. The other outlets of India, however, have given very little support, and the political situation does not improve. Demand for China has shown a tendency to fall off, and there is a little uneasiness as to the satisfactory absorption of the substantial supplies of poplins recently obtained for Hong Kong. Not more than a sorting up trade has been done for the Near East, South America and the Continent, and American and Egyptian yarns continues smaller than earlier in the month. Transactions of any weight have been quite exceptional, and spinners are experiencing more difficulty in preventing loss of ground.

Statement of the Cotton Trade.

	1930.				Corresponding Date.	
	Oct. 29.	Nov. 5.	Nov. 12.	Nov. 19.	1928.	1929.
Raw Cotton—Mid. American	d. 6-39	d. 6-14	d. 6-02	d. 5-97	d. 10-69	d. 9-81
" Sakellaridis Fully Good Fair						
Yarns—32's twist	10-05	9-90	9-80	9-65	18-30	15-10
" 40's twist	10-10	10-10	10-10	9-7	16	14
" 60's twist (Egyptian)	18	18	18	18	28	24
32-in. Printers, 116 yds., 16 by 16, 32's and 50's	s. d. 19 2	s. d. 19 0	s. d. 18 9	s. d. 18 9	s. d. 25 6	s. d. 24 3
36-in. Shirtings, 75 yds., 19 by 19, 32's and 40's	21 4	21 2	21 0	21 0	28 6	27 0
36-in. ditto, 38 yds., 18 by 18, 10 lb.	12 0	11 10	11 9	11 9	15 3	14 7
38-in. ditto, 37½ yds., 16 by 16, 12 lb.	10 10	10 9	10 7	10 7	13 9	13 1

THE WOOL TRADE.

Our Bradford correspondent writes:—Increasing competition is seen in all the markets where merino wool is offered, and there are indications that the lowest point has been passed. Private cable information received this week from Sydney stated that the market was active and excited, prices showing a definite advance. This advancing tendency is interpreted as indicating a desire to transfer money to England, extreme difficulty being experienced in getting remittances to this side. Considerable loss is involved even when banks undertake to remit, and rather than pay big interest, capital is being put into wool in the expectation of being able to convert it into cash at the January London sales. No doubt some of the buying is influenced by these considerations, but in any case there is an increasing demand for the raw material, due to greater confidence on the part of home and continental users. The advance in fine combing wool is now 5 to 7½ per cent. from the lowest point, and competition is broadening, the home trade being far more active than at any other time this season. It also seems that an increasing demand is coinciding very conveniently with increasing supplies. Everything seems to indicate an encouraging market for the raw material in every Colonial selling centre. The last series of London sales will commence next Tuesday. The quantity available (165,500 bales) is about 22,000 bales more than for the corresponding series of 1929, and about the same quantity less than for the fifth series of this year. The coming auctions have not aroused a great deal of comment, but it is generally agreed that the outlook is fairly encouraging. There has been some increase in the employment of machinery in the West Riding since the previous sales, and consumption of wool is proceeding in quite a healthy fashion. Topmakers are not doing a great weight of business at present, but their contracts are being taken up, and several are still prepared to sell merinos for forward delivery at reasonable prices. This description of raw material is expected to be fully 5 per cent. dearer in London, and greasy crossbreds about steady.

HIDE, LEATHER AND ALLIED TRADES.

A weaker tone for market hides was again noticeable at the auctions held in the North during the early part of the week: at Manchester all ox and heifers were from ¼d. to ½d. per lb. down in price, while cows made ¼d. per lb. less money. Calf skins were unchanged except for a slight reduction on ½ lbs. Sheepskins are a shade better market in face of a slightly improved enquiry for wool. Business in connection with foreign hides continues to be restricted to immediate needs. In the South American market parcels of Argentine ox have changed hands at the equivalent of 6½d., with light ox realising 5½d., and Montevideo ox 6½d. Business in dry South American skins has been restricted to small sales of B.A. Americanos at 7½d., and M.V. Americanos at 7½d., while with Capes quoted at slightly lower figures, business has transpired in dry at 7½d. and 6½d. for first and seconds, with 6½d. and 5½d. accepted for the same selections of drysalted 20/30 lbs. Mombasas have changed at from 6d. to 6½d., while for Australians the market is slow with lower prices being accepted for business. Orders for sole leather continue to show a falling off both in regard to size and the number of enquiries coming to hand. The better grade bends suitable for the repair trade have sold in moderate quantities particularly in the medium to heavy weights, but for the lighter averages the call has been poor. Shoe manufacturers' wants have been restricted to dry hide bends in the 10 to 12 lb. weights, but even in these the turnover has not been large, and there seems to be a feeling that present conditions will rule until the close of the present year. The position of the market so far as values are concerned is generally unchanged. A steady trade is being done with upper leathers, and over the week improvement has been experienced in the call for box calf and side leathers. Curriers have again experienced a trifle more activity, but the home demand is not sufficiently large to keep things going with a swing.

OVERSEAS PRODUCE.

SUGAR.—In the absence of some definite move on the part of Cuba and Java, in the matter of better regulating crops to requirements, the market remained quiet and weak. In fact, trade demand at the moment counts for little, and distributors seem to be more occupied in taking delivery of contracts entered into previously. It is generally thought in market circles, that early next month will witness the sitting of a Conference in Brussels to discuss the matter. Prices for British refined, also home-grown granulated, reduced 6d. Offers of actual raw refining sugars are still made with certain reserve, but against this buyers are reticent. Terminal sections weaker, with moderate transactions recorded in raw. December sold 4s. 9½d. to 4s. 8d.; March, 5s. 11d. to 5s. 11½d. and 5s. 11d.; May, 6s. 2½d.; August, 6s. 5½d. to 6s. 5d. and 6s. 5½d.; December, 6s. 9d. to 6s. 8½d. Foreign 96 per cent. centrifugal December held for 5s. 9d. c.i.f., and Continental 88 per cent. beet, 5s. 7½d. c.i.f. terms to the U.K. Cuba receipts last week cabled 46,500 tons, against 19,070 same time last year; exports, 82,440, against 41,300; stocks, 860,470, against 283,200. Quantity on plantations and in course of transit, 1,060,000 tons, against 384,770 last year. Stocks of raw sugar in the three chief ports of the United Kingdom for week ending November 15th totalled 109,770 tons, against 162,747 last year.

COFFEE.—Trade has been very quiet and prices, in several instances, ruled against the seller. Brazilian grades for shipment meet a slow sale at the moment.

COCOA.—Quietness again ensued, but prices held together fairly well. Small sales on the spot include fair Grenada at 46s. 6d. to 47s. Forward positions dull. Accra F/F, January-March, London contract, quoted 27s. f.o.b. G/F, January-March, to Continent, 29s. c.i.f. Terminal, December, sold, 31s. to 30s.; and May, 29s. 9d.

TEA.—Indian auctions embraced some 51,020 packages. Fair competition prevailed and clean common teas sold firmly, also the finer invoices. Plain medium and tippy kinds irregular. Leaf grades quiet on export account. Ceylon sales of 21,060 packages ruled firm for common and finer teas, but thin liquoring and orange pekoes marked irregularity. Java and Sumatra sales proceeded on steady lines, good competition being experienced. There is a steady trade passing in China teas at full rates, and supplies are in narrow compass.

RICE.—Market quite unaltered for most descriptions, but trade quiet. Two Stars, new crop, January-February, to London, sold 9s. c.i.f.

BEANS AND PEAS.—There is only a retail movement in beans at the moment, prices being unaltered. Peas continued in quiet request, but steady. Japanese, November-December, quoted 14s. c.i.f. and Dutch marrowfats 16s. 6d. f.o.b.

POTATOES.—The market in potatoes continued moderate at unaltered prices.

SPICE.—Pepper met with moderate attention and market disclosed steadiness. Lampong, October-December, held for 6½d.; January-March, 6½d.; Muntok white, August-October, quoted 10½d.; October-December, sold 10½d.; January-March, sellers, 10½d. Cloves steady. Zanzibar, spot, 1s. 5d. London stocks of black marked an increase of 34 tons on the week at 499 tons, compared with 1,119 at corresponding period last year. White, 45 tons higher at 203, compared with 1,103 tons at same time in 1929.

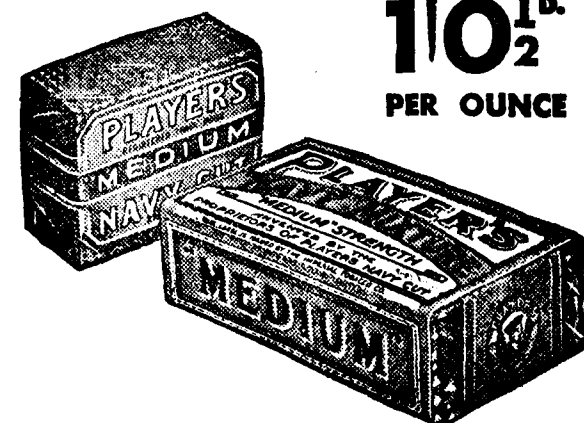
FRUIT (Dried).—Currants: Market remains steady with fair inquiries. Pyrgos, 30s. 6d.-31s.; Patras, 34s.-43s.; Vostizza, 48s.-58s. Sultanas firm on light supplies. Smyrna, 40s.-70s. Raisins in fair demand. Dates firmly held. Evaporated Fruits: Plums continue in request, especially large sizes, but otherwise the market remained quiet and without material change. Californian peaches, 1930 crop, re-cleaned, 47s.-56s. Almonds firmer.

CANNED GOODS.—Fruit: The general position remains unaltered, demand being slow to expand, especially for Californian varieties. English fruits, however, continue to sell well, and Australian also meet with attention. Fish: Sardines, best quality, firm and

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N.C.T.S.

COMMERCIAL TIMES—WEEKLY PRICES CURRENT.

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

LONDON, TUESDAY.		FRUIT (continued)—		Wool—		HIDES—	
CEREALS AND MEAT.		Spanish Onions,		English Southdown, washed		Wet salted—Australian	
	s. d.		s. d.		s. d.		s. d.
GRAIN, &c.		Valencia:—		per lb.	d.	per lb.	s. d.
Wheat, No. 3, N. Man. 496 lb.	27 6	case, 4s.	5 0 5 9	per lb.	15	West Indian.....	0 41 0 41
Eng. Gaz. av., per cwt.	6 9	case, 5s.	6 0 7 0	Queensland, s.d. super combg.	10	Cape.....	0 41 0 41
Barley, Eng. Gaz. av.	9 8	Onions, Oporto.....	0 0 0 0	N.S.W. greasy, super	11	Dry and Drysalted Cape.....	0 61 0 61
Oats.....	5 11	Chestnuts, Naples... bags 18	0 0 24 0	N.Z., grey, half-bred 50-56	9	Market Hides, London—	
Maize, La Plata, landed, 480 lb.	18 3	Grapes, Lisbon... boxes 0	0 0 0 0	Crossbred 40-44	8	Best heavy ox and heifer	0 51 0 71
Flour, Lon. stan. ex mill, s. d.		Grapes, Almeria... barrels 10	0 29 0	Merino 70's.....	28	Best cow.....	0 31 0 41
280 lb.	24 6 0 0	LARD—		Crossbred 48's.....	11 1/2	Best calf.....	0 81 0 101
Rice, No. 2 Burma, per cwt.	9 0 0 0	Irish bladders.....	70 0 80 0				
Sago, Pearl, per cwt.	19 0 0 0	American, boxes 56 lbs.	63 6 67 0				
Tapioca, per cwt.		SPICES—					
B.I. flake, fair spot...	17 6 0 0	Pepper, per lb.—					
Medium pearl.....	20 0 0 0	Muntok, fair White.....	0 0 0 11 1/2				
Potatoes, good English,		Black Lampung.....	0 0 0 7				
per cwt.	5 0 6 6	Cinnamon—1st sort, per lb.	0 11 0 0				
Beef, per 8 lbs.—		Cloves—Zanzibar per lb.	0 0 1 3 1/2				
English long sides.....	4 8 5 4	Ginger—per cwt.—					
Argentine chilled hinds.	4 2 4 9	African.....	40 0 0 0				
Mutton, per 8 lbs.—		Jamaica, ord. to good...	50 0 90 0				
English wethers.....	6 0 7 4	Mace.....	1 6 2 4				
N.Z. frozen.....	3 6 4 6	Nutmegs 65's.....	1 3 0 0				
Pork, English, per 8 lbs.	4 8 8 0	SUGAR—					
		(Duty, 11s. 8d. per cwt.)					
		B.W.I., crystallised.....	19 0 22 6				
		Java, white, c. & f. India	7 8 1 0 0				
		Nov.-Dec.					
		REFINED—London—					
		Yellow Crystals.....	18 7 1 0 0				
		Cubes.....	23 0 23 6				
		Crushed.....	21 6 22 0				
		Granulated.....	19 4 20 1 1/2				
		HomeGrown (Nov.-Dec.)	18 9 19 1 1/2				
		TEA—					
		Indian & Ceylon—per lb.					
		Pekoe.....	0 9 2 2 1/2				
		Broken Pekoe.....	0 9 2 1 1/2				
		Orange Pekoe.....	0 9 2 4 1/2				
		Broken Orange.....	0 9 2 6 1/2				
		TOBACCO—					
		(Duty 8/10-11/24 per lb.,					
		Empire growths, 6/9 1/2					
		per lb.)					
		Virginia leaf—					
		Common to fine.....	0 10 2 6				
		Rhododend leaf.....	0 6 1 3				
		Nyasaland leaf.....	0 7 1 0				
		strips.....	0 10 1 10				
		East Indian leaf.....	0 4 0 6				
		strips.....	0 5 1 0				
		COTTON—					
		Mid-American.....	5-97				
		Sakellaridis, f.g.f.	9-65				
		Yarns, 32's twist.....	9 1/2				
		60's twist.....	18 1/2				
		FLAX—					
		Livonian ZK.....	39 0 0 0				
		Pernau HD.....	35 0 0 0				
		Silvest Medium 1st sort.	39 0 46 0				
		HEMP—					
		Italian P.O.....	33 0 0 0				
		Manila, Nov.-Jan. "J2"	24 0 0 0				
		N.Z., Nov.-Jan. "J2"	22 5 21 10				
		Mexican.....	0 23 10				
		JUTE—					
		Native 1st mks. per ton	£ s. d.				
		Nov.-Dec.	16 2 6				
		Jan.-Feb.	16 5 0				
		SILK—					
		Canton.....	8 0 10 6				
		Tussah.....	5 0 8 0				
		Japan.....	9 0 12 6				
		Italian—Raw, fr. Milan	10 0 12 6				

scarce, but lower grades tend easier. Portuguese, 1/2 clubs, 3s. 6d. Meat: Market quiet, but sellers adhere to recent quotations. Condensed Milk: Supplies were less plentiful and prices firmer for prompt delivery. Dutch condensed milk, full cream sweetened, 5-cwt. casks, 34s. Honey: The market was well supplied and trade proved quiet on about former terms.

MEAT.—According to the Smithfield Market official report, supplies of meat during last week amounted to 9,623 tons, as compared with 9,476 tons in the corresponding week last year. Imported beef, principally Argentine, formed 81.2 per cent. of the supplies, as against 78.1 per cent. a year ago, and imported mutton, mainly New Zealand, formed 72.9 per cent. of the total supply, as against 72.2 per cent. last year. The price of pork showed a slight rise on the week, but that of beef and mutton remained unaltered.

RUBBER.—There is a fair business proceeding and market for the main part steady. Revised estimate of Straits shipments for present month, 43,000 tons. According to indications of landings and deliveries in London, also Liverpool, stocks next Monday will show quite a liberal increase. Standard sheet, spot and November,

sold 4 1/2d.; December, 4 1/2d.; January-March, 4 1/2d.; April-June, 4 1/2d.; July-September, 5d.; October-December, 5 1/2d.; and the week of 883 tons, landings being 2,093, deliveries 1,210, and stock 76,042 compared with 50,068 tons at same time last year. Liverpool stocks were 667 tons up on the week: Landings 959, deliveries 292, and stock 40,003 against 17,543 tons at corresponding period in 1929. American consumption of crude rubber for October, 27,270 tons; arrivals, 43,730; stock, 185,470; afloat, 51,120.

HEMP.—Manila qualities steadily held, moderate inquiries being met with some reserve. J2, November-January, quoted £24; K, £23; L1, £22 15s.; L2, £21 15s.; M1, £21 15s.; M2, £20 15s. African Sisal, No. 1, f.a.q., November-January, quoted £22 10s., and sales in No. 1 tow ditto at £18 10s. and further buyers. Receipts for past week totalled 21,000 bales, compared with 26,000 bales at same period last year and 35,000 bales in 1928. Estimates for this week 24,000 and the following week 21,000 bales.

VEGETABLE OILS AND OLSEEDS.—Markets again are easy, and in some sections prices have receded to new low levels. Considerable pressure to sell is the feature of linseed, of which large surpluses of old crop Plate remains to be marketed. Apparently, a substantial quantity will have to be carried over to the next season, during which excess supplies are promised. Old crop Plate on spot has declined to £10 7s. 6d., and afloat and December shipment to £9 12s. 6d., while current value of new crop, January-February, is around £9 6s. Cottonseed is dull and lower, black Egyptian on spot and on passage being quoted at £8, and November-January at £5 17s. 6d. Linseed oil has been irregular and a good trade reported at the lower levels. Raw oil on spot ex Hull has dropped to £25 15s., and November delivery to £25. Forward positions are easy, January-April offering at £21. Cotton oil is neglected and quotations easier: crude Egyptian, £21 10s., and common edible, £25 6s. Other seed oils are quiet and inclined easy. The market in copra has been dull and prices eased. F.M.S. Straits, December, to Rotterdam, sellers, £15 17s. 6d.; Dutch E.I., ditto, £15 17s. 6d.

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WEEKLY COMMERCIAL TIMES,

Bankers' Gazette and Railway Monitor

A POLITICAL, LITERARY, AND GENERAL NEWSPAPER.

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No. 4,553

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THE MONEY MARKET.

MONEY proved extremely tight during the early part of the week. Rates for new money at one time ran up to 3 1/2 per cent., while renewals were effected at 2 1/2 per cent. Some relief was given by special buying of hot Treasury bills at 2 1/2 per cent., but as these had just been paid for at the tender rate of 2 3/4 per cent., the brokers concerned were involved in a loss. Even this relief did not prove sufficient, and on Wednesday it was reported that the market had had to resort to the Bank. Still, as Discounts and Advances increased during the week by

NATIONAL PROVIDENT INSTITUTION
DISTRIBUTION OF PROFITS
DECEMBER 31st, 1930.

INTERIM BONUSES INCREASED.

48 Gracechurch Street, London, E.C.3.

£1,682,443—an amount which includes bills sold to the Bank—it is clear that the amount borrowed was very small.

The immediate cause of the stringency was the fact that the application money received for the issue of Central Electricity Board stock was not released at once, but was paid into a special account at the Bank of England. The effect of this is illustrated by this week's Bank return, which shows a decrease of £3,559,678 in Bankers' deposits and an increase of £3,859,389 in "Other Accounts." Incidentally, this shows how useful, in elucidating the monetary position, was the decision, still comparatively recent, to divide Other Deposits into Bankers' Deposits and Other Accounts. Other and less direct causes of the stringency are to be found in the steady expansion in the number of Treasury bills outstanding—issues this week having been £10,000,000 in excess of maturities—and in the continued withdrawal of French balances. Next week, however, the War Loan dividend will be paid, and this should ease the situation. Unless there is a big Christmas demand for currency—and the depressed state of trade makes this unlikely—December should be a fairly comfortable month.

Discount rates responded on Wednesday to the prevailing stringency. December bills are regarded as being practically equivalent to "money." This meant that their rates were a matter for negotiation, and dealings at $2\frac{1}{2}$ to $2\frac{1}{4}$ per cent. were reported. January bills were dealt in at $2\frac{1}{4}$ to $2\frac{1}{8}$ per cent., while the market rate on three months' bills was given in one quarter as $2\frac{1}{4}$ per cent. Four months' bills were quoted at $2\frac{1}{4}$ per cent. and six months' bills at $2\frac{1}{4}$ to $2\frac{1}{8}$ per cent. On Thursday money, though a little more plentiful, was still wanted, and three months' bills were quoted at $2\frac{3}{16}$.

	Nov. 6, 1930.	Nov. 13, 1930.	Nov. 20, 1930.	Nov. 27, 1930.	Previous Rate and Date Changed.
Bank Rate	3%	3%	3%	3%	3½ (May 1, '30)
Banks' Deposit Rate	1	1	1	1	1½ (May 1, '30)
Discount / Call	1	1	1	1	1½ (May 1, '30)
Houses / Notice	1½	1½	1½	1½	1½ (May 1, '30)
Market rate (3 months' bills)	2½	2½-¼	2½	2½	...

The pressure from Paris continues. Shipments of gold from the Bank for the week ended November 26th amounted to £1,636,338, making a total of £5,352,338 for the three weeks since the outflow began. In addition, France has taken, during the past three weeks, over £1,500,000 of Cape gold, and has also bought forward the bulk of the Cape gold due to arrive next week. It is clear that the French banks are in their turn being heavily pressed by their customers, and that the loss of confidence engendered by recent failures is leading the public to draw money from the banks and to hoard notes instead.

While the general effect of this upon the world monetary situation is sufficiently clear to need no enlargement, nevertheless, the Bank of England has been able to off-set part of its losses by acquisitions from other countries, so that the net outflow during the past three weeks has been only £3,800,000. Next week, too, the French gold withdrawals will be off-set to some extent by sovereigns amounting to £600,000, on their way from South Africa, while it is stated that a further £1,000,000 in sovereigns is shortly coming from Spain. The fact is that London has, to some extent, been acting as the channel or clearing-house between Paris and those countries whose current misfortunes are forcing them to part with their gold. If so, London is performing her natural function as the world's banker, and, in so far as London herself is concerned, undue anxiety need not be felt, even if, as seems likely, France continues to take gold up to the end of the year.

NEW YORK.

Money has remained easy, and on Wednesday there was only a small demand for loans over Thanksgiving Day, which fell on the following day. Call money is still quoted at 2 per cent., with commercial paper at $2\frac{1}{2}$ to 3 per cent. for

prime names, and 90-day bankers' acceptances at $2\frac{1}{4}$ per cent. Gold movements during the week include arrivals of \$3,750,000 from Japan and of \$6,000,000 from the Argentine, and a shipment of \$5,000,000 to Canada.

THE STOCK MARKETS.

Though the stock markets were affected by the weaker tone of New York, and further liquidations from Paris, prices were generally maintained. Gilt-edged stocks remained firm, though tighter monetary conditions precluded any further upward movement in quotations. Foreign bonds, including Germans and Brazilians, showed a modest recovery, and special interest was again taken in Chinese issues. Home rails were dull on the uncertain industrial and labour outlook. In the industrial markets electrical shares remained in steady demand, but little public interest was shown in other groups, and "international" stocks fluctuated widely. Dealings in rubber and tea shares were almost negligible. Oil shares were sold from Paris at the outset, but later developed marked strength. Mining counters were inactive.

THE COMMODITY MARKETS.

No improvement has become noticeable in the situation of the coal trade, and negotiations in order to prevent a stoppage in South Wales and Scotland have not yet come to a successful conclusion. Although activity in the iron and steel industries continues on a low level, the volume of transactions in pig iron and semi-manufactured materials has been slightly increasing. The market in Manchester goods continues quiet, and business in the wool trade has fallen off as a result of lower prices at the sales in London. The price of raw jute has been somewhat steadier, but stocks of finished goods are still increasing. Hides continued to fall, and business in leather was on a moderate scale. The decision of the Baltic countries and Russia to reduce their exports has had a steadying influence on the timber market. Wheat prices show a slight increase on the week.

THE FOREIGN EXCHANGES.

The Foreign Exchange market was again very quiet this week, sterling being dull, with a tendency to improve towards the close. New York fell from 4.85½ to 4.85, but Montreal lost $\frac{1}{4}$ at 4.85½. Paris improved sharply from 123.66 to 123.60, and was at one time 123.57. Brussels gained $\frac{1}{4}$ at 34.82½. Milan lost a point at 92.77. The peseta was again erratic and weak, the rate rising from 42.90 to 43.70. Amsterdam gained $\frac{1}{4}$ at 12.06½. Berlin was $\frac{1}{4}$ better at 20.37½. Switzerland depreciated sharply to 25.07½, against 25.05½ last week, and at one time touched 25.08½. The Scandinavian exchanges all fluctuated within narrow limits, Stockholm and Copenhagen moving against us to 18.09 and 18.15½ respectively, whilst Oslo moved in our favour to 18.16½. Of the South American currencies, Rio was weak throughout, and lost $\frac{1}{4}$ d. at 43½d. Buenos Aires lost $\frac{1}{4}$ d. at 38½d., and Montevideo $\frac{1}{4}$ d. at 38½d. In the Far East, the rupee was unchanged at 1s. 5½d., as was the yen at 2s. 0½d. Batavia lost $\frac{1}{4}$ at 12.07½. In the forward market dollars were quoted at discounts of $\frac{1}{16}$ cent and $\frac{1}{32}$ d. for one and three months respectively. The discounts on forward Paris widened to 5 and 9 centimes. One month's Brussels was at $\frac{1}{4}$ centime premium, but the three months' rate remained at last week's quotation of one centime discount. Milan was firmer for one month at 14 centesimi discount, but unchanged for three months. Madrid was rather weaker for one month at 3 centimos premium, but better for three at 13 centimos premium. Amsterdam weakened to $\frac{1}{4}$ and $\frac{1}{8}$ cent premiums for the two periods, and Berlin was little changed at 3 and 10 pfennigs discount. Silver prices fell by $\frac{1}{16}$ d. for spot to 16½d. and forward to 16½d. as a result of India and China selling in a very restricted market. The Chinese silver exchanges displayed similar tendencies, Hongkong weakening by $\frac{1}{16}$ d. to 1s. 3½d., and Shanghai by $\frac{1}{4}$ d. to 1s. 7½d.

ECONOMIST INTELLIGENCE BRANCH.

Our Intelligence Branch, which has been amalgamated with Moody's Investors Service, Ltd., is available to our readers for the supply of economic, statistical and other information, at a charge proportionate to the work involved. Inquiries should be addressed to Moody's Economist Services, 6, Boulevard Street, London, E.C.4.

THE DEVIL AND THE DEEP SEA.

UNTIL this country returns to a two-party system, which may well be never, it is likely to have a series of minority governments of one complexion or another; and it is therefore highly desirable that it should learn to work the minority system with greater smoothness than at present. That the present Government and Parliament are not adepts at the art is proved by the unceasing speculation as to the date of the fall of the present administration, and of the next general election. Such continuous and disturbing political uncertainty could be avoided by a Government which frankly recognised the implications of its minority position; restricted its legislative programme, after consultation with other parties, to measures certain to command a Parliamentary majority; and made it clear that resignation or dissolution would only follow a direct vote of censure by the House of Commons. In several speeches Mr MacDonald has shown his realisation of the position. But in practice he and his colleagues have proved to be dilatory in consultation and nudging in accommodation. When the Coal Bill was threatened with defeat, eleventh-hour concessions were made to the Liberals; and now again, at a late and critical stage of the Education Bill, compromise has been made "under protest" by Sir Charles Trevelyan. A little earlier consultation would have saved much time and much political uncertainty, and would have rescued the Government from the odium of "surrender."

Nevertheless, the Government's concessions to the Liberal demands that the operation of the School Age Bill should be deferred, and maintenance provisions revised, affords evidence that they do not intend to court a major defeat, and prefer to avert it at present by conciliation. Graciously, or ungraciously, they will allow Mr Lloyd George to keep them in power, and the chances of an early general election have consequently become decidedly smaller. This is to the good. A Government daily expecting its death warrant would lack the authority necessary for it to carry through the all-important Indian negotiations, nor could its attention be adequately concentrated upon them. Moreover, with difficult wage adjustments pending, and the possibility of disputes threatening in several major industries, it is probably to be national advantage that the Labour administration should retain responsibility.

We say this deliberately after full consideration of the important statement of policy made by Mr Baldwin at the Kingsway Hall on Tuesday to the Central Council of the National Union of Conservative Associations. The Conservative Party, he claims, is re-united. As applied to political parties unity is a relative term, but there is something to be said for Mr Baldwin's claim. Since both the Rothermere and Beaverbrook Press organs have refrained from comment, and let the claim go, as it were, by default, and since none of the various types of Imperial crusaders have come forward to oppose official Conservative candidates at the latest by-elections, it may at least be supposed that the internal party feuds have died down for the moment. "Grousing may break out elsewhere," as Mr Baldwin rather plaintively observed, but we may perhaps for the time being regard His Majesty's official Opposition as at least sufficiently cohesive to present a possible alternative to the present Government.

Since, then, Mr Baldwin is more firmly in the saddle than of late, his new statement of policy demands careful study. But such study unfortunately reveals that in substance it contains nothing new at all. Its central idea is Protection, and Mr Baldwin's first acts, if returned to power, would be to impose an "emergency" tariff (to do duty while the permanent tariff was being hatched), and to go to Ottawa and swallow whole the altogether unacceptable preference proposals recently made at the Imperial Conference by Mr Bennett.

The country, indeed, is between the Devil and the Deep Sea. It is passing through economic trials which call for a bold lead and for wise statesmanship, and the only political choice before it is between a Labour Party, whose avowed doctrine is Socialism, and a Conservative Party

which is ready to plunge unheeding into the vortex of fiscal revolution. It is a sorry choice, and that is presumably why the *Times* in its leading article on Wednesday utters a *cri de cœur* for a national Government with a national policy. The appeal evokes sympathy but not hope, for our esteemed contemporary's search for a national programme is sadly unfruitful. It starts well enough with national economy, unemployment insurance reform and an agreed constitution for India, but thereafter it stumbles hopelessly into the slough of fiscal policy. We agree that the present crisis is economic, and that the nation needs a Government that will carry through an enlightened economic policy which will be supported by as large a section of the community as possible. But facts must be faced, and the big politico-economic fact of the moment is that we have on the one side the advocates of Protection, the maintenance of artificially high prices and trade restriction, and on the other—in favour of Free Trade—the great vested interests of the consumer, the exporting industries, and those engaged in shipping and international commerce. Each group believes that the other's policy is disastrous to the country. It is, therefore, the first truism of the political situation that if Mr Baldwin or anyone else is searching for a more or less agreed national programme, the first thing to be recognised is that, as soon as Protection is included in it, political opinion in the country is hopelessly split in twain, and any talk of a "national policy" becomes a fiction.

The real truth about a "national policy" is that it is practicable only when the vast majority of the country is agreed not merely as to the objective to be aimed at, but also as to the means of achieving it. In time of war such agreement is comparatively easy. But when the enemy, as to-day, is the less tangible foe of economic depression, there is no such common agreement as to the most efficacious means of self-defence. Each party has its policy which, *pace* the cynics, it believes to be the best; and to talk of an agreed national policy is no more than a waste of breath.

Is there, then, no escape from the national dilemma? Under the existing system of politics, government, and administration there is none. But it may be that out of the present *impasse* will grow a realisation that Parliamentary institutions, suited though they are to the conduct of political and social affairs, are comparatively helpless when faced with the task of dealing with complex matters of economic policy. Mr Winston Churchill in the Romanes Lecture early this year, and again in a recent speech, has pleaded for the creation of an industrial Parliament. It should not be beyond the genius of this country for adapting itself to new situations to modify our democratic institutions in the way proposed, and we for our part should like to see an experiment tried in this direction. But let us be under no illusion. We cannot hope to take economic controversies permanently out of politics. The fiscal controversy in every country in the world proves this. Nor is there sufficient concurrence in the present distribution of wealth to make it possible to treat problems of industrial organisation and taxation as non-political. All that can be hoped is that from time to time there may be subjects on which parties are not too deeply pledged, and in respect of the practical handling of which there may be sufficient common ground to make it possible to remove them from the political arena. The setting up of the Economic Advisory Council was a tentative step in this direction; the experience of its working should help to make clear how far, and in what spheres it is possible to-day to devise a non-party national policy in economic affairs.

If this experiment produces promising results, a chance may arise for Mr MacDonald and his colleagues to make history. Meanwhile, we must possess our souls in patience, and, in the absence of any new alignments of parties, decide according to our various opinions and prepossessions, whether we prefer to commit the fortunes of the country to the Deep Sea or to the Devil.

ECONOMICS AND POLITICS IN TURKEY.

THE attempt to introduce the two-party system into the political life of Turkey has soon broken down. The former Turkish Ambassador in Paris, Fethi Bey, who came home a few months ago in order to found and lead an opposition to the ruling single party (called in Turkey "the Popular Party"), recently announced his decision to dissolve his new Liberal Republican Party, because it had become apparent that he could not keep it in being without coming into conflict with President Mustafa Kemal. Fethi Bey explained, in his statement, that he founded the Liberal Republican Party with President Mustafa Kemal's consent and help, and that he did not anticipate the possibility of a struggle occurring between the new party and the President of the Republic. The truth is that the party was founded after a consultation between Fethi Bey and President Mustafa Kemal last August at the watering place of Yalova, on the Marmora; and it was generally believed at the time that the President had welcomed Fethi Bey's move and had perhaps even suggested and initiated it. There is no reason to doubt that this was so; for the growing pressure of taxation and economic distress was then already making the Government unpopular; and in such a situation it was an obvious move for the President of the Republic to place himself "above the battle" and to leave the responsibility and the odium for an uncomfortable state of affairs to rest on the shoulders of the Prime Minister, Ismet Pasha.

Since August the Turkish Dictator has changed his tactics. The first symptom of a change was his retention of the presidency of the Popular Party, which he had been expected to hand over, as a *damnosa hereditas*, to Ismet. The dissolution of the new rival party indicates that the President has now gone a step further and has intimated that, henceforth, opposition can only be carried on under pain of his displeasure and of the dire consequences which that displeasure immediately involves for any Turkish citizen on Turkish territory.

What has made Kemal change his policy? Pressure from Ismet Pasha, who is a strong character and who cannot have welcomed the idea that he should be thrown to the wolves in order to save his master's skin? Or was the Dictator alarmed at the ovation which Fethi Bey received the other day when he visited Smyrna? Or at the vigour and ability with which the leader of the short-lived opposition criticised the Government's policy in the Great National Assembly? The President of the Turkish Republic must have just as much reason to-day as three months ago for wishing to retire from the political arena. The situation is no easier, the Government no more popular. We must infer that he has found this withdrawal to a position of sacrosanct aloofness a less simple manoeuvre than he had at first supposed. At any rate, he has abandoned the experiment of making that move in this way. And this has been enough to snuff Fethi Bey's party out of existence.

Thus, in her politics, Turkey is now back again where she was before this episode—for good or for evil. Meanwhile, in her economics, she is no longer where she was, and, in this case, certainly not for good. For it is significant that a strong point in Fethi Bey's programme was that Turkey should not fail to honour her obligations to her creditors. The announcement that he has gone out of Turkish politics has been followed immediately by the news that the Turkish Government has failed to provide in full for the payment of the coupons due on the twenty-fifth of this month in respect of the Ottoman Debt. The default is flagrant, since it is a breach of an agreement made no longer ago than June 13, 1928, under which the foreign bondholders made considerable sacrifices in the belief that they were arriving at an accommodation which the Turkish Government was able and willing to carry out for its part. Moreover, as the bondholders point out in a statement issued on the 22nd, an expert who had been appointed by the Turkish Government to inquire into its financial situation, reported on September 15th last that in his opinion Turkey was capable of paying the annuity due under the 1928 agreement in Turkish pounds. The default is surely as impolitic as it is unwarrantable;

for it destroys any possibility of Turkey obtaining the foreign financial support without which she cannot hope to establish her new central bank and stabilise her currency. *De facto*, the Turkish exchange had been stable for some time, so that the moment was favourable for stabilising it *de jure* and permanently. Not only has this opportunity been thrown away, but a serious depreciation of the Turkish pound now seems inevitable.

No doubt the Turkish Government will adopt officially a nonchalant attitude. (What else is there for it to do, now that the mischief is done?) It will proclaim that it intends to carry through the economic reconstruction of Turkey without assistance; and it will remind the world that it has had unfortunate experiences with foreign creditors in the past. In the second point there is truth—though it is also true that Turkey's early loans in the international market turned into millstones round her neck because the Turkish Government which contracted them was an irresponsible despotism, whose agents were both corrupt and inefficient. From 1882, when the Ottoman Debt was placed on a proper footing, down to the outbreak of the Great War, the Council of the Ottoman Debt administered the several sources of Ottoman revenue which were transferred to its control with such ability that it produced lucrative surpluses for the Ottoman Government after meeting the debt service and set an example of business integrity and efficiency which was just what the country needed at the time. The cordial and mutually profitable relations between the Ottoman Government and the Council of the Ottoman Debt were interrupted by the War; and thereafter the growing sense of nationalism in Turkey made the system of transferred revenues no longer practicable. The agreement of 1928 took account of the changes in the situation—psychological, political and economic. It is unquestionably a misfortune for all parties that this agreement should have been kept for so short a time.

And can Turkey really do without foreign financial assistance now and hereafter? That question is answered by the growing economic distress in Turkey during the eight years—counting from the end of the Greco-Turkish War in the autumn of 1922—during which the Turkish Government has sought to pursue this policy. The cry of this distress met Fethi Bey when he visited Smyrna and was received by a crowd shouting: "See, Fethi Bey, we have no coats on our backs, no shoes on our feet!" The fact is that this attempt at financial self-sufficiency has been made under altogether adverse conditions. It was inaugurated when Turkey had been almost continuously at war for eleven years, when the richest part of her homelands had been devastated by the Greek invasion of Asia Minor, and when her population had been more than decimated by the expulsion of the non-Turkish minorities, following upon an unprecedented destruction of life through casualties and massacres.

There remained, and remain, Turkey's great unrealised material assets: the vast extent of her territory, even after the loss of the Rumelian and Arabian provinces, and her undeveloped agricultural and mineral resources. The Turkey that has emerged from the War is virtually a virgin country, suffering from a dearth of equipment and a dearth of population. Her problem is the problem of the United States a century ago and of other overseas countries in more recent times. She cannot tap her potential wealth without calling in foreign help—increasing her population by immigration, and building her railways out of foreign loans. Where would the United States be to-day if she had refused to build her railways except out of current income or to fill up her empty spaces except by the natural increase of her existing population? And where will Turkey be to-morrow if she continues to pursue the economic and financial policy of the past eight years?

We prophesy that, sooner or later, Turkey will find herself compelled to redeem her promises to her old foreign creditors because she will find new foreign credits indispensable. According to its professions, the new régime stands for integrity and efficiency. Indeed, it has staked its reputation on its ability to inculcate these virtues into the Turkish people. But it must first re-establish confidence in its integrity in dealings with the outside world.

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THE COAL CRISIS.

ILL-FORTUNE dogs the British coal mining industry; for, as we go to press, the shadow of an imminent stoppage is hanging over at least one important district. The news that the National Industrial Board has unanimously recommended terms for adoption, apparently as a temporary working arrangement, on South Wales, raises hope that a last minute settlement may yet succeed in averting a stoppage, but the time left is dangerously short.

The date fixed for the coming into operation of Part 3 of the Coal Mines Act, reducing the statutory maximum hours of work from eight to seven and a half per day, is Monday, December 1st. The reduction affects all districts except Yorkshire, Notts, North Derby, Kent, and hewers (only) in Northumberland and Durham. When the Coal Bill was before Parliament the Government admittedly relied on the anticipation that by the time the shorter working day became operative, the coal industry would have begun to reap the advantages of the marketing schemes which other parts of the Bill instituted. In the event, those schemes have only just come into effect and their hoped for fruits, in the shape of higher proceeds per ton, lie still all in the future. In addition, the coal export trade has shared to some extent the general world depression. In the first ten months of 1930 coal exports amounted to 46.6 million tons, as compared with 49.9 million tons in the corresponding period a year ago, and October exports at 4.8 million tons showed a decline of about 970,000 tons, against October, 1929, accompanied by a fractional fall in the declared value f.o.b. per ton. Taking the industry as a whole, the Mines Department's summary of costs and proceeds for the quarter ended June 30th last, showed a debit balance of nearly twopence per ton, or only three-halfpence a ton less than the loss incurred during the corresponding quarter a year ago; and since June the financial position of the industry has undoubtedly worsened.

Under these circumstances it had been for some time a foregone conclusion that the mine owners in the districts affected by Part 3 of the Act would not only decline to admit any claim on the part of pieceworkers to be compensated for loss of earnings under the shorter day, but would also seek, by reducing the rates payable both to pieceworkers and day-wage men, to offset the increased production costs per ton involved in complying with the Act. The best hope of an agreed settlement lay in the proviso, fortunately incorporated in the Act at the instance of the Opposition, that, subject to assent by the Mining Association and the Miners' Federation, any district might agree to modify the rigid application of the seven and a half hour day by arranging to have a "spread over" of hours within the limits of forty-five hours per week or ninety hours per fortnight.

In certain districts a solution on these lines has already been reached. In Cumberland and North Wales it has been agreed that working hours shall be 7 hours 42 minutes on five days of the week with six and a half

hours on Saturday; and in Leicestershire eight hours on five days of the week, with five hours on Saturday. In both these districts there will be no alteration of existing rates of wages, though pieceworkers will automatically undergo a slight loss of earnings. In Northumberland and Durham new working agreements were concluded on Thursday; temporary arrangements have been made in Cannock Chase and N. Staffs; and though agreement in many of the lesser districts has still to be achieved, the outlook for a solution of the wage difficulty on "spread over" terms seems in many areas by no means hopeless.

The case, however, of Scotland and South Wales is much more difficult. The following table summarises financial results between March, 1929, and June, 1930, in these two areas:—

	SCOTLAND.			SOUTH WALES.		
	Costs.	Proceeds.	Balance.	Costs.	Proceeds.	Balance.
Quarter ended—	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
June 30, 1929	12 8	12 4	-0 4	15 1	14 3	-0 8
June 30, 1930	12 9	12 7	-0 2	15 2	14 11	-0 1
Sept. 30, 1929	12 4	13 1	+0 7	14 5	15 4	+0 9
Dec. 31, 1929	12 4	13 1	+0 7	14 5	15 4	+0 9
Mar. 31, 1930	12 7	13 2	+0 5	14 11	15 6	+0 5
June 30, 1930	12 11	12 4	-0 7	15 4	15 5	+0 1

In Scotland, where the extra cost of a 7½-hour day has been estimated by the owners at 10d. per ton, the offer made to the miners is that from December 1st the minimum percentage addition to the basis rate of wages (fixed in 1888) should be reduced from 110 to 95 if a "spread-over" of hours is accepted, or to 76 without a "spread-over." The miners have so far refused to accept either offer.

In South Wales the terms which the owners have posted for work as from Monday next are that the minimum percentage addition to basis rates (fixed in 1915) should be reduced from 28 to 10; that the minimum subsistence wage should be cut from 7s. 10½d. per shift to an amount represented by half the difference between actual earnings and 7s. per shift; that hours on Saturday should be lengthened from 7 to 7½; and that certain local privileges, such as the "bonus turn," should be abolished, and overtime payments considerably restricted.

Thus the Coal Mines National Industrial Board, which was constituted under Part 4 of the Act, was appointed on November 21st, and held its first meeting on Wednesday of this week, has been confronted with an imminent crisis. The board, whose chairman is Sir Harold Morris, K.C., has no compulsory powers; and the Mining Association, the Federation of British Industries and the National Confederation of Employers' Associations have most regretfully refused to nominate representatives to sit on it. On Thursday it began, as its first task, to consider the dispute in South Wales, and at midnight reached unanimously agreed conclusions not yet published.

It remains to be seen whether the South Wales owners who made no offer to the miners of better terms in the event of a spreadover being accepted, and who declined to attend the Board's proceedings, will accept these conclusions. So far, the attitude of the South Wales owners has made a disagreeable impression on public opinion which, however fully it may appreciate the present economic difficulties of the coal industry, will be

inclined to regard the wages offered as unreasonably low and to regard the uncompromising attitude of the colliery proprietors as that of men spoiling for a fight. No doubt it was tempting to demonstrate to a Government which had passed an Hours Bill in the teeth of the mine-owners' hostility that the Act could be operated only at the cost of drastic sacrifices of wages by the miners, and there is equally little doubt that the miners in South Wales would much prefer that both hours and wages should remain as before. But not by such wage-offers as that now posted in South Wales can industrial peace be preserved, and we hope that the National Board's findings will lead to wiser second thoughts.

Nor can we wholly acquit the Government of blame for indecision in face of the growing menace of a stoppage which, even if it were sporadic and left most of the Northern and Midland areas unaffected, would do grave damage to the national interest. Lacking a majority in Parliament, it could not hope to have recourse to legislative weapons in the shape either of a Minimum Wage Act or an Act to nationalise the mines (expedients with whose ultimate economic merits we are not here concerned); but there was one, and only one, alternative. Painful though it might be even to appear to "surrender" to *force majeure* on the mine-owners' part, it would, we suggest, have been a statesmanlike policy if the Government had made up its mind early this week to ask Parliament to postpone for, say, three months, the date of operation of Part 3 of the Act; and had determined in the breathing space to press forward amalgamation schemes as a matter of national emergency.

THE TARIFF PROBLEM IN EUROPE.

THE second Conference for Concerted Economic Action opened in Geneva last week. Twenty-six States, including practically all the European Powers, are participating. Meeting, as they are, at a time of unexampled trade depression, exceptional importance attaches to their deliberations. Of primary concern among the problems which they are called upon to examine is that of tariffs. Whoever would seek to understand the present situation—and it is one of great interest and complexity—would do well to study carefully the documents circulated in connection with the Conference.

These documents have particular reference to two separate, though organically related, groups of questions. In the first place, they bring together the replies which have been received from the various European Governments to questionnaires circulated last March. The object of these questionnaires is to discover means of concerted action, whereby full advantage may be taken of the Commercial Convention (the so-called "Tariff Truce") concluded earlier in the year. The Commercial Convention has not yet been ratified by all its signatories; but some progress has been made. Ten States have so far confirmed their adherence to its principles, and others—including France, Germany and Italy—are believed to be now on the point of doing so.

In the second place, reports have been circulated on certain recent activities of the agricultural States of Eastern Europe. The better to draw together the conclusions of our argument, these latter activities may conveniently be dealt with first.

The basins of the Vistula and the Danube form an economically homogeneous area, and, as the *Economist* has from time to time recorded, the pressure of common interests has tended to draw together the various political units therein comprised. The four States of Poland, Hungary, Roumania and Yugoslavia, in particular, are moving upon parallel, or rather upon converging, lines.

An International Agricultural Conference, held earlier in the year at Warsaw, reviewed comprehensively the commercial policies of these, and of certain adjacent, States; a more recent Conference at Bucharest has formulated a number of specific recommendations. The economic activities of the States concerned, in the immediate future, will be largely guided by these proposals. They illustrate somewhat strikingly the general drift of prevailing economic tendencies.

Briefly summarised, they are as follows:—

(1) A permanent Research Board is to be organised, which will collect and distribute information regarding agricultural imports and exports. Collaboration with the Rome Institute will be among its aims. (2) The problem of medium-term credits, which "may be to be carefully explored." (3) An international pool, for the allocation of quotas to the countries co-operating which would vary with the varying demands of importing markets. Direct negotiations between the group of States concerned, and other groups of States, are contemplated. (4) A draft Convention on the abolition of export bounties is to be prepared. (5) Draft veterinary Convention is also to be prepared, and submitted to the Economic Committee of the League. (The problem of veterinary regulations is of very great importance. Arbitrary administration works—for example, on the German-Polish frontier—in the manner of an unofficial tariff, and has the double effect of impeding trade and of the "Tariff Truce" was recommended (none of the four States concerned has as yet ratified it)—on the understanding, however, that the "truce" will not be extended beyond April, 1934, "unless tries"—with respect, particularly, to the marketing of their produce and the revision of veterinary regulations. Finally, (7) another international Wheat Conference is asked for, and (8) the problem of Eastern Europe, and of the application of the Most-Favoured-Nation Clause, is to receive immediate study. In regard to this resolution, the four countries already mentioned may presently be fortified by the adhesion of Bulgaria.

These developments are highly significant. They indicate that the tendency to economic nationalism, which has been one of the dominant characteristics of the post-war European situation, is developing a new phase: the common difficulties of a solid block of countries, under the pressure of economic duress, are compelling them to sink their individual differences for the sake of a more effective concerted action. The demand that preferential treatment (the Most-Favoured-Nation clause notwithstanding) should be conceded in adjacent markets to the agricultural products of these countries, is particularly interesting. It is based on the argument that their sales abroad of surplus produce are comparatively small; these sales, at the same time, forming but a small proportion of the total imports of produce into the countries which consume them. The table (opposite) prepared for the use of the Conference, gives the statistical basis of this demand.

Assuming that the preferences asked for could be granted (and the problem, in the light of existing treaties, States offer? Presumably some reduction of tariffs upon the commodities which they necessarily import. Such articles as machinery and textiles at once suggest themselves. And here, as we shall see, the special problems of Eastern Europe relate themselves to the wider questions now being discussed at Geneva.

Returning then to Geneva from Bucharest, let us glance now at the replies of the various Governments to the Economic Committee's questionnaire. The questions asked (they are worthy of a Torquemada) are as follows:—

"A. (a) In what agricultural products is there over-production in each country?"

(b) What are the normal outlets for these products?"

(c) What practical means can be employed to ensure the disposal and distribution of surplus production in the normal markets and in other countries with an insufficient production?"

B. What practical means can be employed to facilitate the disposal of manufactured products, particularly in the direction of increasing the extent to which it is possible for consuming countries to purchase them?"

C. In particular, what are, in the case of the products mentioned in A and B above, the Customs and administrative measures which seem likely to promote the extension of markets and the improvement of international trade?"

D. What practical means can be employed to ensure the movement of European raw materials amongst the different countries under more satisfactory conditions and their better utilisation?"

The answers to these interrogatories vary widely; we cannot do more than glance briefly at them here. (Nor, we may remark, is it possible to award first-class honours to all who have taken the examination.) The replies of the leading commercial countries raise a number of difficult issues, and in many cases refuge is inevitably sought in vagueness. In many cases, however, an attempt is made to deal with the special difficulties of Eastern Europe. As regards question A (c), for example, a number of specific proposals are put forward. Germany proposes (1) standardisation of products; (2) the formation of

general Customs Unions; alternatively, (3) reciprocal preference agreements or (4) the elaboration of systematic quota schemes. France emphasises the need for organised statistics, a "rationalisation" of production, and better organised marketing. Denmark deprecates the growth of tariffs, and also the granting of export bounties; she is opposed, also, to the granting of international credits to the grain-producing countries. Holland similarly deprecates the tendency to more elaborate tariffs, and is opposed to bounties and to minimum prices guaranteed by governments. Great Britain cautiously declines to participate in the agricultural controversy. Many countries are nervous of the effect of any preferential arrangement or trade relations with non-European customers.

Turning to B and C (manufactured products and extension of markets), Germany emphasises again the value of Customs Unions. "Indirect protectionism" (bounties, etc.) is denounced. France favours a long list of measures. Among them are points which she has harped upon during the discussions of the last three years, viz. the unification of Customs nomenclature, the substitution of *ad valorem* for specific tariff duties, and the early conclusion of a "plurilateral commercial convention." Switzerland, in dealing with the idea of negotiations between the industrial and agricultural groups of nations, points out that few countries are either purely industrial or purely agricultural. The complexity of their economic structure must not be lost sight of. The desirability of improving the purchasing power of Eastern Europe is recognised, but there stand in the way "particularly high Customs barriers and other obstacles to trade." Holland makes a definite proposal, in pursuance of which she is "prepared to enter into negotiations." Let the free trade countries, in return for an undertaking to maintain their

present policy, bargain with the high-tariff countries for "concessions such as would facilitate the sale of their products." This can be done, either through a series of bilateral treaties, or by means of a multilateral convention. The latter line of approach is recommended.

The Economic Committee, in submitting the replies to the questionnaires, recommends for discussion both the Dutch proposal (outlined above) and the British plan of attacking the problem of Customs barriers by considering in turn specific groups of commodities. Textiles and machinery, for example, are suggested as a starting-point. A progressive reduction in the tariff revenue derived by each country in respect of the commodities selected is contemplated. The obvious difficulty in the way of this proposal is that few commodities play an equally important part in the fiscal scheme of every country. It is evident from the reports from Geneva that this piecemeal method is encountering the same difficulties which hindered the attempts of the last two years to deal by general agreement with individual commodities, and is making no headway.

The Economic Committee has other important recommendations to bring forward. The Convention for the Abolition of Prohibitions has recently hung fire; "the abstention of a few signatories has involved that of most of the others." Technical co-operation, in regard particularly to veterinary services, is removing the difficulties that have hitherto stood in the way of ratification. Finally, there is the "Tariff Truce." The importance of bringing this effectively into operation is once again urged. The Committee again repeats that: "Apart from its immediate importance, the Commercial Convention forms a useful basis for future tariff negotiations. It may

IMPORTS INTO AND EXPORTS FROM EUROPEAN COUNTRIES OF CEREALS, DAIRY PRODUCE AND MEAT, IN 1929.

(Value in million dollars.)

Countries.	IMPORTS FROM									EXPORTS TO								
	European Countries.			Extra-European Countries.			Total, including Unclassified Imports.			European Countries.			Extra-European Countries.			Total, including Unclassified Exports.		
	Cereals.	Dairy Produce.	Meats.	Cereals.	Dairy Produce.	Meats.	Cereals.	Dairy Produce.	Meats.	Cereals.	Dairy Produce.	Meats.	Cereals.	Dairy Produce.	Meats.	Cereals.	Dairy Produce.	Meats.
	(a)	(b)	(c)	(a)	(b)	(c)	(a)	(b)	(c)	(a)	(b)	(c)	(a)	(b)	(c)	(a)	(b)	(c)
Austria	20.9	1.4	7.5	4.1	...	4.9	25.0	1.4	12.4	0.2	1.5	0.4	...	...	...	0.2	1.5	0.4
Belgium	7.5	10.9	3.9	76.9	...	6.0	92.9	11.1	10.5	1.5	1.0	2.1	...	0.1	...	2.1	1.1	2.6
Bulgaria	...	...	...	...	...	...	...	...	...	3.1	0.3	...	0.2	0.3	...	3.8	0.6	...
Czechoslovakia	16.0	1.3	0.5	0.6	...	0.1	16.6	1.3	0.6	11.7	0.8	1.1	...	...	...	11.7	0.8	1.1
Denmark†	20.7	1.5	0.4	18.3	...	0.1	39.0	1.5	0.5	4.2	144.2	114.2	...	0.7	...	4.2	144.9	114.2
Estonia	3.8	...	...	1.3	...	...	5.1	...	...	...	9.6	0.9	...	...	...	...	9.6	0.9
Finland	8.6	...	0.3	1.1	...	0.6	9.7	...	0.9	...	14.5	0.1	...	0.1	...	...	14.6	0.1
France	0.2	12.0	2.5	110.4	0.4	3.8	116.8	13.3	9.1	0.4	7.7	0.9	...	6.7	0.3	0.5	15.5	1.7
Greece	39.5	136.1	11.4	178.8	...	17.0	218.3	136.1	28.4	51.3	0.8	0.2	0.8	...	0.1	52.1	0.8	0.3
Germany	4.8	1.6	0.1	31.3	0.1	0.1	37.5	1.9	0.2	...	...	...	...	...	...	...	0.1	...
Hungary	0.9	0.4	0.1	0.1	...	...	1.0	0.4	0.1	32.2	0.5	2.2	1.3	...	...	33.5	0.5	2.2
Irish Free State.....	6.3	2.8	8.8	26.1	...	...	32.4	2.8	8.8	1.0	25.1	20.5	...	0.1	...	1.1	25.2	20.5
Italy	10.1	4.2	2.2	116.9	0.3	11.2	127.6	5.0	13.4	...	7.0	2.4	...	7.3	0.5	0.1	15.5	3.5
Jugoslavia	0.5	0.1	...	0.7	...	...	1.2	0.1	...	26.8	0.8	2.6	...	0.2	...	26.8	1.0	2.6
Latvia	9.6	0.1	0.1	0.3	...	0.3	12.8	0.1	0.4	...	11.4	0.3	...	...	...	...	11.4	0.3
Lithuania	0.8	...	...	...	...	...	0.8	...	...	...	3.8	1.7	...	...	...	...	3.8	1.7
Netherlands	17.8	1.4	0.2	72.9	0.3	1.9	90.7	1.7	2.2	...	0.5	...	...	2.8	...	...	3.6	...
Norway†	3.0	0.7	1.6	16.6	...	0.6	19.6	0.7	2.2	...	...	...	...	...	...	...	...	...
Poland†	2.1	0.3	...	0.5	...	1.1	2.6	0.3	1.1	16.5	10.1	10.1	...	...	...	17.2	10.2	10.6
Portugal	4.3	0.3	...	4.4	...	0.1	8.7	0.3	0.1	...	...	...	...	0.1	0.1	...	0.1	0.2
Roumania	0.1	0.1	...	...	...	...	\$0.1	\$0.1	...	47.1	...	2.6	0.2	0.2	1.1	47.3	\$0.3	\$3.7
Russia**	...	...	...	...	...	...	0.8	...	...	4.8	17.3	6.5	...	...	...	*13.4	17.7	8.2
Spain	0.1	2.2	0.1	32.3	0.1	1.1	32.4	2.3	1.2	...	...	...	0.1	0.5	0.1	0.3	0.5	0.1
Sweden	12.1	1.2	0.3	11.7	...	0.9	23.8	1.2	1.2	4.0	20.1	11.0	...	...	...	4.0	20.1	11.0
Switzerland	9.1	7.3	1.1	33.3	...	0.1	42.4	7.3	1.2	...	16.5	...	...	11.7	...	...	28.2	...
United Kingdom ...	4.9	183.6	180.7	361.2	159.2	304.1	396.5	357.7	522.7	0.9	1.7	3.3	...	4.0	0.7	2.0	7.2	4.6
Total European 26 countries	203.7	369.5	221.8	1,099.8	160.4	354.0	1,354.3	546.6	617.1	208.4	375.0	217.6	3.0	43.5	3.1	223.2	423.3	228.2

Note.—The figures are approximate, the distribution as between European and extra-European countries being based on the proportion by weight shown in the detailed tables for each country.

(a) Wheat, rye, barley, oats and maize. (b) Milk, butter, cheese. (c) Beef, mutton, pork, bacon and hams.

* 1928 figures. † Distributed according to the 1928 proportion (except Denmark's import of wheat and exports of dairy produce and meats). For Denmark and Norway, the totals are approximate, having been calculated at 1928 average prices. ‡ Not shown separately. § 1926 figures, distributed according to the 1923 proportion. ** 12 months ending September 30th.

be added to and developed, and it can thus facilitate a further step forward in the international settlement of Customs questions."

In short, a point has been reached, as is everywhere half-consciously recognised, where the European States, in the impasse to which economic self-determination has brought them, must either go forward or go back. The sharply conflicting interests of the primarily agricultural and the primarily industrial States have given a new turn to the discussions. But to go back now spells disaster for Europe.

We have no space for extended comment on this situation. We would merely add that so far as Great Britain is concerned, the table we have given shows how important our market is to the agricultural States. It is claimed that already, with the slow recovery of these countries, their purchases of British goods have increased more than those of other nations, while Germany and some of the smaller States have expressed their willingness to make concessions for the maintenance of the present Customs situation. With an export trade at stake approximately equal to our whole Imperial trade outside that of India, it is evident that, whether the present discussions achieve practical results or not, we must constantly use our utmost effort to strengthen our trade position in Europe.

LONDON'S FORTY YEARS' PROGRESS.

THAT the capital city of the United Kingdom has always occupied a place apart in the popular imagination is evident in the extraordinary diversity of metaphor which has grown up around it, from the apocalyptic "streets paved with gold" of the mediæval provincial apprentice to Cobbett's pathological soubriquet "the great Wen." Therefore, when the survey, begun by Charles Booth in 1885 as an inquiry into poverty in the East End, developed in the course of eighteen years into a complete study of the social anatomy of the County of London, it was received at once, by virtue of its intense human interest, into the honourable place among economic literature which its importance as a pioneer work in scientific social investigation must anyhow have eventually gained for it.

As the first investigator in this field, Charles Booth had nothing with which to compare the results of his survey, but it was his hope that they would themselves become the basis for future comparative studies. The enterprise of the London School of Economics and the generosity of several benefactors have now enabled this hope to be fulfilled, and a new survey is now in process of completion, under the directorship of Sir Hubert Llewelyn Smith. According to the present provisional plans, the results of this investigation will be presented in eight volumes, two of which, illustrated by two volumes of maps, will give the results of the poverty survey, while two deal with particular industries and the remaining two will be devoted to the historical introduction and to the summing up of results.

The introductory volume, the object of which is to bridge the interval between the two inquiries by a statistical analysis of the changes which have taken place in the interval, is now published.* It is based on official statistics, the sources of which are everywhere indicated, and the authors have been most scrupulous in explaining their methods of applying these data, and most restrained in their interpretation. Broadly expressed, their object, a dynamic development of Charles Booth's necessarily static survey, has been to discover whether poverty and the ills which accompany poverty are diminishing, and, if so, at what rate.

The first question which had to be investigated was that of real earnings. Money wages and hours presented a comparatively simple problem, but the computation of earnings—with the necessary allowances for unemployment, short time, overtime and payment by results—and the calculation of changes in the cost of living necessary for reducing these money earnings to a comparable basis in terms of purchasing power, was a very much more

difficult and uncertain matter. The reader is furnished with the necessary material to form his own judgment as to the soundness of the methods adopted, as the result of which the authors conclude that the average workman in London can now buy one-third more goods than in 1886 in return for labour of one hour's less duration per day. They are fully alive to the fact that this tells us nothing of the dispersion of individual workmen about the average, and hold out promise of further light on the subject in later volumes. Meanwhile the fact that the advance of real wages since 1890 has been twice as great in the unskilled as in the skilled occupations suggests that the distribution of the increase has been favourable to the diminution of extreme poverty.

In these days of rapidly expanding social services, real earnings are an increasingly incomplete index of the material well-being of a working-class family. The discussions of health and unemployment insurance, and analysis of the statistics of poor relief lead to the conclusions that "the net effect of unemployment and sickness on the average income of a working-class family is less at present in the London area than it was thirty or forty years ago," and that "quite apart from any decrease in the number of those living below the 'poverty line' the most dreaded features of that life have been largely removed."

With the increase in the surplus of his income over the bare necessities of life the average London workman buys less and weaker beer, though at greater expense, but smokes more tobacco. His luxuries in general have risen much faster in price than his necessities, but on the other hand the amenities available for his recreation have greatly increased. Places of entertainment in ratio to population have increased about fivefold since 1890, almost entirely owing to the rapid multiplication of cinemas. Facilities for other forms of recreation, such as games, swimming, dancing, greyhound and dirt-track racing, have also grown more rapidly than population, but the growth in the acreage of open spaces has been by no means rapid enough. Over the whole of the London Survey Area, which includes a number of boroughs outside the County of London, the *per capita* acreage of open spaces has increased by about one-fifth; but in the outermost of the three rings into which the survey has been divided it has actually declined by more than one-fifth. It is, however, in the more central boroughs of Shoreditch, Southwark, Islington and Finsbury that the absolute shortage is most marked.

On the other matters that affect the well-being of the London working classes the Survey has many interesting chapters. A population analysis by Dr. Bowley shows that the density of the population of London has become much more uniform since 1891. Though the centre is still by far the most congested, it is becoming less so, while the population of the outer boroughs has greatly increased. This development is, of course, bound up with the great improvement in transport facilities, the very full discussion of which contains some amusing comments on its incidental effects. It is distressing to learn, from statistics based on the census result, that up to 1921 at any rate overcrowding actually increased in this outer area, while even in the middle ring there has been no perceptible improvement since the beginning of the century. In the inner ring some progress has been made, and the percentage of population living two or more to a room has declined from 44 in 1891 to 35½ in 1921. The housing statistics given do, however, suggest that some more substantial improvement in this respect may be expected in the next census results, though it is probable that less progress has been made in respect to the quality of houses and in their adaptation to the means of those who need them.

As an offset to the development of amenities in London, certain drawbacks to London life have been increasing, or failing to diminish, in a disconcerting degree. The statistics of deposit of grime are disgusting, and should be a cause of shame; of this evil and of the steady growth in the liability to death or injury from street accidents Londoners are only too painfully aware.

The chapter on education reports steady progress as far as this may be measured by statistics, and the conclusions

suggested by these are supported by figures showing the growth in the use of public libraries, though the rate of individual reading remains curiously stationary at twenty-nine books a year. To the fact that almost all present-day parents themselves received the benefits of elementary education is ascribed the success of the various public health services, whose development is described by Sir William Hamer. The London death rate, adjusted for peculiarities in the age and sex composition of the population, fell from about 20 per thousand in 1890-94 to about 13 per thousand in 1924-28; the infant mortality rate fell from 162 in 1890 to 67 in 1928; and there has been a marked decline in zymotic diseases and in phthisis.

The criminal statistics suggest a number of interesting reflections. Crimes of violence, malicious injury to property, the more serious cases of cruelty to children, and drunkenness have all diminished, though this last has diminished less in London than in the country as a whole. Sex offences, gaming and betting, and, naturally, Highway Act offences, have, on the other hand, increased, as have also frauds and obtaining by false pretences, owing, it is suggested, to the increased facilities for these crimes afforded by education. The effect of the motor car is apparent, not only in the increase in particular classes of crime such as handbag snatching and "smash and grab" raids, but also in the fact that the proportion of burglaries and housebreakings in London has diminished concurrently with an increase in the country generally. Burglars, like universities, are greatly developing their extra-mural activities, and as both the area of operation of the individual burglar and the number of "jobs" he can "pull off" in a given time are greatly increased by the motor car we may derive what comfort we can for the fact that the diminution in the number of London burglars is only apparent, from the reflection that more burglaries do not necessarily mean more burglarious-minded persons. In weighing up the evidence of this chapter, its author, Sir Edward Troup, comes to the conclusion that though there have been many influences tending to diminish the incentive to crime they must have operated mainly in counteracting contrary influences, among which he reckons the weakening of the religious sanction and the decline in parental authority.

Subject to the inevitable limitation that this volume deals, not with individuals, but with that statistical abstraction, the average workman, its conclusions suggest that the working-class Londoner of to-day is financially better off than his predecessor of Charles Booth's time, has more leisure and more opportunity of using it, travels far more, in greater comfort and at less expense, is better educated and healthier, and has less reason to fear the effects of the two great misfortunes which overshadow the lives of his kind—unemployment and sickness. On the other hand, he is not very much better housed, his city is infinitely noisier and not much cleaner, and the streets are far more dangerous. As to his moral standards, it seems impossible to generalise, for though Sir Edward Troup draws a few very tentative conclusions from his statistics, the statistics themselves seem to point rather to changes in the motives and opportunities for crime than in the disposition of the people themselves. No doubt many of the questions which this book raises in the reader's mind—and it is not the least of its merits that it raises so many—will be answered by the remaining volumes in this admirably-conceived series.

FORD AT DAGENHAM.

(BY A CORRESPONDENT.)

PLANNED long ago as an important link in the chain of Ford organisation—an organisation whose consistent aim has been to combine with the technical advantages of mass production the maximum savings realisable by diminution of transport costs—the new works under construction at Dagenham for the Ford Motor Company, Ltd., are being pushed forward rapidly on a scale whose magnitude is impressive. Already the value of the contracts placed for building and equipment total over

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£3 millions; and more than 90,000 tons of concrete, 2,000 miles of reinforced steel and 8 million wood blocks for floors have been used in the construction of the works.

The coming into production of the Dagenham factory will form another step towards completion of Ford's world distribution plans; there will then be three main sources of distribution—U.S.A., Canada and England. American production should not drop on account of the loss of the European markets, for this can probably be made good by a still more intensive sales campaign within the United States or, as is also anticipated, by development of the South American markets. Detroit output will thus be more than ever for American consumption, though China, Japan and Russia will continue to be served from this source. The Canadian factory, which produced in 1929, 87,796 vehicles for distribution in the British Empire through affiliated companies in Australia, Malaya, South Africa and India, will presumably continue to serve Canada and the Dominion markets. It is possible, however, that some rearrangement may be brought about by which the British company will acquire from the Canadian company the rights to territories which could be better served from Dagenham than from the Canadian plant. A precedent for this lies in the recent action of General Motors, Ford's great rival, who changed the source of supply of their New Zealand assembly works from their Canadian plant to their factory at Luton, England.

The British company at present holds the sole right to manufacture, assemble, distribute and market all Ford products in the following territories:—The British Isles, the Continent of Europe (excluding Soviet Russia), Asia Minor, including Palestine, Syria, Arabia (except Aden), Iraq, Persia, Afghanistan, Egypt and certain other parts of Africa, and certain parts of Turkey. In spite of these rights, the associated companies of Ford of England, operating each in its well-defined portion of the British company's territories, have so far imported most of their requirements direct from the U.S.A., though a fair proportion has been supplied from England. Clearly, since the British company holds 60 per cent. of the share capital of each of its subsidiaries, it has been in the interest of the British shareholder to allow them to purchase their requirements in the cheapest market.

It is with a view to providing the necessary supplies at lower cost and from a more economic centre that the construction of the Dagenham plant has been undertaken. Provided that the cost of British production is not greater than the cost in America, at least the transatlantic freight charges, which figure at about £10 in the selling price of each car, will be saved. It is even hoped that with lower wages and lower prices of raw materials British manufacturing costs may be brought near the Detroit figure, in spite of the fact that Dagenham capacity will be only 200,000 cars per annum, compared with an output of nearly 2,000,000 cars per annum in America. In this connection it should be appreciated that, apart from "overheads," the technical advantages of mass production are largely attainable in terms of a single set of 100,000 units turned out.

The prospectus of the Ford Motor Company, Ltd., issued in December, 1928, estimated the 1929 consumption of the markets allotted to it at 120,000. This estimate proved optimistic, results falling short by about 20,000. For this failure Great Britain was largely responsible,

* "New Survey of London Life and Labour." Vol. I. Forty Years of Change. P. S. King & Son. 17s. 6d.

Manchester having contracted for 40,000 deliveries and having had an actual output of 25,000 during 1929. An output at Dagenham of 200,000 would mean doubling the 1929 sales figures. Figures for 1930, when available, will give some idea of how far the preparation of markets for increased consumption has progressed. The indications are that while sales are increasing, and while Ford is claiming an increasing percentage of registrations in every country, it will be some time before Dagenham can work to capacity. Theoretically, there is no reason why the Ford percentage of European car registrations should stand at 18 when that of Ford registrations in the United States stands at 40. Given the same advantage in price, which is chiefly responsible for Ford predominance in America and which has not hitherto been available in Europe, there is no reason why Ford should not occupy a similar predominating position on this side of the Atlantic. In America, the price (£100) must outweigh almost every other consideration in the mind of the average potential car buyer; in European markets, chiefly owing to the enormous tariff barriers, the imported Ford car has to compete solely on its merits. It must be admitted that with the new "A" model, it has done this very successfully.

However, in order to dominate the European markets, the price advantage is vital and Ford prices can only be reduced in any one country as an increasing proportion of materials and parts is obtained locally and is not subjected to heavy import duties. The fact that the Continental companies will purchase their requirements from England instead of from America will not be very appreciably reflected in the selling price. In France, for instance, it will be offset by the recent increase in the tariff affecting imported cars and parts.

The doubling of sales in Great Britain presents far less difficulty since large-scale mass production within the tariff will make the all-important price advantage available to the British purchaser. The average price of the Ford range of models is at present £200; in a recent issue of the *Economist*, dealing generally with the motor industry a calculation was hazarded, and may be repeated here, indicating that the average price may, when Dagenham has been running a little time, be reduced to under £125. The present price may be analysed thus:—Material bought in England, £80; material imported, £15; English labour, £40; distribution costs and company's profits, £65. An intended output of 200,000 instead of 25,000, as at Manchester in 1929, will substantially reduce the cost of material per car; the Dagenham product is to be 100 per cent. British, thus cutting out all imported material and tariff charges. Moreover, with enormously increased sales, distribution charges and profit margins can be substantially reduced, so that eventually it should not prove impossible for Dagenham to work on the following basis:—Manufacturing costs, £85; other charges, £35-£40.

The appearance in the British market of a car, with the merits of the new Ford, selling at anything like this price would be a phenomenon of considerable significance both for the car user and the competing British car manufacturers. The day of the £125 Ford may not come for a few years yet; but, as has been indicated, Dagenham will have a strong incentive, both for its domestic sales' sake, and for those of its subsidiaries abroad, to achieve the utmost economies in production costs realisable by maximum efficiency of plant and organisation.

REPARATIONS—A CRITICAL COMMENTARY.

A TANGLED chronicle of excessive demands and unacceptable offers—such has been the past history of reparations. Now that a new scheme has been introduced which it is fondly hoped may offer a prospect of a longer breathing-space than has been hitherto enjoyed, Sir Andrew McFadyen—whose qualifications for his task as Secretary-General of the Reparations Commission, Secre-

tary of the Dawes Commission, and subsequently Commissioner for the control of Assigned Revenues under the Dawes scheme, are unique—has, on severing his official connection, taken the opportunity to review the subject* in a timely critical study.

In his judgment, the initial inability of France and England to agree even between themselves arose from the fact that while France regarded the problem as political, England looked upon it as purely economic. The economic view, however, that it was senseless to demand more than Germany could pay, was thrown overboard in the Balfour Note. Taken in conjunction with our American settlement, the doctrine there enunciated in fact amounted to a fixed minimum demand. Though in comparison with the figure then under discussion, this minimum seemed modest, and involved large reductions in our claim, it was in effect a surrender to the French thesis of settlement on the basis of what the creditors must have rather than of what the debtor could pay. It was therefore not surprising that the new thesis was scarcely felt as a generous concession, but was "one of the milestones on the road to the Ruhr." The intransigence of the French people during the whole period, stimulated by the intellectual inconsistency of the British attitude on inter-Allied debts, was, in Sir Andrew's view, a main cause of the failure to reach a settlement; but no less to blame was the general inability of the Allies to grasp either the fundamental economic conditions in which alone the payment of reparations was possible, or the nature of the actual economic situation in Germany. Further, the composition and the lack of authority of the Reparations Commission prevented it from exercising the moderating influence in the execution of the Treaty of Versailles which its paper constitution might have entitled the critics of the Treaty to expect.

The chapters in which Sir Andrew McFadyen describes the framing and ultimate acceptance of the Dawes Plan and the subsequent steps towards the political rehabilitation of Europe are followed by an interesting discussion of Germany's foreign borrowings and of the transfer problem, the conclusion of which is that while the experts differed as to the nature of the transfer difficulty, if any, that may ultimately arise, the plain man realised that as Germany's credit had been so much better than was expected and had enabled her to replace her reparation payments by fresh borrowing abroad, the Dawes Plan as a laboratory experiment did not provide the data for a final conclusion.

When we come to the Young Plan, comparison between Germany's new obligations with those under the Dawes Plan is not completely possible, as the Dawes Committee never determined what was to happen to the Budget contribution after the amortisation in 1964 of the railway bonds and the industrial debentures. Taking the perpetual annuity after 1964 as about 1,450 million marks, the financial obligations compare as follows: under the Dawes Plan 2,500 million marks plus a supplement based on the "prosperity index" for 36 years followed by a perpetual annuity of 1,450 millions; under the Young Plan 2,050 million marks for the first 36 years and an average of 1,565 millions for 22 years after. Further, Germany gains under the Young Plan by paying very much less than the average during the early years.

In addition to the change in the amount of Germany's payments, the introduction of an unconditional payment in regard to which there is no provision for exchange protection is in a sense new, though, as Sir Andrew McFadyen points out, this is really an extension of the principle embodied in the German External Loan of 1924, the service of which had to be met unconditionally. As to the disappearance of "all forms of control, or so-called control," Sir Andrew McFadyen observes of the machinery for foreign control of the Reichsbank that "what was scarcely felt as a humiliation in 1924 has now become an intolerable anachronism." Regarding

* "Reparation Reviewed." By Sir Andrew McFadyen. Ernest Benn, Ltd. 8s. 6d. net.

the control of assigned revenues his judgment has all the authority of first-hand experience.

The control of the assigned revenues under the Dawes Plan was from the start mere window-dressing. The only circumstance in which the Commissioner could have exercised any important function would have been such as to betoken a revolt of the German Government against the Plan, and in that case the weapons with which he was armed would have broken in his hand.

The position of the Agent-General with "responsibility for the Plan as a whole" was of more vital significance, and Sir Andrew McFadyen speaks of his position as one of great delicacy and "at least as irksome to himself as to the German Government." It was one which came perilously near to constituting a system—condemned in the Dawes Report—which would involve directly or indirectly the virtual control of all Germany's revenue and expenditure. "That no serious trouble arose," Sir Andrew adds, "is at once a tribute to the skill of the holder of this office as a skater on thin ice and to the general justice of the criticisms which he felt called upon to make from time to time." The nations concerned have good reason to endorse this testimony to Mr. Gilbert Parker, for they owe a very great deal to his ability and tact.

The disappearance of control, however, has primarily a political importance. On the other hand, though so much has been made of the abolition of the Transfer Committee, Sir Andrew McFadyen considers the difference between the Dawes Plan and the Young Plan in this respect hardly more than formal. It is true that the German Government now has the responsibility for suspending the transfer, and can only suspend it for two years. But since in point of fact any suspension of transfers would lead to a revision, the limitation has no practical significance. On this vexed question of transfers, however, the greatest innovation of the Young Plan, the Bank for International Settlements contributes something towards a solution. The bank is empowered to ease the situation temporarily by paying Germany's creditors with funds borrowed against certificates of its own, while retaining for investment within the country the funds collected in Germany on reparation account. As a means of tiding over possible temporary difficulties, this innovation is of some importance. As far as the general international banking functions of the B.I.S. are concerned, Sir Andrew McFadyen suspends judgment.

As an example of what a few months may do to alter the proportions of any problem, the two differences between the Plans which are classed together as "minor changes" are instructive. One is the gradual abolition of payments in kind, an inevitable and overdue reform, the other is the absence of the provision contained in the Dawes Plan for modification of the obligations in the event of substantial changes in the purchasing power of gold. Writing in 1929 the author classed the latter as a minor change, but in a footnote he calls attention to the fact that it is likely to prove a major one. The subsequent course of prices still further strengthens this qualification, and already it seems not impossible that the Young Plan, which all but its most extreme opponents, thought had provided a solution, at least for some time to come, may have to be revised at a far earlier date than was ever anticipated, for the increase in the "real" burden due to falling prices has already largely wiped out the relief which Germany obtained in the Young Plan scale of annuities.

This brings us to the problem of the future. The great obstacle in the way of scaling down reparation payments in accordance with the increased purchasing power of gold is the fact that they were designed to cover the payment of inter-Allied debts which are independent of fluctuations in the value of gold. The key to that situation is held by the United States, and for two reasons, therefore, one the obverse of the other, it would appear that the Young Plan cannot offer a final solution. On the one hand, Germany cannot forever meet reparation payments indirectly out of the proceeds of foreign borrowing, which merely entails a vicious circle of more borrowing to pay the interest—and Sir Andrew McFadyen argues convincingly that, in the absence of a spectacular expansion in world trade, she can hardly hope to meet

them out of a real export surplus; on the other hand the United States cannot indefinitely continue to lend while refusing to accept payment of interest except in the form of more foreign promises to pay. The best hope for the future is that after ten years of political and economic warfare, the tangible fruits of which have been an increase in the German payments, from the Versailles offer of a present value variously estimated at from 30 to 36.1 milliards, to the Young Plan proceeds of at most 38.8 milliards, the final solution will be brought by a *deus ex machina*, descending in the shape of the United States to reduce, as much in her own interest as that of the rest of the world, the payments due to her from her former allies.

Sane judgment, a ready pen and a gift for taking the reader quickly to the essentials of a subject of which Sir Andrew McFadyen is a master, have combined to produce an admirable study of a problem the details of which have been thrust into the background by more immediate and urgent problems and by the passage of time. If, as seems probable, the subject once more becomes a living issue in the not distant future, we cannot do better than refresh our memories with this very readable survey.

Notes of the Week.

The Round Table Conference.—After the intense interest aroused by the full-dress debates in the Plenary Sessions last week, the progress of the Round Table Conference during the past few days has necessarily been less spectacular. All that has emerged from the week's proceedings is that the Federal Relations Committee, the focal point of the Conference, has been in effect wound-up and its place taken by the whole Conference sitting as a committee; and that to facilitate discussion of federalism and its cognate problems Lord Sankey has drawn up a list of "heads of subjects" to be considered. It is clear, however, that the important pronouncements made last week by representatives of the various Delegations have had far-reaching effects—for good. Not only has a helpful atmosphere been created within the Conference itself, but there are signs that opinion in India—at any rate outside extreme Congress circles—is becoming impressed by the Conference's potentialities and, encouraged by the evidence of sincere good will on the part of the British public, is watching the proceedings with keen attention. How far Congress can be induced to abate its attitude of stereotyped animosity is another question; but there are indications, even in Bombay Presidency, that the influence of the irreconcilables is ebbing. All this is eminently satisfactory, for it should greatly assist the proceedings of the Conference if the Delegates from British India can feel that their acts are being regarded, if not with positive benevolence, at least without pre-conceived hostility, by the bulk of more or less "advanced" opinion in their own country.

The Political Acts of the Imperial Conference.—The Imperial Conference of 1930 will, of course, be remembered chiefly for its discussion of economic matters. Its contribution to the development of inter-Imperial relations in the political sphere has been necessarily modest compared to the epoch-making work of the Conference of 1926. Still, the summary of proceedings,* which has now been published, contains certain points of interest in this sphere too. The British Commonwealth of Nations, paradoxical as ever, is working out the political relations between its States members on much looser and more old-fashioned lines than those on which the relations between sovereign independent States are developing to-day. For instance, the existence of the Permanent Court of International Justice has made it evident

* Cmd. 3717 of 1930.

that if the States members of the Commonwealth do not wish in their other capacity as States members of the League to avail themselves of the jurisdiction of the Court in their relations with one another, they must establish some kind of Commonwealth Tribunal of their own. This has now been agreed; but in order to secure "confidence" and avoid "rigidity," it has been decided "not to recommend the constitution of a permanent court, but to seek a solution along the line of *ad hoc* arbitration proceedings," and also not to make the resort to this system of arbitration obligatory. Thus, if a dispute arises, say, between India and South Africa over the interpretation of some convention regarding the status of Indians in South Africa, the juridical machinery for dealing with it will be less precise and effective than if the dispute had arisen between India and Siam. Again, if the boundary dispute between Canada and Newfoundland were to be reopened, the means for settling it would not be so ready to hand as in the case of a dispute between Great Britain and France over the interpretation of some boundary convention relating to Central Africa. It may be answered, of course, that States members of the British Commonwealth do not need any automatic, compulsory, "all-in" arrangement for the settlement of their disputes because they cannot in any event go to war with each other. Other points of interest in the summary of the Conference's proceedings are that Governors-General are to be appointed henceforth on the advice of His Majesty's Ministers in the Dominion concerned in each case; and that, under certain conditions, Dominion Governments are to instruct British diplomatic representatives in foreign countries direct, and not through the channel of the Foreign Office in Whitehall, where the Dominion Government in question is not represented on the spot by a legation of its own. But these points are little more than dots on the "i's" of the inter-Imperial constitution which was written four years ago.

Lord Cecil and His Critics.—Lord Cecil's policy on the Preparatory Commission for the Disarmament Conference has evoked a certain amount of criticism (we have been cautious, and we hope courteous, critics ourselves); and this, in turn, has put Lord Cecil's friends up in arms in his defence. It is unfortunate that the debate in this country on the momentous public question of disarmament, at this critical juncture, should have taken a personal turn. Lord Cecil is not in need of any personal defence or apologia. Nobody questions either his sincerity or his ability. We suggest, however, that the real issue is one of international psychology, and it is in this light that the current controversy should be viewed. The defenders of British policy at Geneva argue, in effect, that what has been happening at Geneva is all to the good, because it is going to help to get the general process of disarmament started; and "if we can once get the first move in the right direction, the whole state of the world will be improved to a far greater degree than can be measured by the mere size of the reduction." Now, granting Professor Murray's "if" (we are quoting his letter in the *Manchester Guardian* of November 24th), we quite agree with him. For example, this year's Three-Power Naval Treaty is assuredly improving the state of world relations, in spite of the fact that in some respects the figures at which the strengths of the three navies have been stabilised have meant limitation not downwards but upwards. Mere size certainly does not matter if there is a genuine agreement which consecrates a genuine intention and expectation of keeping the peace instead of going to war. This is the touchstone which proves the London Naval Treaty a success; but unfortunately the same touchstone seems to prove the work of this session of the Preparatory Commission at Geneva a rather serious failure. For the psychological outcome of the session is only too clear. France and her allies have agreed to nothing which will compel them to diminish their present military preponderance over the rest of Europe. Great Britain has been a consenting party to this. And we can already see the effects of this British policy upon the minds of the liberal, pacific

element in France and upon the minds of the other Continental European Powers. The Opposition in France has been profoundly discouraged by seeing the British delegation at Geneva play (as they feel) into the French Government's hands. The other Powers—Italy, Germany, Russia—have been exasperated. The effect, we fear, will be to give the French "diehards" an indefinite lease of power, and to consolidate Italy, Germany and Russia into an anti-French entente. The first-fruits of Lord Cecil's complacency towards Monsieur Massigli at Geneva may be seen in the meeting between Mr Litvinov and Signor Grandi at Milan.

The United States and International Solidarity.—Immense importance attaches to any indications that the mind of America is moving in the direction of international solidarity, and there are several such indications this week to throw a gleam of light from across the Atlantic upon the rather sombre clouds that have settled over Europe. It is reported that, about a year ago, the Secretary of State in President Hoover's Administration, Mr Stimson took the first step towards following up the Multilateral Treaty of Paris for the Renunciation of War by some provision for dealing with international disputes by positive pacific means. As the Multilateral Treaty had arisen from the joint initiative of the United States and France (a fact commemorated in its popular name—the Briand-Kellogg Pact), Mr Stimson naturally started the next move by approaching the French Government in the first instance. He appears to have suggested to Monsieur Briand that the Treaty for the Renunciation of War should "be given additional force by setting up machinery for consultation and the moulding of public opinion against an aggressor nation." This suggestion must have been made at the time when Mr Stimson, on the strength of the Treaty for the Renunciation of War, was taking energetic and effective steps to bring the united opinion of all States signatories of the treaty to bear upon the U.S.S.R. and China, in order to induce the two latter signatories not to allow their dispute in Manchuria to draw them into a breach of the peace in violation of the solemn engagement which they had so recently undertaken. Probably Mr. Stimson found by experience, at the time, that his diplomatic efforts in the cause of peace would have been easier to make if international consultation had been definitely prescribed in advance by an international agreement. At any rate, the proposal has been made on American initiative. No doubt the Secretary of State afterwards found it expedient to concentrate all his energies upon the negotiation of the Three-Power Naval Treaty; but now that this instrument is happily signed and ratified, its existence may enable him to take up the general question of a consultative pact with still better prospects of success than before. Perhaps the publication of the fact that a first step has already been taken means that the next step is at hand. Meanwhile, Admiral Pratt, the Chief of Naval Operations of the United States Navy, has pointed out, in a public address, that the attainment of "parity," while making it possible for the United States to preserve her neutrality more effectively than ever before, may have also made it morally incumbent upon her to take her part in ensuring that another war does not finally wreck our civilisation. Finally, President Hoover has been petitioned by a hundred eminent American citizens, including General Pershing, to submit to the present Senate, at its forthcoming short session, the arrangement which has been negotiated with the States Members of the League of Nations by Mr Elihu Root for the adherence of the United States to the Statute of the Permanent Court of International Justice. These things, taken together, give ground for hope.

Polish-German Tension.—We referred, last week, to accounts of questionable Polish "methods" in the conduct of the general election and in the "pacification" of the Ukrainian minority in Eastern Galicia. An official statement from the director of the Polish Press Bureau in London dealing with this election will be found on

page 1011. Last Sunday, however, there was another election in Poland—this time for the local Sejm or Assembly of Polish Upper Silesia; and the occasion appears to have produced grave complaints from another minority—this time the Germans. On election day and during the preceding week, the German electorate in Polish Upper Silesia is reported to have been terrorised by an organised campaign of personal violence, including savage beatings of the kind that have been reported, at the other end of Poland, in the East Galician villages. The German voters have apparently been deterred from polling, with the result that Marshal Pilsudsky's party has obtained 19 seats in place of their previous 10, whereas the number of German (bourgeois) seats has fallen from 15 to 7. These doings in Polish Upper Silesia, if the reports which have reached this country are not exaggerated, have obvious elements of danger. If Marshal Pilsudsky oppresses his fellow-Poles, that is primarily the Polish people's business. They can no longer appeal to the world as they could before the war, when the oppressor was not a home-grown dictator but a foreign Czar or Kaiser. Again, if he oppresses Ukrainians or White Russians or Jews, there is no Government outside Poland which is directly concerned to take up the cudgels on the oppressed minorities' behalf, though we are all naturally concerned with any allegations of barbarism in Europe, and we have a juridical *locus standi* in virtue of the Polish minorities treaty. On November 20th Mr Dalton stated in the House of Commons that the British Ambassador at Warsaw has been asked to report on the situation in the Ukraine (as the British Ambassador at Moscow was asked to report on religious persecution in the U.S.S.R. some months ago); and we warmly commend this move. It ought to lead up to a reconsideration of the whole question of the protection of minorities, which was raised by the late Dr. Stresemann several years ago in the Council of the League, and was then shelved by a committee on which Great Britain was represented by Sir Austen Chamberlain. If only some sincere and effective action had been taken then, the tension that is rising now between Germany and Poland might have been avoided. Meanwhile, though the German Government has very properly decided to bring the case before the League, which might well investigate the whole of these allegations, it is ominous that the Nazis and the Stahlhelm have been conducting reprisals against the Polish minority in Germany, which since the war has hitherto been treated well.

More Unemployment Borrowing.—Last week we noted a supplementary estimate requiring the taxpayer to produce an extra £10½ millions to finance Treasury payments of unemployment benefit to those who have passed outside the scope of insurance. This week the taxpayer is warned that yet another £10 millions is required from his depleted pocket, this time nominally in the form of a loan, whose purpose is to restore to a fictitious solvency the Unemployment Insurance Fund. The House of Commons is to be asked to pass a Resolution authorising the introduction of a Bill to increase from £60 millions to £70 millions the borrowing powers of the Fund. An explanatory memorandum* has been issued, which is by no means consoling. Borrowing powers were raised from £50 millions to £60 millions as recently as August 1st. At that date the Fund's debt was £44.7 millions, and the live register of unemployed 2,011,500. By November 17th the debt had risen to £55.2 millions and the live register to 2,286,000. The weekly expenditure, we are now told, exceeds income by about £700,000, and "at this rate the present borrowing powers will be exhausted by the end of December." This, of course, is entirely apart from the cost of transitional benefit, which falls directly on the Exchequer. So this incessant drain goes on. What are the Government doing about it? They did, at least, promise a Royal Commission—a dilatory and unsatisfactory process—but better than utter inaction. But even this promise has not been fulfilled as yet, and every day public

* Cmd. 3727. H.M. Stationery Office. 1d.

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money streams away through a bottomless sieve. If we are not allowed to have anything better and more expeditious, we must at least have that Royal Commission, and have it at once.

The Education Bill.—At a meeting of the Parliamentary Labour Party last Tuesday the Prime Minister secured the promise of support, with only ten dissentients, for his agreement with the Liberal Party on the Education Bill. In return for the certainty of Liberal support for the Bill, Sir Charles Trevelyan has made several important concessions: the operation of the Bill is to be postponed "under protest" until September, 1932; local authorities are not to be hampered in any inquiries they may think fit to make in respect of parents' means; the Board of Education may vary the form of inquiry upon the request of a local authority; local authorities are to be free to make representations as to the peculiar economic conditions of particular areas, and the Board may modify the income limit in such cases. Within the income limit the allowances are to be universal and the Government is adamant upon the question of the flat rate, but the concessions announced do go some way towards meeting the principal objections to the Bill. The most important gain lies in the fact that education authorities now have a fair chance to make adequate provision for the extra accommodation and staff that will be needed when the Act comes into force.

British Production.—The Board of Trade index number of production for the third quarter of 1930 shows a decline of 3.5 per cent., as compared with the second quarter, and 10 per cent. as compared with the September quarter of last year. The detailed figures are shown below.

INDEX OF PRODUCTION (1924=100)					
Group.	Year 1928.	Year 1929.	September Quarter, 1929.	June Quarter, 1930.	September Quarter, 1930.
1. Mines and quarries	89.2	96.8	94.4	87.4	84.2
2. Iron and steel and manufactures thereof	102.3	114.0	113.7	95.5	80.3
3. Non-ferrous metals	119.3	120.5	114.6	123.7	128.6
4. Engineering and shipbuilding	113.1	121.0	119.3	122.6	111.6
5. Textiles	99.9	98.5	91.4	78.2	71.3
6. Chemical and allied trades	110.3	115.8	120.3	101.3	106.7
7. Paper and printing	(a)	(a)	(a)	(a)	(a)
8. Leather and boots and shoes	102.0	98.5	95.2	103.8	99.7
9. Food, drink and tobacco	101.9	106.0	111.8	104.9	108.3
10. Gas and electricity	126.0	135.8	(b)	(b)	(b)
Total of manufacturing industries (2-10)*	109.4	115.5	114.8	107.1	103.4
Total of all groups (1-10)*	105.5	111.8	110.7	103.1	99.5

* Including also various industries not specified above.
(a) Adequate information in respect of the paper and printing trades has not up to the present been available. The particulars received, which cover about 40 per cent. of the net output of these trades in 1924, have been included in the general index.
(b) No information is available as to the quantities of gas made in each quarter. The available data for electricity have been included in the general index numbers.

The index has not been running long enough to allow of ascertainment of the normal relation between the second and third quarters, but comparison of the third quarter of this year with the corresponding period of 1929 is sufficiently striking. The index of manufacturing production shows a decline of 9.9 per cent., and the fall in the textile group, which was spread over all its components,

amounted to 22 per cent., while iron and steel and manufactures thereof showed an even larger decline of 29.4 per cent. The only groups which showed increases were non-ferrous metals, owing to a greater apparent absorption of copper only partly offset by decreased takings of lead, tin and zinc, and the boot and shoe group. Among the miscellaneous industries there was a greater consumption of rubber, but a decrease in the output of cement and tiles. Coal output was 9.8 per cent. less than last year. On a comparison of the same two periods, the German index, which includes coal mining, shows a fall of 20.4 per cent. The manufacturing index of the United States Federal Reserve Board for June-August shows a decrease of 23.5 per cent. as compared with the corresponding period of 1929.

A Subsidy for Opera.—Out of its percentages received from wireless licences the Exchequer is to subsidise the performance of grand opera at Covent Garden and provincial cities to the tune of some £17,000 per annum. Had this assistance been forthcoming from the funds of the British Broadcasting Corporation we should have had nothing but approval for the decision, nor in spacious and prosperous days would there be anything improper in the practical patronage of the Arts by the State. But times are not prosperous, and an impoverished Exchequer should be wary even of inexpensive luxuries. Moreover, to draw upon the revenue raised by wireless licences savours of a raid upon specific funds and creates a dubious precedent for future Chancellors. That the sum of money at stake is negligible does not lessen our objections on the ground of principle. The happiest result of Mr Snowden's little extravagance in these days of worklessness has been the coining of a political *bon mot*—"non opus sed opera." May we add the suggestion that in return for Treasury bounty B.B.C. opera producers should re-stage the "Ring," with the Chancellor of the Exchequer in the rôle of Fafnir—brooding dragon-wise over the tax-payer's gold.

Retail Trade.—The basis of the new retail trade index, published by the Incorporated Association of Retail Distributors and the Bank of England, discussed in the *Economist* of September 27th, has now been broadened to include 152 stores, as compared with 86 in August. The reported decline in sales in October, as compared with October, 1929, was 4.4 per cent., attributed partly to mild weather, and, in some districts, to the depression in farming, but mainly to the fall in retail prices, which is stated to be producing a tendency to hand-to-mouth buying and does not appear to induce consumers to take advantage of cheapness to purchase better qualities. London sales have declined more than those in other districts. In all districts, furniture seems to be one of the worst lines, while women's wear suffered least. It is significant that those sections concerned with inexpensive merchandise have, in many cases, shown an improvement.

Midland Coal Marketing.—A largely attended meeting of coal owners from the whole of the Midland area was held at Sheffield last Friday, writes a Leeds correspondent, for the purpose of considering the future of the Central Collieries Commercial Association, in view of the operation of the compulsory marketing scheme under the new Act. Invitations were issued not only to those recently members, but to Lancashire owners who were at one time members of the Association. Those present represented an annual output of more than 100,000,000 tons. Those who were mainly responsible for promoting the original Five-Counties Scheme, and have held office in the enlarged organisation, felt strongly that there is a need for the continued existence of the Association's marketing scheme. One of the main reasons for starting the Association was to encourage exports, and this the Association claims it has done successfully. During the year ended March, 1928, the shipments from the Humber ports totalled 2,566,733 tons; in the following year they were 4,728,584; and in the year ended March, 1930, 7,018,712.

The Association has also concluded agreements with the Humber and Mersey Exporters' Associations, has exchanged views with Continental importers, has made representations to the railway companies on coal breakage, and is conducting investigations into other important questions affecting exporters. The executive committee is of opinion that this work should be continued, and that it can best be done by a voluntary body such as the Association. In the first place the Act does not provide for a levy for the purpose of subsidising exports, and it is further felt that the Association can usefully perform other functions not provided for in the Act, by way of supplementing the provisions of that measure. Price regulation and grading are subjects with which, it is believed, the elastic provisions of a voluntary body will be better able to cope than the narrower regulations of the Act. The meeting on Friday by a large majority endorsed a proposal that the Association should continue in an amended form, but this has to be considered by the district associations, and a decision is not likely to be reached for some weeks.

Lancashire Cotton Corporation.—Our Manchester correspondent writes:—A general meeting of the Lancashire Cotton Corporation, Ltd., was held in Manchester on Tuesday last, when a further increase of capital by £567,589 was authorised. This is divided into £450,000 ordinary shares, £100,000 deferred shares, and £17,589 preference shares. The increase of capital is for the purpose of absorbing twelve companies when the legal proceedings are complete. The companies concerned own rather more than 1,000,000 spindles. It is announced that the shares will be allotted to creditors and shareholders as soon as the liquidators of the companies have completed their figures. Including this increase, the capital of the Corporation now consists of 235,662 £1 preference shares, 3,426,400 £1 ordinary shares, and 13,570,440 ls. deferred shares, the total amount being £4,340,584. It is understood that in round figures the Corporation has now absorbed about 80 mills containing nearly 8,000,000 spindles and some thousands of looms. During the last week or two an attempt has been made on the Oldham Stock Exchange to make a market in the shares of the Corporation. Rumours have been circulated of rather remarkable bids being made. It is now reported that with regard to the ls. deferred shares buyers are offering 1½d. and sellers want 4½d., whilst for the £1 ordinary shares holders are offering to accept 2s., but so far no bid has been made by buyers.

The Distribution of Labour.—Owing principally to the recent changes in the Unemployment Insurance Acts, about 185,000 males and 130,000 females have remained within the scope of the insurance scheme who would, if the average rate of exit of the years 1925-28 had been maintained, have passed out of insurance during the last two years. In consequence, the analysis of the numbers insured in the various industries, published as usual in the *Ministry of Labour Gazette* for November, loses some of its interest as a guide to the changes in the relative importance of different industries, but its place in this respect will be taken by an analysis of the numbers of insured persons actually in employment, which is now in course of preparation. Meanwhile, the article in question is not without an interest of its own. It shows that in many of the industries which, during 1928-29, received an accession of workers from other industries, namely, coke-oven and by-product works, pottery and earthenware manufacture, marine and constructional engineering, silk and artificial silk, rubber, musical instruments, road transport, laundries, dyeing and dry cleaning, this tendency has diminished or disappeared during the past year. Public works contracting and local government, under the influence of unemployment relief works, and also the various electrical industries and the hosiery trade, have received workers from other industries. New male entrants to industry have gone mainly to motor-vehicle manufacture, cycles and aircraft, electrical wiring, electric cables and lamp manufacture, bread, biscuit and cake-making, furni-

ture, printing, publishing and bookbinding and the distributive trades. The industries from which the transfer of men has been greatest were mining, chemicals, general engineering, motor vehicles, cycles and aircraft, the cotton and wool textile industries, leather and leather goods, clothing, woodworking, musical instruments, laundries and the distributive trades. Thus a number of trades seem to be attracting new entrants at the same time that their existing employees are leaving them for other industries. The analysis of changes since 1923, including that of geographical redistribution, does not, for the reasons already mentioned, necessarily indicate real changes in the trend. These, no doubt, will be revealed in due course by the promised figures of numbers actually employed.

Conference on Concerted Economic Action.—Our Geneva correspondent writes:—The British Government's decision not to renew the Dyestuffs Import Regulation Act, which expires on January 15th, was communicated this morning to the Conference for Concerted Economic Action. It may have some effect in extending the application of the convention for the suppression of import and export prohibitions and restrictions. The convention has only come into force between seven States. It provides for certain exceptions, and under this provision Great Britain maintained her import prohibition on dyestuffs; Germany declared she could not ratify in those circumstances, and also demanded the right to prohibit coal imports; France demanded an exception for her export prohibition on scrap iron, and other countries acted in a similar way. The President of the Conference has asked whether Japan, which also maintains a dye-stuffs prohibition, was prepared to follow Britain's example, and the Japanese observer said that he would bring the matter to the notice of his Government, which would inform the Secretariat. The President emphasised the importance of a favourable decision, as this would make possible the abolition of other exceptions. The Governments which have ratified may denounce the convention if the exceptions are still in force on January 15th next. A meeting has been arranged for some time in the New Year, when the States which have brought the convention into force between them will be able to examine the situation. The French delegate asked whether the British Government intended to substitute an import duty for the prohibition, and in reply Sir Sydney Chapman said that if Parliament upheld the Government's decision there would be neither prohibition nor import duties on dye-stuffs as such, but there would be duties on certain chemical products. The French delegate thought that in these circumstances it was probable there would be some protection of the British dye-stuffs industry. He could only foreshadow the possibility of the eventual abolition of the French export prohibition on scrap iron on condition that an export duty would be established. The German delegate gave no indication as to the effect of the British Government's action on Germany's coal import prohibition proposal, which is an obstacle to Poland's ratification. The President, who congratulated the British Government, appealed to governments to ratify the Convention as soon as possible. On the two main proposals before the Conference—the British proposal for negotiations for tariff reductions on two groups of articles, machinery and textiles, and the cereal preference proposals of the agricultural States of Eastern Europe—separate committees have been formed. The discussions in the committee on the British proposal has demonstrated that it is not practicable in present circumstances to enter upon multilateral negotiations. Certain States have declared themselves willing to negotiate, though some, more emphatically Italy, are against participating in anything but bilateral negotiations. It has virtually come to the point that the British Government will negotiate either separately or in groups with States prepared to consider the tariff situation on the lines of the British suggestion. The report of the committee on preference for cereals is to come up later before the plenary conference, which will probably finish on Friday.

Denmark and British Trade.—Among other interesting information relating to Denmark included in a supplement to be published by the *Financial News* next Monday, there is an interesting article on the position of British trade in that country. For a number of reasons sentiment in Denmark towards British goods is particularly favourable. In spite of Denmark's low tariff, Germany has recently put increasing obstructions in the way of Danish trade in cattle and dairy products, while similar obstructions are met with in Central Europe. On the other hand, British goods enjoy a high reputation. In the shops the word "English" is displayed as a sign of the acme of perfection, while British propaganda has opened Danish eyes to the fact that Great Britain does not consider herself fairly treated in the matter of imports into Denmark. The writer, however, raises grave doubts as to whether British manufacturers are really exploiting this very favourable centre. He quotes examples of the unwillingness of manufacturers to go to the trouble of supplying comparatively small sample orders; of the long delay in sending samples; of lack of enterprise in finding out "what continental people wear"; styles, weight, shades of material are wrong; in advertising Britain is far behind America in buying space; there are far too few resident agents or branches, and, of course, our English system of weights and measures is unintelligible to them. Moreover, Denmark is but a small part of Scandinavia, and the conditions throughout Northern Europe are not dissimilar. Clearly it is worth while for our manufacturers to take advantage of a friendly feeling and to cultivate the markets that are nearest to us.

A Bank Chairmanship.—With a regret which will be shared by his many friends in the City, the Westminster Bank announces that its chairman, the Hon. R. Hugh Tennant, will retire from this post on December 31st. Senior by age of the chairmen of the Big Five, Mr Tennant has earned his right to a comparative leisure by long service in the banking world, first as a director and deputy-chairman of Crompton and Evans Union Bank, Derby, then as deputy-chairman of Parr's Bank, and on the amalgamation of that bank with the Westminster Bank in 1918, as deputy-chairman, until he succeeded the late Mr Walter Leaf as chairman in 1927. His industrial interests are also considerable, extending from the brewing to the iron and coal industries. Among the concerns of which he is a director are the Bank of British West Africa, British-Italian Banking Corporation, and Stanton Ironworks. The benefit of his wide banking and industrial experience will remain at the disposal of the Westminster Bank, of which he has consented to remain a director. He will be succeeded in the chairmanship of the Westminster Bank by the Hon. Rupert E. Beckett, at present deputy-chairman, while Sir Malcolm Hogg will become a joint deputy-chairman. Like his predecessor, Mr Beckett has fortified his banking experience by industrial activities, and the directorships which he holds include those of the London and North Eastern Railway, Royal Exchange Assurance, and the Yorkshire Penny Bank.

The Royal Bank of Scotland.—As the Duke of Buccleuch well said in his speech to the annual general court of proprietors, held last Wednesday, 1930 has been an outstanding year in the history of this bank. In addition to the acquisition of the Bank of England's Western Branch, it witnessed the amalgamation with Williams Deacon's bank, and the Duke of Buccleuch was able to add that the Royal Bank's offer in connection with the amalgamation had already been accepted by the vast majority of Williams Deacon's shareholders, and that he confidently expected that the Royal Bank would acquire the whole of Williams Deacon's capital within a short period. In accordance with the terms of the merger which stipulated that two of Williams Deacon's directors should join the board of the Royal Bank, the Duke of Buccleuch further announced that the election to their board of Mr Dewhurst, the chairman of Williams Deacon's, and Lord Bradbury would be recommended to the proprietors of the Royal Bank, and this proposal was duly approved later in

the proceedings. As regards the position of the Royal Bank, the Duke of Buccleuch said that deposits had increased during the year by over £4,000,000, and that only part of this increase was due to the acquisition of the Bank of England's Western Branch. Advances were slightly lower. This not only reflected the trade depression, but also meant that the bank had resources available out of which to provide further advances on a considerable scale on sound banking lines so soon as trade needed them. He admitted that the margin of banking profit had not been so good as it might have been, and in view of the reduction in advances and the low level of discount rates, that does not come as a surprise. Still there had been a substantial increase in the bank's total net profits, and while the chairman held that the heavy burden of taxation was hindering the early revival of trade, he was confident that the time of recovery would come.

British Overseas Bank.—In view of the world-wide nature of its business, it was inevitable that this year's accounts of the British Overseas Bank should reflect the general effect that the trade depression is having upon those engaged in banking. This is brought out very clearly by the comparative figures for 1929 and 1930 relating to the principal items in the bank's accounts:—

	October 31, 1929.	October 31, 1930.
Deposits	5,113,907	4,549,187
Acceptances	4,659,312	3,927,317
Cash	278,234	293,712
Call money	2,281,669	1,820,321
Balances abroad	310,425	214,749
Bills discounted	1,000,397	1,071,400
Government securities	305,068	353,943
Advances	2,161,390	2,148,941
Net profit for preceding year	159,928	140,446

The fall in deposits and acceptances is explained only too readily by the contraction in world trade, with which the bank and its customers are chiefly concerned. The slight increases in cash, discounts and investments are also in accordance with recent common banking experience, for the more liquid and less remunerative ways of employing bank resources always tend to expand when trade is bad and demand for accommodation below normal. Thus the decline in profits, regrettable though it is, is also explained, and the proprietors of the bank must realise that they are the victims of general circumstances, and that their prosperity is bound up with that of the trading community at large. Fortunately last year's profits were sufficient to leave a large margin in hand, so that despite the fall in the earnings dividends have been maintained, and a fully adequate sum carried forward.

Banque Belge pour l'Etranger.—The report of this bank for the year to June 30th last reveals a satisfactory position. The net profit is 29,400,436 francs, making, with the amount of 1,454,162 francs brought forward, a sum of 30,854,599 francs available for distribution. This figure compares with 30,594,810 francs for the previous twelve months. The reserve fund is increased to 120,000,000 francs by the allocation of 10,000,000 francs; provision for taxation requires 1,500,000 francs; directors' fees 1,917,472 francs; and dividend on the 158,424,125 francs of paid-up capital absorbs 15,842,412, free of Belgian tax. The balance forward shows an increase of 140,552 francs at 1,594,715 francs. The bank's balance sheet makes a good showing, despite the difficult year through which its customers have been passing. Creditors are down by 528,297 francs at 3,770,511 francs, while debtors show a similar decline from 2,891,769 francs to 2,892,026 francs. Bills receivable have risen sharply from 667,345,135 francs to 935,751,994 francs, while acceptances have fallen off from 803,820,705 francs to 730,027,093 francs. The balance sheet total of 4,820,749 francs has declined by 638,187 francs in comparison with last year's figure. The directors report that the operations of their branches in London, Paris and New York have remained active and profitable, while even in China, despite the troubled situation of the country, branches had yielded substantial profits.

Overseas Correspondence.

IRISH FREE STATE.

Agricultural Protection — Labour Party Programme — Sweepstake — Banking Statistics.

(FROM OUR CORRESPONDENT.)

DUBLIN, November 22.

THE fall in butter prices has given rise to a widespread demand among farmers for some measures of protection and assistance. Mr Hogan, the Minister for Agriculture, is known to be very deeply opposed to any such expedients, which he deems powerless to confer any permanent benefit on the farming classes. In a recent speech his attitude was fully explained. With the single exception of wheat, no agricultural commodity is produced in the Free State of which there is not a large surplus for export. The total available home market is so small compared with this export surplus that no protective tariff could raise prices at home. Many articles for which protection is demanded, for example, oats, are raw materials for further production, and it is in the interests of farmers generally that they should be obtainable on the cheapest terms. Mr Hogan wound up his speech by warning his hearers not to be deluded into placing hope on false remedies. "There is one policy for the farmers," he concluded. "Leave them alone as far as possible and give them the lowest rates and taxes you can."

The Government has met the farmers' agitation by appointing a full-time Tariff Commission. The former Commission, though admirably composed, was somewhat slow in reporting, and the new body will be more expeditious. An application for a duty on butter during certain months of the year when Irish dairying is inactive has been presented to the Commission. Pending the hearing of this application an emergency duty, meant to be prohibitive, has been imposed on the import of butter in order to prevent the market being flooded with foreign supplies in anticipation of the Commission's report. This is as far as the Government is likely to go in the way of agricultural protection. A motion calling for an extensive system of import prohibitions and licences was heavily defeated in the Dail this week, and it is significant that the Farmers' Party voted with the majority against the proposals.

The Irish Labour Party, which has been reorganised so as to include sympathisers of all classes, has issued its new programme. As might have been expected, this document contains many far-reaching proposals of a highly protective character designed to "nationalise, rationalise and humanise" the essential industries of the country. An export tax on live cattle will provide a fund for subsidising the dead meat industry and insuring livestock, and minimum prices are to be guaranteed for barley and wheat. A National Development Board is to be established, part of the revenue of which will be derived from a differential income tax on "foreign" investments and from increased protective tariffs. It will be seen that the proposals of the Labour Party are not very revolutionary or advanced, and that there is nothing in them to cause any alarm even to the most profound conservative. It must be remembered that the Labour Party in Ireland is appealing for votes not to a population of wage earners but to one of small farmers and their relatives. This programme is therefore less concerned with redistributional ends than are the programmes of labour parties in industrial countries, and, indeed, it is objectionable not for its socialistic but for its narrow nationalistic outlook.

The sweepstake in aid of the hospitals has been an extraordinary success. The hospitals receive £131,724, and the first prize is £204,764. If the law of England is not changed to permit the holding of similar lotteries in favour of charitable causes, there is no doubt that the Free State will derive a large income from this source in

the future. Subscriptions were received from all parts of the world, and the whole affair was excellently organised so as to give general satisfaction to the subscribers. It is estimated that the sweep on the Grand National will amount to over a million pounds. It is really a brilliant idea to make foreigners pay for the upkeep of our hospitals, and the only danger is that of being copied by our neighbours, in which case the success of the Irish event would be considerably reduced. Meanwhile the sweep is providing employment for over a thousand clerks, and has provided the Free State with a new and valuable invisible export.

FRANCE.

Oustric Inquiry — Devilder Crisis — Sound Bank Situation — Foreign Trade.

(FROM OUR CORRESPONDENT.)

PARIS, November 26.

THE Chamber has now settled down to useful work, and is steadily disposing of its heavy programme of proposed legislation. For the moment, however, the opportunity for party warfare that has been given by the more or less vague suggestions in circulation to the effect that certain (as yet unnamed) politicians have benefited from the gambling operations connected with the Oustric group of companies is the dominating factor. To-morrow's nomination of the members of the Special Commission which is to inquire into M. Oustric's operations will probably disclose what the practical value of the inquiry is likely to be. For the purpose of nominating the members, the deputies are divided, by means of a purely automatic lottery, into eleven groups of "electors," each of which will have the duty of nominating three of the thirty-three commissioners. These eleven groups were constituted yesterday, and it is reported to-day that at least six of them have a majority corresponding to the present majority of the whole Chamber. The situation is unusually interesting, not only because it is rumoured that most of the politicians who are alleged to be "suspect" are supporters of the Left, but also owing to the fact that the report of the Commission may either strengthen the Ministry's situation, or lead directly to its overthrow. Non-political opinion inclines to the view that the Commission, in view of all the circumstances, is unlikely to contribute in any way to the purification of the Bourse, while it may, on the other hand, assist appreciably in making it still more difficult to bring about any real reform.

The Oustric sensation has promptly been followed by the threatened collapse of another very similar Bourse group of issues, known from the name of its most active operator as the Devilder group. This group has for some years been interested in large-scale speculative operations in the shares of a large number of (principally Polish) oil, metallurgical and other companies which it controls, headed by the Compagnie Générale des Pétroles and the Malapolska Company. The widespread activities of the group are centred chiefly in holding companies (as in the Oustric system), and the method adopted has included in many cases heavy capitalisation and multiplication of shares, inextricable interlocking and extremely skilful manipulation of the market. It was recognised, immediately it became known that the principal companies were in difficulties in regard to their Bourse situation, that a second disaster of the Oustric kind would almost certainly result in far greater damage than did the first, and the Government promptly took the matter in hand, with the determination to prevent next Monday's Bourse settlement resulting in an even greater disaster than did that at the end of October. The danger was twofold:—(1) that French financial interests in Poland would be involved to such an extent that there might be serious political repercussions, and (2) that the whole Western European oil situation might be seriously prejudiced. As the result of the action of the Finance Ministry, M. Ernest Mercier, the chairman of

the Compagnie Française des Pétroles (which is a semi-governmental organisation, created chiefly to handle the French share in the Irak oil deposits), was induced to take charge immediately of the industrial side of the Devilder group of oil concerns. The banks have also for the second time within less than a month, been persuaded, in the general interest, again to come to the rescue. There now seems every likelihood that next Monday's settlement will be got over safely. The Coullisse authorities have seen their way, moreover, to prohibit stockbroking firms in that market from henceforward guaranteeing carrying-over facilities to "bear" speculators.

Figures showing the situation of the Great Paris banks at the end of the first half of 1930 reveal continued steady progress, notwithstanding the difficult general situation. The world economic crisis and the persistent universal decline in Stock Exchange business and share market quotations everywhere, coupled with the slowing down of industrial activity and the serious drop in raw material and other commodity prices, have naturally had a repercussion in this country; but this has been comparatively negligible, thanks to the prudent "policy of reserves" practised by all important French industrial undertakings. This has undoubtedly largely helped the banks, as a whole, to maintain their normally sound position, and even to strengthen it, during the past eighteen months.

The foreign trade returns for October show a small increase in both exports and imports. Exports for the month totalled 3,502,517,000 francs, against 3,358,530,000 francs in September, 3,108,292,000 francs in August (the lowest figure for some years), and 4,386,794,000 francs in October, 1929. Imports were 4,520,134,000 francs, against 4,205,516,000 francs in September, 4,067,977,000 francs in August and 4,955,855,000 francs in October last year. Part of the increase in imports is accounted for by the continued drop in British and other export prices, which continue to fall much more rapidly than French domestic prices. The effect of this is apparent in the statistics of British coal exports to this country. During the first ten months of the year the exports were 25,792,271 tons, against 23,043,323 tons in the corresponding period of 1929, but while the volume of these coal imports was about 750,000 tons greater, the value was only about 270,000 francs larger, the suggestion indicated by the bulk figures under both heads being that, during the current year, coal is entering France in the neighbourhood of 20 francs a ton lower. The outstanding feature of the ten months' exchanges was an increase of 1,369,400,000 francs (or 17 per cent.) in imports of manufactured goods, while exports in the same category declined 3,118,000,000 francs, or nearly 12 per cent.

GERMANY.

Reichsrat — Government Concessions to States — Prospect of Socialist Support — Wages Policy — Railway Rates — Coal Prices.

(FROM OUR CORRESPONDENT.)

BERLIN, November 25.

THE Reichsrat has accepted the 1931 Budget and the financial bills which comprise the programme of the Government. All were carried either unanimously or with a large majority. The Government have, it is true, apparently made very substantial concessions to the wishes expressed by the Reichsrat. To begin with, they have renounced 100 millions of the proposed reductions in the shares which the States and communes receive of the proceeds of federal taxation. In addition they have in the final Bill accepted so many exceptions to their original intention of limiting until 1933 the annual expenditure of Reich, states and communes to the amount of the Budget estimates for 1931, that there is practically nothing left of the rigid limits to expenditure for social purposes which were so stoutly resisted by the Social Democratic

Party. Further, they have reduced from 400 to 270 million the amount by which public credits for housing were to be curtailed. The abolition of the protection of tenants against eviction is not to be unconditional; safeguards against hardship are to be incorporated in the general legislation on landlord and tenant agreements.

Apart from the fact that some of these concessions constitute improvements, they are of importance for two reasons. In the first place they represent a great inroad on the rights the States and communes have hitherto enjoyed. In order not to wound too deeply the *amour propre* of the State governments, which, in some cases is very sensitive and was strikingly expressed on this occasion by the Prime Minister of Bavaria, Herr Held, the Government were obliged to make it clear that they attach the greatest importance to the wishes of the Reichsrat, the representative of the States.

The second reason is even more important. By receiving, for their financial programme, the support in the Reichsrat of the Prussian representative, the Government have forged a strong link with the Social Democratic Party, for the Prussian Prime Minister, Herr Otto Braun, is the strongest personality in the Socialist Party, and the concessions which he has won from the Cabinet through his representative in the Reichsrat will rightly be hailed by the Socialist wage-earners as a success for their party. Thus, the Government have a good prospect, if they now submit the Bills to the Reichstag, of receiving the support of the Social Democrats on all important points. True, there remain some differences of opinion between this party and the Government on the emergency decrees issued at the end of July, which dealt with communal taxes and social insurance, but if agreement has not yet been reached the prospect of it no longer seems remote.

A more profound difference exists on the question of wages policy, and the renewal of the miners' agreement in January will bring the question of wage reductions very much to the fore. Even that, however, will probably not become a *casus belli* between the Socialists and the Government. It seems likely that the Brüning Cabinet will be able to secure a simple majority in the Reichstag for its programme. Some of the proposals, however, involve constitutional changes and therefore require a two-thirds majority and it is impossible to see how the Government are to obtain that. They will, therefore have after all to renounce these parts of their programme, unless they continue to invoke the emergency clause of the constitution, which would hardly be permissible.

A lively controversy is at present in progress as to whether the Government policy of price reduction should be supported by a cut in railway freights. The railway company is trying to resist the proposal on the ground of its unsatisfactory financial position. It would have had a deficit of 700 million in 1930 but for its share in the Young Loan, and an additional short period loan of its own which was not provided for in its budget. As it had for some time been paying for capital improvements out of current income because it received no credit, it need now have no scruple in defraying out of loans expenses which were budgeted for as current expenses, but it can hardly repeat that process in the coming year. The Reichsbahn would, therefore, prefer to use for the balancing of its 1931 budget any savings which may accrue from the fall in the price of coal, a reduction in the salaries of officials, the anticipated further fall in iron prices and reductions in the prices of other materials.

The Reichsbahn would, however, probably be prepared to undertake a reduction in freights if it might in return receive more Government protection against road competition. This competition is especially effective in Germany because the Reichsbahn tariff is very steeply graduated according to the value of the goods to be transported. Raw material rates are especially low, and those on finished goods relatively very high. That was all very well as long as the railway had virtually a monopoly, but as soon as motor transport

became a practical proposition vast quantities of goods on which the rates were very high were deflected to it from the railways. Road transport thus not only attracts that traffic for which it is technically the most suitable means of transport (that is to say, goods for which rapidity of transport is a primary consideration, and short-distance traffic, where the saving of terminal charges is important), but it has taken also the long-distance traffic in valuable merchandise because the railway tariff rates them too highly. It is for many reasons impossible for the Reichsbahn suddenly to change its system of rating. As long ago as last winter the Ministry of Transport prepared a Bill which was intended to check this economically unjustifiable long-distance motor transport, and the Reichsbahn calculated that this would increase its income by 200 million marks. It is not unlikely that the Government will now return to this plan.

The 9 per cent. reduction in Ruhr coal prices decided upon by the Syndicate is greater than that which the mining companies promised some weeks ago to the Government. At that time it was only to be 6 per cent., but the larger reduction was evidently made principally on account of the danger that otherwise there would be a still further decline in the consumption of coal. There may also have been some idea of placing the Government, by voluntary compliance with its wishes, under a more pressing obligation to effect a reduction in wages when the miners' tariff is renewed in January. The price reduction will only apply in the so-called "non-competitive area," as in those parts of the market where Ruhr coal comes into competition with English or Upper Silesian coal or with German lignite the prices are already very low. In consequence, the average fall in receipts is not expected to exceed 6 per cent.

SWEDEN.

Progress of Depression — Foreign Trade — Balance of Payments.

(FROM OUR CORRESPONDENT.)

STOCKHOLM, November 12.

THE position in Sweden continues to be more favourable than in most other countries, but things have become decidedly worse. Though there was no serious increase in unemployment in September, when official figures showed 6,300 seeking relief, as compared with 5,800 in August and 4,800 in September, 1929, the number has risen slightly since, and it is almost a daily occurrence for works to restrict production. This was especially true at the end of last month when the Skefko Company, the Grängesberg concern, the pulp industry and the sawmills resolved upon a considerable reduction of output.

This is the third step of the kind taken by Skefko since the beginning of the depression. At the end of last year 600 men were dismissed and in September another 650. For the remaining 2,400 men work is restricted to four days a week. The Grängesberg Company has hitherto kept its mines fully employed, but has now introduced the five-day week, a measure which affects 3,500 to 4,000 workers in the Norrland mines and 700 to 800 in the Central Swedish mines. The pulp industry, in combination with the industries in Norway, Germany, Czechoslovakia and Memel, has resolved to reduce the output of sulphite cellulose by 15 per cent. Finally, the sawmills have agreed with the Finnish exporters to reduce exports for next year by 20 per cent. of the 1929 figure.

These are by no means isolated phenomena. The effects of the depression are becoming more and more pronounced, though the decline has so far been very moderate in extent. This may best be seen by the figures of production which are now available for the first three quarters of the year. The most striking thing in these figures is that developments in industrial production show a remarkably varied picture until June, when the effects of the depression seriously began to appear. Principally in consequence of varying conceptions of

future prospects the curve of production fluctuated sharply month by month. After the surprisingly active tempo of production in the winter and spring months it began to slacken. For June-September the average of *Svensk Finanstidningen's* index of production was 125 against 130 a year ago (1923/24 = 100). This decline is very moderate, and it is remarkable that a comparison of the first three quarters is still more favourable. The average figure was 136, the same as for January-September, 1929, the previous record. Among the leading branches of industry only two show a lower production than last year—iron and steel and the paper mills, and of these the latter had a two months' strike in the second quarter, which reduced output. On the other hand there was a decided increase in the pulp industry, sawmills and iron mines. Generally speaking, this result is surprisingly favourable, though it was due partly to an unusually large reserve of orders which was gradually worked off, and partly to considerable price reductions which will show their effects in the profit and loss accounts.

These developments were reflected in foreign trade. For the period January-May, before the full effects of the depression were discernible in the staple industries, both imports and exports showed an increase compared with previous years. From June to September, the best shipping months, the tendency was reversed. Both imports and exports for the first three quarters are less than a year ago. A detailed examination of the figures shows, moreover, that the effects of the depression are increasing in magnitude. Even in August they had been very unevenly distributed and the balance of trade was still decidedly active. In September the decline was more general. Moreover, the normal seasonal export surplus was changed into a pronounced import surplus. This is the more remarkable since the large item of grain imports was considerably lower than a year ago owing to the good harvest and the quota system for wheat and rye.

If one calculates exports on the values of 1929, they fell from 86 per cent. in July to 82 per cent. in August and 77 per cent. in September. Exports of the leading articles were reduced all round, timber by 32 per cent., iron ore by 23 per cent., pulp by 8 per cent., paper by 3 per cent. Exports of matches fell by 25 per cent. and the decline in iron and steel was still greater, for pig iron fell by 48 per cent. Some of the engineering industries, on the other hand, showed a welcome resistance. Though exports of ball bearings were 52 per cent. below 1929, for motors and separators the fall was inconsiderable. Telephones maintained their good position with a rise of 9 per cent., and electrical machinery increased by 18 per cent.

The cutting down of imports has not kept pace with this setback. From 114 per cent. of 1929 July figures they fell to 93 per cent. in August, but remained at the same level in September. It should be noted, however, that the fall in prices affected imports in a higher degree than exports. Whereas *Svensk Finanstidningen's* wholesale price-index sank from 128 in December, 1929, to 109 in October this year, Svenska Handelsbanken calculates the fall for export goods from 142 to 132 (September) and for imports from 120 to 96.

These developments are also reflected on the money market. Demand for credit has continued to shrink, and the consequence has been a pronounced surplus of cash in the commercial banks. Their independence of the Riksbank has been further emphasised, and the curious interest conditions have reduced rediscounting to a minimum, while realisation of exchange holdings has been pronounced. Against these developments may be set the improvement which has occurred in the balance of trade. During September the net bank claims abroad were increased by Kr. 33 millions, which is more or less normal for the time of year, though it has been accentuated by movements of capital. With the general development of the depression, accompanied by economic and political disturbances and interest rates remarkably low abroad in comparison with those in Sweden, the

normal excess of capital exports has recently been converted into an import surplus. The net capital import amounted to Kr. 8 millions for the third quarter, whereas last year there was a corresponding export surplus. The flight of capital from Germany evidently played a part in this. In this way, the net bank claims abroad at the turn of the last quarter had reached Kr. 578 millions, or Kr. 16 millions more than a year ago. This strong position may be of great importance if the depression should have more serious consequences to the country than can at present be foreseen.

POLAND.

New Parliament — Foreign Loans — Match Monopoly — Budget — Prices.

(FROM OUR CORRESPONDENT.)

WARSAW, November 22.

THE election for a new Parliament which took place last Sunday resulted in Marshal Pilsudski's party securing a safe working majority in the Lower House with 250 seats out of 444. It is without precedent in Polish politics for a single party or bloc to have an outright Parliamentary majority; but it must be remembered that the Government bloc is not a political party but a collection of citizens supporting the Pilsudski Dictatorship for a variety of reasons. The merit of the Dictator's victory is greatly discounted because of the tactics employed by the Government towards the Opposition throughout the campaign. With from 70 to 80 former Opposition Deputies in gaol, the Press muzzled, election lists annulled, and political opponents not allowed to hold demonstrations, the arguments against a Dictatorship could not be effectively presented. The sole appeal from the Government's side to the voters was "Do you want Marshal Pilsudski and a strong Government, or chaos?"

It is perhaps unfortunate that the Government did not permit a "free" election. As public opinion crystallised during the campaign it became evident that serious-minded voters with no pronounced political leanings, and the business community in particular, were in favour of giving the Dictator a Parliamentary majority to see how it would work. The Opposition now claims that the election was ruthlessly "made," and so of no value in estimating the desire for a Pilsudski Government; but it is not at all sure that the Government would not have obtained a majority in a "free" election. The spectacle in prospect of a military Dictatorship working through a Parliamentary majority composed of members of all shades of political thought promises to be interesting.

Now that an appearance of political stability has been achieved, it is expected that foreign loans will be less difficult to obtain. The result of the election was no sooner known than the Government announced the signing of an agreement with the Kreuger concern of Sweden for an extension and revision of the Match Monopoly contract against a new 6½ per cent. loan (to be issued at 93) in the amount of \$32,400,000. This agreement must be approved by Parliament before becoming effective. The Swedish concern obtained the Polish Match Monopoly in 1925 on a twenty-year lease against a 7 per cent. loan of \$6,000,000. The outstanding balance of this loan, it is believed, will be converted into the new issue of \$32,400,000, which would account for the odd amount. The Match Monopoly lease will be extended for a further period of twenty years, and the contract revised—it is reported—so as to provide for a considerable increase in the price of matches, no further obligations as to export, and the elimination of Polish control over the operations of the Monopoly.

A loan is also being discussed with French bankers for an amount of not less than £4 millions sterling for the completion of the new railway line for transporting coal from Upper Silesia to the port of Gdynia. Two sections of this line, covering a distance of more than 300 kilometres, were opened in the early part of this month, and about 250 kilometres remain to be constructed. Loan discussions, it is furthermore reported, are now being

carried on with American bankers, and include 3 millions sterling for a new railway station and other improvements in Warsaw, and a much larger amount for electrifying certain districts of Poland.

When the new Parliament assembles early in December, immediate consideration will no doubt be given to the Budget estimates for the fiscal year beginning April 1, 1931. The preliminary project approved by the Cabinet fixes revenue at 2,890 million zlotys (about £65 millions sterling). Revenue for the present year was estimated at 2,943 million zlotys, but this figure is unlikely to be realised, only 1,363 millions (or 46 per cent. of the estimates) having been obtained during the first six months of the fiscal period despite the unremitting efforts of the tax collecting authorities. Since it is most improbable that tax revenue next year will be equal to the present year's (what might be called the law of diminishing returns is now in operation), the Minister of Finance is presumably counting on "plugging up the hole" by means of foreign loans. The Government's conception appears to be that the present is an exceptional period, and that long-term foreign loans can be utilised for current spending in the expectation that a year or two hence economic conditions will so improve that the tax revenue of 1928-9 and 1929-30 (3,008 millions and 3,030 million zlotys respectively) will again be realised. It would seem sounder finance to impose a policy of decreased expenditure during the depression, rather than to attempt to maintain a current rate of spending that is beyond the country's immediate tax resources.

The heavy burdens of taxation on business, it is argued, are making impossible the reductions in wholesale and retail prices that are becoming imperatively necessary, if industry is not to be brought almost to a complete standstill. Whether taxation or "cartellisation" is mainly responsible is a moot point, but it is unquestionable that industrial prices are now out of all proportion to agricultural prices, and that no concerted attempts are being made to bring down the former. Official ideas on the subject, in fact, centre solely upon expedients for raising farm prices. The November issue of *The Polish Economist* (an official publication) shows that retail prices for all products are still above the 1927 average; while the latest wholesale and retail prices of manufactured goods (1927 = 100) are respectively 93.4 and 111.1. The comparative wholesale price of agricultural products, however, is now 68.2 per cent. of 1927, and the retail price 92.2. Clearly, therefore, agricultural prices are at a serious disadvantage with industrial, and, whether or not taxation is mainly responsible, the fact remains that with the farmer unable to buy—or even to meet his outstanding obligations—there is no hope for an industrial revival. It remains equally clear that the farmer cannot be further taxed, and as industry must apparently resort to cartels in order to support the present burdens of taxation, the Government will sooner or later have to recognise that a considerable reduction in taxes must precede any fundamental improvement in Polish trade.

SWITZERLAND.

Foreign Trade — Employment — Budget — Banking.

(FROM OUR CORRESPONDENT.)

GENEVA, November 21.

SWISS economic conditions showed no great change during the third quarter, though foreign trade returns seem to indicate that there is a slight improvement. During the third quarter, imports reached a value of £28,020,589, compared with £25,839,281 during the previous quarter, and with £28,136,783 during the corresponding quarter of 1929. There was a small rise in the imports of raw materials, a sign of renewed activity in industry. That improvement was emphasised in October, when imports rose to £10,049,787, the highest monthly total of the year. Exports during the third quarter aggregated £16,489,673, as against £18,427,381 during the previous quarter, and £21,155,082 during the third quarter of 1929. A small rise in exports was recorded in

October, when they totalled £5,961,685, against £5,751,716 in September and £5,215,681 in August, the lowest monthly figure of the year.

Commercial exchanges with Great Britain improved during the third quarter, when imports from her totalled £3,977,392, compared with £1,380,971 during the first and £1,778,398 during the second quarter, thus bringing the monthly average to £792,973, compared with £559,404 for the year 1929; on the other hand, exports to her reached £2,616,977, as against £2,434,167 during the first and £2,751,752 during the second quarter, the monthly average being £866,988, as against £960,330 in 1929.

Though unemployment again increased slightly in September, there are a few signs of a real revival. Some improvement was noticed during the past two months on the home market which had hitherto been very slack; activity is greater, though hardly normal, in some industries, the goods traffic on the railways has increased since the end of August, and the receipts of the railways were higher in September and October.

The Budget of the Federal Government for 1931 estimates receipts at £15,820,000 and expenditure at £16,128,000, thus leaving an estimated deficit of £308,000, while it had been expected that the Budget would record a surplus. The estimated deficit does not result from a drop in receipts, but from an increase in expenditure, which is £840,000 higher than last year owing to certain extraordinary subsidies for the regularisation of the Rhine (£170,000), for military aviation (£160,000), for the Polytechnic High School (£56,000), for primary schools (£80,000), for national defence (£112,000), unemployment insurance (£112,000), and professional education (£30,000). The accounts for 1930 are likely to show a surplus, and it had been hoped that the era of deficits would now be closed. The proposed Budget is, therefore, disappointing, though it is realised that all the supplementary expenses are necessary and can neither be curtailed nor avoided. It is hoped, on the other hand, that receipts will be higher than estimated, thus enabling the accounts to be at least balanced, but this depends on the economic situation. Should receipts not exceed the estimates, the necessity will be contemplated of setting up new taxes, which would undoubtedly cause much dissatisfaction in the country. The 1931 estimates include, among others, a sum of £3,948,770 for the service of the Debt, £280,000 less than in 1930 owing to the repayment of the Debt and the Conversion of some 6 and 5½ per cent. loans into 4 per cent. loans. The instalment for the repayment of the Debt will be increased by £220,000, and reach £752,324, compared with £535,720 in 1930.

The banking industry continues to be very active, as money is abundant on the market, and many advantageous conversions have been effected. A Federal loan of £4,000,000 at 4 per cent. was subscribed ten times over, a great number of subscriptions coming from abroad.

There are now 306 large banks in Switzerland, 26 being State concerns, 164 limited companies, and 91 co-operative banks. Seven banks have each a capital of more than £4,000,000. Of a total nominal capital of over £120,000,000, 40 per cent. belongs to financial societies, 30 per cent. to the large banks, 15 per cent. to the State concerns, and 15 per cent. to the other banks. While at Zurich and Basle the larger banks predominate, the private banks of Geneva created in 1890 the "Union Financière de Genève," a great society which does not directly deal with the public, but only with the banks, putting large sums at their disposal when required, and specialising in the issuing of securities and the creation of syndicates. With an initial capital of £480,000, the "Union Financière de Genève" developed very rapidly in the post-war period, it increased its capital to £800,000 in 1927, to £1,200,000 in 1928, to £2,000,000 in 1930. It recently admitted two new members, a bank of medium size and a large Swiss bank, so that it now includes thirteen banks, most of which are private concerns. This will enable Geneva to compete on equal terms with Zurich and Basle in the domain of finance.

JUGOSLAVIA.

Trade Depression — Assistance to Agriculture — Privileged Industrial Bank.

(FROM OUR CORRESPONDENT.)

BELGRADE, November 18.

JUGOSLAVIA is now suffering from the general European trade and business depression, and her symptoms are therefore similar to those of other countries, namely, relative over-production, under-consumption through lack of purchasing power, desire for tariff barriers, growing economic nationalism and increased Government intervention.

Something of the depression may be gleaned from the following foreign trade figures:—

FIRST NINE MONTHS.		
(Million Dinars.)		
	1929.	1930.
Imports.....	5,625	5,276
Exports.....	5,338	5,005

The full meaning of these figures becomes clear only if we remember that exports for the first half-year exceeded those of 1929 by 373 million dinars, and that the third quarter is responsible for a deficit of over 700 million dinars as compared with last year. Indeed, were it not for an excellent fruit season and lively trade in sheep, goats, poultry and eggs, the figures would be even more discouraging.

The first effects of the crisis are naturally felt in agriculture, especially in the corn trade. There are fairly large stocks left over from last year, so that, with this year's harvest, the country is full of wheat and maize which it can only dispose of with difficulty even at the present low figure of 127-145 dinars (ten shillings) for 100 kilogs. of wheat, and 97-102 dinars for maize. With such prices, which barely cover costs of production, the future of the peasant, whose finances showed slight signs of improvement last year, and who still bears the double burden of taxes and debts with difficulty, appears precarious.

Government intervention has manifested itself hitherto in two ways. The Privileged Agrarian Bank has distributed between 700 and 800 million dinars of cheap credit to farmers, while the Privileged Export Society, which virtually enjoys a monopoly in corn export, combats speculative depression by paying the peasants on the basis of international prices. Conscious, however, that such alleviation as is offered by these two bodies cannot relieve the effects of a world crisis, the Government is making efforts to create a selling cartel for agricultural goods with countries similarly affected, i.e., Roumania, Hungary, Bulgaria and Poland. The Belgrade conference of representatives from these countries has formulated several concrete proposals of which the chief two are (a) that a central office for joint sale of agricultural products be created by July 1, 1931, and (b) that the national organisations forming part of the central office should have unlimited control over the export of goods for which co-operation is agreed. Thus, we have here the inception of an agricultural cartel sponsored by Governments in opposition to the private cartels in industry.

Industry, which is affected by the low purchasing power of agriculture, is clamouring for further protection, arguing that thus more home labour will be employed and the circle of consumers enlarged. Promise of relief is given in a speech of the Minister of Trade and Industry, who holds forth hopes of subsidies, bonuses, special railway tariffs and a revision of the entire scale of Customs duties. At the same time, the Government has drawn up a law for the creation of a privileged industrial bank with a capital of 150 million dinars (£550,000), whose chief aim it will be to provide industry with cheap credit on the basis of bonds and pledges. The character of the bank, similar to that of the agrarian and mortgage banks and the export society, would be that of a semi-State institution which enjoys a Government guarantee and many privileges in exchange for Government control.

In addition to problems of agriculture and industry, the Government is faced with those of taxation and unemployment, though the latter is not so severe as in industrial countries. Realising that the present greater returns from indirect taxation are only due to stiffer assessment based on a prosperous year, it has promised a number of measures to ease the burden of taxation. Finally it has invited tenders for the construction of 400 kilometres of rail and 700 kilometres of road on a credit system, offering the contractors bonds redeemable within ten years, and bearing 7 per cent. interest, with an issue price of 90.

Letters to the Editor.

THE FUTURE OF THE RATE OF INTEREST.

TO THE EDITOR OF THE ECONOMIST.

SIR,—The "controversy" which appeared in your columns, following Mr J. M. Keynes' article on "The Future of the Rate of Interest," has been so thought-provoking that perhaps some additional comment and figures bearing on the American side of the problem may be of interest.

Mr Keynes has stated that "the (world) slump is due to a retardation of new real investment, so that it fell seriously behind the level of current saving." This observation seems to be admirably substantiated by statistical evidence which has recently become available on this side of the Atlantic. According to a compilation by Moody's Investors' Service, new capital issues for undeniably productive purposes (or "real," to use Mr Keynes' vocabulary) have in recent years been as follows:—

NEW PRODUCTIVE CAPITAL FLOTATIONS IN THE UNITED STATES.

Year.	Total Productive Issues.	Per cent. of Productive to All Issues.*
(Millions of dollars.)		
1921	2,166	76.6
1922	2,721	76.4
1923	2,954	77.1
1924	3,446	76.1
1925	3,318	63.2
1926	3,168	61.8
1927	3,259	53.3
1928	2,947	43.8
1929	3,176	36.3
1930	2,821 (9 mos.)	55.9 (7 mos.)

* Ratio of 5 months' moving averages.

The amount of productive issues has been determined by selecting from the total of domestic flotations of new capital (less refunding) only those issues which were obviously destined solely for capital expansion and improvement. Issues of indefinite purpose or those floated for working capital purposes or for acquisition of other companies or investments were eliminated from the compilation.

When an examination of the monthly figures is made, it becomes strikingly apparent that the volume of new "real" investment started to fall sharply below its normal, or expected course at the beginning of 1928. While, as your editorial comment in the issue of October 18th rightly states, the raising of new capital since 1925, instead of being curtailed, merely assumed a different form through the issue of "equity" shares, it nevertheless appears true on closer analysis that the "productive" use of the new share flotations failed to offset the decline in debenture financing. Unfortunately, this was not so apparent while the boom lasted.

This fact, combined with other evidences in the field of banking statistics, would seem to confirm what Mr Keynes has in mind when he speaks of "real" investments falling below current savings (including, no doubt, undistributed corporate profits) and the disproportion between the demand for long- and short-term investment media. There is little doubt but that maldistribution and misdirection of capital, credit and purchasing power (whether it be a structural or cyclical evil, or both) was at least one of the major causes of the current depression, and probably of some past depressions as well.

On the other hand, it is difficult, from the point of view of American data, to agree with Mr Keynes' quantitative statement of the problem, in its world aspect, at least. Throughout his article in the September issue of the Svenska Handelsbanken's "Index," Mr Keynes pictures the long-term interest rate as being "maintained" by a set of artificial causes, at

a preposterously high level during the entire post-war period and as being now (in round figures) 50 per cent. higher than before the war.

A weighted average of yields on newly-issued bonds and preferred stocks in the United States (Moody's Price of Capital), which is similar to the *Economist's* compilation for London financing, reveals the following trends:—

PRICE OF CAPITAL.

(A Weighted Average of Yields on New-Issued Bonds and Preferred Stocks.)

Quarterly Data.

	First Quarter.	Second Quarter.	Third Quarter.	Fourth Quarter.	Yearly Average.
1921	6.68*	...	6.85†	...	6.77
1922	6.79	6.45	6.23	6.12	6.39
1923	6.10	6.03	6.10	6.09	6.08
1924	6.08	5.98	5.86	5.78	5.93
1925	5.77	5.82	5.79	5.82	5.80
1926	5.77	5.70	5.76	5.74	5.74
1927	5.60	5.51	5.50	5.38	5.50
1928	5.34	5.28	5.63	5.47	5.43
1929	5.61	5.64	5.89	5.65	5.69
1930	5.54	5.40	5.29	...	...

Yearly Data.

1903	5.00	1909.....	4.79	1915.....	5.27
1904	5.03	1910.....	4.89	1916.....	5.28
1905	4.65	1911.....	4.89	1917.....	5.43
1906	4.73	1912.....	4.81	1918.....	5.74
1907	5.17	1913.....	5.05	1919.....	6.01
1908	5.25	1914.....	5.23	1920.....	6.04

* First half.

† Second half.

It can be seen that the "Price of Capital" fell from the peak of 6.85 in the second half of 1920 to 5.28 in the second quarter of 1928. During the stock market boom it rose again to 5.89 in the third quarter of 1929, and at this moment is back again to 5.29. This compares with 4.87 on the average for the years 1909 to 1912, and with 4.93 for the years 1903 to 1912.

It is true that the above "Price of Capital" is affected to some extent by the "quality" of bonds issued and that the discrepancy between long- and short-term interest rates at the present time is still very abnormal. A study of past records, however, will show that this is due not so much to the relative abnormality of long-term interest rates as to that of short-term interest rates. The former are much nearer their long-time average than are the latter, if it is at all permissible to speak in terms of long-term "normals" in this case. A return of confidence in the business world will correct the unusual spread between long- and short-term rates by simultaneously reducing somewhat the former and raising the latter.—Yours faithfully,

ADAM GOSTOMSKI.

New York,
November 11, 1930.

INTERNATIONAL MIDDLE-CLASS LIVING COSTS.

TO THE EDITOR OF THE ECONOMIST.

SIR,—The reply of the compilers of the Unilever report does little to resolve the doubts I expressed. It is difficult to make matters plain to compilers who appear not to know what it is they have been attempting to do; but I will try again.

There are three objective methods of making an international comparison of costs of living. For simplicity I will describe them in terms of two countries. One is to take the English budget of some selected class and find out what the items cost in England and in Norway; another is to price the English budget in Norway and the Norwegian budget in England and take a combination or a choice of the two results; the third is to make up an international average budget and price that in the two countries.

These methods aim at telling what the same budget costs in different countries. There is, however, another quite different question. What does it cost in Norway to live as the Norwegians do and what does it cost in England to live as the English do? That, followed out, leads simply to a statement of the differences between what people of corresponding classes spend in the various countries. In outcome, it is not a cost inquiry at all, but an expenditure inquiry.

To provide an answer to the first of these questions (i.e., what does the same budget cost in two or more countries?) is difficult; to provide an answer to the second is simple, though not very helpful. But to try to mix the two is to reach nothing but subjective confusion. According to the allowances one makes or does not make for differences in national habits—e.g., motor-cars and fur coats—one can produce at

will a result anywhere between a cost comparison and an expenditure comparison. It is clear that the compilers of the report have tried to blend a relative cost calculation with a relative expenditure calculation. In so doing they have inevitably produced nothing but confusion.

These are the fundamentals of the matter. They are illustrated by the details. The food, servants, clothing and sundries items at all three levels of income appear to have started with an attempt to price the same things, at each income level, in all the countries. This is the justification advanced for the "approximation to uniformity." Into this procedure there has been introduced the idea of allowing for fur coats in cold countries, and other appropriate garments in other countries. That is not pricing the same things in all countries. Once a compiler starts on that he must go through with it. He must allow for different national needs and habits in everything—food, drink, housing and what not. And inevitably he arrives, if he does his work thoroughly, at a comparison not of what things cost but of what people spend.

If the uniform budget is the method, he must keep firmly to it. Once he begins to disallow a car to anyone under £1,800 a year in Norway, to allow for different preferences in the matter of education, and to make amusements, &c., expand or contract according to some hypothetical balance, his basis has gone and his results are meaningless.

These are principles. The taxation question is a question of fact. Now one knows that by "taxation" direct taxation (State and local) is meant; the facts can be ascertained by anyone, but it will take some time. In the meantime, the opinion of even "competent authorities" should be held in question.

The compilers' reply leaves four other disquieting aspects of the tables unresolved. I will not occupy space in re-stating them.

Perhaps I should say that I am well acquainted with Dr. Richardson's paper and with Dr. Bowley's comments; otherwise I might not have doubted the substance and method of the Unilever inquiry.—Yours faithfully,

JEREMY HALFORD.

London, S.W.1.
November 24, 1930.

THE DIRECTION OF OVERSEAS TRADE.

TO THE EDITOR OF THE ECONOMIST.

SIR,—Last week I happened to refer in conversation to a statement in the article in your issue of November 22nd, entitled "The Direction of Overseas Trade" to the effect that in the first nine months of 1930 the value of British exports to Australia "had fallen below our exports to France." I am so accustomed to accept statements in the *Economist* as authoritative that I was somewhat surprised to find this assertion strongly challenged. Yet on verification, I think, the challenge was reasonable.

Reference to the October Trade and Navigation Returns (p. 202), shows that the totals given in the article for British trade with several European countries include such trade with their Dependencies. Consequently in the tables given in the article, the figures of British trade with the Netherlands, Belgium, France, Italy, Spain and Portugal are inflated by the inclusion of figures relating to British trade with many far-scattered foreign countries such as Java, French Indo-China, Syria, large portions of Africa and parts of the West Indies. As the writer's analysis purports to be "an examination of the geographical distribution of the decline" in British trade, I was hardly prepared to find trade with countries in other continents described as trade with "Europe."

The method of computation adopted by your writer has a direct bearing on the quotation I made from your article. According to the October Trade Returns the values of British goods exported to the principal importing countries in the first nine months of 1929 and 1930 were as follows:—

EXPORTS—JANUARY TO SEPTEMBER.
(000's omitted).

1929.	£	1930.	£
India.....	59,091	India	43,246
Australia	39,729	Australia	26,322
United States	33,742	Irish Free State.....	26,187
Germany	27,996	France	22,273
Canada	26,544	United States	21,969
Irish Free State	26,526	Canada.....	21,700
Union of South Africa	24,267	Germany	20,449
France	22,854	Union of South Africa	20,170
Argentina	22,118	Argentina	19,112

Thus arranged according to geographical conception, France is not above Australia, but below both Australia and the Irish Free State. The foregoing table shows, in fact, that the value of British exports to the nearby countries—the Irish Free State and France—have been substantially maintained in a period of general fall, and that exports to the United States and to Germany have fallen to practical parity with those to Canada and to the Union of South Africa respectively.

I am, Sir,

Your obedient Servant,

DAVID CHADWICK.

Bickley, Kent.

November 25th.

[We plead guilty; and are obliged to Sir David Chadwick for calling our attention to this point. For many years during which the *Economist* has compiled its quarterly analyses of the Direction of our Overseas Trade, it has been our practice to shorten tables which would otherwise be unwieldy by including French and other "Dependencies" with the European country to which they belong. By an oversight a note to this effect was omitted from the article in question. The challenged sentence should, of course, read: "had fallen below our exports to France (including French Dependencies)". Our general conclusions as to the "centres of depression" are not otherwise traversed.—ED., *Econ.*]

GOLD: PRICES: WAGES.

TO THE EDITOR OF THE ECONOMIST.

SIR,—I have so great respect for Sir Charles Harris as a financial authority that I am sorry to see him embarking somewhat irresponsibly upon economic controversy.

In his letter to you of the 19th instant—and I seem to have seen elsewhere a similar expression of his views—Sir Charles appears to be mixing up cause and effect to a serious degree. Moreover, having taken a violent dislike to those persons who, in the diagnosis of the present depression, give pride of place to "monetary causes," he himself is proceeding to erect a case for yet another "primary" cause of our present troubles. Real wages maintained irrespective of price movements are now offered as the difficulty. We should adjust wages to prices, and then all will be well—or in other words, depression can proceed on its course, be followed by boom, and then the same all over again.

The question which Sir Charles Harris (with others who adopt the same argument) chooses to ignore is, What caused prices and wages to diverge? Obviously it was not primarily the movement of wage rates which set prices in the downward direction.

All that this argument about real wages does is to point out that cyclical fluctuations cause economic damage by upsetting at intervals the equilibrium necessary for the smooth working of the economic world. Divergence between wages and prices is only a manifestation of this disturbance. The mathematical calculation applied to wages in order to evolve "real wages" might be applied with advantage to other factors with interesting results.

If the problem at issue were, "How can we best carry on with cyclical fluctuations," then the adjustment of wages would be an obvious necessity when prices are falling (and, of course, in the opposite direction, when they are rising); but as I understand the recent contributions of Sir Henry Strakosch, Lord D'Abernon and others, they are concerned with the removal of the causes of the depression, and not merely with how to make the best of it.—Yours faithfully,

199, Pithanger Lane,
Ealing, W.5.
November 26th.

G. W. TURNER.

ELECTIONS AND VIOLENCE IN POLAND.

TO THE EDITOR OF THE ECONOMIST.

SIR,—I have read with great regret your observations on the elections in Poland which you published in your issue of the 22nd. You quite fairly admit that they are based upon certain accounts which appeared in the *Manchester Guardian*. I have no desire to enter into any controversy over those accounts, but I hope that you will allow me to meet your question with another, fundamental one.

You say: "It is indeed disheartening that Poland, once partitioned and now precariously restored, should have set her feet on a path which can lead nowhere but to her own re-destruction—and to the destruction of Europe into the bargain." On what facts do you base this despondency? Is it justified by the fact that for the first time since 1918 the Polish Parliament contains a clear majority to support the Administration, and that instead of a precarious conglomeration of microscopic parties with their ever-changing fluctuations of allegiance and parliamentary acrobatics, a party with an

independent majority of 52 (not 25, as you seem to assume) is able to form an efficient administration and give the country five years of internal peace, so necessary for a constructive collaboration of the Executive with the representatives of the nation in Parliament?

That Polish democracy was able to produce this happy result after but twelve years of the restoration of the Republic should be a matter of profound satisfaction to every lover of peace, considering what it means for the stability of that part of Europe. Naturally, this internal consolidation of Poland has infuriated all her enemies, but, knowing your fairness, I am sure that if you eliminate the hostile, unfair and inaccurate accounts published by the *Manchester Guardian*, you will yourself make the proper deductions, which will reverse your previous judgment.

In conclusion, may I illustrate by a practical instance the value of the *Manchester Guardian* accounts of the Polish elections? In his article, written from Katowice and published on the 18th instant, the *Guardian's* correspondent describes how, in order to test the "freedom of elections," he approached a number of Poles near a polling booth and asked them in German for a German ballot number, which was refused him with grins. From this he became convinced that the Germans in Poland were being denied political franchise.

What the *Manchester Guardian* correspondent really did may be understood by an identical example in an English setting. If I, declaring myself to be a Labour voter at an election in this country, were to address a Conservative organiser and ask him to drive me in a Conservative car to the polling booth, I should certainly be treated as an imbecile. Yet this is exactly what the *Manchester Guardian* correspondent did in Katowice. For those ballot numbers are nothing but slips of white paper on which any voter can print or write the number of the party list for which he desires to vote. Party organisers supply the lazy voter with slips on which their party number is already printed, but, naturally, they have no interest in assisting their opponents in the same way.

Here is an instance of the kind of *prima facie* evidence which the *Manchester Guardian* so assiduously collects in order to attack Poland.—I am, Sir, etc.,

F. B. CZARNOMSKI,

Director, Polish Press Bureau.

Polish Embassy,
47 Portland Place, W.1.
November 25th.

[We are glad to give publicity to this official reply. Further reference to the Polish attitude towards minorities will be found in a Note of the Week. The accuracy of the allegations regarding Terrorism, whether in Eastern Galicia or Upper Silesia—allegations which, if true, amply justified our "despondency"—is a matter which, we hope, the League of Nations will fully investigate.—ED., *Econ.*]

Books and Publications.

COMMERCIAL GOODWILL.

AMONG the more difficult problems with which business accountancy has to deal is that of the proper treatment of commercial goodwill. Mr. P. D. Leake, who is an acknowledged authority on the subject, and whose book* now appears in its second edition, approaches the subject, in which he includes the values placed upon patent rights, trademarks and copyrights, mainly in its practical as distinguished from its economic aspect, and describes it as the value of future super profit after providing all charges necessary to earn it, including management, remuneration, interest on outlay and depreciation.

The book starts with a careful sketch of the legal incidents of business goodwill, patent rights and trademarks; it then discusses, among other things, its valuation in relation to private businesses and public companies, and its treatment in accounts. The progress of the author's argument may be summed up by the following propositions:—1. Outlay of this nature should not figure permanently as a substantial asset on a commercial balance sheet. 2. Properly viewed the sum usually paid for goodwill includes two principal elements, interest and a capital sum for expired capital outlay. 3. The annual interest factor should rarely be taken at less than 10 per cent., and frequently much more.

* "Commercial Goodwill: Its History, Value and Treatment in Accounts." By P. D. Leake. Sir Isaac Pitman & Sons. 15s.

THE COTTON REPORT

ITS VALUE TO LANCASHIRE

by

W. S. ASCOLI

Price One Shilling

After reviewing the principal features of the Government report upon the present conditions and prospects of the Lancashire Cotton Industry this pamphlet invites public opinion on the neglect of the Government to consider or support certain independent efforts which assure the restoration of complete competitiveness.

WILLIAMS & NORGATE, LTD.

THE NATIONAL DEBT

By E. L. HARGREAVES, M.A., Ph.D. 15s. net.

"A scholarly account of the British National Debt, which constitutes a valuable contribution to financial history."—*Economist*.

London: EDWARD ARNOLD & Co., 41-43 Maddox St., W.1

4. The "goodwill" amount should be written off in a much shorter term of years than is often adopted, and this can most conveniently be effected by means of a short-term annuity, constant or diminishing in amount according to the circumstances of the case.

The book is well furnished with arithmetical illustrations of the matters discussed, and reprints in an appendix the provisions of relative statutes. It is clearly written with ripe judgment, and is of undoubted excellence; it deserves the careful attention of all who are interested in public company finance; the chapter on "Public Companies and Goodwill" might with advantage be considered by those who are tempted to fashion investment practice on calculations based on jobbing backwards.

BOOKS RECEIVED.

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

(It would be a convenience to our readers if publishers would make a point of notifying us of the prices of books sent for inclusion in this column.)

Survey of International Affairs, 1929. By Arnold J. Toynbee. Assisted by V. M. Boulter. (London) Oxford University Press, Warwick Square. 21s. net.

Particularly important are the sections on disarmament, economic co-operation, reparations and the international relations of China.

Documents on International Affairs, 1929. Edited by John W. Wheeler-Bennett. With an Introduction by Lieut.-General Sir George Macdonogh. (London) Oxford University Press, Warwick Square. 16s. net.

Among the many important documents reproduced in this volume are those relating to the Hague Conference, the Evacuation of the Rhineland, the adherence of the United States to the Permanent Court of International Justice, the Vatican State and the Sino-Soviet dispute.

Oil Conservation and Fuel Oil Supply. (New York) National Industrial Conference Board Inc., 247, Park Avenue. \$2.50.

A most valuable statistical analysis of the sources and uses of fuel oil.

Oil: Its Conservation and Waste. By James H. Westcott. Fourth Edition. (New York) Beacon Publishing Company, 25, Broad Street.

A new edition of one of the best books on mineral oil. This is more technical than the National Industrial Conference Board's study.

The Changing Fabric of Japan. By Captain M. D. Kennedy. (London) Constable and Co., Ltd., 10-12, Orange Street. 16s. net.

An interesting discussion of the social and economic changes in progress in Japan.

What is the Position of British Industry? By Hugh Butler, reprinted from *Harvard Business Review*, October, 1930.

A discussion by an American qualified by long residence in England to write with appreciation of English difficulties. He accounts for our comparative backwardness in rationalisation by the exceptional diversity of the markets for which we cater.

England's Industrial Salvation. By Frank Hillier. (London) George Allen and Unwin, Ltd., 40, Museum Street. 3s. 6d. net.

A sane little book by a clear-sighted observer with a wide knowledge of British industry and commerce.

The Bankers' Almanac and Year Book, 1930-31. (London) Thomas Skinner and Co., Gresham House, Old Broad Street, and Waterlow and Sons, Ltd., Great Winchester Street. 42s. net.

An indispensable work of reference on banking, currency, foreign exchanges and the money market.

Finanzen und Steuern. (Berlin) Verlag von Reimar Hobbing. Rm. 10.

A very remarkable book of reference. The German Federal Bureau of Statistics has brought together, in a volume of nearly 900 pages, at the very moderate cost of ten marks, an immense body of financial statistics, federal, State and local, and has grouped them, analysed them, and provided an explanatory text which renders them as accessible and intelligible as such statistics can possibly be made. There is a very substantial international section which should prove a valuable source of comparative statistics of taxation and public debt.

International Labour Review, November, 1930. (London) George Allen and Unwin, Ltd., 40, Museum Street. 2s. 6d.

Includes articles on "The Present Status of the Wool Textile Industry" and "Labour Legislation in India."

Anuario del Comercio Anglo-Sudamericano. (London) British South American Trade Annual, 74, Victoria Street.

An illustrated collection of articles by prominent business men on subjects connected with Anglo-South American trade. The volume, which is in Spanish, should help to prepare the ground for the forthcoming British Trade Exhibition at Buenos Aires.

OFFICIAL PUBLICATIONS RECEIVED.

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

Department of Overseas Trade: Economic Conditions in Uruguay, August, 1930. 1s. 6d. net.

Accounts Relating to the Trade and Commerce of certain Foreign Countries and British Countries Overseas, during the period ended, June 30, 1930. 2s. net.

Annual Statement of the Navigation and Shipping of the United Kingdom for the year 1929. 4s. net.

Colonial Reports: No. 1507, Ceylon, 1929, 5s. net; No. 1508, Turks and Caicos Islands, 1929, 9d. net.

The Stock Exchange.

THE OIL OUTLOOK.

THE oil industry lends itself to dramatic treatment in the Press. Whenever the price of petrol is cut, whether it be in this country, the Continent, or America, the headline repeat, with mournful iteration, that another "oil war" has been declared. There are, of course, a number of "wars" which could break out in the oil industry at any time. The Standard Oil interests fought the Royal Dutch-Shell group and Burmah Oil in the Eastern and Indian markets in 1927-28, a truce being signed, after nine months' struggle, in June, 1928. The Soviet Government waged intermittent war with the international oil groups up to the spring of 1929, when it signed an agreement with the Anglo-American Oil in regard to certain exports and its trade in Great Britain. Again, the big oil combines have often fought the independent oil companies whenever a market has been threatened with excessive competition from independent sources. But at the present time there is no "war" of any description being waged. The Standard Oil and Royal Dutch-Shell groups are at peace in the Eastern markets as well as in this country and America. The Soviet Government has adhered to its quota agreement in Great Britain, and has not so far found it profitable to expand its marketing facilities in view of the heavy outlay on plant that is required. The prices of oil products in the markets are far too low to encourage any oil group to indulge in open hostilities with its rivals. Of course, price-cutting by the large American independent companies is going on in the United States and Great Britain, while the Soviet Government is undercutting the market in Central and Northern Europe. But wholesale price-cutting in these days of trade depression does not make an "oil war."

In the United States, the oil industry has hitherto been saved from the evil effects of chronic over-production by an extraordinary resilience in the demand for gasoline and other oil products. The stocks of all oils in the United States have increased year after year from a level of 187,000,000 barrels in January, 1919, to 689,181,000 in January, 1930, the present level being slightly below the latter figure. In other words, the American oil industry (which, with its own production and its imports from Mexico, Colombia and Venezuela, is responsible for over 70 per cent. of the world's oil trade) has been over-producing every year (except in 1926) for the past 12 years. Yet, reckoned in terms of days' supply at the yearly rate of consumption, the increase in stocks has not been so alarming, as the following table will show:—

U.S. OIL SUPPLY AND DEMAND.*
(In Thousands of Barrels.)

	Supply.	Demand.	Excess or Deficiency of Supply.	Stocks of All Oils at end of Year or Period.	Stocks in Days' Supply (at Yearly Rate of Consumption).
1927	1,014,084	943,981	+ 70,103	Barrels, 597,143	231.47
1928	1,038,166	1,015,584	+ 22,582	619,725	222.73
1929	1,171,359	1,103,203	+ 68,156	689,166	228.01
1930 (9 months)	810,943	821,601	- 10,658	678,508	225.42

* Supply = domestic production and imports. Demand = domestic consumption and exports.

It will be found that total demand in 1928 was 7.06 per cent. greater than in 1927, and in 1929 8.63 per cent. greater than in 1928. In terms of days' supply, at the current rate of demand, stocks of all oils are, in fact, slightly below the level of 1927. The persistent annual increase in consumption has so far preserved equilibrium without any sacrifice being required on the part of the American oil industry.

This year, however, sacrifices have, in fact, been demanded and made. The American oil industry has set

about meeting the problem of over-supply, inherited from previous years, by co-operative measures of restriction. In the field of crude oil production it has applied restriction of output with remarkable effect. With the help of a State Conservation law the output of California has been brought down by 25.3 per cent. this year, while State Commissions have organised restriction of output in Oklahoma and Texas so successfully that the production of those States has been reduced by 31½ per cent. and 14 per cent. respectively, as the next table will show:—

DAILY AVERAGE CRUDE OIL PRODUCTION IN OKLAHOMA, CALIFORNIA AND WHOLE OF U.S.A.

	(In barrels.)		
	Oklahoma.	California.	U.S. Total.
Peak for 1929	748,700	890,500	2,973,450
	(Sept. 14)	(Sept. 21)	(Aug. 31)
Peak for 1930	707,550	806,000	2,722,050
	(Jan. 11)	(Feb. 22)	(Feb. 22)
Nov. 15, 1930	506,000	602,000	2,304,550
Nov. 22, 1930	484,200	607,000	2,281,850

That the independent producers of crude oil in America would co-operate to such an extent as to effect a 16 per cent. reduction in total output would have been considered impossible a few years ago. Production last week was lower than it has been since 1926.

In the refining sphere restriction of output has not been applied with such regularity or organisation as in the sphere of production. Nevertheless, the runs of crude oil to refinery stills within the last two months have been greatly reduced. For example, in the week ending November 8th crude oil runs to stills amounted to 2,274,600 barrels a day, as compared with 2,638,100 barrels a day at the same time last year, a decline of 13.8 per cent. As a result of this restriction of refinery output, it will be found that up to the end of September this year the amount of gasoline produced and imported was actually less than the amount consumed domestically and exported.

U.S. GASOLINE SUPPLY AND DEMAND.
(In thousands of barrels.)

	9 Months to Sept. 30, 1929.	9 Months to Sept. 30, 1930.	Per cent. Increase 1930 over 1929.
Domestic production	323,713	336,166	+ 3.85
Imports	6,108	13,264	+117.16
Total supply	329,821	349,430	+ 5.95
Domestic consumption ...	283,996	303,215	+ 6.77
Exports	45,736	51,223	+ 12.00
Total demand	329,732	354,438	+ 7.49
Stocks at end of September	33,181	38,254	+ 15.29

On the whole, it may be said that the American oil industry has so far met its problems this year with commendable determination. It has succeeded in restricting crude oil output to below the level of demand. It is to its credit that it has allowed the prices of crude oil and refined oil products to find their own levels. It made one abortive effort artificially to control the prices of refined oil products for export, but this failed ingloriously when the American Oil Exporters' Association abandoned its price schedule this month. Gasoline prices are now being allowed to look after themselves. The "U.S. motor" grade of gasoline has fallen to 4½ cents per gallon from 7½ cents. Following a 2d. cut in the price of petrol in Great Britain reductions have been made in France and Germany. Crude oil prices in America have also been cut in spite of the further restriction of output. The following table shows the chief reductions in crude oil and gasoline prices which have been made in the United States this year as compared with 1929.

	Gasoline. (Cent. per gallon.) "U.S. Motor" Grade ex Oklahoma Refinery.	Crude Oil. (\$ per barrel.) Mid-Continent 36° Beaumé.
	1929.	1930.
Beginning of year ...	8½	7
End March	7	6½
End June	8½	6½
End September	7½	5½
November	7½	4½

It remains to estimate the effect of lower prices on oil company dividends. The following table shows the dividends, last year and this year, so far as they have been declared, by the leading oil companies:—

Company.	Year Ending.	Dividends %.				High-est Price, 1930.	Present Middle Price.	Approx. Yield % on last Year Divs.
		Last Year.		This Year.				
		Inter-im.	Final.	Inter-im.	Final.			
Anglo-Persian Oil (£1)	30 Dec.	5	15	5	*	4½	3	£ s. d. 6 13 4
Apex (Trinidad) Oil- fields (£1)	31 Sept.	22½	30	15	*	1½	12/-	...
Burmah Oil Co. (£1)	31 Dec.	10	20	10	*	4½	3½	8 5 6
Royal Dutch (Fl. 100)	31 Dec.	10	14	10	*	35½	25½	8 0 0
Shell Transport and Trading (£1).	31 Dec.	10	15	10	*	4½	3½	6 13 4
Shell Union Oil (no par).	31 Dec.	35 cts.	Quar- terly.	35 cts.	35 cts.	9½	...	...
Trinidad Leaseholds (£1).	30 June	12½	17½	7½	Mar. June.	3½	1½	6 0 0
Venezuelan Oil Con- cessions (£1).	31 Dec.	...	20	5	*	3½	1½	10 0 0

* Not yet declared. † Free of tax. ‡ On basis of 15% dividend.

Certain reductions in dividends have already been made, notably by Trinidad Leaseholds and Apex Trinidad, Venezuelan Oil Concessions has declared an interim dividend of 5 per cent., the directors announcing that the aggregate profits for 1930 would be approximately the same as those earned in the previous year. As the capital has been increased this implies earnings of 15 per cent. this year, as against 20.1 per cent. last year. The final dividend cannot, therefore, be larger than 10 per cent. The Shell Union Oil Corporation, having paid two quarterly dividends of 35 cents each this year, passed the dividend for the quarter ended September 30, 1930. It is expected that the dividend in respect of the final quarter will also be passed.

There remain to be considered the possible dividends of the four leaders—Royal Dutch, Shell Transport, Burmah Oil and Anglo-Persian Oil. The interim dividends of the Royal Dutch and Shell have been maintained at the usual rates. The final dividends in respect of 1930 are not declared until June next year and if the oil situation by that time has not improved it is possible that even these rates will have to be reconsidered. The Anglo-Persian has announced its interim dividend, which is maintained at the 1929 rate of 5 per cent., but in view of the reductions in retail petrol prices in this country and on the Continent, its final dividend, which last year was 15 per cent., may be subject to revision. The 2d. cut in British petrol alone is equivalent to over 12 per cent. on the Anglo-Persian capital in a full year. The Burmah Oil Company holds 1,000,000 ordinary shares in the Shell Transport and Trading Company and 3,560,985 ordinary shares in the Anglo-Persian Oil Company of which 700,000 have been transferred to the B.O.C. Anglo-Persian Share Trust, Ltd., to meet the exchange rights of the debenture holders. If the Shell Transport and Trading reduced its dividends to 20 per cent., tax free, as against 25 per cent., tax free, and the Anglo-Persian cut its 20 per cent. dividends to 15 per cent., the loss in revenue to the Burmah Oil Company would be approximately £187,988 (after tax). If a 10 per cent. decline were shown in net trading profits in India and a decline of £187,988 in revenue from investments, there would be a loss of revenue of approximately £536,500, equivalent to 7.8 per cent. on the ordinary share capital. As the company earned 51.3 per cent. last year to cover dividends of 30 per cent. it seems that dividends could be maintained in respect of 1930. On the whole the present market prices of the leading oil shares appear to discount the possible reductions in final dividends.

FRANCIS LORANG AND THE BLUE BIRD COMPANIES.

THE sentence on Francis Lorang of seven years penal servitude for fraud in connection with the Blue Bird group of companies removes another of the mushroom company promoters whose wanton activities marred the new issue boom of 1928-29. Lorang was found guilty of fraudulently converting monies amounting to £817,000, and of publishing a false statutory return. Commercial life, as Mr Justice Swift said in passing the sentence, could not continue in London or in any other community, if such crimes went unpunished.

The trial did not bring to light many fresh details of Lorang's frauds. On the base of a small petrol and garage business promoted by Mr Brandon Trye, Lorang built up an incredible edifice of petrol companies—a Blue Bird Motor Company to take over the garage and pump business, a Blue Bird Petrol Company to buy a "secret petrol process" and "certain pump installations" from Blue Bird Motor, a Blue Bird Oil Importers to buy the wholesale importing business from Blue Bird Petrol, a Blue Bird (Foreign) Company to take over the "foreign" business of distribution from Blue Bird Oil Importers, and finally a Blue Bird Holdings Company to hold shares in all the other concerns.

The disclosure had already been made by the Official Receiver (at the statutory meetings of the Blue Bird Petrol and Blue Bird Oil Importers, in May, 1929), that the agreement to acquire a "secret petrol process" and "certain petrol pump installations" from Blue Bird Motor was not a genuine document, but was prepared for the specific purpose of covering up payments purporting to have been made for the consideration money, which amounted to £117,375. The Blue Bird Motor never received this sum, and was never even in a position to commence business. A resolution in the minute book of Blue Bird Motor showed that Lorang had been authorised to receive this money, except for £1,000, in his own name and to dispose of it at his entire discretion. From the minute book of Blue Bird Oil Importers, it also appeared that Lorang had been authorised to receive considerable sums.

In the case of Blue Bird (Foreign), the Official Receiver stated at the creditors' meeting, in October last year, that no business had ever been done, and no statutory meeting had been held. Although the company had filed returns showing it had received £405,000 in capital, it had, in fact, received only £76,031. With the exception of £50, the whole of this sum had been exhausted in six months. In the case of Blue Bird Holdings, which had issued £750,000 capital for cash, no business of any kind had ever been done, and the whole of the funds, except a meagre sum of £515, had been exhausted when the Official Receiver took control.

The defence was that Lorang used the money he had received in the interests of the company, mainly in the purchase of shares. Mr Justice Swift, in his summing up, stated that if he had purchased shares he had used the money for an illegal purpose, for the law absolutely prohibited a company from dealing in its own shares.

The whole Blue Bird episode reflects little credit on those who ostensibly acted as directors—a position of trusteeship towards shareholders—and were content to leave the affairs of the company in the hands of one man of uncertain reputation. As the Official Receiver stated at the Blue Bird (Foreign) meeting, they "absolutely failed to fulfil even the elementary duties of their office." Had they shown even a modicum of concern for the interests of the shareholders they represented, many of Lorang's cruel frauds might never have been perpetrated. The punishment of Francis Lorang may vindicate the stern majesty of the law, but it does not put back in the pockets of shareholders a single pound of the heavy losses they have suffered in this disgraceful episode.

THE WEEK IN THE MARKETS. THE LONDON STOCK EXCHANGE.

SETTLING DAYS.

TICKET.
December 2.

ACCOUNT.
December 4.

The markets showed little change this week. The industrial situation promised no change for the better, to counteract the effect of the reduced earnings reported by important companies. In the gilt-edged market, the effect of the success of the Central Electricity Loan was overborne by an uneasiness regarding the drain of gold to France. As the money market was much tighter, with a certain amount of borrowing at the Bank on Wednesday, the firmness of gilt-edged stocks was the more gratifying. The oil share market remained active, further liquidation from Paris at the beginning of the week being followed by strong buying on Thursday. Elsewhere, business was restricted, but prices showed a reassuring stability.

Though a firm tendency obtained generally among gilt-edged stocks, few outstanding price changes were recorded. Conversion Fives attracted buyers, and Victory Bonds and Local Loans were in demand. War Loan had no decided tendency, though a setback on Tuesday was quickly recovered. India Loans were harder, especially the Three per Cents. Australians were quiet, the discrepancy between the prices of Commonwealth and State issues becoming, if anything, more marked. Subscriptions to the new Bloemfontein Issue were below expectation, large subscribers obtaining 88 per cent. of their requirements. Dealings opened at ½ discount.

Business in foreign bonds showed a slight expansion. The conclusion of arrangements for the granting of financial accommodation to the new Government caused a moderate rise in Brazilians. Chinese were consistently firm on political possibilities, but news of an earthquake induced moderate selling of Japanese. European stocks, particularly the Young Loan, were steadier on the cessation of liquidation by holders with commitments in other directions.

A meagre business was done in Home Rails. The traffic figures revealed no change in underlying conditions, and both the industrial and the labour outlook were bear points. Argentine railways enjoyed a sizeable recovery. The revenue returns made a poor showing, but cables from the Argentine suggested that the crop position was much better than pessimistic publicists had been willing to allow. Other South American railways, however, were dull, Antofagastas showing particular weakness. Canadian Pacific started firm but became irregular.

The week opened doubtfully in the industrial market, Wall Street being unsettled while Paris liquidated its favourites on a fair scale. Subsequently the market became steadier, without, however, attaining even a semblance of activity. Investment demand again centred mainly round electrical shares, particularly the issues of the London supply companies. Motor shares tended to lose ground, steady selling of Dennis occurring after the issue of the report, which is analysed on page 1020. Gramophone shares were affected by the mood of New York. A fractional recovery in textiles was attributed mainly to bear closing. Breweries and tobacco were slightly better on balance, Carreras being bought in advance of the report. The final intimation of the breakdown of the Allied Stores negotiations was followed by an improved demand for some of the constituent company shares, particularly Homes and Colonials, which were considered to have made somewhat disproportionate sacrifices under the merger terms. Little was done in iron and steel shares, apart from special buying of Weardale Steel. Kreuger and Toll were again sold from the Continent. The full report of Tate and Lyle (discussed on page 1019), induced a slight recovery in the shares, the figures suggesting that the heavy decline in profits was due mainly to the writing-down of sugar stocks. Cables and Wireless were better, temporarily, on the latest returns of the Communications Company, though the figures afforded comparison with a relatively depressed period of 1929. Hudsons Bays again receded on uneasiness regarding the forthcoming dividend and the possible results of the special investigation. Banks were irregular, the shares

of home institutions being slightly firmer while Dominion and foreign shares were lower where changed. A fair business in insurance shares left prices mainly unaltered.

Rubber shares were again featureless, being as difficult to buy as to sell. Rubber Trust was steady, but Anglo-Dutch failed to maintain a slight improvement. Transactions in tea shares were almost negligible, and prices easier. Oil shares suffered considerably at the outset, on fresh liquidation from Paris. The tone, however, hardened considerably in subsequent dealings, and on Thursday the market became decidedly active, Shells and Royal Dutch being in particular demand. Mining shares were slightly harder, but price changes were few. Central Mining and Gold Fields exhibited a certain weakness at first, but Kafirs generally became firmer in mid-week, despite the apathy of Paris. Randfontein improved on Cape support and Robinson Deep B were better. Few alterations were recorded in Rhodesians, slight credence being given to the revival of an old rumour of amalgamation between Congo Border, N'Changa and Bwana. Chartered were dull, but subsequently recovered their loss. Tin fluctuated in uncertain fashion, and share movements were irregular. Rio Tinto had a better week after being sold from Paris at the outset.

"FINANCIAL NEWS" DAILY BARGAIN INDEX. (Approximate number of Bargains recorded in Stock Exchange Lists.)

	Nov. 20, 1930.	Nov. 21, 1930.	Nov. 24, 1930.	Nov. 25, 1930.	Nov. 26, 1930.	Nov. 27, 1930.
Government and Municipal Loans	1,302	1,372	1,504	1,361	1,370	1,282
Transport, Communications, and Public Utilities	921	892	1,211	899	990	879
Commercial and Industrial Banks, Insurance and Finan- cial	1,540	1,614	2,022	1,624	1,729	1,697
Mineral	612	471	587	596	578	491
Metals (including Nitrate) ...	297	381	450	332	346	423
Oil	127	131	193	196	186	174
Rubber, Tea and Coffee	122	120	122	101	102	98
Total	4,921	4,981	6,089	5,029	5,301	5,044

* Including iron and steel and breweries.

"FINANCIAL NEWS" DAILY AVERAGE OF 30 INDUSTRIAL ORDINARY STOCKS. (1928 = 100.)

Highest of 1930. (Apr. 17).	Lowest of 1930. (Aug. 26).	Nov. 20, 1930.	Nov. 21, 1930.	Nov. 24, 1930.	Nov. 25, 1930.	Nov. 26, 1930.	Nov. 27, 1930.
90.6	72.6	74.3	74.3	74.0	74.1	74.3	74.0

FOREIGN STOCK EXCHANGES.

NEW YORK.

In a week broken by Thursday's Thanksgiving Day holiday, prices completely failed to maintain their recent tendency towards improvement. The sustained demand which lifted values last week died down on the completion of the more urgent short covering. Professional activity was at a minimum, while the general public continued

(Continued on page 1018.)

TO AUGMENT CAPITAL

Read

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by L. L. B. Angas

(Author of "The Coming Collapse in Rubber," 1926.)

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LONDON ACTIVE SECURITY PRICES AND YIELDS.

NOTE.—Shares with a New York quotation, or with definite American interest, are distinguished by italics.

In calculating the yields on the stocks and shares quoted below allowance is made for interest accrued since the last payment. Where stocks are definitely redeemable at a certain date the yield includes any profit or loss on redemption; where stocks are redeemable at or before a certain date the final date of repayment is taken when the stock stands at a discount and the earliest date when the quotation is above par. The return on ordinary stocks and shares is calculated on the dividends paid by the company during the last year.

Year 1929.		1930 (to date).		Name of Security.		Nov. 19, 1930.		Nov. 26, 1930.		Rise or Fall.		Present Yield.	
High.	Low.	High.	Low.										
£ s. d.													
British Funds.													
56½	52	59½	52½	Consols 2½%	58½	58½	...	4	6	0	...	5½	3½
88½	81½	94½	82½	Consols 4%	92½	92½	+	4	7	11	...	58½	42½
80½	72½	83½	74½	Conv. Loan 3½%	81½	81½	+	4	6	6	...	66½	50½
100	93	106½	102½	Do. 4½% 1944-64	102½	101½	+	4	7	6	...	80½	57½
91½	82½	96½	85½	Do. 5% 1944-64	105½	106½	+	4	8	0	...	95½	57½
100½	97½	102½	98½	Funding 4½ 1960-90	95	95	...	4	5	0	...	97½	37½
101½	97½	103½	100½	Treasury 4½ 1932-34	102	102	...	4	1	0	...	140½	76½
95	87	97½	91½	Treasury 5% (B)	103½	103½	...	4	2	6	...	217	188
103½	99½	105½	100½	Victory Bonds 4%	96½	97½	+	4	1	0	...	108½	77½
101½	99½	103½	100½	War Loan 5% 1929-42	102½	103	+	4	1	6	...	49½	23
65½	60	65½	60½	War Loan 4½ 1929-42	101	100½	+	3	19	6	...	26½	4
51½	44	44	40½	Local Loans 3%	68½	69	+	4	7	6	...	...	...
61½	50½	52½	47	India 2½%	47	47	...	5	6	5	...	...	...
112	100½	102½	97½	Do. 3½%	55	56	+	5	8	0	...	18½	9½
92½	80	90	78	Do. 4½% 1958-68	86½	87	+	5	9	0	...	8½	6½
105½	99½	106	100½	Palestine 5% 42-67	105	105	...	4	8	11	...	...	...
109	103½	109½	104½	Sudan 5½% Bonds	108	108	...	5	1	10	...	...	...
94½	88	99	87½	Ulster 4½ 45-75	96½	99	+	4	11	1	...	...	...
Dom. & Colonial Govts.													
99½	90½	95½	76	Australia 5% 1945-73	86½	85½	-	6	2	6	...	...	...
91½	86½	95	86½	Canada 4% 1940-60	94	94	...	4	7	3	...	...	...
107½	102½	106½	102½	Ceylon 6% 1936-51	106	106	...	5	8	0	...	...	...
97½	91½	96½	92½	Gold Coast 4½ 1936	95	95	...	4	18	3	...	...	...
104½	99½	105	99½	Kenya 5% 1948-58	104	104	...	4	16	7	...	...	...
104½	98½	105	100½	Nigeria 5% 1950-60	104	104	...	4	14	0	...	...	...
99½	92½	90½	70	N.S. Wales 5% 35-55	78½	76½	-	7	2	0	...	...	...
104	98½	105	99½	N. Zealand 5% 1946	104	104	...	4	14	5	...	...	...
100	92½	90½	70	Queensland 5% 40-60	79½	79½	...	6	13	0	...	...	...
104½	99½	104½	99	S. Africa 5% 1945-75	104	104	...	4	19	0	...	...	...
97½	93½	98½	93½	Strat. 4½ 35-45	96½	96½	...	4	17	9	...	...	...
Foreign Governments.													
88½	83	89½	82	Argentina 4% Recias.	87	87	...	5	6	9	...	...	...
100	100	105	100½	Austria 6% 1923-43	104	104	...	5	17	9	...	...	...
62½	54½	61½	52½	B. Aires (Prov.) 3½%	56	56	...	6	10	0	...	...	...
109½	105	113½	108½	Belgium 7%	110½	110	...	6	4	2	...	...	...
91½	84½	92	77½	Bulgaria 7½% Loan	79½	78½	-	9	10	0	...	...	...
71	64	67	62	Brazil 8% Fund. 1914	71½	72	+	7	1	0	...	...	...
92½	79½	94½	84	Do. 6½% (1927)	75	73	-	9	5	6	...	...	...
95½	89½	99½	82½	Chili 6% (1923)	90	89	-	6	17	6	...	...	...
85	71	52½	27	China 5% (1912)	50	52	+	9	12	3	...	...	...
114½	105½	115½	109½	Do. 5% (1913)	67	68	+	7	7	0	...	...	...
77½	75½	82	78½	Czechoslovakia 8%	110	110	...	7	0	0	...	...	...
95½	88	96½	81	Danish 3½	82	82	...	3	13	0	...	...	...
86½	76½	80½	70½	Danish 6%	85½	85½	...	8	2	0	...	...	...
95½	86	90½	78½	Egypt 7½%	71½	71	-	5	12	9	...	...	...
100	90½	100	91½	Estonia 7% 1927	77½	77½	...	9	4	3	...	...	...
19½	16	21½	19½	Finland 6% 1923	92½	92½	...	3	17	0	...	...	...
107½	101	107½	100½	French 4% (British)	202	202	...	4	16	6	...	...	...
21½	18	20	20	Do. 5%	202	202	...	7	0	0	...	...	...
107½	100½	109½	99	German 7%	100	100	...	7	0	0	...	...	...
93½	84	93½	86½	Greek 6% Stab. Ln.	91	91	...	6	15	0	...	...	...
103½	95½	104	100½	Do. 7% Refugees	101½	101	...	6	13	6	...	...	...
103½	95	104½	98½	Hungary 7½	102	102	...	7	7	0	...	...	...
100½	96½	96½	91	Japanese 5½ 1935-65	95	95	+	5	16	0	...	...	...
100½	95	102½	98	Do. 6% (1937-52)	102	102	...	5	16	0	...	...	...
36	22	26½	14½	Mexico 5% (1899)	16½	15½	-	5	15	0	...	...	...
105	101	104½	100½	Norwegian 6% 1921	104	104	...	8	8	0	...	...	...
107	100½	107½	100½	Peru 7½ 1922	95½	94½	-	9	3	0	...	...	...
93	83	92	79	Poland 7%	82½	81½	-	9	3	0	...	...	...
106½	99	107	101	Siamese 6% 1934-64	104½	104½	...	4	17	0	...	...	...
80	75½	88	77½	Swedish 3½ 1908	88	88	...	4	2	0	...	...	...
104½	96	96	61½	S. Paulo Coffee 7½%	78	78	...	9	12	3	...	...	...
234	171	192	8	Turkish 4% United	8	8	...	6	5	0	...	...	...
93½	81	89½	81	Uruguay 5% 1919	80	80	...	6	5	0	...	...	...
Corporation Stocks.													
96½	86½	96½	76	Berlin 6% 1932-57	79	79	...	8	0	7	...	...	...
105½	99½	106	99½	Birmingham 5% 1946-56	105	105	...	4	10	11	...	...	...
105	98½	106	99½	Bristol 5% 1948-58	106	106	...	4	8	0	...	...	...
101	95½	100	87½	Danish 7% 1935-45	90½	91	+	7	19	0	...	...	...
99½	95½	100	96	L. London 5% 1960-70	101	101	...	5	1	2	...	...	...
104½	100	103½	98	Johns & Co. 1937-52	103	103	...	5	3	0	...	...	...
67½	60	60	58	L.O.O. 3½ 1937-52	68½	68	...	4	8	3	...	...	...
67½	61½	70	62½	Met. Wat. Bd. B. 3%	69	69	...	4	8	3	...	...	...
104½	99½	106	99½	Pet. of Lond. 5% 1950-70	104½	104	...	4	13	0	...	...	...
108½	103½	111½	104½	Seine 7% 1935-52	111	111	...	4	18	0	...	...	...
98½	93½	93	75	Sydney 5½ 1954	77½	77½	...	7	4	0	...	...	...
British Railways.													
90½	78½	94	62½	G. Western Ord. Stk.	68	68	...	11	0	9	...	...	...
15½	10	13	5½	L.&N. E. & N. Def. Stk.	6½	6½	...	NI	...	...	...	...	...
39½	22½	39	15½	Do. 5% Pref. Ord.	16½	17	+	17	13	9	...	...	...
86½	84	83½	59	Do. 5% Pref. 1955	83	83	...	6	8	0	...	...	...
61½	49	53½	37½	Do. 4½ 2nd Pref. Stk.	40½	41	+	9	12	9	...	...	...
59	47	57½	31	L.M.S. Ord. Stk.	32	33	+	13	12	9	...	...	...
74	63½	73	64	4% Pref. Stk. 1923	57½	57½	...	7	1	6	...	...	...
68	55½	75½	67½	Metropolitan Cons.	69	69	...	5	16	0	...	...	...
81½	71	79	72½	Met. Dist. Ord. Stk.	76½	76½	...	6	10	9	...	...	...
34½	26½	32½	21½	Southern Def. Stk.	22½	23	+	10	17	3	...	...	...
174	169	176	63½	Do. 5% Pref. Ord. Stk.	67	67	...	7	10	0	...	...	...
36½	28½	36	82½	Do. 5% Pref. Stk.	22½	23	...	6	11	0	...	...	...
132	101	112½	100½	Do. Income Bonds	104	104	...	6	13	3	...	...	...
Dom. & Foreign Rys.													
111½	87½	88	42½	Antofagasta Ord. Stk.	44½	43½	-	16	1	9	...	...	...
107½	84	90	59	B.A. & Pacific Ord. Stk.	66½	61	-½	11	9	6	...	...	...
100	96	100½	68½	B.A. & S. Ord. Stk.	75	73	-	8	4	3	...	...	...
100½	83½	84	59	B.A. Western Ord. Stk.	64	61	-	8	1	3	...	...	...
96½	87½	99	58½	C. Argentine Ord. Stk.	63½	62	-½	9	9	0	...	...	...
96½	87	95	63½	C. Uruguay Monte V.	63½	63½	...	5	14	3	...	...	...
94½	84	94	41½	Can. Pacific Con. 1925	44½	44½	...	5	14	3	...	...	...
90	76	76	64	Can. Nat. 1927 Guar. 4%	71	71	...	6	12	8	...	...	...
90	76	76	64	Can. Nat. 1927 Guar. 4%	71	71	...	6	12	8	...	...	...
90	76	76	64	Can. Nat. 1927 Guar. 4%	71	71	...	6	12	8	...	...	...
90	76	76	64	Can. Nat. 1927 Guar. 4%	71	71	...	6	12	8	...	...	...
90	76	76	64	Can. Nat. 1927 Guar. 4%	71	71	...	6	12	8	...	...	...
90	76	76	64	Can. Nat. 1927 Guar. 4%	71	71	...	6	12	8	...	...	...
90	76	76	64	Can. Nat. 1927 Guar. 4%	71	71	...	6	12	8	...	...	...
90	76	76	64	Can. Nat. 1927 Guar. 4%	71	71	...	6	12	8	...	...	...
90	76	76	64	Can. Nat. 1927 Guar. 4%	71	71	...	6	12	8	...	...	...
90	76	76	64	Can. Nat.									

NEW ISSUE PRICES.

Stock or Share.	Issue price.	Amt. paid.	Price, Nov. 20, 1930.	Price, Nov. 27, 1930.
Assam Ry. & Trading 5½% deb. ...	97½	17½	...	1-1 pm
Bermuda Development 5½% deb. ...	97½	25	...	1-1½ pm
Cape Town 5% 1931 ...	101	5	...	par-1 pm
Central Argentine Ry. 5% deb. ...	87½	37½	1-1 pm	1-1½ pm
Central London Ry. 5% deb. ...	99½	25	4½-4 pm	4½-4 pm
Gas Light and Coke 4½% deb. ...	91½	21½	1½-2½ pm	2½-3½ pm
General Electric 5% deb. ...	98	25	3½-4½ pm	3½-4½ pm
Grosvenor House (Park Lane) 7½% cum. pref. £1 ...	par	17/-18/-	17/-18/-	17/-18/-
India 6% 1935-37 ...	100	30	2½-3½ pm	3-3½ pm
London Electric Railway 5% deb. ...	99½	30	4½-4 pm	4½-4 pm
London and North Eastern Railway 4½% deb. ...	90	5	1-1 pm	1-1½ pm
Myat (Frank) 5½% deb. ...	...	...	1-1½ pm	1-1½ pm
Second British Steamship Trust New £10 ...	£10	£2	10/-5/- dis	10/-5/- dis
South Africa 4½% 1935-75 ...	95½	5	1-1½ pm	1-1½ pm
Treasury Bonds 4% 1936-46 ...	100½	25½	1-1½ dis	1-1½ dis
Yorks Electric Power ...	98½	...	104-104½	104-105

(Continued from page 1015.)

to hold aloof. Definite bear selling however, was limited to certain groups of stocks, such as amusement issues, which came in for special attention on the Government's victory in the Courts against block-booking film contracts. Trade news remained unfavourable. A further decline in steel operations brought the rate down to 40 per cent. of capacity. Car loading figures showed a more than seasonal decline. October automobile production was returned at 150,044 cars and trucks against 216,877 in September and 380,017 in October last year. Railroad stocks were heavy, the October figures running approximately 25 per cent. below those of 1929. Call money ruled at 2 per cent. with a slightly firmer undertone, though outside loans were still available at 1½ per cent.

	Nov. 13, 1930.	Nov. 20, 1930.	Nov. 26, 1930.		Nov. 13, 1930.	Nov. 20, 1930.	Nov. 26, 1930.
U.S. 3½% T. Bds.	106½	106½	106½	Natl. Biscuit	74½	78	77½
Do. 4½% T. Bds.	113½	113½	113½	Phelps Dodge	24½	27	27
Lb. In. 3½% '32-47	101½	101½	101½	Pullman	60	61½	60
Do. 4½% '32-47	102½	102½	102½	Sears-Roebuck	47½	51	55½
Do. 4½% '33-39	103½	103½	103½	Studebaker	20½	23½	22½
Atchafalpa	191	193	190½	Un. Fruit	66	66½	66½
Chas. & Ohio	40½	43½	42	U.S. Leather	12½	15½	14½
Brie	27½	30½	29½	U.S. Rubber	145	147½	145½
Illinois Central	87½	84½	179	Westinghouse	99½	103½	100½
N.Y. Central	35	134	129½	Woolworth	58½	59	60½
Pennsylvania	60½	60½	60½	Worthington Pump	80½	83½	79½
Southern Pacific	100	103½	103	Am. Tel. & Tlg.	187½	190½	187½
Southern Ry.	64½	67	65	Electric P. & L.	43½	45½	43½
Union Pacific	183½	191	188	Int. Tel. Tels.	27	29	27½
Am. Can.	114½	117½	117	Radio Corp.	14½	17½	17
Amer. Smelting ...	53	52½	50½	Utilities P. & L. ...	25	25	25
Anacosta	38½	36½	35½	W. Union Tlg.	138½	141	143
Bethlehem Steel ...	63½	64½	62½				
Chrysler Motor ...	16½	19½	17½	Associated Gas "A" ..	21	20½	21½
Corn Producers ..	78	81½	79	Pan Amer. B.	43	43	42½
Eastman Kodak	166	168½	166	Standard Oil	13	13½	13½
Gen. Electric (New) ..	48½	50	48½	Std. California	51½	50½	49½
Gen. Motors	35½	36½	35	Do. N.J.	53	55	52½
Int. Harvester	58½	61½	59½				
Montg. Ward	18½	20½	22½				

By courtesy of the Standard Statistics Company, Inc., of New York and 13, Copthall Avenue, London, we print the following index figures of American values calculated on closing prices (1926 = 100) :—

	1928.		1929.		1930.		
	Lowest.	Highest.	Lowest.	Highest.	Beginning of Year.	Nov. 12.	Nov. 19.
335 Industrials ...	132-8	186-4	134-5	218-9	146-0	105-4	110-8
33 Bonds	120-5	139-7	127-8	173-5	134-3	99-0	102-8
34 Utilities	128-3	180-6	177-6	330-4	202-2	161-2	171-6
Total, 402 Stocks ..	130-3	178-9	140-3	228-1	153-0	113-1	119-1
Average yield of 40 Industrial Common Stocks..	3-32%	4-42%	3-10%	5-23%	4-83%	5-85%	5-48%

DAILY AVERAGE OF 50 INDUSTRIAL COMMON STOCKS (1926 = 100).

	Highest of 1930. (Apr. 10.)	Lowest of 1930. (Nov. 10.)	Nov. 12, 1930.	Nov. 13, 1930.	Nov. 14, 1930.	Nov. 15, 1930.	Nov. 17, 1930.	Nov. 18, 1930.	Nov. 19, 1930.
202-4	121-5	126-2	129-3	131-7	132-8	128-2	129-9	132-4	

TOTAL DEALINGS IN NEW YORK.

	Nov. 20, 1930.	Nov. 21, 1930.	Nov. 22, 1930.	Nov. 24, 1930.	Nov. 25, 1930.	Nov. 26, 1930.	Nov. 27, 1930.
Stock Exchange—Shares (Thous.)	2,621	2,238	987	2,149	1,946	...	(a)
Bonds (Value Thous. \$)	8,494	9,078	4,498	9,125	9,412	...	(a)
Curb—Shares (Thous.)	575	444	268	490	511	...	(a)

(a) Exchange closed.

* 2-hour session.

INVESTMENT NOTES.

A Plethora of Private Issues.—A significant recent development in the new issue market has been the large number of offers made by way of private "placing" rather than of public issue. The list of loans floated in this way includes numerous borrowers of high standing :—

Borrower.	Stock.	Amount.	Opening Price.
Monte Video Water Works	6% five-year notes.....	200,000	100
Bank of New Zealand Auckland Harbour Board	5% mort. deb. stock red....	500,000	100
Kingdom of Iceland	5% loan, 1950	155,000	97½
Joseph Terry & Sons	5½% 40-year sterling bonds	540,000	96½
Hertfordshire County Council	7% cum. pref. £1	116,040	23s. 9d.
Bermuda Development Company ...	4½% loan red., 1955-65...	750,000	98½
Bootle Corporation...	5½% stock	500,000	98½
City of Carlisle	4½% stock	500,000	98½
South London Electric Supply Corp....	4½% stock	500,000	99
Rhodesia Land Bank	4½% stock	300,000	94½
Aberdeen Trust Co.	5% guar. deb. stock	225,000	98½*
Colony of Sierra Leone	5% red. deb. stock, 1960...	200,000	95½*
British Aluminium Company	4½% stock, 1955.....	202,000	97½
Edison Swan Cables	6% cum. pref. shares, £1...	700,430	21s. 6d.
	5½% guar. first mort. deb.	125,000	100*

Total 5,513,470 ...

* Price at which stock placed.

The 15 issues in the above table account for a nominal total of over £5½ millions of new capital. One reason for the contemporary popularity of the method is, doubtless, impatience with the heavy "staggering" of recent public offers, to which a Stock Exchange correspondent drew attention in our columns a fortnight ago. The development, however, is indicative of a profound change of opinion, in recent years, regarding the merits of the "private" method. At one time, this procedure was left almost entirely to borrowers of doubtful or speculative status, but the progressive tightening of the Stock Exchange's procedure, particularly as regards publicity of material facts, has materially changed its character. Presumably, its adoption by some of the authorities in the above list, whose reputation is beyond cavil, will serve to give it the cachet of complete respectability. The method has undoubted future potentialities. It affords, for instance, the most advantageous means of introducing British investors to the shares of sound foreign companies. On the whole, however, it offers Stock Exchange members the prospect of more widespread commissions than the public issue procedure. On certain occasions in 1928 and 1929, the intermediary finance houses took profits on their handling of "private" issues, whose extent was somewhat unfavourably criticised. If continuing resort is had to the method in the next few months, the public will be inclined carefully to examine the terms of each issue, to ensure that the margin between the price at which the stock is sold to intermediaries and the prices at which it is made available to investors is of no more than reasonable dimensions.

Royal Mail Developments.—Two recent developments are of interest to stock and debenture holders in the Royal Mail Company. The first is the announcement that Mr Walter Runciman has been appointed deputy-chair-

man of some thirteen additional companies in the Royal Mail group—including the White Star Line, Union Castle, Nelson Steam Navigation, and Elder Dempster—and that Lord Kysant's projected early departure for South Africa will necessitate the relinquishment of a number of his duties. In other words, the responsibility for the reorganisation of the group's trading and financial position will be left entirely in the hands of Mr Runciman and the Committee appointed some months ago, whose period of office was recently extended from December 31st next to December 31, 1931. The second development is, unfortunately, of a regrettable character. The loss of the *Highland Hope* last week, off the Portuguese coast is calculated to involve the marine insurance market in total payments of £800,000 to £900,000. The vessel was delivered to the Nelson Line only this year, being one of a new class of 14,000-ton motor ships specially equipped for the trade between Europe, Brazil, and the River Plate. Practically the whole of the capital of the Nelson Steam Navigation Company is owned by the Royal Mail, and it would, obviously, be regrettable if the maintenance of a regular fortnightly service by the company, to and from South America, instituted only during the present year, were interfered with by reason of this casualty. It may be trusted that every effort will be made to minimise the effects of last week's loss. By no possibility, however, can the task of Mr Runciman and the Committee be an easy one. Mr Runciman has, however, denied the statement attributed to him by a Press representative, this week, that the Lampport and Holt subsidiary would necessarily "have to go." The company's services are being conducted regularly and punctually under the receiver and manager appointed last August, who has, in addition, put into force very substantial economies.

Rubber Production Costs.—Though rubber remains fairly steady around 4½d. per pound, world conditions do not suggest that any well-marked rise is at all probable in the immediate future. The American returns show that while consumption in that country was slightly higher in October than in September last, it remained nearly 22 per cent. below the level of October last year. American stocks continue to increase, being equivalent, in October, to 6.8 months' supply at the present rate of consumption, against 2.5 months' supply in October, 1929, at the consumption rate of that period. On the other hand, the restriction of output in the tyre industry, initiated early this year, has appreciably reduced inventories of finished goods. At the beginning of last month, each American dealer had, on the average, 60.4 outer covers in stock against 68.4 a year earlier, and 87.2 inner tubes against 103.4. On the whole, a moderate rise in prices might not be unwelcome to American manufacturers. The larger factories have bought a good deal of rubber at price levels which, despite frequent "averaging," are above those prevailing to-day. The smaller factories, in some cases, are less well covered, and might be tempted to buy nervously on the first signs of a definite rise. Meanwhile, well situated and managed rubber estates in the East are achieving economies in production costs which a few years ago would have been deemed impracticable. The Malaya General Company, for instance, whose report for the year ended August 31st last has just been issued, last year reduced its estate cost to 5.37d. per pound, the lowest figure in its history. After charging an adequate amount for depreciation of buildings and machinery, this company was able to pay a dividend of 5 per cent. out of earnings of 6.2 per cent. The manager's estimates for the current year, based on a production rather higher than that of 1929-30, come out at as low a figure as 3.36d. per pound, though, as the directors are proposing to restrict production to about 70 per cent. of the potential crop, the cost will be slightly, though not seriously, increased. This company is in a stronger position than some of its competitors, since it has a reserve account of £93,000, represented by Government securities standing in its books at £94,932. It

would be distinctly helpful to shareholders if directors in all cases would follow the example of this concern in giving full particulars of costs and selling prices. The decision taken, in many cases, to suppress these figures after the termination of the Stevenson Scheme was a retrograde step. At the moment, they are clearly indispensable to shareholders who are called upon to decide their future investment policy.

British Oxygen-Allen Liversidge Fusion.—The proposed fusion between Allen-Liversidge and British Oxygen carries to its logical conclusion the policy of co-operation between the two companies, though it is possible that the immediate cause may have been the advent of new competitors in the industrial gas world. Owing to the weight of the containers for compressed gases, transport charges are large in proportion to the value of the contents, and to any company in this industry much depends on the possession of compressing stations at strategic points. The position of the new combine in this respect will be superior to that of its smaller competitors, and it may now be worth while for the merger concern to open joint depôts in new districts where an individual venture would have been speculative. This fusion should also afford an opportunity for real economies in expenditure. For example, in such towns as Liverpool, Manchester and Sheffield, where both companies have stations, there may be duplication of delivery organisations. According to the published terms, British Oxygen ordinary shareholders will receive a one in six bonus in £1 6½ per cent. cumulative preference, and Allen-Liversidge £1 ordinary shareholders will be offered an exchange into an equal number of British Oxygen shares (ex bonus). The Allen-Liversidge 6½ per cent. cumulative preference holders will be offered an exchange into an equal number of British Oxygen 6½ per cent. preference. Present shareholders in British Oxygen and those Allen-Liversidge shareholders who accept the offer, will have the opportunity to subscribe for 122,250 6½ per cent. cumulative preference with the right to subscribe for an equivalent number of £1 ordinary. The British Oxygen 8 per cent. debenture will be redeemed out of the proceeds of this issue. Consequently, after April 1, 1931, there will be no charge on the properties. The issued capital of British Oxygen will be £500,000 in £1 6½ per cent. cumulative preference and approximately £1,194,120 in £1 ordinary. The offer may be expected to commend itself to all the shareholders concerned.

Tate and Lyle.—The directors' report of Tate and Lyle, Limited, gives no explanation of the heavy fall in trading revenue. For the year to September 30, 1930, the trading profit, before allowing for directors' fees and debenture interest, amounted to £393,452, as compared

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with £916,864 in the previous year, a decline of 57 per cent. After provision for directors' fees and debenture interest of £46,354, as against £22,500 in the previous year, but not for depreciation and investment reserve, which in the previous year took £150,000, the amount available for dividends was £339,584, as compared with £736,582. The payment of the ordinary dividend of 10 per cent. involved the taking of £80,000 from the dividend reserve. The actual earnings on the ordinary share capital amounted to 7.9 per cent. The sharp decline in profits is presumably due in large measure to the writing-down of stocks in the trading account. Further, in the previous year the company was able to keep its factories in full operation, whereas in the past year refinery costs must have been increased by a lower throughput. A comparison of the trading results for the past three years is shown below:—

	(Years ended September 30th)		
	1928.	1929.	1930.
	£	£	£
Net revenue, after tax and debenture interest	724,852	886,582	339,584
Allocation to depreciation and investment reserve	110,000	150,000	...
Earned for dividend	614,852	736,582	339,584
Preference dividends	71,500	71,500	71,500
Times covered	8.60	10.30	4.75
Earned for ordinary, per cent.	16.4	20.1	7.9
Ordinary dividend	17	15	10
General reserve	150,000	150,000	*26,651
Carried forward	41,735	59,417	40,850

* £80,000 taken from Dividend Reserve.

The balance sheet presents some interesting changes. In the first place, bank loans of £3,210,000 have disappeared, this feature being apparently explained by the issue of £1,250,000 of 5½ per cent. mortgage debenture stock in March last at 97½, and by the realisation of Government and other gilt-edged securities which appeared in the last balance sheet at £1,274,606. Stocks of sugar and syrup, etc., have fallen from £2,619,111 to £1,667,971, a reduction of £951,000. This may reflect a reduction in volume as well as in market values. The balance sheet reveals a liquid position, cash and debtors showing a surplus of £512,000 over creditors, and interest accrued. Investments in associated companies have increased from £579,000 to £611,000. The ordinary shares are at present quoted at 34s., having been as high as 44s. this year.

Dennis Bros.—This company, which claims to be the leader of the British commercial vehicle industry, reports a falling off in earnings for the year ended September 30th last. Gross trading profit at £296,514 has declined by approximately £50,000. Net profit, after deducting depreciation and fees, totals £286,805, compared with £336,585 for the previous twelve months:—

	Year to September 30,		
	1928.	1929.	1930.
Trading profit	359,156	346,356	296,514
Net profit	360,840	336,585	286,805
Brought forward	74,791	97,739	96,391
Ordinary capital:—			
Earned £	350,840	336,585	286,805
Paid £	237,892	262,933	212,851
Earned %	480.3	448.0	381.8
Paid %	316.6	350.0	283.6
To reserve	100,000	75,000	75,000
Carried forward	97,739	96,391	95,345

The trend of percentage earnings and payments on the ordinary capital during the past decade can be seen from the following table:—

ORDINARY CAPITAL.*					
Year to	Earned	Paid	Year to	Earned	Paid
Sept. 30.	%	%	Sept. 30.	%	%
1921	14.5	13	1926	58.5	25
1922	14.5	13	1927	134.1	50
1923	17.4	13	1928	480.3	316.6
1924	24.4	18	1929	448	350
1925	40.4	25	1930	381.8	283.6

* Capital in £1 shares to 1926, when 10s. was repaid to holders, followed by further repayment of 7s. in 1927, the resulting 3s. shares being sub-divided into shares of 1s. each.

A further £75,000 is being carried to reserve account, which now stands in the balance sheet at £650,000—approximately 8½ times the present share capital. The financial statement reveals a high degree of liquidity. At their present price of 34s. 3d., the ordinary 1s. shares give a yield of £8 17s. per cent. allowing for a final dividend of 2s. 2d. per share.

Tube Investments Report.—The accounts of this prosperous concern for the year ended October 31st last suggest that further progress has been made in rationalising and expanding the company's interests. Net profit totals £245,998, compared with £225,053 for the previous year, and £121,278 for 1928. The ordinary dividend is maintained at 10 per cent., less tax:—

	Year to October 31,		
	1928.	1929.	1930.
Net revenue	157,278	227,641	251,925
Net profit	121,278	225,053	245,998
Brought forward	50,363	63,293	70,652
Preference dividend	32,681	35,000	37,017
Rate %	7	7	7
No. of times covered	3.7	6.4	6.6
"B." pref. dividend	...	2,906	3,110
Rate %	...	7	7
No. of times covered	...	5.9	6.1
Ordinary capital:—			
Earned £	88,597	187,147	205,871
Paid £	75,668	114,788	124,580
Earned %	11.7	16.3	16.5
Paid %	10	10	10
Reserve	...	65,000	75,000
Carried forward	63,293	70,652	76,943

In the following table the percentage earnings and payments on the ordinary capital are set out for the past ten years:—

ORDINARY CAPITAL.					
Year to	Earned	Paid	Year to	Earned	Paid
Oct. 31.	%	%	Oct. 31.	%	%
1921	10.0	8.0	1926	18.0	10.0
1922	0.5	Nil	1927	18.1	10.0*
1923	16.5	7.0	1928	11.7	10.0
1924	16.9	7.5	1929	16.3	10.0
1925	17.7	10.0	1930	16.5	10.0

* And capital bonus of 33½%.

The sum of £75,000 is allocated to Reserve Fund, which, together with £91,412 premium received on the new issue of ordinary shares, now amounts to £266,412. The carry forward item is increased from £70,652 to £76,943. During the year, the share capital of the Talbot Stead Tube Company was acquired by exchange of shares, and "another important interest" (whose identity is not disclosed) has been purchased for cash. An agreement has also been made with Stewarts and Lloyds providing for an exchange of "liaison" shares in order to achieve closer co-operation, as described in the *Economist* of October 18, 1930, page 723. The present price of the fully-paid £1 ordinary shares is 30s., at which the yield allowing for dividend is £7 2s. 9d. per cent. gross.

Combined Pulp and Paper Fiasco.—In the *Economist* of September 20th last (page 536) we criticised the position revealed by an investigation of the affairs of the Combined Pulp and Paper Mills, Limited. This concern, formed in October, 1927, to acquire various German companies producing pulp for the paper and rayon industries, has a capital of £790,000 in 700,000 ordinary shares of £1 and 1,800,000 deferred shares of 1s. In 1929 the ordinary shares were run up to 36s. 3d., and the deferred shares to 6s. 6d. To-day both classes of share have little more than a "rubbish" value, the ordinary having been last dealt in at 8½d. and the deferred at 3d. The reconstructed board has endeavoured to save the company, but its efforts have ended in failure. In September the directors announced that unless £240,000 was quickly forthcoming to complete the purchase of certain shares in two Silesian companies, the company would be in danger of losing the greater part of its assets. In November an arrangement was made

under which the pledgees of the Silesian shares agreed to accept part payment in debenture stock. Shareholders were then asked to subscribe to a debenture issue of £986,667 in 10 per cent. stock at 90, with a minimum subscription of £200,000. It is now announced that the response has been insufficient to allow of the completion of the Silesian share purchase and the redemption of pledged securities. Accordingly, application monies are being returned in full, and a meeting of shareholders will be held next month to consider the position. The company appears to be in a desperate position, and shareholders may find it necessary to take advice as to whether any means exist for calling the former board to account for a policy which has brought the company into its present straits.

British Ropes.—This rope and wire combine was registered in 1924, and has paid no ordinary dividends for the last five years. The results for the year to August 31st last are described by the directors as "not unsatisfactory" in view of the heavy and sustained fall in the price of all fibres and the extremely difficult general trading conditions. The trading profit amounts to £130,140, compared with £171,409 for the previous twelve months. Directors' fees account for the not inconsiderable sum of £2,333, and interest on debentures and loans for £66,402. Net profit before depreciation stands at £61,405, compared with £84,880.

	Year to March 31.		
	1928.	1929.	1930.
Trading profit	Dr. 69,887	171,409	130,140
Income tax	Nil	25,000	Nil
Directors' fees	Nil	2,550	2,333
Interest	24,000	58,979	66,402
Net profit	Dr. 93,887	84,880	61,405
Brought forward	9,735	Dr. 84,152	727
Debenture premium reserve	...	...	6,859
Carried forward	Dr. 84,152	728	55,273

The directors state that though they had hoped to be in a position to submit with the balance sheet a scheme for the reorganisation of the company's share capital, they consider the present moment inopportune for such a project. The balance sheet, naturally, is by no means strong. Goodwill stands at £473,535, preliminary expenses incurred by the issue of notes and debentures total £98,948, and a suspense account (being excess of book value over amounts realised on the sale of fixed assets) accounts for £223,939. Cash totals only £6,526. The auditors state that "with the exception of sums amounting to £11,711, no provision for depreciation has been made since August 31, 1926, on the freehold and leasehold lands, buildings and plant," whose "value as stated appears to be largely in excess of present values." A scheme of reconstruction clearly cannot be avoided, and the directors will doubtless appreciate the necessity of acquainting the shareholders, at the meeting next Tuesday, with more detailed reasons for its postponement.

Gordon Hotels.—A scheme for the consolidation of the debenture debt of Gordon Hotels, Ltd., has been put forward by the company and is recommended by the trustees for the debenture holders. The financial year of this company ends on December 31st and for the year 1929 it earned 10.8 per cent. on its ordinary share capital. There are three existing issues of debenture stock—£1,028,422 of 4½ per cent., £360,000 of 4 per cent. and £234,531 of 3½ per cent. perpetual stock. The company proposes to consolidate these issues into one issue of 6 per cent. stock redeemable by the operation of a cumulative sinking fund of ½ per cent. at 102 per cent. in forty-five years. The offer gives the debenture holders

a smaller amount of nominal stock but a larger income as the following table will show:—

Class.	Holding.	Market price existing Deb. Stks. at 1930.*	Amount of 6% Deb. Stks. to be issued.	Interest receivable on existing Deb. Stks.	Interest receivable on 6% Stock proposed to be issued in exchange.	Increase in annual interest.
4½% deb. stk.	£	£	£	£ s. d.	£ s. d.	£ s. d.
4% deb. stk.	100	75	82	4 10 0	4 18 5	8 5
3½% deb. stk.	100	66½	74	4 0 0	4 8 10	8 10
		57½	70	3 15 0	4 4 0	9 0½

* These prices include accrued interest as from July 1, 1930.

The advantage for the company in this consolidation is that a separate leasehold redemption fund will be rendered unnecessary and the trustees will be enabled under the terms of the new trust deed to reinvest the securities held in the leasehold redemption fund for the benefit of the company. The debenture stockholders benefit from the increase in income, and have only the remote disadvantage of missing a potential capital appreciation on their old stocks if a substantial fall in world interest rates occurs in the next twenty years. The ordinary shareholders benefit, seeing that, as against the increase in debenture interest and sinking funds of £14,000 a year, ordinary share earnings will be increased by £22,500 a year, by the cessation of yearly contributions to leasehold redemption fund and by the release of interest on that fund. Further, the assets, to secure the new debentures will have to provide cover for only £1,299,356 stock, as against £1,622,953. The company appears to have put forward a fair scheme, which should meet with the acceptance of the debenture stockholders.

The Dalgely Meeting.—An illuminating survey of contemporary conditions in Australia was made by the Hon. E. W. Parker at the annual meeting of Dalgely and Company last week. Mr Parker showed that extended drought had lowered the quality of last year's wool clip, which had perforce been marketed at decidedly low



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Folder No. 10—
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prices. Last March the extraordinary price of 6½d. per lb. was reached at Wellington, New Zealand. Australia's "wool cheque" in 1929-30 was £39,054,959, which was no less than £30,284,479 below that for the 1928-29 season. Taking New Zealand and Australia as one unit, each bale brought an average of £13 2s. 2d., a falling off of £8 8s. 4d. on the previous year's figures. A loss of £30½ million, spread over a population of over 6,000,000 in Australia, was extremely formidable, particularly as it coincided with a big drop in wheat prices. Last year, the chairman declared, a return of 4s. 2d. per bushel was unsatisfactory to the grower; to-day, however, the market level may be below 3s. per bushel. Mr Parker stated that the carry-over of 108,318 bales of wool, at the end of last season, included 70,000-odd bales disposed of in Brisbane in July, reducing the actual carry-over to 38,000 bales. Australia's 1929-30 wheat crop, at 126½ million bushels, had shown a decline of 33½ million bushels as compared with 1928-29. The Australian manager of the company had cabled, however, that a crop of at least 200 million bushels was assured for this season. The extent to which the falling off in the wool clip, the drop in the wheat crop, and the fall of world prices have contributed to Australia's present difficulties will be readily apparent from these figures.

Rhenish-Westphalian Electricity Company.—The Rheinisch-Westfälische Elektrizitätswerk (R.W.E.), Germany's largest public utility company, has maintained a 10 per cent. ordinary dividend this year on an increased capital. The concern has expanded enormously in the last two years. Its output of current has risen from 1,449 million k.w.h. in 1927-28 to 2,782 millions in 1929-30, exclusive of the output of affiliated concerns, which bring the total to 3,500 million k.w.h. In the absence of depression this year the company's output would have been, probably, about 220 million k.w.h. higher. The R.W.E. supplies a long strip of territory in western Germany, extending from the Ruhr to the Rhine and from Württemberg to the Alps. The power stations, with an aggregate capacity of 1,000 million k.w., have three sources of supply. The R.W.E. possesses power stations in the Ruhr which are situated on its own coal mines, the Goldenbergwerk station, near Cologne, supplied with lignite from the Rhine Valley, and two large water-power stations recently erected in the Vorarlberg. The Ruhr is connected with the Alps by a line almost 1,000 kilometres long carrying 220,000 volts: The system was completed in April, 1930. The construction of this system and the affiliation of numerous electricity companies have called for the expenditure of large capital sums. Most of the works are now completed, and further new construction on a large scale will be undertaken only if trade improvement results in a further heavy increase in the demand for current.

Consolidated Gold Fields.—On each of the past two occasions, writes our mining correspondent, the announcement of this company's dividend has been preceded by pessimistic rumours, and each time these have been falsified by events. It is true that the profits for the year ended June 30th last fell appreciably below those for the preceding period. Nevertheless, having regard to the conditions which have prevailed, they are better than

could have been expected, and permit the payment of 7½ per cent., or 1s. 6d. per share, instead of the "nothing to 1s.," which had been suggested in some circles. The dividend falls to be paid upon a capital increased by the absorption of two allied undertakings. The results of the past three years are summarised below:—

	1928.	1929.	1930.
Investments.....	4,158,430	3,202,380	4,290,610
Shares in subsidiaries.....	...	1,054,460	1,147,590
Properties and ventures.....	501,840	373,370	399,090
Loans at short call.....	316,600	939,190	338,130
Debtors.....	173,560	164,760	263,090
Cash advances, &c.....	409,330	703,340	672,450
Cash.....	274,090	366,540	376,220
Creditors.....	783,190	373,790	200,950
Net profit*.....	384,930	452,820	330,890
Dividend per cent.*.....	15	15	7½
Carried forward*.....	52,470	51,930	55,780

* Gold Fields Company. Other figures relate to the New Consolidated Gold Fields.

Depreciation to date has been dealt with by the transfer, on the part of the New Consolidated Gold Fields, of £300,000 from reserve, reducing that entry to £606,050. The expansion in the investments is, of course, accounted for by the amalgamation already referred to. A feature is the strength of the financial position. On June 30th the surplus cash assets, allowing for dividend requirements, amounted to £1,200,000. The current quotation of Gold Fields ordinary shares is just over 20s.

The "Johnnies" Meeting.—In the unavoidable absence of Mr S. B. Joel, the annual meeting of the Johannesburg Consolidated Investment Company, of which a full report has been received by cable, was presided over by Mr W. S. Webber. In the course of his remarks, the chairman emphasised the improvement in South Africa of the company's gold-mining interests, and in this connection he expressed the hope that the Government Commission would prepare the way for such a reduction in costs as would permit the working of large areas of low-grade ore which would otherwise be lost. The present ample supply of native labourers was due to temporary conditions, and did not obviate the need for fresh sources of supply. After throwing a needed light upon the position at the Potgietersrust Platinum, Mr Webber dealt with the important question of the diamond trade. This he described as "exceptionally sound," and pointed out that the Union Government, although not a party to the new sales agreements, intended to limit its own sales proportionately to those of the companies concerned. Referring to copper in Northern Rhodesia generally, and to the N'kana mine of the Bwana M'Kubwa company in especial, Mr Webber stressed the progress which had been made and the favourable working conditions.

Company Meetings of the Week.—On later pages of this issue will be found the reports of the following companies: Royal Bank of Scotland, Johannesburg Consolidated Investment Trust, Charterhouse Investment Trust, Trans-Oceanic Trust, Consolidated Tin Smelters, India Rubber Gutta Percha and Telegraph Works, Wall Paper Manufacturers, Anglo-Ecuadorian Oilfields, Peter Walker (Warrington) and Robert Cain and Sons, and Timothy Whites (1928). Discussing the immediate trade outlook, Sir Arthur Marshall pointed out at the Charterhouse Investment Trust meeting that the fall in the price of raw materials and in the wholesale prices of commodities had in some cases reduced values to the 1914 level, while in others, such as cotton, wool and rubber, prices were actually lower than in pre-war days. At the annual meeting of Peter Walker (Warrington) and Robert Cain, the chairman said that during the years 1925-30 alone they had expended on the improvement of 380 houses a sum of approximately £370,000. At the Wall Paper meeting, Mr A. V. Sugden referred to the board's policy of linking up, with the direction of the business, young and progressive men who had made their mark as managers, and the resulting strong element of "younger blood" on the board.

CAPITAL ISSUES.

The numerical majority of the week's new issues have taken the form of private "placings," under conditions which are described on page 1018. Among "public" borrowers, the *Central Electricity Board* has offered £6,000,000 stock, giving a flat yield of £4 14s. 3d. per cent. and a redemption yield at the earliest maturity of £4 17s. 9d. per cent. The earlier issues of this borrower (made in May, 1929, and January, 1930) were floated on a redemption yield basis of 5.18 per cent. and 5.27 per cent. respectively, the present operation thus being much the cheapest since the board's inception. The stock is not a Trustee issue, but its appeal to the long-term investor—presuming a further decline in the trend of general interest rates—is undoubted. The issue was heavily oversubscribed. The *New Goldfields of Venezuela* debenture issue is a speculative proposition, of a nature somewhat inappropriate to present capital market conditions.

ISSUES OF THE WEEK.

By Prospectus or Offer for Sale

Net total recorded, January 1 to November 22, 1930, £231,629,055.
Total, including conversion recorded, January 1 to November 22, 1930, £414,021,686.

	Nominal Capital.	Conversions or Repayments.	New Money Cash Subscriptions.	First Payment.	Further Liability.
To the Public.					
Central Electricity Board.....	6,000,000	...	5,730,000	300,000	5,430,000
New Goldfields of Venezuela....	130,000	...	130,000	32,500	97,500
Total issued to the public, week ended November 22, 1930 ...	6,130,000	...	5,860,000	332,500	5,527,500
To Shareholders only.					
Kuala-Nai Kelantan Rubber, 60,000 Pref. Shares, 2s., at par	6,000	...	6,000	750	5,250
Pahl Plantations, 90,000 Pref. Shares, 2s., at par.....	9,000	...	9,000	2,250	6,750
Total to Shareholders only, week ended November 22, 1930 ...	15,000	...	15,000	3,000	12,000

	Including Conversions.	Excluding Conversions.	Including Conversions.	Excluding Conversions.
Total Offered for Subscription—				
Jan. 1 to date.....	420,196,686	237,804,055	488,764,940	285,239,400
1930.....	483,193,288	278,867,688	693,100,056	269,058,073
1929.....	523,791,004	349,761,273	...	365,165,970
1928.....	...	327,125,408	...	232,214,500
1927.....	...	213,160,515	...	209,326,101
1926.....	...	211,995,499	...	271,399,173
1925.....	...	185,308,864	...	573,675,653
1924.....	...	259,169,608	...	...
1923.....	...	...	...	...

By Stock Exchange Introduction.

	Amount of Capital Introduced.	Prices at which Dealings Began.	Total Cash Involved.
Amount previously recorded.....	17,940,093	...	19,662,857
Bermuda Development Co. £500,000 5½% Guar. First Mt. Debs. at 8½% (Nov. 15)	487,500	98½	493,750
Hertfordshire County Council £750,000 4½% Red. Stk. 195½-65, at 98½% (Nov. 18)	736,875	99½	747,185
Booths Corporation £500,000 4½% Red. Stk., 1951-61, at 97½%	487,500	99	495,000
Carlisle Corporation £500,000 4½% Red. Stk., 1950-60, at 98%	490,000	99	495,000
Manchester Brewery Co., £650,000 5½% Guar. Deb. Stk. at 98% (Nov. 21).....	637,200	98½	638,825
Total for week ended November 22, 1930 ...	2,839,075	...	2,869,760
Total to date, 1930.....	20,779,168	...	22,532,617
Total to date, 1929.....	31,471,788	...	43,593,529

Central Electricity Board.—Issue of £6,000,000 Central Electricity 4½ per cent. stock, 1951-73, at £95½ per cent., to rank *pari passu* with the existing 4 per cent. stock, 1959-89, and 5 per cent. stock, 1950-70, as a first charge on the net revenues of the board. The present issue will be redeemed by means of a sinking fund commencing not later than 1937, to be applied in the purchase of stock when the price does not exceed par. Any stock not previously redeemed will be repaid at par on January 1, 1973, but the board reserve the right to redeem at par at any interest date on or after January 1, 1951, on three months' notice. The proceeds of the issue will be used to provide further funds for the construction and acquisition of main transmission lines, the cost of standardisation of frequency, and other authorised purposes.

New Goldfields of Venezuela.—Issue of £130,000 7½ per cent. first mortgage debenture stock at par. The company may purchase debenture stock in the market at any price less than par; and reserves the right to redeem any of the outstanding debenture stock at a premium of £5 per cent. at any time after December 31, 1931, on three months' notice. Any stock outstanding will be redeemed at par on December 31, 1935. Option certificates will be issued with the stock conferring the right at any time on or before December 31, 1933, to subscribe at the price of 5s. per share for four shares of the company for every £1 of debenture stock allotted. The company was formed in November, 1926, to acquire gold-mining concessions in Bolivar.

Tunbridge Wells Gas Company.—Issue by tender of £25,000 5½ per cent. perpetual debenture stock, minimum price of issue £105 per £100, yielding at that price £5 4s. 9d. per cent. The net revenue of the company for the year ended December 31, 1929, was £27,818, covering interest on the loan capital, including the present issue, more than five times.

Particulars of the following have been issued "for information only," with a view to Stock Exchange introduction:—**Manchester Brewery Company.** Particulars of an issue of £650,000 5½ per cent. guaranteed mortgage debenture stock at £98 per cent. **Auckland Electric Power Board 5 per cent. 1951 Loan.** Particulars of an issue of £100,000 in debentures to bearer of £100 each. **Rhodesia Land Bank.** Particulars of an issue of £225,000 5 per cent. guaranteed debenture stock, 1940-60, repayable at par on December 1, 1960. **Aberdeen Trust Company.** Particulars of an issue of £200,000 5 per cent. redeemable debenture stock, 1960. The company was incorporated in Edinburgh in July, 1911, and carries on the ordinary business of an investment trust. **Colony of Sierra Leone.** Particulars of an issue of £202,500 4½ per cent. stock, 1955. Trustees are authorised to invest in this stock.

[Other Stock Exchange information, including the latest reports and notices, weekly traffic returns, dividend announcements, oil outputs and profit and loss figures will be found on page 1035 under the heading "Company News."]

SUMMARY OF BALANCE SHEETS.

BRITISH OVERSEAS BANK, LIMITED.

October 31, 1930.			
LIABILITIES.	Compared with Oct. 31, 1929.	ASSETS.	Compared with Oct. 31, 1929.
Amount.	£	Amount.	£
"A" ord. shares 1,000,000	...	Cash	293,712 + 15,479
"B" ord. shares 1,000,000	...	Money at call and notice	1,820,321 - 461,348
Current, deposit, and other a/c. 4,549,187	- 564,720	Balances with bankers abroad	214,749 - 95,676
Amounts owing to subs. cos.	100	Bills discounted... ..	1,071,400 + 71,003
Reserve fund	225,000	Govt. securities... ..	353,943 + 48,875
Acceptances	3,927,317 - 731,995	Investments in subs. cos.	56,925
Profit and loss ...	73,577 + 15,447	Other investments	532,682 - 16,045
		Bankers' Industrial Development	100 + 100
		Advances, &c.....	2,148,941 - 12,449
		Amounts owing from subs.	19,355 - 95,054
		Acceptances	3,927,317 - 731,995
		Premises account	335,736 + 4,158
Total.....	10,775,181 - 1,281,268	Total	10,775,181 - 1,281,268

TATE AND LYLE, LIMITED.

September 30, 1930.			
LIABILITIES.	Compared with Sept. 30, 1929.	ASSETS.	Compared with Sept. 30, 1929.
Amount.	£	Amount.	£
6½% cum. pref. shares	1,100,000	Freehold properties.....	1,912,490 + 27,482
Ord. shares	3,400,000 + 88,000	Leaseholds	11,714
4½% deb. stock	500,000	Cottage property	46,336 - 1,381
5½% deb. stock	1,250,000 + 1,250,000	Plant	3,520,015 + 119,700
Deb. interest accrued.....	29,479 + 23,854	Investments.....	610,972 - 1,243,441
Unrepresented interest warrants	195 + 6	Stocks	1,667,971 - 951,140
Creditors	682,598 - 149,619	Debtors.....	933,149 - 577,365
Depreciation reserve	400,000	Deposit account at bank	240,000 + 240,000
General Reserve	1,150,000	Cash	50,940 + 13,564
Investment reserve	190,910 - 115,928	Bank	195 + 7
Div. reserve	10,000 - 80,000		
Bank loans	...		
Profit and loss....	280,600 - 178,887		
Total.....	8,993,782 - 2,372,574	Total	8,993,782 - 2,372,574

Castbury
Maker
of Fine Chocolates.

COMPANY MEETINGS, &c.

ROYAL BANK OF SCOTLAND.

ANNUAL GENERAL COURT OF PROPRIETORS.
INCREASED DEPOSITS—STRONG LIQUID POSITION.
CONTROL OF WILLIAMS DEACON'S BANK.
NEED FOR ECONOMY AND REDUCED TAXATION.
THE DUKE OF BUCCLEUCH'S SPEECH.

The annual general court of proprietors of the Royal Bank of Scotland was held at Edinburgh on Wednesday, November 26th, His Grace the Duke of Buccleuch, K.T., Governor of the Bank, presiding.

In moving the adoption of the report, His Grace said :—
I presume it will be your pleasure that the annual report and balance sheet with the auditors' report, which have now been in your hands for some days, shall be taken as read. The directors are pleased again to submit a statement of so satisfactory a character, evidencing as it does the important developments which have taken place during the year.

INCREASED DEPOSITS. WESTERN BRANCH, LONDON.

The deposits and other credit balances show an increase of over four million pounds—the total now topping the fifty million point. Knowing of our recent acquisition from the Bank of England of the private business conducted by them at their Western Branch in Burlington Gardens, London, you would, no doubt, be prepared for a substantial increase, but various circumstances have contributed to the large addition. It is gratifying to record that the transfer referred to has been attended with a full measure of success. I am again glad to report that the introduction of the system of small deposit accounts and home safes has been justified in every way, the figures being still on the increase from week to week. Our note circulation is well maintained, there being a slight increase over last year's figures. Acceptances show a reduction, reflecting the condition of foreign trade.

LIQUID CONDITION: INVESTMENTS.

On the assets side the strong liquid position to which you are accustomed is again well sustained. There is a large addition to our investments in British Government securities—the total holding being nearly £14,000,000—arising from the increased resources of the bank; whilst consistently with our policy of keeping a good bill portfolio, bills discounted amount to considerably over £8,000,000—including £2,740,000 of British Government Treasury bills.

ADVANCES.

For the first time for a period of years the advances on cash credit and current accounts are slightly down, at nearly £22,000,000. This amount is substantially within the ratio which good banking practice permits in relation to deposits, and the decrease has no special meaning except perhaps as an indication of the slackness of trade; but when handling such large sums there must always be considerable fluctuation. It is satisfactory from the point of view of our trading and manufacturing friends to note that we have resources available for further advances on a considerable scale on sound banking lines for the long-looked-for trade revival.

PROFITS.

The margin of banking profit has not been so good as it might have been, taking the year as a whole. The volume of our business is, however, always growing, and I am glad to say that we are able to show a substantial increase in our net profit. This is all the more satisfactory seeing that under our arrangement with the shareholders of Williams Deacon's Bank, Ltd., we have to pay them at Christmas a full half-year's dividend on the new stock issued to them. A certain amount of dividend has accrued upon the shares acquired from them, but this has not been taken into account in arriving at the profits of the year. Next year, the position will be quite different, as we shall receive a whole year's dividend, payable in January and July, and be responsible in like manner for a full year's distribution on the corresponding amount of stock issued.

APPROPRIATIONS.

Bank buildings and pension reserve fund have received the customary appropriations, and after providing a dividend at the

same rate as last year on the largely increased amount of capital stock, there remains a sum of over £70,000 which has been carried to rest.

LARGE ADDITIONS TO CAPITAL AND RESERVES.

I went so fully into the subject of the acquisition of the shares of Williams Deacon's Bank, Ltd., at the special general court held on August 20th last, and my remarks on that occasion received so much publicity in the press, that I do not propose to say more to-day than to refer you to the report in your hands which shows that the Royal Bank's offer was accepted by all but a few of the shareholders, and I may add that we quite expect to acquire the whole capital within a relatively short period. The full effects of this operation and the disposition of the premium upon the issue of new stock, which was computed for the purpose of the purchase at 345 per cent., are set forth in the report, which shows that after writing down the value of the shares and contributing materially to the strength of the inner reserves of the bank, sums amounting to £800,000 are available as additions to the rest or reserve fund. On completion of the transactions set forth in the report the capital of the bank will appear as £3,770,344 fully-paid, and the rest will stand at £3,780,926.

WILLIAMS DEACON'S BANK, LIMITED.

The year has been an outstanding one in the long history of the bank. As I have said, the shareholders of Williams Deacon's Bank have, practically as a whole, evinced a desire to become associated with this institution, which is all to the good, as the great majority of them are resident in the districts from which Williams Deacon's business is drawn. The customers and other connections of that bank have accepted the new position, which really involves no change so far as they are concerned, in the most agreeable way. There has been no disturbance of business. On the contrary, we trust that the new association may lead to increasing connections for both concerns and result in a forward movement both in the north-west Midlands and in London. In looking for the fruits of a development such as this, it is the long view that we must take, and await that gradual recovery of trade which is so much desiderated by all.

TRADE DEPRESSION AND THE REMEDIES.

We are passing through a period of world-wide depression on an unexampled scale. Much has been spoken from the platform and written in the press, and many specifics have been put forward for dealing with this situation. Without trenching on political and controversial topics, which would be out of place here, one may venture to mention certain remedies which seem to be not only necessary but obvious, however old-fashioned they may look. First and foremost, I would put the urgent need for public economy and the reduction in the burden of taxation, imperial and local, which is weighing heavily upon all enterprise and by diminishing available funds is hindering the making of adequate provision for grasping the earliest opportunities of reviving trade when the proper time arrives. Much of the growing expenditure of the present time is not merely wasteful. It is demoralising. It is essential that the seriousness of the country's position should be realised so as to bring home the necessity for proper measures being taken to face with determination what is tending to become a national emergency. But this does not mean that we are to give way in any degree to pessimism or to cease for a moment to believe that, as has happened again and again in our past history, the time of recovery will come. This country greatly needs better methods and equipment, harder work, and something of the spirit of co-operation and of sacrifice which prevailed during the war. By such means, and by the return of confidence and of that sense of security which is essential to all trading enterprise, we should be in a position to bring about the lowering of our costs of production, and thus

CAPITAL and INTEREST

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THE DIRECTORATE.

Suitable notice is taken in the report of the loss sustained by the death of Mr Maconochie, our senior director, who not only rendered valuable service to the bank, over a long period, but by his personality endeared himself to all his colleagues. As you know, part of the arrangement with our friends of Williams Deacon's Bank was that two members of their board should join the court of directors of the Royal Bank and, as you will observe from the report, the directors recommend the election of Mr Dewhurst, the chairman of that bank, and Lord Bradbury, one of their directors. In order to admit of this it is necessary to increase the number of our ordinary directors from nine to ten, and a motion to this effect will come before you at a later stage of this meeting. I am confident that these arrangements will meet with the unanimous approval of the stockholders. Steps are being taken for the appointment of three representatives of the Royal Bank as directors of Williams Deacon's Bank.

The stock of the bank which has hitherto been officially quoted on the Stock Exchanges of Edinburgh, Glasgow, and London, is now also quoted in Manchester.

THANKS TO OFFICIALS AND STAFF.

The directors desire to express their thanks to the officials and members of the staff at head office, London—the City and West End offices, Glasgow and Dundee, and all the other branches for their loyal and willing co-operation.

I again desire to place on record our high appreciation of the valuable services which Sir Alexander Wright, the general manager, has rendered to the bank. Our thanks are specially due on this occasion in connection with the important developments which have taken place during the year, which have necessarily thrown on Sir Alexander a large amount of extra work.

As stated in the report, Mr Adshead has resigned the position of secretary after long and valued service, and we desire to extend our cordial good wishes to him in his retirement.

APPROVAL OF ACCOUNTS: DIVIDEND.

With these observations, I beg to propose that the report now submitted, containing a statement of the accounts and balance sheet, be approved, and that out of the profits of the year a dividend at the rate of 17 per cent. per annum for the half-year, under deduction of tax, be now declared in conformity therewith.

The report was approved, the two new directors elected, and the governor, deputy-governor, extraordinary directors, and the retiring ordinary director were re-elected, and auditors were reappointed for the ensuing year.

Orders for the publication in these columns of the reports of Company Meetings should be addressed to the Reporting Manager of THE ECONOMIST, 8, Bouverie Street, Fleet Street, London, E.C.4.

THE TRANS-OCEANIC TRUST, LIMITED.
SATISFACTORY RESULTS IN A DIFFICULT YEAR.

The third ordinary meeting of the Trans-Oceanic Trust, Ltd., was held, on the 27th ultimo, at the company's office, 41 Threadneedle Street, London, E.C.

The Hon. W. B. L. Barrington (the chairman), said :—Gentlemen, The gross revenue, consisting of dividends actually received, underwriting commission and transfer fees, totals £84,157, an increase of £4,879 over the previous year's figure.

Full details of expenditure are shown on the debit side of the revenue account, and the various items, with the exception of bank and debenture interest, show little change as compared with the corresponding amounts of the previous year. It is, of course, unnecessary for me to state that the increases in bank and debenture charges are the natural outcome of a growing company.

The surplus revenue, including the amount brought forward from the previous year, is shown in the appropriation account, and amounts to £51,512. From this figure must be deducted : Payments made in May last in respect of the interim dividends of 2½ per cent. on both the preference and the ordinary stock, totalling £19,375; "subsidiary depreciation reserve," £10,540, to which I shall refer later; and "debenture stock discount and issue expenses," totalling £2,202, which need no explanation.

After appropriating the sums enumerated above, your directors recommend that of the balance of £19,395, the sum of £19,375 should be utilised for the payment of final dividends of 2½ per cent., less tax, on the preference and ordinary stocks, bringing the total distribution on each class of stock up to 5 per cent. for the year, and leaving £20 to be carried forward.

Revenue, after deducting all expenses, including "debenture interest" and "preference stock dividend," was at the rate of 8.69 per cent. on the ordinary stock.

BALANCE-SHEET ITEMS.

I would now draw your attention to the balance sheet. Taking the liabilities first, "issued share capital" remains unaltered at £1,000,000. "Debenture stock" shows a small increase of £8,238. "Bank overdrafts" amount to £95,709 against nil for the previous year. These changes reflect the policy which your directors adopted of taking advantage of low interest rates for bank loans in financing the purchase of certain additional investments instead of attempting to finance these purchases by forcing the Trust's debentures at reduced prices on a somewhat disinterested market. It was felt that low money rates would eventually result in a renewed demand for investment trust debentures. This policy has already proved justified. Since the close of the financial year under review, £33,000 additional debentures have been sold, and owing to the obvious attractiveness of the security we do not anticipate any difficulty in placing the remainder in due course.

The other liabilities as shown by the balance sheet, "Purchases made for future delivery," and "Sundry creditors," require little explanation. The latter consists entirely of reserves for income tax and the audit fee.

On the other side of the balance sheet, the book value of our chief asset, "Investments," exceeds the previous year's figure. The report contains full details of the holdings and other particulars as to analysis, distribution, etc., and therefore I will confine my remarks to values.

You will recall that last year, when addressing you, I referred at some length to the abnormal conditions then prevailing. Depression has since become intensified—and as a result, a valuation of the investments of your company taken as at October 31st last, showed, after deduction of all reserves, a depreciation of 14.31 per cent. The remaining assets, "Sales for future settlement," "Sundry debtors," and "Debenture discount and issue expenses," are self-explanatory.

As the analysis which I have just given you reveals, your company, in common with all investment trusts, has passed through a most difficult year, but when the universal extent of the political and economic disturbances are taken into consideration I believe you will agree that the final results are not unsatisfactory. The depreciation of the securities held by the subsidiary on October 15th last has been written off so that this company is now well placed to take advantage of any revival of interest on the Stock Exchange.

Whilst your board are hopeful that the depression which has now lasted over 18 months may be nearing the end, they are also aware that general recovery must be slow. There will possibly be several false starts and in times such as these we must not allow fluctuating investment valuations to overshadow the fact that orthodox investment trusts must be judged primarily by their earning power.

The results of your company to date satisfy this test, and from estimates calculated on a conservative basis we hope in November next to be able again to report a satisfactory income.

The report and accounts were unanimously adopted.

JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY, LIMITED.

EXCELLENT GOLD MINING RESULTS.

STRONG FINANCIAL POSITION.

COPPER DEVELOPMENTS IN RHODESIA.

MR W. S. WEBBER'S REVIEW OF POSITION AND PROSPECTS.

The Johannesburg Consolidated Investment Company, Ltd., announces the receipt of the following cabled report from Johannesburg of the proceedings at the annual meeting of shareholders held on November 25th, at which Mr W. S. Webber presided.

The Chairman said:—I am sure that you all share with me in regretting that our permanent chairman, Mr. S. B. Joel, has not been able to preside at this meeting. As you know, Mr Joel has passed through a very severe illness since we last met; happily, he has made an excellent recovery and he has come out to South Africa to escape the rigours of the English winter and is now in Cape Town. I was a fellow-passenger of his on the voyage out, and am pleased to be able to inform you that he has benefited very much by the change of climate, and that when I left Cape Town less than two weeks ago he looked quite his old self.

Throughout his convalescence, and even on the voyage out, Mr Joel continued to keep in very close and active touch with the affairs of this company, and on his arrival in Cape Town he was met by your general manager, Mr Crosby, with full material for this speech. He was very anxious to preside at this meeting, but his doctors thought that it would be unwise for him to make the long railway journey at this time of the year. You will be pleased to know that the progress of his health is such that he looks forward with eagerness and confidence to presiding over you at our next annual meeting. I am sure that you will wish me on your behalf to promise him a very hearty welcome.

The report and accounts for the year ended June 30th last were unanimously adopted.

The net profit for the year was £565,193. Dividends paid totalled £592,500, and the balance carried forward was £154,190.

A PERIOD OF UNEQUALLED DEPRESSION.

The Chairman explained that it was merely on account of abnormally heavy depreciation that the net profit did not greatly exceed that of the previous year, and said the world was experiencing a period of depression unequalled in memory of living men. South Africa did not feel this depression until much later than other countries, and even then not to such an acute degree. This was due entirely to the fact that the gold mines had been worked to full capacity, and that demand and price for products had not been affected as in the case of other commodities. As an investment company with large interests in diamonds and base metals the company was bound to feel the effects of the world-wide depression, but on the whole the position disclosed in the accounts was a matter for congratulation.

The strong financial position of the company has been maintained. The company's holding in new interests in Rhodesia, referred to last year, had been substantially increased. The book value of the assets, £6,331,914, showed a surplus of £5,104,190 over liabilities to the public.

SATISFACTORY YEAR FOR GOLD MINING.

Dealing with the gold-mining industry, the Chairman said the year had been very satisfactory and a record gross profit of £4,794,480 had been earned by the gold mines of the group. The group hold the premier position of profit earners on the Rand for the year. The total profit of the Witwatersrand for the year was £12,695,088, of which the group's proportion was 38 per cent. The mines of the group were responsible for over a quarter of the Rand gold output. The group's working costs were 18s. 6d. per ton, and the group's average cost per fine ounce was 53s., a reduction of 11d. per ounce over last year. Dividends for the year ended June 30, 1930, from the group's gold-mining companies were £2,138,548. The total dividends from the present producing companies of the group from their inception amount to £30,749,260. The amount paid to the Government in respect of leased areas was £1,837,683 for 1929, compared with £1,794,859 in 1928.

IMPORTANCE OF GROUP'S MINES TO SOUTH AFRICA.

The chairman emphasised the importance of the group of mines to South Africa by stating that during the twelve months ending

June 30th £3,463,614 had been paid in wages and £3,392,506 in stores. In addition, £241,736 had been expended on capital account, practically the whole of which represents wages and stores. Approximately one-third of the figures mentioned had been spent on Randfontein Estates, a mine existing on low-grade ore, which during the four years 1926 to 1929 had expended £9,585,621, of which £4,571,168 was wages and £3,954,746 stores, nothing being distributed to shareholders. It was hoped that the Government Commission now sitting would prepare the way for such a reduction in costs as would enable large areas of low-grade ore which would otherwise be lost to be worked at a profit.

MOZAMBIQUE CONVENTION.

One of the chief reasons for the excellent results was that the native supply had been satisfactory and stable during the year, proving the truth of the statement made by the Government Interdepartmental Committee that an adequate labour supply was essential not only to make possible the most economic mining, but also to derive the greatest quantity of gold from the mines.

Referring to the Mozambique Convention, the chairman said that, owing to restriction of period of service and opportunities for re-engagement provided for in the Convention, it had not been possible to maintain the number of East Coast natives allowed. The present plentiful supply of natives was accounted for by British South African natives coming forward to mines more readily, but this must be considered temporary, as due to the general depression in other industries, with consequent decreased demand for native labour, and low prices obtainable by natives for their agricultural products. When the general economic conditions improved a decrease must take place in the number of British South African natives employed, and with the reduced number of East Coast natives coming forward, unless Government granted permission for fresh sources of supply for recruiting, a serious shortage of native labour on the gold mines must follow. Mechanization was being carried out to a great extent on the mines; drilling was almost entirely done with machines; handling ore underground by mechanical methods was coming into more general use to overcome periodical shortage of natives, but this would not overcome the necessity for a large and stable native force on which the industry depended.

GOVERNMENT GOLD MINING AREAS (MODDERFONTEIN) CONSOLIDATED, LIMITED.

In 1929 2,416,000 tons were crushed. The amount paid to the Government under its lease was £1,448,863. Dividends totalling 90 per cent. and absorbing £1,280,000 were paid to shareholders. The operations during the current year continued on a similar scale, and a dividend of 45 per cent. was distributed in June last. The ore reserves at the end of 1929 were estimated at 10,876,000 tons of an average value of 8.9 dwt. over a stoping width of 63 in.

NEW STATE AREAS, LIMITED.

The results for 1929 constituted a record, and operations were in every way satisfactory. Working costs showed an improvement of 2d. a ton and the yield 7d. a ton. Dividends totalling 12½ per cent. were paid to shareholders, absorbing £189,255. A sum of £384,974 was paid to the Government under its lease. The monthly profits for the current year showed a progressive improvement, the first ten months averaging £75,125. A dividend of 7½ per cent. was declared in June last. The improved results reflected the very sound position of the mine, and the future was contemplated with every confidence. The ore reserves at the end of 1929 were estimated at 2,696,000 tons, with an average value of 8.9 dwt. over a stoping width of 50 in.

VAN RYN DEEP, LIMITED.

Seven hundred and forty-eight thousand tons were crushed in 1929, resulting in a working profit of £502,217. An amount of £418,912 was distributed to shareholders, equalling 35 per cent. A dividend of 15 per cent. was declared in June last. The ore

reserves were estimated at the end of 1929 to amount to 3,022,000 tons, with an average value of 7.3 dwts. over a stoping width of 50 in.

WITWATERSRAND GOLD MINING COMPANY, LIMITED.

Six hundred and forty-one thousand tons were crushed during 1929, resulting in a working profit of £15,347. A dividend of 2½ per cent. was declared in 1929. The gross profit for the first six months of the current year totalled £32,702, enabling the company to declare a dividend of 5 per cent. in June last.

LANGLAAGTE ESTATE AND GOLD MINING COMPANY, LIMITED.

During 1929 968,500 tons were crushed, showing a working profit of £311,832. Dividends totalling 15 per cent. were distributed to shareholders. The results for the current year showed an increase over 1929, enabling a dividend of 10 per cent. to be declared in June. The ore reserves at the end of 1929 were estimated at 1,596,000 tons, with an average value of 7.4 dwts. over a stoping width of 42 in.

RANDFONTEIN ESTATES GOLD MINING COMPANY, WITWATERSRAND, LIMITED.

During 1929 2,528,000 tons were crushed, resulting in a working profit of £246,705. The results for the current year showed a decided and progressive improvement. Excellent progress was being made with sinking the old Randfontein Deep shaft, which was expected to reach its final depth in April next and to be brought into commission in the latter half of the year. This shaft would greatly facilitate the working of the Main Reef section of the mine. The reefs in the main section had a steep dip, approximately 60 degrees to the east, but recent development indicated that a progressive flattening might be expected in depth, having the effect of adding very considerably to the economic life of the mine. The outlook was better than it had been for years past. The expenditure on debenture redemption and interest was drawing to a close; the final sum of £47,000 was payable in March, 1933. Taking this expenditure and capital charges in connection with the Randfontein Deep shaft into account, the chairman stated that if no unforeseen circumstances arose the company would re-enter the dividend list next year. The ore reserves at the end of 1929 were estimated at 4,505,000 tons, of an average value of 5.8 dwt., over a stoping width of 41 in.

COAL.

For the financial year ended September last, the New Springs Colliery and the Consolidated Collieries distributed dividends of 5 per cent. and 8½ per cent. respectively. The output of the Natal Cambrian showed an increase over the previous year.

SOUTH AFRICAN CARBIDE AND BY-PRODUCTS COMPANY, LIMITED.

The production of excellent grade carbide was maintained, and sales were increasing. The debt to the company had been liquidated, and a distribution would shortly be made to the cumulative preference shareholders.

COPPER.

Copper had not escaped the severe and rapid decline in price of commodities now being experienced, and the price was now the lowest known for many years, being little more than half the value of a year ago. From 1900 up to a year ago the price had averaged over £70 per long ton, the average annual price never having been below £54. These figures emphasised the severity of the present depression. Few copper companies were making a profit at present and a considerable amount of copper was being produced at a loss. If there was no improvement in consumption and price within a reasonable time many companies now producing must cease production.

Last year the chairman reviewed the copper outlook of Northern Rhodesia in detail, and in the light of recent progress his considered opinion that conditions generally would be favourable to cheap production and that no undue difficulties were to be expected in mining and metallurgy and native labour supply had proved correct.

WORK AT N'KANA MINE.

The company's consulting engineer visited the copper fields recently and an up-to-date impression was therefore possible. Rapid progress had been made in actual construction work; native labour supply was satisfactory; surface construction work at N'Kana mine, belonging to Bwana M'Kubwa Copper Company, in which this company was particularly interested, was well advanced. Since the railway reached the property in May last progress had been rapid and sufficient underground work was completed

to indicate what mining conditions might be anticipated. The particular ore body being developed was a stratified deposit with strike of 8,000 ft., average width 27 ft., average dip 45 degrees, copper content, which averages 4.3 per cent. Noticeably regular deposit. Development was proceeding rapidly on 300-foot and 450-foot levels, and the 600-foot level would be started shortly. This development had exposed an ore body in many places, and the information gained fully confirmed the estimates of value and width made from borehole data.

The ore body itself and country rock in the vicinity was of medium hardness, compact and readily drilled and easily broken. Development work and excavations for pumps, &c., needed no support. A moderate amount of water only had been tapped. The cost of developing the ore in ore body, which was all payable and had a width of 27 ft., was small. Rock breaking under the same conditions was simple and cheap. Trimming along good haulages direct from stopes boxes to shaft bins was an ideal condition, and hoisting and pumping from shallow depth, which would obtain for many years to come, would be small items.

LOW UNDERGROUND COSTS INDICATED.

Conditions were all favourable and indicated very low total underground costs. A pilot reduction plant having a capacity of some 7,000 tons of sulphide ore per month had been operating for some time with very satisfactory results. High percentage extracts had been obtained and rich concentrate containing over 50 per cent. copper produced. The ore was easy to crush and grind: crushing and grinding units thus having good capacity at moderate power consumption. The ore responded readily to flotation process with low consumption of chemicals, consequently the cost of crushing, grinding, and concentrating would be very low.

In the large-scale plant, in spite of geographical position, production and marketing costs would be substantially below average world cost, and in course of time the Rhodesian copper industry would compare favourably with the most favoured low cost producers. The present indications were that one large mine would be in full production well before the end of 1931, and the N'Kana mine would be into its stride within the first few months of 1932.

PRODUCTION IN 1931.

The present low price was a matter of concern to all copper mines, but low cost producers might look forward to the future with every confidence. It had been fully demonstrated that Northern Rhodesia could if need be meet the unlikely contingency of even lower prices, and in the near future would be in a position to take full advantage of a recovery towards normal.

World conditions demanded an ever-increasing amount of copper, and the consensus of opinion was that approximately an additional million tons would be required annually in ten years' time. In the light of past years' development and experience there was no need to modify the opinion expressed at the last annual meeting that copper discoveries in Northern Rhodesia constituted the greatest base metal development the world had experienced for years past, and that the company's investments in copper would be of great value to the company.

POTGIETERSRUST PLATINUMS, LIMITED.

The pilot plant at Potgietersrust, having fulfilled its object as an experimental unit for the study of metallurgy of platinum, was shut down in May, as owing to a considerable drop in the price the plant was not large enough to produce platinum at a profit. In January the reduction plant at Rustenburg was put into commission—first the gravity section, and subsequently in May the flotation plant, which was designed to treat the tailings from the gravity section. As originally designed, the plant produced crude platinoids and concentrates, which later were sent to the company's chlorination plant on the Government Areas property. Owing to the low price now obtained it was unprofitable to treat gravity tailings by flotation and subsequent chlorination; therefore it was decided to close down this section of the plant, the flotation plant during August and the chlorination plant during October, when the whole of the accumulated concentrates had been converted into crude platinoids.

With the closing of this section it was decided to rely on production of crude platinoids only, and to augment the output of this product as far as possible 40 additional stationary corduroy tables were added to the gravity section. When prices increased, the flotation and chlorination sections could be restarted at short notice. As at present constituted the plant was capable of dealing with 10,000 tons of oxidised ore per month, of which there was an adequate supply available. The entire production was now in the form of crude platinoids, which were dispatched to Messrs. Johnson,

Matthey and Company, who had been refining and selling the company's product. Throughout the year the company had been able to work profitably at present prices of the metals; costs had been reduced to a low figure, and it was anticipated that further economies would be effected, together with improved extraction. The Canadian output was a by-product from nickel-copper mining, but apart from Canada it was doubtful if platinum was being produced profitably elsewhere. Platinum, along with other commodities, would benefit with a return to normal world conditions.

POSITION OF DIAMOND TRADE.

It was only to be expected there should be a distinct falling off in the demand for diamonds in consequence of the financial crisis in America, and the real revival in the trade must run concurrently with the passing of the general depression, but he wished to emphasise that the intrinsic position of the diamond trade was exceptionally sound. They would have noticed from the statement recently made by Mr. Fourie, Minister of Mines, that a new interproducers' agreement and new sales agreements were in course of preparation; these would take the place of the existing arrangements which terminate by effluxion of time at the end of the year.

It was important to remember that the Minister stated that the Union Government, although not becoming a party to the agreements, intended to limit its own sales of diamonds proportionally to the sales of the companies named—namely, De Beers Consolidated Mines, Limited, New Jagersfontein Mining and Exploration Company, Limited, Premier (Transvaal) Diamond Mining Company, Limited, and Consolidated Diamond Mines of South-West Africa, Limited; further, that when selling diamonds to South African cutters, to charge prices which worked out on a parity with London prices and assortment, so as to avoid the possibility of unfair competition; and, further, that the Union Government's sales other than to South African cutters would be made only to the syndicate.

PURPOSE OF THE DIAMOND CORPORATION.

He might mention that in authorising the conclusion of the new agreements the Minister of Mines gave his approval to their being ceded to the Diamond Corporation at a later date. The chairman explained the purpose for which the Diamond Corporation was formed. In the first instance it was confined to the purchase of outside diamonds, but it was now proposed to increase its capital and extend its operations to the purchase and sale of all diamonds, both producers' and outside. The members of the Corporation were:—De Beers Consolidated Mines, Limited, New Jagersfontein Mining and Exploration Company, Limited, Consolidated Diamond Mines of South West Africa, Limited, and the present members of the Diamond Syndicate.

The importance of the announcement by the Government referred to was that the control of diamonds had once again been established, and that the Government were co-operating with producers in maintaining and stabilising the diamond trade. With that co-operation, now that the Lichtenburg danger had passed, and the alluvial production was again normal, while Namaqualand production was jointly in the hands of the Government and the Diamond Corporation, it would be seen that stability of trade was greater than ever before, and the industry might look forward with confidence to the resumption in demand for diamonds.

SOUTH AFRICAN BREWERIES, LIMITED.

The South African Breweries Company was again able to announce a record year, with increased dividend to 17½ per cent. The company was in an excellent position, with capital ample for its requirements, and looked forward with confidence to continued expansion of its activities throughout South Africa.

The Chairman referred with great regret to the loss sustained by the directors in the death of their colleague the Earl of Birkenhead.

OFFER TO NEW READERS.

Any reader who makes his first acquaintance with this journal with this week's issue is invited to fill up the attached:

To Publisher, "Economist Newspaper Ltd.,"
8, Bouverie Street, E.C.4.

In order to test the value of your publication I should like you to forward this to me by post for the next four weeks. If I then decide to become a subscriber, it is understood that there will be no charge for the copies thus received, but otherwise I shall be willing to pay 4s. to cover their cost.

Name.....

Address

.....

INDIA RUBBER, GUTTA PERCHA AND TELEGRAPH WORKS COMPANY, LIMITED.

IMPROVED OUTLOOK.

The 67th ordinary general meeting of the India Rubber, Gutta Percha and Telegraph Works Company, Ltd., was held, on the 27th instant, at the Cannon Street Hotel, London.

Sir John Ferguson, K.B.E., M.P. (the chairman), said that the directors very much regretted the result of the year's trading and the consequent appearance on the balance sheet of a debit to profit and loss account of £72,161. The gross profit for the year was £96,702, as compared with £208,396 for the previous year. A large proportion of that loss was attributable to the phenomenal fall in the prices of raw materials. The very low figure to which rubber had fallen was well known. As a consequence the values of their stocks had suffered accordingly.

In addition, while sales of Palmer tyres had increased, the cost of selling had been much heavier, resulting in a greater loss for that section of their business. Owing to insufficient turnover the Burton factory again showed a loss. While recording an increase in sales, Persan had not yet returned to a profit-making stage. The 1930 result was approximately £700 worse than that for 1929, due to an increase in their proportion of general overhead expenses.

The profit earned by their foreign branches during the year under review showed an increase of £702, but sales were less owing to the unsettled conditions in the Argentine and depression in India and Australia.

At Silvertown they had again to report a decrease in sales, although the amount of the decrease was not so large as for the previous year. At their Burton works they had to report a lower turnover than for the previous year. The total output of cycle and motor-cycle rims had been maintained, but owing to lower selling prices the turnover had been less.

Taken together, their foreign branches showed an increase in profit over the previous year, the greatest improvement being shown in the New Zealand branch. With regard to Persan, the main features of the year had been an expansion of sales and progress in the modernisation of factory equipment.

BENEFITS OF REORGANISATION.

Two years ago certain changes had been made in the constitution of the board and they had immediately begun to examine the position of every department and section of the business. When they had arrived at a full appreciation of their trading position they had immediately taken steps to put into effect a rigorous scheme of reorganisation. The accounting and clerical sections had been amalgamated; office machinery of the most up-to-date kind had been installed, and the amount of work had been reduced to a minimum compatible with efficiency. In the producing departments unprofitable shops had been, or were being, closed down where it was considered that their products could not be profitably manufactured within a reasonable time.

In all shops efforts were being concentrated on reducing the cost of manufacture. That was being accomplished by the introduction of time- and trouble-saving devices, simplifying the methods of production, and by providing a better incentive for the workpeople to co-operate with them by an extension, wherever possible, of the system of payment by results.

It was not their policy to reduce wages. They believed that the quickest way to reduce the cost of production was to secure the co-operation of their workpeople by allowing them to share in the results effected; that was to say, that lower cost of production and higher wages went together. The large number of dismissals which the various schemes of economy had necessitated applied to the clerical staff and not to those engaged on production, whose numbers were actually being increased. They were easing the burden of dismissals as far as funds allowed.

With regard to service to their customers, programmes of work were being arranged at their factories in such a way as to reduce times of delivery, while improvements were being made in their products by the use of better quality materials and better workmanship. Turning to their selling organisation, territories allocated to their various branches were being modified so that they might be worked more economically. Certain branches had been amalgamated in order to reduce expenses, while at the same time the number of salesmen was being increased. The net effect of the changes that had been and were being made in their selling organisation was to reduce the cost of selling, and at the same time increase the strength of their sales force.

The results of the changes that had been made in their selling organisation were already evident. Their sales were increasing on a declining market. Much more had yet to be done, but the results already achieved convinced him that the outlook for the company had very much improved and they were confident that before long they would be employing more workpeople than they were at present.

The report and accounts were unanimously adopted.

CHARTERHOUSE INVESTMENT TRUST, LIMITED.

SATISFACTORY RESULTS IN A DIFFICULT YEAR.

The fifth annual general meeting of the above company was held, on the 26th instant, at the Cannon Street Hotel, London.

Sir Arthur H. Marshall (chairman of the company) said:—Practically every item in the accounts reflected the shrinkage in business which the company had to suffer. The only increase is the amount set aside for income tax, and the following figures have been prepared. During the past five years, out of a total trading profit of £903,223, 24½ per cent. had been provided for income tax, 34½ per cent. distributed as dividend, 39 per cent. put to reserve, and 2 per cent. to preliminary expenses. Assessment to income tax was upon previous year's profits; therefore, the tax payable is not necessarily proportionate to the period under review. The company have always provided for this by allocation to reserves. A noticeable feature is that all securities in the balance sheet are quoted, and that their value on November 11th was only 0.73 per cent. below book value. In former years, emphasis had been laid on the fact that appreciation of securities must not be regarded as a potential profit, but as an insurance. One of the worst price collapses in history has found this insurance adequate.

BOARD'S SOUND DIVIDEND POLICY.

To the regret of the directors they have had to recommend a reduction in dividend from 10 per cent. to 7½ per cent., but they felt that it was essential to pursue a cautious policy in these times. The depressing conditions of world trade have continued for so long that the financial conditions of every nation now reflect them. Under such conditions finance houses obviously have to face a very definite restriction of opportunity. However, the fall in the price of raw materials and commodities has now, in some cases, reached or gone below the 1914 level. Manufacturers' stocks have been greatly reduced and a period of cheap money has been reached. It was reasonable, therefore, to anticipate a change of outlook. When a revival comes, as it surely will, capital now in low yielding securities will again be attracted to sound commercial investments. He claimed that, from its past experience and its present financial position, the company was stronger than ever and fully able to take advantage of the general revival.

The report and accounts were adopted.

ANGLO-ECUADORIAN OILFIELDS, LIMITED.

AN ALL-ROUND IMPROVEMENT.

The twelfth annual ordinary general meeting of the Anglo-Ecuadorian Oilfields, Ltd., was held, on the 27th instant, at Winchester House, London.

The Rt. Hon. Lord Forbes, P.C. (the chairman), said that the directors were glad to be able in these depressing times to present a report which was better than that of the previous year. The figures showed an improvement all round. The production of oil was 189,000 tons, as compared with 160,000 tons for the preceding year.

Concentration on shallow drilling had enabled them to maintain, and in fact raise, production—in spite of the fact that the productive volume of these wells was less than that of the deeper ones—because the wells were drilled in about one-fourth of the time. Four crews drilled about the same footage as previously obtained by six. The shallow area was, therefore, especially suitable for exploitation when the sales value of crude oil was low as at present.

In previous years he had mentioned that during the earlier stages before they had a surplus of income over expenditure, the development account for well sinking had mounted to upwards of £500,000. Adopting the view of the value of this wasting asset taken by all the best companies, it was the policy of the board, when it was possible, to write off the expenditure—namely, the wages involved in well sinking in any year—at the end of the succeeding year. This policy was enjoined by the vicissitudes of the business, and to maintain working capital for the sinking of new wells. To reduce the original outlay they recommended that a further special allotment of £23,456 should be placed to the credit of development account, bringing it down to £550,000, that a dividend of 3½ per cent., less tax, should be declared, and that the remaining £77,621 should be carried forward. It would be recognised that this was a conservative handling of the financial situation, but he could not come before the shareholders without alluding to the depressing outlook which at the moment faced the oil industry. There might be in their case exceptional reasons why they should escape some of the worst of the debacle in oil prices, but in the main they must suffer with the rest. At the present time there was no indication whatever of better prices being obtained for oil, in view of over-production of the world and the large stocks which existed. In these circumstances it was essential to conserve the resources of the company. There had been a further increase of sales of refined products in the local market, but this only absorbed a small portion of their production of crude oil.

The report was unanimously adopted.

PETER WALKER (WARRINGTON) AND ROBERT CAIN AND SONS, LIMITED.

IMPROVED YEAR'S WORKING.

The ninth ordinary annual general meeting of Peter Walker (Warrington) and Robert Cain and Sons, Ltd., was held on the 24th instant, at Winchester House, Old Broad Street, London.

Sir Charles A. Nall-Cain, Bart., J.P., D.L. (chairman and managing director), who presided, in moving the adoption of the report and accounts, said: The balance of profit for the year is some £750 more than last year. After meeting prior charges there is a balance of £258,005.

To this we add the amount brought forward from last year, £98,104, making £356,110. We have transferred £50,000 to reserve; £56,750 has been paid by way of an interim dividend on the ordinary shares, and there remains an available balance of £249,360. We recommend the usual grant of £5,000 to the staff benefit fund, the payment of a final dividend of 5 per cent., which with tax will absorb £113,500, carrying forward to next year £130,860. All trades in our area have been depressed during the past year, and the spending power of our customers has naturally decreased. Coupled with that, we have had the increased burden imposed on the trade by the Chancellor of the Exchequer in April last of 3s. per standard barrel, the whole of which is borne by the brewer; thus, the year's accounts before you do contain 5½ months of the higher duty. Against this extraordinary burden we have had the benefit of cheaper materials, with the result, already indicated, that we have maintained our profits and strengthened our resources against the leaner times that may be in store.

We have steadily followed our policy of modernising, improving, and rebuilding our houses at a very considerable cost to the company. During the years 1925–30 alone we have, in addition to our large outlays on maintenance and renewals, expended on the improvement of 380 houses a sum of approximately £370,000. This expenditure, as you know, cannot yield immediate profit, for it is true that the improvement of houses and the provision of increased space benefits the public more than it does the brewer.

It will, however, safeguard our interests by entrenching us in the goodwill of the public, on which the continuing prosperity of our business depends. It is common knowledge that improvements and additional space do not mean that more drink is sold, but that more people avail themselves of the facilities both for food and drink which we are able to provide.

The resolution was carried unanimously.

TIMOTHY WHITES (1928), LIMITED.

SATISFACTORY EXPANSION.

TRADING STILL WELL MAINTAINED.

The annual general meeting of Timothy Whites (1928), Ltd., was held, on the 27th instant, at the Hotel Victoria, Northumberland Avenue, London, S.W.

Mr Philip E. Hill, the chairman of the company, who presided, said that the difference in the trading profits for the twelve months of £2,247 was more than accounted for by a mild winter free of epidemics and an unusually wet summer; it was only reasonable to assume that in normal times profits would have been materially increased. When the company acquired the business in 1928, they owned 105 branches. At the end of the coming year, including the 32 branches of Hopes, Ltd., hardware merchants, since acquired, the total number of shops owned by the company would be 176.

The bank overdraft of the Property company had been entirely wiped out, but they still had £211,000 of capital not fully employed, a large portion of which would be in that position until the expansion programme had been completed at the end of the current year. It would be realised that the equipping and opening of a large number of shops had entailed a great deal of work and expense. It was reasonable to assume that under normal conditions 27 of the new branches would have reached profit-earning capacity by the end of 1932, and the balance by the end of 1933.

It would be more than foolish to hazard any opinion as to next year's results in view of the existing depression, as to which, while certainly temporary, he was not prepared to express an opinion as to its duration. That the world would return to normal conditions, however, he had no shadow of doubt. In the past they had earned a profit of about £1,500 per branch, and, as many of the new shops were larger, these profits should be increased. As the month of July was the busiest part of their year at their seaside shops and most inconvenient for stocktaking, the directors had decided that in future the company's financial year should end on the 30th of September. He was a firm believer in the future prosperity of the business; wherever they put up the name of "Timothy Whites," they were certain to make a reasonable profit, as the public appreciated that they always received good value for money. Since the beginning of the current year, trade at the shops had been reasonably well maintained.

The report and accounts were unanimously adopted.

CONSOLIDATED TIN SMELTERS, LIMITED.

MR R. J. HOSE ON BENEFITS OF RATIONALISATION.

The first ordinary general meeting of the Consolidated Tin Smelters, Ltd., was held, on the 26th instant, at Princes House, 93 Gresham Street, London.

Mr R. J. Hose (the chairman), in moving the adoption of the report and accounts, said: We are pleased to report that the acceptance of the scheme by the shareholders of the subsidiary companies has been most satisfactory, shareholders in three of the companies having accepted the exchange of shares in full and those in the remaining company to the extent of over 99 per cent. of their holdings. The small number of shares still outstanding and held by non-assenting shareholders is being dealt with under Section 155 of the Companies Act of 1929.

The debit side of the profit and loss account includes payments made from July 1, 1930, but the dividends on investments and loan interest shown on the credit side include dividends received from only two of the subsidiary companies in respect of their profits to March 31st and June 30, 1930, respectively.

The profit for the period amounts to £229,338, which has been allocated as set out in the directors' report, and the whole of the preliminary expenses, amounting to £40,320, has been written off.

The balance sheet shows the shares which we hold in the subsidiary companies and other investments together with the other assets as set out. It will be noted that the issued capital is 1,258,876 7 per cent. non-cumulative preference shares of £1 each fully paid, and 1,997,925 ordinary shares of £1 each fully paid.

The annual output capacity of the subsidiary companies constituting the combine is of the order of some 100,000 tons of tin, which is the largest tin-smelting capacity under one control in the world.

Tin differs from many of the other commodities essential to modern conditions of life in that world supplies are limited, and it is a matter of universal interest that these resources should not be dissipated by uneconomic production. Taking a superficial view, it might be supposed that the interest of smelters would be to see the greatest possible amount of tin produced and sent to them, irrespective of economic conditions. We take a different and, we think, a longer view in regarding the interests of the producer and the smelter as interdependent and have, therefore, welcomed the efforts which have been made to rationalise production in the industry and to obtain an equilibrium between supply and demand; we shall certainly continue to help in any way we can to achieve that common objective.

The report and accounts were unanimously adopted.

THE WALL PAPER MANUFACTURERS, LIMITED.

CHAIRMAN'S SPEECH.

The annual general meeting of the Wall Paper Manufacturers, Ltd., was held, on the 27th instant, at the Venetian Room, Holborn Restaurant, High Holborn, London, W.C., the Chairman (Mr Alan V. Sugden) presiding.

The Chairman, in the course of his speech, said: Ladies and gentlemen,—

THE ACCOUNTS.

The following are some of the relevant figures for the year:—

	1930.	1929.
	£	£
Balance brought in	295,795	302,178
Profit on trading, &c.	672,916	794,198
Balance for appropriation	680,996	795,795
Land, buildings and plant	2,367,984	2,126,676
Goodwill	1,223,815	1,374,365
Investments	993,046	1,202,123
Subsidiaries	1,778,820	1,717,243
Stock-in-trade	830,245	782,144
Debtors	181,406	226,755
Bills receivable	66,817	71,544
Cash	2,684	128,766
Issued share capital.....	4,600,000	4,600,000
Debentures	1,014,214	1,016,484
Creditors	359,337	491,681
Reserve fund	1,000,000	1,000,000

ORDERS AND SALES.

It is with regret, though it cannot occasion surprise having regard to the present trade depression, that I must refer to a decline in sales which set in about the end of May and has been in evidence practically every week up to the present.

The largest decrease is in our export trade where unsold supplies purchased last year militate very seriously against anything more

than very small purchases to freshen up stocks. This decline is manifest in every overseas market though the degree varies as between one and another.

We experience a good deal of competition in wallpaper both from abroad and from other manufacturers at home, and the prevailing depression has resulted in a good deal of price-cutting, mainly from foreign sources, which partake of the nature of dumping and represent an effort to keep plant running, regardless of cost. During the past twelve months about 15 million pieces of foreign wall-paper have been sold in this country to the displacement of home production.

We are, however, in the happy position that whilst the bulk of our eggs may be said to be in the wallpaper trade basket, we have an averaging element through our interests in the manufacture of paints, and other articles.

These secondary products are rallying well to the support of the parent industry.

WALPAMUR.

This company continues to increase both its trade and variety of its products, and makes steady progress in the industrial paint section of the trade.

The laboratories carry on an unceasing campaign to improve still further the high standard of the company's paints, and in addition to the testing by chemists at every stage of manufacture, the paints undergo exposure tests, and also accelerated weathering tests by ultra-violet rays and other means.

This policy of intensified research and testing provides our customers with real safeguards and in exchange brings us their confidence and support.

The company has throughout the year given the greatest attention to developing its "service" to both merchant and decorator customers.

The Walpamur Company is not interested in and does not touch wallpapers.

CRETONNES.

Our cretonne factory at Uxbridge makes satisfactory progress and the products, known on the market as "Eton Rural Fabrics," are appreciated for their distinctive qualities of design, colour and technique.

SUBSIDIARIES.

The figure at which these investments stand in our balance sheet is more than represented by tangible assets.

CANADA.

A dividend of 10 per cent., amounting to £27,788 against 6 per cent. last year, or £16,593, has been received, and 7 per cent. interest on our gold bonds, whilst the proportion due for cancellation, has been repaid to us.

At the moment Canada is feeling the prevailing depression acutely, but it is our belief that, according to the normal experience of the Dominion, she will probably recover sooner than we shall.

RESERVE FUND.

The absence of a recommendation to add to this fund does not imply that your directors consider £1,000,000 an adequate reserve for a company of this magnitude for all time, nor do I wish to forecast what the board may recommend to the shareholders in future years, in relation to the two questions of goodwill and reserves. It would appear sufficient to deal with the matter each year as it arises, and having regard to existing circumstances at the time.

An ample reserve fund is highly necessary, and the retention of considerable sums in the form of quickly realisable securities is very desirable not only for business contingencies, but for expansion on the lines of past developments.

PENSIONS.

We recommend an allocation further to strengthen the schemes of £20,000, as against £50,000 last year.

DIRECTORATE.

In the changes which occur on the board, a strong element of younger blood is in evidence. This is in accordance with the board's deliberate policy of linking up with the future direction of this great business, young and progressive men who have made their mark in the ranks of its managers. Such promotion is a recognition of merit, and as such it is valued.

Your directors are in the main whole-time managers of mills, businesses or departments, and their qualification to sit on this board is their actual personal knowledge of and ability in the business.

It is through their personal direction and ability that profits are won, and it is in their collective wisdom round our board-room table, that policy is laid down.

Whatever results we have been able to give in the last decade (during which period the aggregate profits have been in the region of 5½ millions), it is my belief that this principle of direction by highly trained specialists has been a large contributive factor.

The directors and their relations hold one-fifth of the share capital of the company, which supplies evidence of their financial interest in the continued success of the undertaking.

I would like to take this opportunity of expressing in your name, our grateful thanks to the retiring directors for their long and honourable service.

ACKNOWLEDGMENTS.

I wish to refer again to the loyal and intelligent co-operation we have had during the year from the whole of our employees and staff, and to acknowledge our indebtedness to the Wall Paper Industrial Council for its activities in facilitating the smooth running of our relations with labour.

Mr Harold W. Sanderson seconded the resolution for the adoption of the report and accounts, which was carried unanimously.

The retiring directors were re-elected, and the proceedings terminated with a vote of thanks to the chairman, directors and officials of the company.

Government Returns, &c.

NATIONAL ACCOUNTS.

As is shown from the Treasury Return printed below, the total ordinary revenue for the week ended Nov. 22, 1930, amounted to £14,806,200, against ordinary expenditure of £6,299,900. After allocating £1,361,000 to the Sinking Fund, and having allowed for an increase in Exchequer Balances of £74,200, the week's operations, as shown below, reduced the National Debt by £7,071,000 to £7,684,555,000:—

(000's omitted.)

Treasury Bills	+ 2,889	Bank of England Advances	- 2,750
National Savings Certificates	+ 300	Public Dept. Advances	- 7,100
		Road Fund	- 410
	+ 3,189		- 10,260

A complete analysis of the National Debt at the end of last quarter was printed in the *Economist* of October 4.

REVENUE.	Estimate for the year 1930-31.	Total Receipts into the Exchequer.			
		April 1, 1930, to Nov. 22, 1930.	April 1, 1929, to Nov. 23, 1929.	Week ended Nov. 22, 1930.	Week ended Nov. 23, 1929.
ORDINARY REVENUE.	£	£	£	£	£
Inland Revenue—					
Income Tax	260,000,000	73,481,000	69,651,000	1,501,000	693,000
Sur-tax, including Arrears of Super-Tax	64,500,000	15,770,000	13,390,000	250,000	150,000
Estate, &c., Duties	85,000,000	53,070,000	51,700,000	2,060,000	1,790,000
Stamps	27,000,000	10,160,000	14,580,000	40,000	210,000
Excise Profits Duty and Corporation Profits Tax	1,700,000	...	10,000	...	...
Land Tax and Mineral Rights Duty	800,000	160,000	170,000	...	...
Total Inland Revenue	437,000,000	152,641,000	149,501,000	3,851,000	2,843,000
Customs and Excise—					
Customs	122,710,000	78,396,000	79,444,000	2,135,000	2,433,000
Excise	129,860,000	82,800,000	85,395,000	6,823,000	6,940,000
Total Customs and Excise	252,570,000	161,196,000	164,839,000	8,958,000	9,373,000
Motor Vehicle Duties (Exchequer Share)	4,950,000	1,638,298	1,737,824	Dr 316,000	...
Post Office (Net Receipt)	10,125,000	9,200,000	8,850,000	Dr 500,000	Dr 100,000
Crown Lands	1,500,000	900,000	830,000	...	...
Receipts from Sundry Loans	33,000,000	22,975,144	21,048,396	1,505,000	113,690
Miscellaneous Receipts	34,500,000	19,931,295	20,974,353	1,308,179	273,227
Appropriation from Relief Suspense Account	16,000,000	16,000,000	...	...	...
Total Ordinary Revenue	789,445,000	384,481,737	367,780,573	14,806,179	12,502,917
SELF-BALANCING REVENUE.					
Post Office	60,275,000	36,100,000	36,050,000	1,800,000	2,000,000
Motor Vehicle Duties apportioned to Road Fund	23,560,000	8,714,702	8,128,176	316,000	...
Total Self-Balancing Revenue	83,835,000	44,814,702	44,178,176	2,116,000	2,000,000
Total		429,296,439	411,958,749	16,922,179	14,502,917

EXPENDITURE.	Estimate for the year 1930-31 (including Supplementary Grants).	Total Issues out of the Exchequer to meet payments.			
		April 1, 1930, to Nov. 22, 1930.	April 1, 1929, to Nov. 23, 1929.	Week ended Nov. 22, 1930.	Week ended Nov. 23, 1929.
ORDINARY EXPENDITURE.	£	£	£	£	£
Interest and Management of National Debt	304,600,000	184,825,988	198,257,731	799,206	1,884,229
Payments to Northern Ireland Exchequer	6,000,000	3,291,382	2,829,244	...	...
Payments to Local Taxation Accounts	3,300,000	1,571,342	2,205,799	749	902,858
Other Consolidated Fund Services	418,933,000	269,027,467	224,354,128	5,500,000	5,750,000
Supply Services (excluding Post Office)	732,833,000	458,716,179	433,768,980	6,299,955	8,538,737
Total Ordinary Expenditure	1,464,666,000	818,372,358	863,385,882	12,300,910	16,076,824
Sinking Fund	55,400,000	28,716,599	27,184,799	1,361,000	1,012,000
SELF-BALANCING EXPENDITURE.					
Post Office	60,275,000	36,100,000	36,050,000	1,800,000	2,000,000
Road Fund	23,560,000	8,714,702	8,128,176	316,000	...
Total Self-Balancing Expenditure	83,835,000	44,814,702	44,178,176	2,116,000	2,000,000
Total		532,247,480	505,131,955	9,776,955	11,550,737

The aggregate revenue and expenditure to Nov. 22, 1930, is shown below:—

FINANCIAL YEAR, 1930-31, APRIL 1ST TO NOVEMBER 22ND.

(000's omitted.)

Expenditure	458,716	Revenue	384,482
Sinking Fund	28,717	Decreases in balances	3,269
		Net amount borrowed	99,582
	487,433		487,433

POSITION OF THE FLOATING DEBT.

Ways and Means Advances Out- standing	Nov. 23, '29.	Mar. 31, '30.	Nov. 22, '30.	Nov. 22, '30.
Advances by Bank of England ..	£	£	£	£
Advances by Public Departments ..	34,630,000	48,530,000	26,800,000	7,100,000
Treasury Bills outstanding	789,370,000	588,885,000	674,705,000*	2,885,000
Total Floating Debt	824,000,000	637,415,000	701,505,000	6,965,000

* Includes £9,000 the proceeds of which were not carried to the Exchequer within the period of the account.

TREASURY BILLS BY PUBLIC TENDER.

Tenders for £45,000,000 in Treasury Bills were opened on November 21, 1930, and the total amount applied for was £61,620,000. Tenders were accepted for bills at three months, dated Monday to Friday at 299 9s., about 25 per cent., and Saturday at 299 9s. 2d. and above in full. The amount allotted was £45,000,000.

Date.	Amount Offered.	Amount Applied For.	Treasury Bills at 3 Months. Average Rate.
1930.			
Oct. 31	40,000,000	61,860,000	2 1 2-78
Nov. 7	40,000,000	61,400,000	2 3 9-56
Nov. 14	40,000,000	54,175,000	2 4 0-37
Nov. 21	45,000,000	61,620,000	2 3 2-31

The Bankers' Gazette.

BANK OF ENGLAND.

Return for Week ended Wednesday, November 26, 1930.

ISSUE DEPARTMENT.

Notes Issued—	£	Government Debt	£
In Circulation	351,124,928	Other Government Securities ..	233,041,133
In Banking Department	65,443,641	Other Securities	11,477,209
		Silver Coin	4,466,568
		Amount of Fiduciary Issue ..	260,000,000
		Gold Coin and Bullion	156,568,569
	£416,568,569		£416,568,569

BANKING DEPARTMENT.

Proprietors' Capital	£	Government Securities	£
Reserve	14,553,000	Other Securities	34,595,247
Public Deposits	3,223,684	Discounts and Advances	66,080,597
Other Deposits	18,868,951	Securities	22,235,995
Bankers'	£55,901,187	Notes	28,316,592
Other Accounts	36,812,757	Gold and Silver Coin	65,443,641
7-Day and other Bills	92,713,944		1,004,618
	1,519		
	£129,361,098		£129,361,098

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

Both Departments.		Amount, Nov. 26, 1930.	Inc. or Dec. Last Week.	Inc. or Dec. Last Year.
Note circulation.....		£ 351,124,928	+ 2,615,394	- 1,431,816
Public deposits.....		18,668,951	+ 1,089,045	+ 1,435,002
Bankers' deposits.....		55,901,187	+ 3,559,578	+ 2,318,261
Other deposits.....		36,812,577	+ 1,387,548	+ 1,387,548
Seven-day bills.....		1,519	+ 281	+ 1,014
Total, outside liabilities.....		462,709,342	+ 1,226,919	+ 5,702,657
Capital and res.....		17,776,684	+ 53,930	+ 41,667
Government debt and securities.....		278,652,480	+ 1,160,018	+ 23,794,842
Discounts and advances.....		6,080,597	+ 1,682,443	+ 5,400,036
Other securities.....		33,713,204	+ 2,627,298	+ 356,976
Silver coin in issue department.....		4,466,558	+ 4,233	+ 22,191,282
Coin and bullion (bank's reserve).....		157,573,187	+ 1,392,385	+ 22,191,282
Reserve of notes and coin in banking department.....		66,448,259	+ 1,223,009	+ 25,623,098
Proportion of reserve to outside liabilities.....		59½%	+ ½%	+ 23½%
(a) Banking department only ("proportion").....		59½%	+ ½%	+ 23½%
(b) Gold stocks to deposits and notes ("reserve ratio").....		34%	- ½%	+ 5½%

(000's omitted.)

Date.	Issue Department.		Banking Department.				Gold in or out of Bank.	Rate.
	Notes Issued.	Circulation.	Public Deposits.	Bankers' Deposits.	Other Deposits.			
1930.								
Oct. 8	417,477	359,560	12,861	66,447	34,251	1,856 in	5	3
15	417,824	357,061	12,397	66,163	36,067	290 in	5	3
22	418,942	354,628	27,933	55,505	34,099	1,114 in	5	3
29	419,504	355,626	20,970	55,694	35,002	553 in	5	3
Nov. 5	420,373	356,464	19,377	55,533	34,515	865 in	5	3
12	418,920	355,381	16,979	60,321	33,150	1,457 out	5	3
19	417,913	353,740	17,780	59,461	32,953	1,018 out	5	3
26	416,569	351,125	18,869	55,901	36,813	1,366 out	5	3

(000's omitted.)

Date.	Issue Department.		Banking Department.				Reserve & "Proportion."	%
	Govt. Securities.	Other Securities.	Gold Coin and Bullion and Reserve Ratio.	Govt. Securities.	Dis- counts & Advances.	Other Securities.		
1930.								
Oct. 8	243,913	11,628	158,683	33½	44,666	4,879	22,530	59,123 52
15	243,912	11,627	159,021	33½	42,501	5,128	22,882	61,961 54
22	243,908	11,627	160,126	34½	41,636	4,979	22,969	65,598 55½
29	243,908	11,627	160,667	34½	41,636	4,979	22,969	65,598 55½
Nov. 5	243,907	11,627	161,542	34½	35,091	4,459	22,487	65,079 59½
12	244,060	11,477	160,081	34½	36,726	4,288	22,449	64,700 58½
19	244,611	11,476	158,968	34½	33,431	4,398	24,864	65,225 59½
26	244,656	11,477	157,573	34	34,596	6,081	22,236	66,448 59½

BANKERS' CLEARING RETURNS (000's omitted.)

	Town.	Metropolitan.	Country.	Total.
1930.				
January 1 to November 12.....	£ 34,230,011	£ 1,583,551	£ 2,593,129	£ 38,406,691
Week ended November 19.....	671,946	33,925	59,434	765,305
Week ended November 26.....	705,111	31,702	51,540	788,353
Total to date, 1930.....	35,607,068	1,649,178	2,704,103	39,960,349
Total to date, 1929.....	36,413,648	1,713,184	2,804,974	40,931,806
Increase or decrease in 1930.....	- 806,580	- 64,006	- 100,871	- 971,457
	= 2.2%	= 3.7%	= 3.6%	= 2.4%
Total for year, 1929.....	39,935,924	1,881,789	3,078,764	44,896,477
Do, 1928.....	39,311,117	1,854,190	3,039,422	44,204,729
Increase or decrease in 1929.....	+ 624,807	+ 27,599	+ 39,342	+ 691,751
	= 1.6%	= 1.5%	= 1.3%	= 1.6%

PROVINCIAL CLEARING RETURNS.

(000's omitted.)

	Week ended Nov. 22.		Month of October.		Inc. or Dec.	Aggregate Weekly Totals Jan. 1 to Nov. 22.	
	1929.	1930.	1929.	1930.		1929.	1930.
Number of working days	27	27	27	27			
BIRMINGHAM.....	2,190	2,091	10,501	9,738	- 7.2	119,425	110,123
BRADFORD.....	1,302	628	5,117	3,392	- 33.7	53,532	39,079
BRISTOL.....	1,133	1,141	5,399	4,845	- 10.2	54,679	51,640
DUBLIN.....	4,739	4,659	...	...	...	224,686	225,021
HULL.....	890	742	3,674	3,352	- 8.7	39,590	36,574
LEEDS.....	926	957	4,516	3,749	- 16.9	45,923	42,273
LIVERPOOL.....	672	665	3,360	2,958	- 11.9	36,294	32,435
MANCHESTER.....	8,086	6,336	35,878	29,958	- 27.8	466,667	286,888
NEWCASTLE.....	11,676	9,062	56,714	41,663	- 26.5	583,334	481,747
NOTTINGHAM.....	1,576	1,287	6,578	5,507	- 16.2	69,747	64,572
Sheffield.....	554	528	2,863	2,596	- 9.3	29,157	27,099
SHEFFIELD.....	837	762	4,275	3,457	- 19.1	46,580	40,762
Total.....	34,571	28,848	138,875	107,143	- 22.8	1,770,244	1,438,213

OVERSEAS BANK RETURNS.

NOTE.—The latest Return of the Bank of Denmark appeared in the *Economist* of November 8; Egypt in November 15; Bulgaria, Poland, Russia, Estonia, Roumania, and Italy in November 22.

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

	Nov. 30, 1929.	Oct. 30, 1930.	Nov. 6, 1930.	Nov. 13, 1930.	Nov. 20, 1930.
Total gold reserves.....	128,980	1,137,280	1,040,060	1,064,190	1,099,910
Total bills discounted.....	73,450	38,550	54,080	32,770	31,550
Bills bought in open market.....	159,360	42,870	49,090	64,480	45,900
Total U.S. Govt. securities.....	371,130	187,340	187,340	187,340	185,400
Deposits—Memberbank.....	986,240	1,088,350	1,000,280	1,074,390	1,035,840
Reserve account.....					
Ratio of total res. to dep. and Federal Res. note liabilities combined.....	79.3%	87.6%	85.0%	83.4%	87.5%

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

	Nov. 30, 1929.	Oct. 30, 1930.	Nov. 6, 1930.	Nov. 13, 1930.	Nov. 20, 1930.
RESOURCES.					
Total gold reserve.....	2,987,430	3,037,190	2,999,390	3,028,580	3,040,980
Total bills discounted.....	912,350	210,600	191,650	295,040	295,040
Bills bought in open market.....	257,320	165,660	185,600	178,270	178,270
Total U.S. Govt. securities.....	326,100	601,440	601,530	601,290	595,770
Total bills and securities.....	1,514,460	975,020	1,006,200	1,066,590	985,380
Total resources.....	5,476,580	4,856,180	4,840,480	4,968,120	4,959,010
LIABILITIES.					
Federal Reserve notes in actual circulation.....	1,930,180	1,354,880	1,360,550	1,371,150	1,383,600
Deposits—Memberbank—reserve account.....	2,375,650	2,468,280	2,409,700	2,490,290	2,448,750
Total deposits.....	2,437,040	2,519,410	2,479,340	2,539,660	2,514,190
Capital paid in and surplus.....	422,720	447,380	447,360	447,400	447,390
Total liabilities.....	5,476,580	4,856,180	4,840,480	4,968,120	4,959,010
Ratio of total reserves to deposit and Federal Reserve note liabilities combined.....	71.8%	82.4%	81.8%	81.2%	81.9%

STATEMENT OF CANADIAN BANKS.—In \$'s (000's omitted.)

	Aug. 31, 1929.	May 31, 1930.	June 30, 1930.	July 31, 1930.	Aug. 31, 1930.
ASSETS.					
Cash and bank balances.....	420,887	381,292	440,493	376,261	361,698
Bank balances abroad.....	85,410	89,723	105,352	114,182	94,456
Call and short loans.....	584,129	417,282	435,183	421,799	444,568
Securities.....	461,925	431,416	444,138	447,026	457,580
Loans in Canada.....	1,465,385	1,468,037	1,432,639	1,393,645	1,378,484
Loans abroad.....	238,673	242,557	243,577	222,780	222,243
Other assets.....	195,896	199,763	194,392	193,035	187,819
LIABILITIES.					
Note circulation.....	189,671	164,710	165,954	152,177	166,154
Deposits—					
Government.....	146,540	130,911	149,844	105,969	85,503
Public in Canada.....	2,125,659	2,007,093	2,034,054	2,007,310	2,002,296
Foreign.....	425,741	393,794	415,157	383,624	384,818
Bank balances—					
Canadian.....	13,080	15,943	17,557	11,348	11,459
Foreign.....	115,513	74,310	76,497	71,426	67,543
Bills payable, &c.....	99,462	111,132	104,726	102,926	90,117
Capital and res.....	294,632	305,291	305,506	305,603	305,880
Other liabilities.....	7,609	7,937	5,026	5,475	7,519

SOUTH AFRICAN RESERVE BANK.—In £'s (000's omitted.)

	Nov. 1, 1929.	Oct. 1, 1930.	Oct. 10, 1930.	Oct. 17, 1930.	Oct. 24, 1930.	Oct. 31, 1930.
ASSETS.						
Gold coin and bullion.....	7,855	6,962	7,059	6,798	7,046	6,953
Subsidiary coin.....	77	182	185	192	198	192
Bills discounted.....	9,244	7,594	7,032	7,032	7,561	7,341
Investments.....	889	1,397	1,403	1,403	1,329	1,272
LIABILITIES.						
Capital.....	1,000	1,000	1,000	1,000	1,000	1,000
Reserve.....	600	720	720	720	720	720
Notes in circulation.....	9,450	8,424	7,687	7,141	6,907	8,536
Government deposits.....	1,546	706	1,313	2,137	2,492	2,102
Bankers' deposits.....	5,005	4,793	4,422	4,639	4,664	4,908
Ratio of cash reserves to liabilities to public.....	48.2%	49.8%	49.5%	49.2%	49.9%	46.4%

IMPERIAL BANK OF INDIA.—In rupees (000's omitted.)

	Nov. 1, 1929.	Sept. 26, 1930.	Oct. 10, 1930.	Oct. 17, 1930.	Oct. 24, 1930.	Oct. 31, 1930.
ASSETS.						
Total securities.....	32,91.02	23,85.66	24,20.67	25,20.87	26,74.15	28,22.21
Loans.....	8.13.67	17,44.62	17,24.91	16,84.19	16,83.37	16,30.24
Cash credits.....	22,41.61	28,66.25	27,22.08	27,08.40	26,48.35	26,89.41
Foreign bills.....	3,04.44	2,00.28	1,75.36	1,60.90	1,71.25	1,69.38
Dead stock.....	33.28	41.14	30.42	29.15	34.87	39.19
Bal. with other banks.....	2,84.41	2,85.26	2,78.38	2,78.39	2,78.49	2,78.67
Cash.....	13.63	16.26	22.76	13.66	27.28	18.29
LIABILITIES.						
Capital paid up.....	5,62.50	5,62.50	5,62.50	5,62.50	5,62.50	5,62.50
Reserve.....	5,27.50	5,37.50	5,37.50	5,37.50	5,37.50	5,37.50
Total deposits.....	84,47.07	88,19.48	86,51.36	88,52.78	89,79.38	91,30.41
The above includes—						
Deposits in London.....	£ 940	£ 8,867	£ 8,868	£ 8,815	£ 8,882	£ 8,825
Advances in London.....	919	7,730	7,630	7,359	7,203	6,992
Cash, &c., at other Banks in London.....	99	120	170	104	208	136

BANK OF FRANCE.—In francs (000's omitted.)

	Nov. 22, 1929.	Oct. 31, 1930.	Nov. 7, 1930.	Nov. 14, 1930.	Nov. 21, 1930.
ASSETS.					
Gold	40,618,246	50,807,010	51,096,529	51,380,027	51,709,874
Foreign assets					
Sight deposits	7,126,940	6,492,041	6,505,489	6,513,085	6,551,405
Bills discounted	18,757,123	19,136,299	19,136,940	19,132,794	19,166,935
Commercial bills discounted at home.....	9,559,922	7,068,328	6,837,698	7,549,765	7,367,053
Advances against sec.....					
To the State	8,811,552	8,504,399	8,504,399	8,504,399	8,504,399
Other advances.....	2,498,975	2,770,043	2,994,769	2,914,495	2,847,792
Other assets (excluding forward exch.).....	2,626,999	3,802,370	3,602,739	3,516,498	3,526,117
LIABILITIES.					
Notes in circulation.....	66,242,576	74,862,601	74,709,038	74,698,198	74,148,423
Public deposits.....	13,746,267	13,088,732	13,270,500	13,564,728	13,739,299
Private deposits.....	4,468,298	7,991,475	7,784,117	8,545,922	9,041,033
Other liabilities.....	2,524,626	2,713,583	2,914,908	2,702,215	2,724,826

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

ASSETS.	Nov. 15, 1929	Aug. 30, 1930	Sept. 15, 1930	Sept. 30, 1930	Oct. 15, 1930	Oct. 31, 1930	Nov. 15, 1930
Cash and bullion	2,666	3,269	3,521	3,365	3,706	3,345	3,552
Of which gold coin	7	117	117	118	118	118	118
Danzig subsidiary coin	2,659	3,152	3,404	3,248	3,588	3,228	3,435
Bal. Bk. of Eng. inc. notes	15,830	14,295	11,517	13,027	12,982	17,145	13,829
Bills of exchange	18,763	21,781	22,723	24,067	19,782	18,823	16,487
Loans	15	15	15	15	15	500	500
Foreign exchange	21,992	10,633	6,818	9,041	8,353	10,208	11,659
Other bills	1,393	2	15	22	5,005	5,005	5,040
Securities	3,448	4,286	4,366	4,366	4,406	4,406	4,406
LIABILITIES.							
Capital paid up	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Notes in circulation	34,222	37,583	32,676	37,616	32,332	38,164	32,786
Deposits on demand	4,054	1,941	1,608	1,760	1,971	1,601	2,506

CENTRAL BANK OF CHILE.—In \$'s (000's omitted).

ASSETS.	Oct. 25, 1929	Oct. 3, 1930	Oct. 10, 1930	Oct. 17, 1930	Oct. 24, 1930
Gold at home	63,165	61,684	61,695	61,685	61,680
Gold abroad	441,510	360,683	351,520	349,604	344,246
Discounts and advances	59,112	44,308	34,824	37,245	32,451
LIABILITIES.					
Notes of the bank in circulation	332,481	321,433	308,356	295,720	298,486
Deposits	175,056	72,266	62,221	66,153	55,838
Paid-up capital	90,832	90,832	90,832	90,832	90,832

LONDON RATES.

	Nov. 20, 1930	Nov. 21, 1930	Nov. 22, 1930	Nov. 24, 1930	Nov. 25, 1930	Nov. 26, 1930	Nov. 27, 1930
Bank rate (changed from 3½% May 3, 1930)	3	3	3	3	3	3	3
Market rates of discount							
60 days' bankers' drafts	2½	2½	2½	2½	2½	2½	2½
3 months' do.	2½	2½	2½	2½	2½	2½	2½
4 months' do.	2½	2½	2½	2½	2½	2½	2½
6 months' do.	2½	2½	2½	2½	2½	2½	2½
Discount (Treasury Bills)							
2 months' do.	2½	2½	2½	2½	2½	2½	2½
3 months' do.	2½	2½	2½	2½	2½	2½	2½
Loans—Day to day	1½	1½	1½	1½	1½	1½	1½
Short	2	2	2	2	2	2	2
Deposit allowances: Bank	1	1	1	1	1	1	1
Discount houses at call	1	1	1	1	1	1	1
At notice	1½	1½	1½	1½	1½	1½	1½

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

Comparison with previous week—

1930.	Nov. 6	Nov. 13	Nov. 20	Nov. 27	Bank Bills.			Trade Bills.		
					3 Months.	4 Months.	6 Months.	3 Months.	4 Months.	6 Months.
%	2	2½	2½	2½	2½	2½	2½	3	3½	4
%	2	2½	2½	2½	2½	2½	2½	3	3½	4
%	2	2½	2½	2½	2½	2½	2½	3	3½	4

RATES OF EXCHANGE.

London on	Usance.	Par.	Nov. 28, 1929.	Nov. 20, 1930.	Nov. 27, 1930.
New York.....	dollars to £1	Cable	4.86	4.87	4.85
Montreal.....	dollars to £1	Cable	4.86	4.87	4.85
Paris.....	francs to £1	T.T.	124.21	123.84	123.58
Berlin.....	marks to £1	T.T.	20.43	20.37	20.36
Amsterdam.....	guilder to £1	T.T.	12.107	12.05	12.06
Brussels.....	francs to £1	T.T.	35.00	34.86	34.82
Milan.....	lire to £1	T.T.	92.46	93.16	92.84
Zurich.....	francs to £1	T.T.	25.22	25.12	25.07
Oslo.....	kroner to £1	T.T.	18.159	18.20	18.15
Stockholm.....	kroner to £1	T.T.	18.159	18.13	18.09
Copenhagen.....	kroner to £1	T.T.	18.159	18.19	18.16
Madrid.....	pesetas to £1	T.T.	25.22	25.30	25.35
Lisbon.....	escudo to £1	T.T.	108.1	108.1	108.1
Vienna.....	schilling to £1	T.T.	34.56	34.66	34.48
Prague.....	koruna to £1	T.T.	164	164	163
Belgrade.....	dinars to £1	T.T.	25.22	27.5	27.4
Bukarest.....	lei to £1	T.T.	27.82	27.85	27.75
Sofia.....	leva to £1	T.T.	813.6	817.819	817.819
Athens.....	drachma to £1	T.T.	25.22	675.680	668.673
Constantinople.....	piastre to £1	T.T.	375	375	374
Moscow.....	ruble to £1	T.T.	110	106.5	102.5
Warsaw.....	zloty to £1	T.T.	9.46	9.46	9.43
Helsingfors.....	marka to £1	T.T.	43.38	43.38	43.38
Kovno.....	lita to £1	T.T.	193.23	193.194	192.193
Reval.....	kron to £1	T.T.	48.66	48.49	48.49
Riga.....	lata to £1	T.T.	18.159	18.18	18.20
Alexandria.....	piastre to £1	T.T.	25.22	25.17	25.18
Buenos Aires.....	peso to £1	Sight	97	97	97
Rio de Janeiro.....	peso to £1	T.T.	47.62d.	46.4	46.4
Montevideo.....	peso to £1	90 days	16	16	16
Valparaiso.....	peso to £1	T.T.	51	46.5	46.5
Lima.....	Eng. to Per. 60 days	par	20.1	20.1	20.1
Calcutta.....	rupee to £1	T.T.	1/5	1/5	1/5
Bombay.....	rupee to £1	T.T.	1/5	1/5	1/5
Madras.....	rupee to £1	T.T.	1/5	1/5	1/5
Hong Kong.....	ster. to dollar	T.T.	1/8	1/8	1/8
Singapore.....	ster. to dollar	T.T.	2/2	2/2	2/2
Kobe.....	ster. to yen	T.T.	24.6d.	2/3	2/3
Manila.....	peso to £1	T.T.	24.06d.	2/3	2/3
Mexico.....	peso to £1	T.T.	9.76	9.95	10.40
Siam.....	ster. to baht	T.T.	21.81d.	1/10	1/9

† Rate for previous day.

OVERSEAS BANK RATES.

Changed.	From To	Changed.	From To
Amsterdam.....	Mar. 24, 1930	Octo.....	Nov. 7, 1930
Athens.....	Dec. 2, 1928	Paris.....	May 1, 1930
Batavia.....	Mar. 10, 1930	Prague.....	June 2, 1930
Belgrade.....	May 28, 1930	Pretoria.....	Sep. 29, 1930
Berlin.....	Oct. 9, 1930	Reval.....	Oct. 4, 1930
Brussels.....	July 31, 1930	Riga.....	Oct. 1, 1930
Bucharest.....	Nov. 23, 1929	Rome.....	May 20, 1930
Budapest.....	Nov. 28, 1930	Sofia.....	July 2, 1929
Calcutta.....	Nov. 20, 1930	Stockholm.....	Apr. 2, 1930
Copenhagen.....	Nov. 12, 1930	Swiss Bank	places
Danzig.....	Oct. 10, 1930	Tokio.....	July 10, 1930
Helsingfors.....	Aug. 26, 1930	Tokio.....	Oct. 6, 1930
Kovno.....	Apr. 1, 1930	Vienna.....	Sep. 9, 1930
Lisbon.....	June 2, 1930	Warsaw.....	Oct. 3, 1930
New York Federal Reserve.....	June 19, 1930	Irish.....	May 1, 1930
Madrid.....	July 17, 1930		

Central Bank of Chile.—Discount rate for member banks, 7%; discount rate for the public, 8%.
6% applied to banks and credit institutions.
7% applied to private persons and firms.

CURRENT PRICES IN NEW YORK.

The Irving Trust Company cable the following money and exchange rates in New York:—

	Nov. 27, 1929.	Oct. 29, 1930.	Nov. 5, 1930.	Nov. 12, 1930.	Nov. 19, 1930.	Nov. 26, 1930.
Call money.....	5	2	2	2	2	2
Time money (90 days' mixed coll.)	5	2	2	2	2	2
Bank acceptances:—						
Members—eligible, 90 days.....	4	2	2	2	2	2
Non-mem.—eligible, 90 days.....	4	2	2	2	2	2
Intelligible, 90 days.....	4	2	2	2	2	2
Commercial accept., 90 days.....	5	3	3	3	3	3

Rates of Exchange, New York on—	Par Level.	Nov. 27, 1929.	Nov. 12, 1930.	Nov. 19, 1930.	Nov. 26, 1930.
London.....					
60 days.....		4.8666	4.87	4.83	4.83
Cable.....		4.87	4.85	4.85	4.85
Cheques.....		4.87	4.85	4.85	4.85
Paris.....	Cents for 1 franc	5.918	5.93	5.92	5.92
Brussels.....	Cents for 1 franc	13.90	13.98	13.94	13.94
Switzerland.....	Cents for 1 franc	19.405	19.39	19.37	19.35
Italy.....	Cents for 1 lire	5.263	5.23	5.23	5.23
Berlin.....	Cents for 1 mark	23.51	23.95	23.81	23.82
Vienna.....	Cents for 1 schilling	14.07	14.07	14.07	14.07
Madrid.....	Cents for 1 peseta	19.30	13.87	11.55	11.17
Amsterdam.....	Cents for 1 guilder	40.195	40.31	40.23	40.23
Copenhagen.....	Cents for 1 kroner	26.80	26.79	26.73	26.73
Stockholm.....	Cents for 1 krona	26.80	26.79	26.73	26.73
Athens.....	Cents for 1 drachma	1.297	1.297	1.297	1.297
Montreal.....	Cents for \$1	100	100	100	100
Yokohama.....	Cents for 1 yen	49.85	48.85	48.85	48.85
Hong Kong.....	Cents for 1 Hong Kong dollar	48.85	48.85	48.85	48.85
Shanghai.....	Cents for 1 Shanghai dollar	54.90	54.90	54.90	54.90
Calcutta.....	Cents for 1 rupee	36.80	36.80	36.80	36.80
Buenos Aires.....	Gold Pesos for \$100	103.65	106.10	134.45	134.40
Rio de Janeiro.....	Cents for 1 milreis	32.42	11.75	134.30	134.40
Valparaiso.....	Cents for 1 peso	12.125	12.03	12.02	12.07

* No quotation.

CENTRAL AND SOUTH AMERICAN EXCHANGE RATES.

The Anglo-South American Bank, Ltd., quotes the following rates of exchange:—

Country.	Method of Quoting.	Par Value.	Usance.	Rate.
Ecuador.....	Sucres to £	24.3325	Sight London	24.56
Venezuela.....	Bolivares to £	25.25	"	26.85
Colombia (Bogota).....	Pesos to £	5	"	5.03
Nicaragua.....	Colonos to £	4.8666	"	4.92
Salvador.....	Colonos to £	9.75	"	9.87
Bolivia.....	Bolivianos to £	13.35	"	13.52

SOUTH AFRICAN EXCHANGE RATES.

The South African Banks quote the following rates:—

	Union of South Africa.	Union of South Africa.
	From November 3, 1930.	From November 25, 1929.
	London on South Africa.	South Africa on London.
	Buying.	Selling.
Demand.....	11% dis.	1% to 1% pm.
30 days.....	11% dis.	1% to 1% pm.
60 days.....	11% dis.	1% to 1% pm.
90 days.....	11% dis.	1% to 1% pm.
120 days.....	11% dis.	1% to 1% pm.

OVERSEAS DOMINION RATES.

COMMONWEALTH OF AUSTRALIA AND DOMINION OF NEW ZEALAND.

	London on Australia and New Zealand.	Australia and New Zealand on London.
	Buying.	Selling.
	Aus. tra.	New Zealand.
T.T.	108	108
Sight.....	108	108
30 days.....	108	108
60 days.....	108	108
90 days.....	108	108

All Australian Rates are now quoted on the basis of £100—LONDON.

INDIA COUNCIL REMITTANCES.

The total remittances from the Government of India to the Secretary of State for India in Council from April 1st to November 22, 1930, were £6,126,441, of which £5,395,000 was remitted by purchases of sterling in India and £731,441 was transferred from the paper currency reserve in England to the Treasury account of the Secretary of State for India in Council to meet sales of sterling in India.

BULLION.

The following statistics of imports and exports of gold for week ended Nov. 27, 1930, are issued by the Statistical Department of H.M. Customs and Excise:—

Imported into Great Britain and Northern Ireland.	Exported from Great Britain and Northern Ireland.
From—	To—
Argentina.....	Poland.....
British W. Africa.....	Germany.....
British S. Africa.....	Netherlands.....
Australia.....	France.....
Other countries.....	Switzerland.....
	Spain.....
	Austria.....
	Kenya.....
	Other countries.....
Total declared value of imports.....	Total declared value of exports.....

GOLD MOVEMENTS.

The arrivals and withdrawals of gold during the past week, as announced by the Bank of England, have been as follows:—

1930.	ARRIVALS.	1930.	WITHDRAWALS.
Nov. 21.....	Nil	Nov. 21 Bars sold.....	211,498
22.....	Nil	22 Bars sold.....	173,120
23.....	350,000	23 Sovs. for export.....	19,000
24.....	Nil	24 Bars sold.....	344,388
25.....	20,740	25 Sovs. for export.....	32,000
26 Bars bought.....	50	26 Bars sold.....	307,681
		26 Sovs. for export.....	5,000
		27 Bars sold.....	307,742
		27 Sovs. for export.....	24,000
		27 Bars sold.....	323,476
		27 Sovs. for export.....	22,000
Total.....	£370,790	Total.....	£1,769,905
		Net withdrawals, £1,399,115.	

GOLD.

Messrs Samuel Montagu and Company write on November 26, 1930, as follows:—

The Bank of England gold reserve against notes amounted to £157,913,216 on the 19th instant (as compared with £158,920,423 on the previous Wednesday), and represents an increase of £11,953,132 since January 1st last. £361,000 of bar gold arrived from South Africa this week, but as £346,000 had already been sold forward to France, only £15,000 was available for disposal in the open market yesterday. The price was fixed at 85s. 1½d. per fine ounce, at which the small amount on offer was taken for India and the Home and Continental trade. Withdrawals of gold from the Bank of England on French account have continued and movements at that institution during the week show a net efflux of £1,365,598. Receipts totalled £370,740, of which £350,000 was in sovereigns from South Africa, and withdrawals consisted of £100,000 in sovereigns (mostly for Spain), and £1,636,338 in bar gold, the bulk of which was for export to France after refining.

WEEKLY TRAFFIC RETURNS. RAILWAYS OF GREAT BRITAIN AND IRELAND.

(b) Week ended Nov. 20, 1930. (c) Week ended Nov. 21, 1930.	Miles Open.	Week ended Nov. 22, 1930. (000's omitted.)					Aggregate 47 weeks, 1930. (000's omitted.)				
		Passen- gers, &c.	Merchandise, &c.	Coal and Lignite	Other Goods	Total	Passen- gers, &c.	Merchandise, &c.	Coal and Lignite	Other Goods	Total
Great Western...	3,758	176	198	129	327	503	112,044	9,908	5,326	15,434	26,638
Do. for 1929...	3,751	185	216	132	248	533	110,483	5,852	16,339	27,949	46,843
London & N. Western...	3,751	219	401	278	673	958	166,966	18,225	19,222	30,147	46,843
Do. for 1929...	3,751	236	447	297	744	1,040	173,558	19,776	12,684	32,460	49,818
London, Mid. & S. Eastern...	6,362	406	508	309	817	1,223	247,733	24,697	11,820	36,517	61,250
Do. for 1929...	6,362	435	598	307	905	1,340	261,771	26,911	12,692	39,603	65,774
Southern...	2,179	246	77	35	112	358	150,977	3,621	1,392	5,013	20,110
Do. for 1929...	2,175	254	79	37	116	370	154,468	3,693	1,524	5,217	20,663
Total of above...	19,255	1,107	1,184	751	1,935	3,042	680,033	56,723	30,660	87,583	155,386
Do. for 1929...	19,244	1,170	1,340	773	2,113	3,283	705,891	61,103	32,752	93,855	164,444

* Aggregate 46 weeks.
† Includes receipts from independent omnibuses during current year.

OVERSEAS RAILWAY RECEIPTS.

Name.	Weeks.	Ending.	Percent Increase.	Gross Receipts for Week.		Total Gross Receipts.	
				1930.	+ or -	1930.	+ or -
INDIAN.							
				Rs.	Rs.	Rs.	Rs.
Assam Bengal ...	43	Oct. 25	1,306	4,36,000	- 35,307	115,94,998	- 4,60,298
Barak L. Ry.	31	Nov. 1	202	65,100	+ 36,800	12,12,800	+ 1,99,000
Bombay & N. Western	4		1,079	5,36,421	- 30,897	23,03,344	- 3,40,993
Bombay-Nagpur ...	30	Oct. 25	1,319	9,14,000	- 43,1403	4,60,04,203	- 55,08,804
Bombay & Bar., & C.I.	33		15,309	22,06,000	- 1,02,000	6,32,14,000	- 51,15,000
Madras & S. Mahr.	43		27,329	17,76,000	- 3,74,708	4,43,25,778	- 88,44,581
†Hohlik & Kumson	4	Nov. 1	561	89,474	+ 7,487	4,15,794	+ 68,437
South Indian	29		18,371	12,35,981	- 84,387	3,60,25,072	- 13,58,797
† Including Lucknow-Bareilly State Railway.							

CANADIAN.

Canadian National	46	Nov. 22	20,413	4,198,286	-	667,982	201,741,691
Canadian Pacific	46	Nov. 22	21,547	3,442,000	-	180,000	159,631,000

SOUTH AMERICAN.

Antofagasta (Chili)	47	Nov. 23	804	26,410	-	4,880	1,250,980
Argentina N. Ry.	21	Nov. 22	753	12,500	-	5,800	302,400
Argentine Trans. (n)	20	Nov. 15	111	3,304	-	1,591	67,623
B.A. and Pacific	20	Nov. 15	2,806	124,000	-	1,000	2,357,000
B.A. Central	21	Nov. 23	804	26,410	-	4,880	1,250,980
B.A. Gt. Southern	21	Nov. 22	5,009	202,000	-	22,000	3,892,000
B.A. Western	21	Nov. 22	1,926	72,000	-	18,000	1,406,000
Central Argentine	21	Nov. 22	3,359	210,000	-	29,000	4,086,000
Central Uruguay	21	Nov. 22	273	34,498	-	1,989	639,570
C. Urug. (East Ext.)	21	Nov. 22	311	8,350	-	808	129,710
C. Urug. (W. Ext.)	21	Nov. 22	185	4,105	-	635	71,827
C. Urug. (W. Ext.)	21	Nov. 22	211	3,184	-	472	60,574
Cordoba Central	21	Nov. 22	1,218	57,000	-	3,000	1,312,000
Entre Rios	21	Nov. 22	804	26,410	-	4,880	1,250,980
G. Western, of Brazil	46	Nov. 22	1,035	16,200	-	2,200	627,100
Leopoldina	46	Nov. 22	1,856	31,522	-	15,054	1,189,000
Leopoldina Terminal	46	Nov. 22	1,856	31,522	-	15,054	1,189,000
Mitadita (monthly)	104	Nov. 22	151	19,358	-	15,397	378,534
San Paulo	21	Nov. 22	1,218	57,000	-	3,000	1,312,000
United of Havana	21	Nov. 22	1,363	29,167	-	17,159	722,034

* Traffic interrupted by storms. † Months. ‡ No returns for five weeks ending November 1.

OTHER OVERSEAS.

Gt. Southern of Spain	46	Nov. 15	104	Per. 91,099	-	29,135	4,512,951
Mexican Railway	21	Nov. 22	883	207,200	-	40,700	4,573,200
Paraguay Central	21	Nov. 22	274	3,020	-	910	78,760
Salvador	20	Nov. 15	100	2,177	-	1,838	43,771

TRAMWAYS WEEKLY GROSS RECEIPTS.

Anglo-Argentine	46	Nov. 18	329	81,045	-	8,855	3,762,899
B. Africa Lacrosse	20	Nov. 16	124	22,222	-	259	221,960
Liverpool Corp.	46	Nov. 22	124	22,222	-	259	221,960
Madras Electric	104	Nov. 15	15	45,521	-	1,700	97,335
L.O.O. Tramways	34	Nov. 16	159	80,963	-	370	2,755,397

* Including motor 'buses. † Months. ‡ Fortnightly figures.

MONTHLY TRAFFICS.

Name.	Month.	Ending.	Description.	Receipts for Month.		Receipts to Date.	
				1930.	+ or -	1930.	+ or -
Canadian Nat'l. Ry.	10	Oct. 31	Gross	\$208,870,531	-	\$344,058	189,741,118
Columbia Ry. and	4	Oct. 31	Gross	\$3,858,786	-	213,160	23,618,950
Har. Co.	4	Oct. 31	Gross	15,553	-	9,543	60,649
Manitoba Ry.	9	Oct. 31	Gross	234,544	-	25,217	52,900
Quebec Ry.	9	Oct. 31	Gross	151,207	-	31,448	...
La Prov. de Santa Fe	10	Oct. 31	Gross	137,238	-	32,404	...
Kalgoolie Elec. Tram.	8	Oct. 31	Gross	2,410	-	13,772	...
Ozama Ry. and	3	Oct. 31	Gross	25,350	-	9,262	87,802
Trinidad Ry.	10	Oct. 31	Gross	\$3,714,677	-	\$74,581	39,781,024
Trinidad Ry.	10	Oct. 31	Gross	\$2,199,765	-	\$21,685	23,368,228

DIVIDEND ANNOUNCEMENTS.

Name of Company.	Rate % per Annum, except where marked % or Stated in Cash. * Interim div. † Final div.			Dividend for Whole Years.	
	Interim or Final.	Date of Payment.	Method of Payment.	Latest Year.	Previous Year.
RAILWAYS.					
La Guasira and Caracas Railway	1½%	Dec. 11	...	%	%
BANKS.					
Bank of British West Africa ...	2½%	...	...	...	...
Bank of Nova Scotia	4%	Jan. 2	Quarterly	...	...
Imperial Bank of Persia	4/- p.s.	Dec. 15	...	...	...
Royal Bank of Scotland	...	...	...	17	17
INSURANCE.					
New Zealand Insurance	...	...	...	...	...
Sun Life Assurance Society	8%	Jan. 1	Tax free	1/11 p.s.	1/10 p.s.
TEA AND RUBBER.					
Albheal Tea	3%	Dec. 3	Less tax	...	...
Bagracoote Tea	3½%	Dec. 15	Less tax	...	...
Bortheel Tea	3½%	Nov. 24	...	...	...
Chulsa Tea	4%	Dec. 15	Less tax	...	...
Doora Tea	2½%	Jan. 1	...	...	...
Doom Dooma Tea	...	...	...	...	...
Empire of India and Ceylon Tea	2½%	...	...	5	10
Handpala (Ceylon) Tea and Rub.	5%	Dec. 22	...	...	...
Linnut Rubber	...	...	...	...	...
Malaya General Co.	...	...	...	...	22½
Rajawalla Produce	2½%	Dec. 19	...	5	17½
Rajmal Tea	2½%	Nov. 27	...	5	20
Scottish Tea and Lands of Ceylon	11½%	...	...	16	25
MINING.					
Camp Bird (Pref.)	8%	Jan. 1	Tax free	...	...
Consolidated Gold Fields	...	...	...	7½	15
Marmajito Mines	5%	Dec. 31	...	...	...
Pahang Consolidated	7½ p.s.	Jan. 8	Less tax	12½	20
Santa Gertrudis	1/6 p.s.	Nov. 25	...	17½	12½
Wankie Colliery	5%	...	...	...	...
OTHER COMPANIES.					
Agar Cross	6%	...	...	...	...
Anglo-Persian Oil	5%	Dec. 22	Tax free	11	16
Army and Navy Investment	...	...	...	...	...
Trust (Def.)	14%	...	...	...	...
Arnold and Hancock	5%	plus bon	us of 2½%	17	17
Ashley Gardens Properties	11/- p.s.	Dec. 10	Tax free	12½	10
Assoc. Bakeries and Gen. Invest.	3½%	Nov. 29	Less tax	17	17
Beaver Trust	2½%	...	Less tax	...	...
Behubor Co.	5%	...	Less tax	8	10½
Bernard Hughes	5%	...	Less tax	12½	12½
Blackett's Brewery Investment	3%	Nov. 28	Less tax	...	...
Brickwood and Co.	8½%	...	Less tax	15	15
British Burmah Petroleum	5d. p.s.	Dec. 1	...	6½	7½
Cape Town and District Gas Light	10%	...	Less tax	...	...
Ceylon Estates Investment	7½%	...	Less tax	12½	12½
Cheltenham Original Brewery	10%	...	Less tax	12½	12½
Chester Northgate Brewery	10%	...	Less tax	12½	12½
Chester's Brewery	7½%	...	Less tax	...	...
Cleveland Trust	...	...	...	...	...
Clover Paint and Composition	2%	Dec. 1	...	7	7
Collard, Stewart and Watt	5%	...	...	10	12½
Cooper and Co.'s Stores	...	...	...	5	5
Delagoa Bay Development Co.	...	...	...	6	3
Dennis Bros.	...	...	...	5	5
Dominion and General Trust	3%	Jan. 1	Less tax	28½	350
George Beer and Ryden	4%	...	...	10	10
Grand Hotel, Eastbourne	5%	...	...	10	13
Hepworth and Grandage	5%	...	...	10	10
Hugh Balrd and Sons	...	...	...	8	8
Hull Brewery	...	...	...	10	10
Imperial Tobacco of Canada	1½%	Dec. 31	Quarterly	10	10
John Williams and Son	5/- p.s.	...	Tax free	...	...
Kia Oro	4%	...	...	8	7½
Lichfield Brewery	...	...	...	12½	12½
Madame Tussaud's (Def.)	...	...	...	12½	12½
Mappin's Masbro' Brewery	...	...	...	5	50
Marcroft Wagons	9d. p.s.	Nov. 29	Tax free	12½	...
Morgans Brewery	2/3 p.s.	Dec. 10	Less tax	15	15
Nalder and Collyer's Brewery	25%	...	Less tax	10	10
Faine and Co.	5%	...	Tax free	10	10
Power-Gas Corporation	6%	...	...	15	12
Provincial Laundries	10%	...	...	5	5
Public House Trust (Glasgow)...	...	Dec. 1	Less tax	20	20
R. S. McColl	2½%	...	...	15	12
Scottish Investment Trust	10%	...	...	10	15
Second Anglo-Celtic Trust	4%	...	...	20	20
Sinclair Consolidated Oil	25c. p.s.	...	...	...	...
South African Breweries	5%	...	...	...	...
South West Africa Co.	...	...	Tax free	...	...
Stockholders Investment Trust	3½%	...	...	7½	7½
Stuttford and Co.	...	...	...	10	12
Tate and Lyle	6%	...	...	10	15
Town Investments	10%	...	...	20	20
Trust Union	4%	Dec. 15	...	6	6
Weardale Steel (Def.)	...	Dec. 10	Tax free	10	7½
Westburn Sugar Refineries	...	...	Less tax	...	...
Wiggins, Teape and Co.	3%	...	...	...	...

THE TYNE INVESTMENT TRUST, LTD.—The board have come to the decision that it would be unwise to borrow in advance of the Dunlop Rubber Company Ltd. final dividend, in order to pay the dividend on the preference shares of the Trust for the half-year ending November 30th next, and consideration of any payment in respect of the preference dividend is, therefore, postponed until the financial year ending December 31, 1930.

OIL OUTPUTS.

TRINIDAD LEASEHOLDERS.—Oil produced in October, 26,350 tons; oil purchased in October from other companies, 53,150 tons.
THE VENEZUELAN OIL CONCESSIONS, LTD.—Production for the week ended November 15th was: Bolivar district, 93,542 m. tons; Maracaibo district, 12,635 m. tons; total, 106,177 m. tons. Production for the week ended November 22nd was: Bolivar district, 95,057 m. tons; Maracaibo district, 12,855 m. tons; total, 107,912 m. tons.
THE MEXICAN EAGLE OIL COMPANY, LTD.—Production for the week ended November 15, 1930, was 226,000 barrels.
BRITISH CONTROLLED OILFIELDS, LTD.—Production for the week ended November 19, 1930:—Venezuela, 34,327 barrels; Trinidad, 18,453 barrels. Total, 52,780 barrels.

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS.

Company.	Period Ending	Balance from Last Account.	Net Profit After Payment of Deben- ture Interest.	Amount A vailable for Dis- tri- bu- tion.	Appropriation.					Corresponding Period Last Year.	
					Dividend.			Carried to Reserve, Deprecia- tion, &c.	Balance Forward.	Net Profit.	Divi- dend.
					Prefce.	Ordinary.					
						Amount	Amount.				
Breweries.											
Archibald Campbell, Hope, & Co.	Sept. 20	£ 10,198	£ 17,590	£ 27,788	£ 3,850	£ 6,000	% 10	£ 5,000	£ 12,938	£ 15,992	% 10
Brickwood and Co.	Sept. 30	30,840	109,739	140,579	...	79,610	15	30,000	30,969	112,042	15
Cheltenham Original Brewery	Sept. 30	17,899	64,857	82,756	24,406	22,500	12½	16,000	19,850	59,643	12½
Hull Brewery	Sept. 30	36,357	100,731	137,088	9,100	38,500	17½	47,490	41,998	85,736	13½
Morgans Brewery	Sept. 30	42,697	65,119	107,816	13,800	27,043	15	24,000	42,973	57,337	15
Stocks (Joseph) and Co.	Sept. 30	7,879	9,383	17,262	4,000	4,000	5	...	9,262	11,307	7½
Financial Land, &c.											
New Zealand Loan, &c	June 30	58,412	76,551	134,963	82,500	40,000	4	...	12,463	179,716	8
Town Investments	Sept. 29	19,814	48,026	67,840	7,000	45,000	20	14,400	1,440	60,435	20
Tube Investments	Oct. 31	70,652	245,998	316,650	40,127	124,580	10	75,000	76,943	225,054	10
Hotels, Restaurants, &c.											
Callard Stewart and Watt...	Oct. 4	27,504	32,234	59,738	10,500	16,000	10	18,575	14,663	36,204	12½
Slaters and Bodega	Sept. 30	12,892	103,925	116,817	9,685	62,775	12	21,000	23,357	116,151	12
Strand Hotel	Sept. 30	5,706	113,489	119,195	37,000	29,900 29,900	13a 598b	...	22,395	108,081	13a 598b
Iron, Coal and Steel.											
Broomhill Collieries	June 30	29,035	61,147	90,182	8,269	6,781	5	20,000	55,132	13,787	2½
Fassifern Col.	June 30	162	Dr. 5,448	Dr. 5,286	...	...	...	Dr. 5,286	...	Dr. 976	...
Tinsley Park Colliery	Sept. 30	21,160	22,573	43,733	...	21,300	9	...	31,733	32,120	10
Weardale Steel, Coal, &c...	Sept. 30	18,641	75,136	93,777	30,000	13,500	6	30,000	20,277	43,257	6
Motor and Cycle.											
Dennis Brothers	Sept. 30	96,391	286,805	383,196	...	212,851	283½	75,000	95,345	336,585	350
Stevens (A. J.) and Co.	Aug. 31	10,923	Dr. 89,201	Dr. 78,278	6,000	...	...	Dr. 45,006	Dr. 39,272	11,600	...
Triumph Cycle Co.	Aug. 31	6,511	40,188	46,699	2,520	15,500	5	11,557	17,122	10,459	5
Oil.											
British Burmah Petroleum	July 31	11,082	136,404	147,486	...	86,943	6½d.†	56,562	3,981	155,817	7½d.†
Dacia Romano Petroleum ..	June 30	...	3,327	3,327	...	...	...	...	3,327	...	...
Rubber, &c.											
Aboyne-Clyde Rubber	June 30	11,297	154	11,451	7,500	...	...	...	3,951	4,018	...
Asahan Rubber	July 31	15,705	Dr. 2,628	13,077	...	...	...	...	13,077	6,186	5
Galang Besar Rubber	June 30	5,543	Dr. 2,339	3,204	...	...	...	2,702	502	1,775	...
Jong-Landor Rubber	June 30	20,092	Dr. 1,354	18,738	...	...	...	...	18,738	13,506	12½
Kuala Lumpur Rubber	June 30	17,807	8,331	26,138	...	...	...	...	26,138	25,665	7½†
Lawas (Sarawak) Rubber ...	June 30	6,175	1,863	8,038	1,693	...	...	...	6,345	8,572	5
Malaya General Co.	Aug. 31	23,371	12,027	35,398	...	9,745	5	...	25,653	34,659	17½
Singapore United Rubber...	June 30	7,809	Dr. 2,020	5,789	...	...	...	...	5,789	9,748	5
Shops and Stores.											
Cooper and Co.'s Stores	Oct. 14	21,587	56,742	78,329	28,000	20,000	5	10,000	20,329	60,200	5
Lilley and Skinner	July 26	24,639	51,022	75,661	12,701	18,600	10	20,000	24,360	60,940	10
Tea.											
Scottish Tea and Lands.....	Aug. 31	15,423	57,213	72,636	...	56,363	16	...	16,273	95,372	25
Trust.											
Cleveland Trust.....	Sept. 30	816	3,969	4,785	...	2,786	7	1,000	999	3,755	7
Scottish Investment Trust..	Nov. 1	18,307	112,247	130,554	52,312	38,750	20	20,000	19,492	104,407	20
Second Anglo-Celtic Trust	Nov. 1	...	21,150	21,150	8,775	4,654	5	5,813	1,908	...	...
Stockholders Invest. Trust..	Oct. 31	4,432	40,829	45,261	17,812	16,625	7	5,299	5,525	40,081	7
Other Companies.											
Agar Cross and Co.	June 30	53,289	120,495	173,784	49,000	95,806	11†	2,447	26,531	284,202	16†
Anglo-Continental Guano ...	June 30	11,949	46,691	58,640	28,125	...	...	2,250	28,265	52,275	...
Angostura Bitters	Sept. 30	2,267	20,734	23,001	8,500	12,750	15	1,204	547	25,134	15
Baird (Hugh) and Sons	Aug. 31	1,421	6,732	8,153	3,150	2,751	5	...	2,252	4,807	...
Birmingham Aluminium											
Casting Co.	July 31	20,101	25,266	45,367	166	15,807	7½	5,000	24,394	27,787	10
Boulton and Paul	Sept. 30	23,640	29,807	53,447	2,500	9,557	5	9,000	32,390	31,531	5
British Ropes, Limited	Aug. 31	728	61,405	62,133	...	...	...	6,860	55,273	84,880	...
Carr and Co.	Sept. 30	5,015	36,912	40,927	19,500	15,000	5	869	5,558	53,018	10
Cauldon Potteries	April 30	Dr. 1,916	18,113	16,197	...	...	...	15,262	935	...	...
Davies Bros.	Sept. 30	3,594	8,940	12,534	...	6,975	5	2,025	3,534	25,666	10
Foster Clark Limited.	Sept. 25	63,099	149,627	212,726	7,500	105,000	30	35,100	65,126	157,980	35
Henlys (1928)	Aug. 31	3,968	Dr. 32,973	Dr. 29,005	...	...	...	Dr. 29,005	33,858	10	...
Hepworth and Grandage	Sept. 30	1,673	17,539	19,212	...	12,500	10	5,000	1,712	19,812	10
Hughes (Bernard)	Nov. 1	5,268	9,420	14,688	1,627	4,747	12½	...	8,314	8,837	12½
Lawes Chemical Manure	June 30	1,063	Dr. 4,206	Dr. 3,143	...	...	...	...	Dr. 3,143	Dr. 4,750	...
Madame Tussaud's	Oct. 31	35,318	49,066	84,384	22,000	15,000 15,000	50 (m)	5,000	27,384	40,949	50
Piccadilly Picture Theatre											
(Manchester)	Nov. 28	2,154	18,610	20,764	8,000	...	...	7,000	5,764	11,103	...
Pound (John) and Co.	Aug. 31	2,409	11,706	14,115	...	6,781	7	5,000	2,334	17,554	8
Santa Cruz Coffee	Dec. 31	20,870	Dr. 18,597	2,273	...	...	...	...	2,273	Dr. 19,439	...
Stuttaford and Co.	Aug. 31	55,872	52,229	108,101	12,600	40,000	10	1,500	54,001	100,340	12
Tate and Lyle	Sept. 30	59,417	339,583	399,000	71,500	340,000	10	Dr. 53,350	40,850	886,582	15
Tonnaram Palm Oil	June 30	929	8,250	9,179	...	...	...	...	9,179	8,598	7
Viking Whaling Company	Oct. 31	30	126,554	126,584	2,680	37,923	13†	76,918	9,063	9,264	Nil

Commercial Reports.

THE CORN TRADE.

Mark Lane, Thursday morning.

Heavy rains over the United Kingdom during the past week hampered field work, but an extensive area has been laid under winter cereals and germination is proceeding satisfactorily. Latest reports tend to confirm larger sowings of wheat compared with last year. There is only a small business passing in native wheat, owing to light supplies marketed and the more attractive prices of foreign descriptions. On the import market, prices have fluctuated a good deal following variations in overseas cables. Strong early advices from North America and Argentina, and the official estimate that the probable loss of new Plate crop would total about 2 million tons owing to rust, proved a stimulating factor and prices marked a sharp upward movement. In market circles doubt is expressed as to the extent of the damage stated, particularly in view of subsequent favourable climatic conditions, consequently buyers were slow to respond to the higher selling limits. Russian descriptions were obtainable on more attractive terms, and large sales were reported, some 30,000 tons being disposed of on one day alone to United Kingdom millers. It is also felt that any loss in Argentine yield will be set off by a larger acreage, and that at least a normal quantity will be available for export. The United States has lifted prices by further Governmental grants to the Farm Board, enabling the authorities to keep supplies off the market, thus adversely affecting exports. This must result in accumulated stocks, which sooner or later must be sold at a loss. Canada is inclined to follow the policy of her near neighbour, and it is reported that the Dominion Government has agreed to assist the Wheat Pool by granting growers a domestic price of 70 cents per bushel, basis No. 1 grade Northern Manitoba. Australia is dissatisfied with the low prices current, and there appears to be a growing tendency on the part of great exporting countries to reduce offers until European demand improves, and Russian competition, in particular, becomes less pronounced. Soviet shipments were considerably lighter this week, at 549,000 quarters. Argentine sellers, however, are pressing offers of new crop, and it is doubtful whether Russian supplies can be absorbed before new Southern Hemisphere wheat is available. Feeding stuffs ruled firmer on lighter offerings, and a good demand, maize especially showing increased activity.

WHEAT.—Quiet and easier. No. 1 hard Manitoba, ex ship, 29s. 3d.-30s.; No. 1 Northern Manitoba, ex ship, 28s. 9d.-29s. 6d.; No. 2 ditto, 28s.-29s.; No. 6 Manitoba, 23s.; Rosafe, 62 lbs., 27s.; Australian, 29s.; choice white Karachi, 27s. 6d.; Russian on sample, ex ship, 23s.-25s. 6d.; landed, 22s. 9d.-26s. per 496 lbs.; English, new, 6s. 3d.-6s. 11d. per 112 lbs.

FLOUR.—Quiet. London, straight run, 27s. per sack for country deliveries and 26s. London area. Of imported, Manitoba patents, 24s. 6d.-26s. 6d.; Buffalo ditto, 24s. 6d.-26s. 6d.; Australian, 22s. 6d.-23s. 6d., ex store, per 280 lbs.

MAIZE.—In demand and firmer. Plate, landed, 19s. 9d.; ex ship, 18s. 6d.; December-January, 18s. 9d.; January-February, 19s.; No. 2 white flat African, landed, 19s. 9d. per 480 lbs. Yellow maize meal, £6 5s., f.o.r. London. Yellow African, ex ship, £5 5s.; white, £4 12s. 6d. per ton.

BARLEY.—Dearer in sympathy with higher c.i.f. offers. Californian old, landed, 30s.-35s.; new, ex ship, 30s.-41s., as to sample; Chilean brewing, landed, 30s.-35s.; Chevalier, 38s.-44s.; Australian 32s.-42s.; Smyrna, 30s.-32s. per 448 lbs.; Black Sea, ex ship, 15s. 3d.; landed, 16s. 6d.; Danubian, ex ship, 15s. 3d.; landed, 16s. 6d.; Persian, landed, 15s. 6d.; ex ship, 14s. 6d. per 400 lbs. English, new malting, 6s. 3d.-13s. 9d.; feed, 5s. 6d.-5s. 9d. per 112 lbs.

OATS.—Firm. Plate, landed, 13s.; ex ship, 11s. 9d.; Chilean, tawny, landed, 13s. 6d.; best whites, ex ship, 19s.; landed, 20s.; mixed Canadian feed, landed, 10s. 9d.; North Russian, ex ship to arrive, 13s. 9d.-14s.; landed, 14s. 9d.-15s. 6d. per 320 lbs.; English new, 5s. 8d.-6s. 4d. per 112 lbs.

COMPARATIVE AVERAGES OF GRAIN.

The following table gives the estimated sales of home-grown wheat during the harvest years 1930-31, 1929-30, 1928-29, 1927-28:—

	1930-1931.	1929-1930.	1928-1929.	1927-1928.
Estimated sales of home-grown wheat—				
1 week to Nov. 22	Cwts. 145,502	Cwts. 215,048	Cwts. 322,998	Cwts. 273,435
12 weeks to Nov. 22	1,719,596	3,387,836	3,684,741	3,035,010
Average price of English wheat per cwt.	s. d. 6 7	s. d. 9 3	s. d. 9 1	s. d. 9 11

The following is a statement showing the Quantities Sold and the Average Price of British Corn in the past two weeks, and for the corresponding week in each of the years from 1926 to 1929:—

Weeks ended.	QUANTITIES SOLD.			AVERAGE PRICE PER CWT.		
	Wheat.	Barley.	Oats.	Wheat.	Barley.	Oats.
1930.						
Nov. 15	Cwts. 124,662	Cwts. 456,923	Cwts. 46,189	s. d. 6 9	s. d. 9 8	s. d. 5 11
Nov. 22	145,502	470,212	45,088	6 7	9 4	5 10
Nov. 20, 1929	412,942	531,707	80,397	12 6	11 5	8 5
Nov. 19, 1927	285,148	487,574	83,245	10 0	12 1	9 1
Nov. 24, 1928	322,998	593,782	85,493	9 11	10 5	9 1
Nov. 23, 1929	215,048	414,271	47,869	9 3	9 2	7 3

AMERICAN WHEAT MARKETS.

The following table shows wheat quotations in recent weeks with comparative figures for 1929:—

NEAREST FUTURE.	Jan. 2, 1929.	Nov. 27, 1929.	Jan. 2, 1930.	Nov. 12, 1930.	Nov. 19, 1930.	Nov. 26, 1930.
Winnipeg (No. 1 Manitoba) —Cents per 60 lb.	122	135½	148½	65½	59½	61½
Chicago (No. 2 Winter) —Cents per 60 lb.	116½	123½	130½	72½	73½	75½

The visible supply of wheat in Canada at 62,355,000 bushels, shows a decrease on the week of 1,598,000 bushels. Supplies a year ago stood at 78,424,000 bushels.

THE COAL TRADE.

Our Sheffield correspondent writes:—Owing to uncertainty regarding subsidies under the marketing scheme South Yorkshire coalowners are not pressing for overseas forward contracts. Shipments of best steams are being maintained at about 16s. f.o.b. Hull, which price is firm. A brisk demand for smalls has developed from public utility undertakings. Industrial demand for fuel still tends to shrink. House coal is more active with a ready sale for the highest qualities. Sales of blast furnace coke for domestic heating are brisk, but demand for furnaces is as poor as ever. Prices remain at from 11s. to 11s. 6d. at ovens.

Our Glasgow correspondent writes:—Something in the nature of a transitory firmness has characterised the coal shipment market this week. Overseas demand has undergone no expansion, and the improvement is attributable to an understandable desire on the part of utility undertakings to anticipate their requirements in view of the threat of a coal stoppage. The Board of Trade has now issued its scheme for the regulation of Scottish production, &c., which is virtually the same as the amended plan drawn up by a committee of Scottish coal-owners and rejected by the main body. Shipment prices are approximately as follows:—LANARKSHIRE.—Ell best, 14s. 6d.; splint best, 15s. 6d.; splint second, 16s. 6d.; navigation, 15s. 6d.-16s.; navigation second, 14s. 6d.; Hartley, 15s., all per ton f.o.b. Glasgow; steam, 12s. 6d.; trebles, 12s. 9d.; doubles, 12s. 3d.; singles, 11s. 6d.; pearls, 11s.; dross, 9s. 6d., all per ton f.o.b. Grangemouth. FIFE.—Screened navigation, 16s. 6d.-17s. 6d.; first-class steam, 12s. 6d.; third-class steam, 11s. 6d.; trebles, 13s. 6d.-16s.; doubles, 12s. 6d.; singles, 11s. 6d.; pearls, 10s. 9d., all per ton f.o.b. Burntisland or Methil. LOTHIAN.—Prime steam, 11s.; secondary steam, 10s. 9d.; trebles, 13s. 3d.; doubles, 12s.-12s. 3d.; singles, 11s. 6d.; pearls, 10s. 6d., all per ton f.o.b. Leith. Ayrshire.—Unscreened navigation, 16s.; jewel, 16s.; steam, 13s.; trebles, 13s.; doubles, 12s. 6d.; singles, 11s. 6d.; pearls, 10s. 6d.; dross, 10s. 6d., all per ton f.o.b. Ayr or Troon.

Our Cardiff correspondent writes:—The South Wales colliery owners posted on Wednesday at the colliery pit heads the terms and conditions on which the pits will be open for work under a 7½-hour shift, as and from December 1st next. They include a reduction of the minimum wage percentage on the 1915 standard rates from 28 to 10; the abolition of the bonus shift to men employed on the afternoon and night shift; the substitution for the present uniform from 6s. 3d. to 7s.; and the discontinuance of the payment to continuous shift workmen of overtime rates for regular week-end shifts. It is roughly calculated that these terms, on the basis of recent prices and of the increased cost of production for the shorter working day, will leave the owners a very small margin of profit, but that they shift. The miners have appealed to the National Board to deal with the dispute, and the hearing of their appeal was fixed for Thursday, but the owners had previously written to the Board declining the invitation to attend on the ground that they are "definitely opposed to the terms and conditions of work at the South Wales collieries being dealt with in any way by either owners or workmen's representatives from other districts." Neither side proposed terms based on the 90-hour spreadover, and in view of the fact that the question of the postponement of Part III. of the Coal Mines Act has been greatly complicated by the agreements already reached in two or three of the smaller districts based on the spreadover, the fears of a stoppage of work in South Wales next month have increased. There has been little expansion, however, in the current volume of trade, and prices have remained practically unchanged. The following are the current approximate quotations: Best Admiralties, 20s.; seconds, 18s. 9d. to 19s. 9d.; best drys, 18s. 6d. to 19s. 3d.; Black Veins, 18s. 3d. to 18s. 6d.; Western Valleys, 18s. to 18s. 3d.; Eastern Valleys, 17s. 6d. to 17s. 9d.; best smalls, 13s. to 13s. 3d.; cargo smalls, 12s. to 12s. 6d.; coking smalls, 13s. 3d. to 13s. 6d.; anthracite, best large, 36s. to 37s. 6d.; Red Vein, large, 22s. 6d. to 27s. 6d.; machine-made cobbles, 40s. to 45s.; French nuts, 43s. to 46s.; stove nuts, 39s. 6d. to 43s. 6d.; rubbly culm, 9s. to 9s. 6d.; foundry coke, 29s. to 35s.; patent fuel, 20s. to 21s. 6d.; pitwood, ex ship, 26s. to 26s. 3d.

Our Workington correspondent writes:—The position of the coal trade is a little more satisfactory. The Irish demand has improved, despite the fact that Scotland is selling coal 12s. per ton North of Ireland have risen considerably. Local landsale is a more vigorous market, but industrial fuel is poor. Stocks of small coal plants, but some sales of 2,000 tons lots to the Balkan States have been effected. Prices:—Best round, 21s. 6d.; washed doubles, 20s.; washed singles, 19s.; all f.o.b. Smalls, 16s. 6d.; best house coal, 30s.; house nuts, 28s. 4d.; gas coal, 28s. West Coast coke is from 17s. 9d. to 18s. 3d. per ton.

IRON AND STEEL.

We extract the following from the weekly report of the London Iron and Steel Exchange:—The brighter tone noticeable in the markets of late is still in evidence. At the weekly meeting of the Exchange on November 25th the general view was that more confidence was being shown by buyers, although there was still a scarcity of forward buying. In the pig iron department there has been rather more business passing, but the British producers are experiencing stronger competition from Continental sources, and of late there has been an increase in the tonnage of foreign ore sold in this country. The recent reduction in the price of some brands of British iron, however, may stimulate buying in this department. The demand for semi-finished steel has improved somewhat and there has been a considerable expansion in the volume of business transacted, although most of the orders have gone to Continental works. This was largely due to the efforts of buyers to cover their requirements of this description of steel in a rapidly rising market. Buying, however, has decreased somewhat at the higher levels in the case of semi-finished steel as well of finished steel materials. In the latter department business has been more active than for some time past, but the works are still badly off for orders. Inquiry, however, has strengthened, and home buyers are showing greater interest.

Our Middlesbrough correspondent writes:—There is no improvement in the position of Cleveland iron, business being at an extremely low ebb. Many of the contracts now running terminate at the end of December and producers are anxious for new business to follow on, but consumers refuse to enter into negotiations at present price levels, feeling confident that local prices will have to be reduced in view of selling pressure from the Continent and the very low prices that are being accepted. Notwithstanding these adverse conditions, no change was made in the official quotations at the weekly market on Tuesday and there was practically no business doing. No. 1 remains 66s.; No. 3, 63s. 6d.; No. 4 coudry, 62s. 6d.; and No. 4 forge, 62s. f.o.b. or f.o.t. Hematite iron continues to show steady improvement and a fair number of transactions are recorded this week. Makers are securing 71s. for mixed numbers for delivery a few months ahead, but are willing to accept 70s. 6d. for prompt lots. Shipments of pig iron continue extremely poor, the total cleared to the 25th inst. being only 9,343 tons, against 20,759 tons to October 25th. In the finished departments it is satisfactory to learn that Dorman Long and Company, Ltd., have secured an order for a road bridge and approaches at Rhyl at a total inclusive cost of £66,000. Although not more than about 600 tons of structural steel material will be used in the work a lot of labour will be absorbed during the contract period of fifteen months. This firm have also secured an order

for a large steel-frame building for the Newcastle Electric Supply Company, Ltd., for their new power station at Dunston-on-Tyne. About 4,800 tons of structural steel material will be absorbed, and the value of the contract is about £129,000. Other important bridge and constructional schemes are under consideration in which local firms are interested, and it is expected that further bookings will be announced very shortly. Prices for steel materials under the rebate scheme are unchanged. Iron crown bars remain at £10 15s., and heavy steel rails £8 10s., but 24-gauge galvanised corrugated sheets are now quoted at the reduced official minimum of £11 5s., and 24-gauge black sheets are £8 12s. 6d., all for home use. The ore market continues idle. Best rubio is nominally 16s. 6d. c.i.f. for early delivery and 17s. for delivery a few months ahead. The rate of freight Bilbao-Middlesbrough for early loading remains about 5s. Coke is in poor demand. Supplies are offering freely for delivery up to the end of the year at 17s. delivered furnaces, and this price is being shaded in some instances. With the restarting of one at Dinsdale Works the number of blast furnaces in operation on the North-East Coast is now 25.

Our Sheffield correspondent writes:—In the pig iron department a belief is widely held that a revival of trade is likely in the new year, but conditions to-day are unchanged. Offers of Continental basic and foundry pig at extremely low rates have been received in this country, but these are not evoking much interest. Speaking generally of the Continent, steel prices are hardening. The steel situation in the Sheffield district is neither worse nor better. Only a few considerable contracts have come in during the week. The Redbourne Hill works, Lincolnshire, comprising blast furnaces, steel smelting and rolling plant and coke ovens, have now been closed as foreshadowed last week. The two blast furnaces are only damped down, and a general resumption three months hence is talked about. The scrap market is as depressed as ever with the price of basic scrap weak at 47s. 6d. or 48s. In the lighter steel section and tools, home trade keeps on a moderate level. Exports keep low with occasional increased orders. The outlry and plate branches are unsatisfactory.

Our Workington correspondent writes:—Disagreeable developments have taken place in the hematite pig iron trade in the North-West of England. They are due largely to the depression in the steel trade. The mills at the steelworks at Workington and Barrow that produce railway and other material are idle for weeks at a time, the books being bare of orders, and the utmost that can be expected during the remainder of the year are one or two weeks of activity. There is, therefore, very little local absorption of metal, and the curtailed make is more than ample to satisfy the

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H. BLAIR-SMITH, Treasurer.

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THE ECONOMIST,

8, Bouverie Street, London, E.C.4.

Midland, Scottish and Continental demand. Though only five furnaces are in full blast, one of these being on spiegel, stocks are still increasing, and it seems doubtful, therefore, whether production can be maintained. East Coast competitors have cut into Cumberland and North Lancashire smelters' business in two or three of their best markets. Nevertheless, prices are fairly steady. Bessemer mixed numbers being quoted at £3 18s. 6d. per ton at Glasgow; £4 4s. 6d. per ton at Manchester; £4 6s. 6d. at Sheffield; and £4 8s. 6d. at Birmingham, with an extra 2s. 6d. to 5s. per ton for special and semi-special descriptions of iron. Malleable iron is a fair market at £6 2s. 6d. per ton delivered at Birmingham, but there is little demand for ferro-manganese at £12 per ton export. The steel trade is exceedingly poor, and even small orders are few and far between. The native iron ore industry is slackly employed, local requirements being below normal and those of East Coast and Scottish smelters meagre. The metal is quoted at 17s. 6d. to 18s. 6d. per ton.

Our Glasgow correspondent writes:—In the pig iron market things remain quiet and the limited number of furnaces in blast are able to produce sufficient to meet all demands. At the steel works also there is continued difficulty in finding employment for the plants in operation. Prices for galvanised sheets are somewhat lower this week, but business has not shown any expansion. Black sheet makers are also quiet this week and in this district there are fewer mills in operation. Tube makers are moderately well employed. It is announced this week that the Motherwell Bridge and Engineering Company, of Motherwell, have received a contract for the reconstruction of the Boyne viaduct at Drogheda from the Great Northern Railway of Ireland, involving many hundreds of tons of steel.

Our Cardiff correspondent writes:—In the South Wales iron and steel trade the demand for tinplates has been slightly stimulated by the abandonment of the minimum price scheme. Quotations this week have ruled down to 15s. 9d. per basis box, and to 16s. 16s. 3d. for odd sizes. There is also a better local demand for Welsh bars at the recently reduced price of £5 per ton. Foreign bars, however, are still offering at £4 per ton. Shipments last week were exceptionally heavy and more than twice as great as those in the previous week. Stocks have consequently been reduced and at 176,434 boxes they compare with 285,987 boxes at the corresponding period last year. Hopes are entertained that the few outside firms will join the "tinplate pool" as a result of the negotiations that are now in progress.

OTHER METALS.

Tin.—The standard market generally displayed quiet features, and with sellers more in evidence, prices exhibited slight irregularity and weakness, Eastern cables failing to give support. Standard

cash changed hands at £114 12s. 6d. to £114 and £114 2s. 6d.; three months, £115 15s. £114 15s. and £115 7s. 6d. In the East, sales were reported at £119 17s. 6d. to £120 2s. 6d. and £117 17s. 6d. c.i.f. terms, per ton.

COPPER market opened quieter, but values subsequently improved on sustained buying orders, and a good business resulted with sharp fluctuations at times. Standard cash sold at £47 2s. 6d. to £47 10s., but dealings were largely centred on forward positions, three months ranging from £46 15s. £47 17s. 6d. £46 15s. £47 13s. 9d. per ton.

LEAD.—Market slightly firmer but buyers slow to respond. Good soft foreign pig, November, sold £16 1s. 3d.; December, £16 to £15 17s. 6d.; February, £15 16s. 3d. to £15 18s. 9d.; March, £15 18s. 9d. per ton.

SPELTEN in fair support but prices gave way under liberal offerings. November sold £14 7s. 6d. to £14 6s.; December, £14 10s.; January, £14 18s. 9d. to £14 11s. 3d.; February, £15 2s. 6d. to £14 13s. 9d. and £14 16s. 3d.; March, £15 5s. to £15 3s. 9d. and £14 18s. 9d. per ton.

ALUMINIUM steady. Home trade, also export, £85 per ton.

ANTIMONY quiet but rates firmer on higher Eastern advices. English regulus, £38 to £45; Chinese ditto, spot £25 10s.; November-December, £23 15s.; Chinese crude, November-December, £14 10s. per ton c.i.f.

ANTIMONY OXIDE.—November-December, £25 5s. per ton c.i.f.

ANTIMONY ORE, 60 per cent., November-December, 3s.; ditto, 50 per cent., 2s. 6d. per unit c.i.f.

WOLFRAM quiet and easier. Chinese, November-December 16s. 6d. per unit c.i.f.

QUICKSILVER steady. Spot £21 15s. to £22 per bottle.

TIN PLATES dull. I.C. coke, prompt and forward, 16s. to 16s. 3d. per box f.o.b. Swansea.

THE COTTON TRADE.

LIVERPOOL, November 26th. Prices on the week are some 12 points down for the near positions and rather less for the distant. Fresh business seems entirely lacking, the only support coming from the Farm Board, but this has been offset by offerings from the south. Some selling during the week has been in evidence and the parity between New York and Liverpool has narrowed considerably. Spot sales for the week 20th to 26th (inclusive) are 23,000 bales, of which 11,870 are American, 1,400 Brazil, 650 Argentine, 4,500 Peru, 2,350 Egyptian, 950 African, 1,000 East Indian, and 280 sundries. Imports for the same period are 62,327 bales, of which 48,375 bales are American, 1,123 Argentine, 1,744 Peruvian, 10 Egyptian, 29 African, 474 East Indian, and 672 sundries. Quotations to-day: American Middling, 5-87; Egyptian Sakel 9-70, Uppers 6-62; Brazil Fair 5-84; Peru Smooth 6-39; West African Middling 5-89, and East African G.F. 6-84.

MANCHESTER, November 26th. Business in the market is still slow in expanding, and although during the past week inquiry has been fairly plentiful, the sales have been disappointing. The attitude of buyers is being somewhat affected by the sagging tendency of prices for the raw material. In the cloth section some advices from India have been rather more encouraging and a fair amount of business has been done for Karachi and Madras in light whites. There is very little improvement, however, in the demand for Bombay and Calcutta. China news has been rather featureless, and trade continues on a smaller scale than a little time ago. Not more than a sorting-up business has been done for most of the minor outlets East and West, and home trade buyers have acted with caution. Now and again manufacturers in Blackburn and Preston are able to restart a few idle looms, but less satisfactory reports are being received from Burnley. The yarn market has been generally slow and irregular. In American qualities most of the demand has run on the coarser counts. A few more transactions have been arranged in bundle yarns for India.

Statement of the Cotton Trade.

	1930.				Corresponding Date.	
	Nov. 5.	Nov. 12.	Nov. 19.	Nov. 26.	1928.	1929.
	d.	d.	d.	d.	d.	d.
Raw Cotton—Mid. American	6-14	6-02	5-97	5-89	10-82	9-65
" Sakellaridis Fully Good Fair Egyptian	9-90	9-80	9-65	9-40	19-10	14-65
Yarns—32's twist	10	9 1/2	9 1/2	9 1/2	16 1/2	14 1/2
" 40's twist	10 1/2	10 1/2	10 1/2	10 1/2	17 1/2	14 1/2
" 60's twist (Egyptian)	18	18	18	17 1/2	28 1/2	24
32-in. Printers, 116 yds., 16 by 16, 32's and 50's	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
36-in. Shirtings, 75 yds., 19 by 19, 32's and 40's	19 0	18 9	18 9	18 6	26 0	24 0
38-in. ditto, 38 yds., 18 by 18, 10 lb.	21 2	21 0	21 0	20 9	28 9	26 9
39-in. ditto, 37 1/2 yds., 16 by 16, 8 1/2 lb.	10 9	10 7 1/2	10 7 1/2	10 6	14 0	13 0

THE WOOL TRADE.

Our Bradford correspondent writes:—The majority of those interested in the likely course of values at the opening of the London sales were expecting to see at least a firm level for merinos. There is a large consumption on the Continent, and the position

THE BRITISH OVERSEAS BANK, LIMITED

ESTABLISHED 1919.

Report by the Board of Directors to the ELEVENTH ANNUAL GENERAL MEETING of SHAREHOLDERS to be held in the BANK PREMISES, 33 GRACECHURCH STREET (LOMBARD COURT), LONDON, E.C.3, on Tuesday, the NINTH day of DECEMBER, 1930, at 12 noon.

The Directors submit to the Shareholders the Balance Sheet of the Bank, as at 31st October, 1930, and Profit and Loss Account, together with copy of the Auditors' Certificate.

The Profit, after allowing rebate of interest and providing for all bad and doubtful debts, and Income Tax, for the year ended 31st October, 1930, amounts to £140,446 4 10

Balance available from last account £58,130 8 0

Leaving a total of £198,576 12 10

Interim Dividend paid on the "A" Ordinary Shares at the rate of Six per cent. per annum (less Income Tax) for the Half-year ended 30th April, 1930, and Income Tax thereon 30,000 0 0

Leaving a Balance of £168,576 12 10

which has been appropriated as follows:—

In payment of a Dividend on the "A" Ordinary Shares at the rate of Six per cent. per annum (less Income Tax) for the Half-year ended 31st October, 1930, £100 0 0

which, together with Income Tax thereon amounts to 30,000 0 0

as "A" or "B" Ordinary Shares £2,000,000 0 0

Subscribed and Paid in Full: £2,000,000 0 0

200,000 "A" Ordinary Shares of £5 each 1,000,000 0 0

200,000 "B" Ordinary Shares of £5 each 1,000,000 0 0

Current, Deposit and other Accounts £2,000,000 0 0

Amounts owing to Subsidiary Company £4,649,186 19 6

Reserve Fund 100 0 0

Acceptances, etc., for account of Customers (per contra) 3,927,317 0 3

Balance of Profit and Loss Account 73,576 12 10

[NOTE.—Contingent Liability on account of Endorsements on Bills Discounted, £707,828.]

£10,775,180 12 7

£10,775,180 12 7

CHURCHILL, Chairman.
ARTHUR C. D. GAIRDNER, Deputy Chairman and Managing Director.
JAMES CAIRD, Director.

A. E. THORNE, Secretary.
F. J. SULLIVAN, Accountant.

AUDITORS' REPORT TO THE MEMBERS.

We have examined the above Balance Sheet and compared it with the Books of the Bank. We have satisfied ourselves as to the correctness of the Cash Balances and the Bills of Exchange, and have verified the Securities. We have obtained all the information and explanations which we have required, and are of the opinion that the Balance Sheet is properly drawn up, so as to exhibit a true and correct view of the state of the Bank's affairs, according to the best of our information and the explanations given to us and as shown by the Books of the Bank.

London, E.C., 21st November, 1930.

PROFIT and LOSS ACCOUNT for the Year ended 31st October, 1930.

Dr.		£	s.	d.	Cr.		£	s.	d.
To Interim Dividend on the "A" Ordinary Shares at the rate of Six per cent. per annum, and Income Tax thereon ...		30,000	0	0	By Balance brought forward ...		58,130	8	0
" Final Dividend on the "A" Ordinary Shares at the rate of Six per cent. per annum, and Income Tax thereon ...		30,000	0	0	" Profit, after allowing rebate of interest and providing for all Bad and Doubtful Debts, and Income Tax for the year ended 31st October, 1930 ...		£140,446	4	10
" Dividend on the "B" Ordinary Shares at the rate of Six per cent. per annum, and Income Tax thereon ...		60,000	0	0	Less Directors' Fees ...		8,000	0	0
" Reduction of Premises Account ...		5,000	0	0					
" Balance carried to Balance Sheet ...		78,576	12	10			140,446	4	10
		£198,576	12	10			£198,576	12	10

STATEMENT REQUIRED BY SECTION 126 OF THE COMPANIES ACT, 1929.

Each of the aggregate profits of the Subsidiary Companies as have been declared in dividends are included in the above Profit and Loss Account in so far as they concern this Bank.

CHURCHILL, Chairman.
ARTHUR C. D. GAIRDNER, Deputy Chairman and Managing Director.
JAMES CAIRD, Director.

A. E. THORNE, Secretary.
F. J. SULLIVAN, Accountant.

21st November, 1930.

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The Right Hon. VISCOUNT CHURCHILL, G.C.V.O., Chairman.
ARTHUR C. D. GAIRDNER, Deputy Chairman and Managing Director.
Sir JAMES CAIRD, Bart.
The Hon. HENRY D. MCLAREN, O.B.E.
NIGEL L. CAMPBELL.
The Hon. BERNARD HOLLO.
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F. O. A. SPEED.
R. STEPHENSON.

DEPUTY MANAGER AND SECRETARY.

A. E. THORNE.

FOREIGN EXCHANGE DEPARTMENT.

H. W. GURNEY, Chief Operator.

ACCOUNTANT.

F. J. SULLIVAN.

CONTROLLER.

C. T. JAMES.

AUDITORS.

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THE OUTLOOK FOR WORLD TRADE.

LABOUR TROUBLES AND TRADE UNIONISM.

TATE & LYLE.

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COMMERCIAL TIMES—WEEKLY PRICES CURRENT.

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

LONDON, TUESDAY.		FRUIT (continued)—		WOOL—		HIDES—	
CEREALS AND MEAT.		Spanish Onions,		English Southdown, washed		Wet salted—Australian	
GRAIN, &c.—		Valencia:—		per lb.		per lb.	
Wheat, No. 3, N. Man. 496 lb. ...	nom.	case, 4s. 5 0	5 6	15	9 1/2	0 4 1/2	0 4 1/2
Eng. Gas. av., per cwt.	6 7	case, 5s. 6 0	6 3	22	11	0 4 1/2	0 4 1/2
Barley, Eng. Gas. av.	9 4	Onions, Oporto case 0 0	0 0	11	8 1/2	0 4 1/2	0 4 1/2
Oats, 199 9	5 10	Chestnuts, Naples bags 18	0 24	7	24	0 4 1/2	0 4 1/2
Maise, La Plata, landed, 480 lb. ...	19 9	Grapes, Lisbon boxes 0 0	0 0	28	24	0 4 1/2	0 4 1/2
Flour, Lon. stan. ex mill. ...	s. d.	Grapes, Almeria barrels 10	0 21	11 1/2	11	0 4 1/2	0 4 1/2
280 lb. ...	25 6	LARD—					
Rice, No. 2 Burma, per cwt. ...	8 6	Irish bladders ...	70 0	80 0			
Sago, Pearl, per cwt. ...	19 0	American, boxes 56 lb. 59	0 60	0			
Tapioas, per cwt. ...	17 0	SPIGERS—					
W.I. Oake, fair spot ...	20 0	Pepper, per lb.—					
Medium pearl ...	17 0	Muntok, fair White ...	0 0	0 11 1/2			
Potatoes, good English, ...	5 0	Black Lampung ...	0 0	0 0			
Beef, per 8 lbs.—	4 6	Cinnamon—1st sort, per lb. 0	0 11	0 0			
English long sides ...	4 6	Cloves—Zanzibar per lb. 0	0 1	3 1/2			
Argentine chilled hinds ...	3 8	Ginger—per cwt.—	40 0	0 0			
Mutton, per 8 lbs.—	6 4	African ...	50 0	90 0			
English wethers ...	6 4	Jamaica, ord. to good ...	1 6	2 4			
N.Z. frozen ...	3 8	Mace ...	1 3	0 0			
Pork, English, per 8 lbs. ...	4 6	Nutmegs 65's ...	1 3	0 0			
BACON— OTHER FOODS.		(Duty, 11s. 8d. per cwt.)	19 0	22 6			
Irish ...	82 0	B.W.I., crystallised	7 8 1/2	0 0			
Danish ...	68 0	Java, white, c. & f. India	Nov.-Dec. 7	8 1/2	0 0		
Canadian ...	nom.	REFINED—London—					
Dutch ...	59 0	Yellow Crystals ...	18 1 1/2	0 0			
HAMS—Irish ...	0 0	Cubes ...	22 6	23 0			
Canadian ...	0 0	Crushed ...	21 0	21 6			
American ...	96 0	Granulated ...	18 10 1/2	19 7 1/2			
BUTTER—		HomeGrown(Nov.-Dec.)	18 6	19 1 1/2			
Irish creamery per cwt. ...	nom.	TEA—					
Australian ...	88 0	Indian & Ceylon—per lb.					
New Zealand ...	90 0	Pekoe ...	0 9 1/2	2 3			
Danish ...	130 0	Broken Pekoe ...	0 9 1/2	2 2			
CHEESE—		Orange Pekoe ...	0 10	2 3			
Canadian ...	72 0	Broken Orange ...	0 10 1/2	2 7			
New Zealand ...	63 0	TOBACCO—					
English Cheddar ...	64 0	(Duty 8/10-11/24 per lb.)					
Dutch ...	39 0	Empire growths, 6/9 1/2					
COCOA—		per lb.					
(Duty, British grown, 11s. 8d.; foreign, 14s. cwt.)		Virginia leaf ...	0 10	2 6			
Acacia, f.f., per cwt. ...	27 0	Common to fine ...	0 6	1 3			
Trinidad ...	46 0	Rhodensis leaf ...	0 7	1 0			
Grenada ...	38 0	Nyasaland leaf ...	0 10	1 10			
OFFICE—		East India leaf ...	0 4	0 6			
(Duty, British grown, 11s. 8d.; foreign, 14s. cwt.)		strips ...	0 5	1 0			
E.I. good to fine, per cwt. ...	105 0	COTTON—					
Costa Rica, good to fine ...	115 0	Mid-American ...	5-89				
Cent. Amer., mid to fine ...	90 0	Sakellaris, f.g.f. ...	9-40				
Kenya, bold sides ...	70 0	Yarns, 32's twist ...	9 1/2				
Colombian, mid to fine ...	90 0	60's twist ...	17 1/2				
EGGS—		FLAX—					
English ...	per 120	Lyonsian ZK ...	39 0	0 0			
Danish ...	20 0	Pernau HD ...	44 0	0 0			
FRUIT—		Slanet Medium 1st sort ...	39 0	0 0			
Oranges, South African bxs. 16	0 21	HRMP—					
Oranges—		Italian P.O. ...	33 0	0 0			
Denia and Valencia		Manila, Nov.-Jan. "J2"	23 15	0 0			
cases 300	12 6	N.Z. ...	nom.				
cases 360	10 0	Sisal, African, Nov.-Jan. ...	22 0	21 10			
cases 504	10 0	Mexican ...	0 23	10			
Lemons, Naples ... boxes	0 0	JURY—					
Sicilian ... boxes	0 0	Native 1st mks. ...	s. d.				
cases 16	0 15	Dec.-Jan. ...	16 2	6			
cases 16	0 30	Jan.-Feb. ...	16 5	0			
Malaga ... cases 420 No. 1	16 0	SILK—					
Apples: Amer.(var.) bria.	20 0	Canton ...	8 0	10 6			
(var.) boxes	9 0	Tussock ...	5 0	8 0			
Tasmanian ... boxes	0 0	Japan ...	9 0	12 6			
Australian ...	0 0	Italian—Raw, tr. Milan	10 0	12 6			

firm, especially for fine fruit. Raisins sell readily. Evaporated fruits: Plums were accorded good support and large sizes firm on scarcity, but other descriptions move off slowly on about former terms.

CANNED GOODS.—Fruit: There was no material change in the general situation; attractive prices for Californian fail to stimulate demand. English, however, sells fairly well, with moderate support. Australian varieties. Fish: Sardines: There is rather more business passing in lower grades at the recent reduced prices, but fine quality firm and scarce. Salmon quiet of sale. Meat: Market generally quiet, but no material change occurred in quotations for beef and tongues. Condensed milk: Market steady, with a good demand for spot and near-at-hand parcels. Dutch condensed milk, full cream, sweetened, 5-cwt. casks, 33s. 6d. English ditto, 30s. 6d. Honey: Liberal supplies were available and moved off quietly. Jamaican white, 40s.-45s.

MEAT.—According to the Smithfield Market official report, supplies of meat during last week amounted to 9,437 tons, as compared with 9,358 tons in the corresponding week last year. Imported beef, principally Argentine, formed 81.3 per cent. of the supplies, as against 76.8 per cent. a year ago, and imported mutton, mainly New Zealand, formed 74.5 per cent. of the total supply, as against 69 per cent. last year. Prices on the whole remained steady, with beef slightly easier.

RUBBER.—Business was again conducted quietly, but prices ruled steady. Standard sheet, spot and December, sold 4 1/2 d.; January-March, 4 1/2 d. to 4 3/4 d.; April-June, 4 1/2 d. to 4 3/4 d.; July-September, 5d.; October-December, 5 1/2 d. to 5 3/4 d. London stocks increased 406 tons on the week: landings, 1,819; deliveries, 1,413; stocks, 76,448, against 51,012 last year. Liverpool stocks 489

higher; landings, 1,001; deliveries, 512; stocks, 40,492, against 17,479.

HEMP.—Nothing occurred to disturb the serenity of the market for Manila qualities. With buyers and sellers alike somewhat reserved, a featureless state of affairs prevails at the moment. K, grade November-January, held for £22 15s.; L.I. £22 5s. c.i.f. African sisal quiet unchanged. Receipts last week cabled 28,000 bales against 22,000 last year and 29,000 in 1928. Estimate for next week 22,000 and week after 24,000. Manila shipments last week to the United Kingdom 4,000, Continent 7,000, United States 7,000, Japan 4,000, and others 1,000; stock 111,000.

VEGETABLE OILS AND OLSEEDS.—Markets are irregular, though there is a slightly better tone in some sections. Linseed advanced in sympathy with wheat, but with buyers remaining indifferent, an easier feeling returned. The large unsold balance of the old Plate seed and continued encouraging reports as to the growing crop in Argentina, combined with the poor trade in oilcake and oil apparently are against a rise in values. Plate in near positions is steady, and a premium over the more distant, current value on spot at Hull being £11 2s. 6d., and afloat £11. More interest has been shown in cottonseed, and a fair business has been done in near positions. For Black Egyptian first half of December loading £6 1s. 3d. and £6 2s. 6d. has been accepted, but the market closes firmer. Linseed oil, after a firmer period, is again quiet, and lower current values on spot ex Hull being £24 15s., November £24 5s., and December £21 15s. Cotton oil is steady, crude Egyptian ex Hull being quoted £23, and common edible £25 10s. A fair in uir for copra was experienced, and with some reserve on the part of sellers, prices ruled slightly dearer. Straits S.D. December, to Rotterdam, quoted £16 8s. 9d., Dutch E.I. ditto, £16 8s. 9d. Palm kernels, December-January, to Hamburg, sellers £11 7s. 6d. c.i.f.

The Economist,

WEEKLY COMMERCIAL TIMES,

Bankers' Gazette and Railway Monitor

A POLITICAL, LITERARY, AND GENERAL NEWSPAPER.

Vol. CXI.

SATURDAY, DECEMBER 6, 1930.

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A. JOEL, Manager.

Correspondents to the Italian Treasury.

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THE MONEY MARKET.

This week, the money market has been completely upset by the payment of the War Loan dividend, amounting in round figures to £50 millions. In previous years, circumstances have permitted either of adequate preparations being made in advance, or of the payment being offset by counter movements of funds. Thus a year ago the payment of the War Loan dividend was neutralised by the inflow of subscriptions to the new Conversion Loan. This year, on the other hand, so far as can be told from the

Bank return, the bulk of the money has been found partly by withdrawals (amounting to £11.0 millions) from Public Deposits, and partly from Government borrowings on Ways and Means account (amounting apparently to £24.4 millions) from the Bank. Both these operations have combined to bring about a temporary inflation of credit, as is shown by the expansion of £26.0 millions in Bankers' Deposits. Had not gold withdrawals and the beginning of the Christmas expansion in the note circulation together reduced the Reserve by £10.0 millions, the increase in Bankers' Deposits would have been greater still.

Thus money, which previously had been stringent, suddenly became so plentiful as to be almost unlendable, and on Tuesday it was actually stated that loans were made at $\frac{1}{2}$ per cent. Discount rates weakened in sympathy with the glut of funds. January bills, for which there was a keen demand from the clearing banks, changed hands at $2\frac{1}{2}$ per cent. Februarys were quoted at $2\frac{3}{4}$ per cent., while the three months rate, which now relates to March bills, was a weak $2\frac{1}{2}$ per cent. The clearing banks have lent a little money into the new year at $2\frac{1}{2}$ and $2\frac{3}{4}$ per cent. It is not easy to see why the banks are keen buyers of January bills. One somewhat ominous explanation is that they anticipate an early and drastic drive by the income-tax authorities, and wish to have funds in hand in order to meet it.

The prevailing impression is that money is likely to remain comfortable up to Christmas, though it must be remembered that the note circulation will steadily increase and deplete the Bank's resources as Christmas trade develops. At the same time the present glut of funds is not likely to persist, though as this week's issue of Treasury bills is only £5,000,000 in excess of maturities, it is not easy to see exactly how it will be absorbed.

	Nov. 13, 1930.	Nov. 20, 1930.	Nov. 27, 1930.	Dec. 4, 1930.	Previous Rate and Date Changed.
Bank Rate	$\frac{3}{4}$	$\frac{3}{4}$	$\frac{3}{4}$	$\frac{3}{4}$	$3\frac{1}{2}$ (May 1, '30)
Banks' Deposit Rate	1	1	1	1	$1\frac{1}{2}$ (May 1, '30)
Discount / Call	1	1	1	1	$1\frac{1}{2}$ (May 1, '30)
Houses / Notice	$1\frac{1}{2}$	$1\frac{1}{2}$	$1\frac{1}{2}$	$1\frac{1}{2}$	$1\frac{1}{2}$ (May 1, '30)
Market rate (3 months' bills)	$2\frac{1}{2}$ — $2\frac{3}{4}$	$2\frac{1}{2}$	$2\frac{1}{2}$	$2\frac{1}{2}$	...

Meanwhile the drain of gold to France continues. Tuesday's Cape gold had practically all been bought forward on French account, and the record price of 85s. 2d. per oz. at which the quantity in the market was disposed of, only related to a very small amount, and so possessed little significance. Next week's Cape gold, amounting to £953,000, has also been bought forward by Paris, but the following week £200,000 in sovereigns are expected, and these will go into the Bank. It is understood that engagements have been made with London refiners up to the end of the year, so no early cessation of the French drain is in sight. This week's withdrawals on French account from the Bank amount to £2,071,371, which raises the total efflux for the past four weeks to £7,423,719. The Bank duly obtained this week £600,000 in sovereigns from South Africa, but as on Tuesday £400,000 in sovereigns were set aside, the Bank only gained £200,000 on balance. The £1,000,000 that is coming from Spain will go into a special account at the Bank, and so will not increase the Bank's gold holdings. Meanwhile the German exchange is very near the lower gold point, and sterling is also weak against the dollar. Thus the money market is faced with a glut of funds on the one hand and an adverse foreign exchange and gold outlook on the other hand—a combination of circumstances which makes it very difficult to see far ahead.

NEW YORK.

Although call money became firmer on Monday as the result of movements of funds to the interior, estimated at \$75,000,000, the general position remains one of ease, and this was emphasised by the reduction from 2 to $1\frac{1}{2}$ per cent. made at the end of last week in the interest allowed on Government deposits. The Christmas demand for

currency has already begun. According to a statement of the Comptroller of Currency, metropolitan banks are in a strong position, but country banks are passing through a difficult period. He is reported to be in favour of further bank mergers.

THE STOCK MARKETS.

The stock markets were again quiet, though there was a welcome absence of selling pressure. Gilt-edged receded slightly on a less favourable money position. The foreign bond market was disturbed by selling of Brazilian and Japanese issues, though European stocks were somewhat firmer. Home rails held their ground, and domestic industrials showed few measurable variations, the Stock Exchange being hopeful of a satisfactory outcome of the coal negotiations. Rubber and tea shares were idle, but oils were harder on the abatement of Continental liquidation. Business was quiet in the mining markets, copper shares failing to maintain a rise induced by the early strength of the metal.

THE COMMODITY MARKETS.

Fears of a stoppage, which has not been averted in Scotland, resulted in the dislocation of the coal trade in several districts, and sellers are not anxious to enter into forward contracts. The recent reduction in prices has stimulated the demand for pig iron, but the improvement in semi-manufactured materials has not been maintained, and activity in finished steel remains quiet. The declining tendency in raw cotton prices exercises a depressing influence on the market for manufactured goods. The Bradford market is quiet, but steady. Hides continued to fall in price, and the leather trade has been less active. Wheat is scarcely changed on the week, but the discrepancy between prices in Winnipeg and Chicago has become more marked.

THE FOREIGN EXCHANGES.

The Foreign Exchange market, though more active this week, was not really busy. Sterling lost ground against most currencies, though New York after moving against us was unchanged on balance at 4.85 $\frac{1}{8}$, and Montreal moved in our favour to 4.85 $\frac{7}{8}$. Paris gained four points at 123.56 after 123.50. Brussels was stronger at 34.80 $\frac{1}{2}$. Milan, after touching 92.83 and 92.62, settled down at 92.65. Madrid improved, on rumours of stabilisation measures, from 43.70 to 43.30, after touching 43.05. Berlin was considerably better at 20.36, and Switzerland also moved strongly against us to 25.06 $\frac{1}{2}$, after touching 25.07 $\frac{1}{2}$ and 25.06. The Scandinavian currencies moved in opposite directions, Stockholm losing $\frac{1}{2}$ at 18.19 $\frac{1}{2}$, Oslo gaining $\frac{1}{2}$ at 18.16, and Copenhagen being unchanged at 18.15 $\frac{1}{2}$. South American exchanges were again variable, but with a rather steadier tendency. Rio gained $\frac{1}{2}$ d. at 4 $\frac{1}{2}$ d., Buenos Aires lost $\frac{1}{2}$ d. at 38 $\frac{1}{2}$ d., and Montevideo $\frac{1}{2}$ d. at 38 $\frac{1}{2}$ d. In the Far East the rupee was steady at 1s. 5 $\frac{1}{2}$ d., the yen gained $\frac{1}{2}$ d. at 2s. 0 $\frac{1}{2}$ d., and Batavia improved by $\frac{1}{2}$ to 12.07. In the forward market dollars were quoted at par for both periods against a discount last week, but end of the year delivery is quoted specially at $\frac{1}{2}$ cent discount. Paris widened to 9 and 16 centimes discount, and Brussels went from par to one centime discount for one month's and from one centime to $2\frac{1}{2}$ centimes discount for three months' delivery. Madrid at par and 4 centimos premium for one and three months respectively was considerably weaker, as was Milan at 22 and 62 centesimi discount. Amsterdam was unchanged for one month and $\frac{1}{2}$ cent higher for three at one cent premium. Berlin was practically unchanged at 3 $\frac{1}{2}$ and 9 $\frac{1}{2}$ pfennigs discount. Silver fell by $\frac{1}{2}$ d. to 16 $\frac{1}{2}$ d. for spot and by $\frac{1}{2}$ d. to 16 $\frac{1}{2}$ d. for forward, on China sales to meet an increasingly unfavourable trade balance. The China silver exchanges weakened in sympathy, Hong Kong losing $\frac{1}{2}$ d. at 1s. 2 $\frac{1}{2}$ d. and Shanghai $\frac{1}{2}$ d. at 1s. 6 $\frac{1}{2}$ d.

ECONOMIST INTELLIGENCE BRANCH.

Our Intelligence Branch, which has been amalgamated with Moody's Investors Service, Ltd., is available to our readers for the supply of economic, statistical and other information, at a charge proportionate to the work involved. Inquiries should be addressed to Moody's Economist Services, 6, Bouverie Street, London, E.C.4.

THE COAL MINES AND THE COUNTRY.

THE history of the negotiations in the coal-mining industry during the past fortnight makes lamentable reading for all who have the country's interests at heart. Notwithstanding the bitter lessons of 1926, lack of foresight, lack of good-will and lack of readiness to face facts have again combined to bring half the industry to the edge of disaster, and have resulted in an actual stoppage of work in most of the Scottish coalfields. Commenting on the situation as it existed a week ago, we had occasion to criticise the coalowners in South Wales for seeking to enforce a drastic reduction in wages, without offering the miners the alternative of a "spread over" of working hours. We still maintain that this uncompromising attitude on the part of the South Wales owners, following the Mining Association's boycott of the National Coal Mines Board, did much to embitter the atmosphere in which the delegate conference of the Miners' Federation met on Friday, November 28th; but however short-sighted and impolitic may have been the Welsh owners' proposals, the Federation cannot be acquitted of responsibility for embarking in their turn on a policy of crass blindness and folly.

For, when the delegates met, the National Coal Mines Board had issued, at a belated hour on the previous night, their interim findings on the South Wales dispute, and had recommended that negotiations should be at once renewed between the miners and their employers in that area with the object of enabling work to be carried on under a temporary "spread-over" of hours—without any reduction of wage rates. Having received the Board's recommendations, the South Wales coalowners made a satisfactory, if belated, new offer, and proposed that during the month of December there should be no variation in existing rates of payment for ordinary shifts, "bonus turns" or overtime, on condition that the hours of work for underground men should be the same as hitherto worked, i.e., 8 hours, but that the total hours should not exceed 90 in a fortnight. In the case of Scotland, where the owners had originally proposed only a very small downward revision of wages, provided a "spread-over" of hours were accepted, the National Board made the same recommendations as they had made for South Wales; the Scottish owners were inclined to concur in the Board's findings; and prospects for an agreed settlement in all the districts affected by the Act seemed greatly to have improved.

Notwithstanding, however, the recommendations of their representatives on the National Board and, apparently, the emphatic advice of the majority of their Executive, the miners' delegates decided last Friday by a large majority to exercise their right (under the proviso to Section 14 of the Coal Mines Act) to withhold approval from the working of a "spread-over" in any district. This contemptuous disregard of the findings of the court of appeal, which had been set up entirely at the instance of the miners themselves, was due, it appears, mainly to the votes of the districts not affected by the shorter working day which the Act brought into force. Thus the veto which Parliament incorporated—by way of delegation of its own powers—into the Act, as a means to provide an assurance that districts should have freedom of choice in the matter of elasticity of working hours, was used in fact to cripple that freedom.

The result was inevitably a confused and critical situation. In Scotland the miners, taking the national conference at its word and "standing pat" upon the letter of the law, refused the owners' final offer of an 88-hour fortnight with no reduction of wages, and came out on strike last Monday against the reduction of wages which the owners sought to enforce if a rigid 7 $\frac{1}{2}$ -hour day were to be introduced. In South Wales a stoppage was averted at the last minute by an agreement to continue working the mines for a fortnight on the terms recommended by the National Board, so that a "spread over," be it

noted, was instituted in technical violation of the Act. In other minor districts temporary arrangements were patched up on 7 $\frac{1}{2}$ -hour terms pending a general settlement.

Confronted with the consequences of their veto in the shape, firstly, of a stoppage of work in Scotland and, secondly an agreement by consent in South Wales to flout both the Federation and the Coal Mines Act—a policy which several other districts looked like following—the Miners' Delegate Conference met again on Thursday. Fortunately wiser counsels prevailed than on the previous Friday. First, a motion for a national strike in support of the miners "out" in Scotland was rejected, though the narrow majority of 21,000 in a vote of 439,000 revealed an uncomfortably large number in favour of such a tragic policy of despair as a national stoppage. The conference next proceeded to review the situation in the light of this vote, and accepted eventually, if half-heartedly, the logic of the position. Recognising, presumably, that the districts affected by the hours provisions of the Act are not in a position to continue payment of existing rates of wages and at the same time to support more costly production under a shorter shift, and that no isolated district strike could bring anything but needless loss and suffering to the miners concerned, the delegates agreed that the question of accepting the "spread over" system should be "referred back" to be "reconsidered" by the districts with a view to a further delegate conference being asked to endorse whatever decision "reconsideration" might produce.

As members of the Executive seem strongly to have urged the case for the "spread over," there appear once more to be good hopes that for the time being the troubles in this vexed industry will be composed. The matter, however, does not end here. Next July the Coal Mines Act of 1926, which gave permission for one hour to be added to the pre-existing statutory maximum 7-hours' day, expires, and a new crisis—involving on this occasion every district—will arise unless steps are taken in the meantime to plan means of settlement. We earnestly trust that such steps will be taken without delay; and it is important in this connection that the Government should make plain to the miners what their intentions are, and should not repeat their Micawber-like attitude of the past fortnight in waiting hopefully for some sort of agreement to "turn up."

By next summer the marketing schemes will have had a little time to bear fruit, but in view of the present financial results of the coal-mining industry and the general situation of world trade, it would be unduly optimistic to rely on the industry being able to revert to a rigid 7-hour day without such a reduction in miners' earnings as could not lightly be contemplated. Is the Government prepared to pass an Act providing for the continuance after next July of the statutory 7 $\frac{1}{2}$ -hour day? If not, then the only alternative would be to allow hours to be "spread-over" within the limits of an 84-hour fortnight. Such an arrangement would obviously not reduce the working time of miners in collieries which, like many to-day, for example, in Yorkshire, normally work only five days a week; and it is doubtless for that reason that recent opposition in the Federation to the "spread over" of a 7 $\frac{1}{2}$ -hour day was so vehement. But however desirable ideally it may be that no man should work a longer shift than 7 hours under ground, there is little doubt that, under existing trade conditions, provided the aggregate working hours per week are not excessive, the vast majority of the miners would prefer to have their earnings maintained, rather than to have their daily hours further reduced. The threat of yet another mining crisis in July would go far to kill all hopes of any trade recovery for Great Britain in 1931; and the country is entitled to hope that every effort will be made now to lay the foundations for settlements which will endure beyond next summer.

BURMA FOR THE BURMANS.

ON Monday last the Round Table Conference accepted in principle the recommendation made by the Statutory Commission, and endorsed apparently by H.M. Government ("the question," said Mr MacDonald, "is not open"), that Burma should be separated from India. A committee was set up to consider the nature of the conditions which would enable that separation to be effected "on suitable terms, and to recommend the best way for securing this end." The decision thus taken may be regarded as marking the end of an association which has lasted for only forty-four years, and whose continuance has for some time been recognised by all impartial observers to be illogical and anomalous.

It is apt to be forgotten that in 1886, when the last of Burma's kings surrendered to British forces and was sent to exile in Ratnagiri, the inclusion of Burma in the charge of the Governor-General of India was purely a matter of administrative convenience, and conformed to no historical precedent. Colonised originally by successive Indo-Chinese immigrations, and with a distinctively Mongol population little more akin to the peoples of India than to Europeans, Burma was never subject to any Indian dynasty. Indeed, from the beginning of Burma's recorded history, when King Anawrata took his seat on the throne at Pagan in 1044 A.D., until friction with the British in Chittagong led the Burmese in 1825 to the crazy adventure of attempting to invade Bengal, India appears hardly to have come within the purview of Burma's policies; and until the establishment by Europeans of shipping services between Calcutta, Madras and Rangoon, intercourse between Burma and the great sub-continent of India was negligible.

Thus the European traveller, faring Eastwards, who reaches Calcutta and finds that, unless he has a mind to tackle many leagues of practically impassable jungle on the land frontier, he must reach Burma by a sea voyage of over 700 miles to Rangoon, need not be surprised if he discovers at the end of his journey a civilisation very different from that which he left behind him in Bengal. Happy-go-lucky, serenely indifferent alike to Hindu metaphysics and the ethics of Mahomet or Samuel Smiles, the Burman—with his cheerful idleness, his weakness for gambling, coloured silks and the hasty knife-blow, his wholly un-Indian sense of humour, his emancipated, very business-like women-folk, and his infinitely peaceful, friendly, childish pagodas, where yellow-robed poongyis pad softly about in the service of remote Gautama Buddha—has developed and retained a distinctive national spirit, combining something of the *bravura* of Gascony with the indolence of Andalusia. And considering that the indigenous races form 91 per cent. of the population of 13 millions, and that literacy (in a language which has nothing in common with any Indian dialect) is relatively high, there is small cause for wonder that Burma, since the war, should have reacted strongly to the influence of the spreading idea of "nationhood."

In its Memorandum to the Statutory Commission the Government of Burma, while taking no positive line of its own in the "separation" issue, pointed out that "it becomes obvious that the nearer British India approaches the status of responsible government the less justification is there for retaining Burma as part of British India merely on grounds of administrative convenience. It might fairly be said, indeed, that Burma can be included in a self-governing India only by its own express consent." The Commissioners in their visit to Burma were clearly impressed with the strength of the popular demand: "Burma for the Burmans." And in their Report, after referring briefly to the motives inspiring that demand—racial sentiment, interests divergent from those of India in customs policy, the feeling that Burma was treated like Cinderella in the matter of central revenue for development—they reached the conclusion "that Burma should be separated from India immediately."

With that conclusion the Government of Burma expressed themselves* as being "entirely in agree-

ment"; and the Government of India, in their Dispatch† of September 20th to the Secretary of State intimated that in their opinion "practical considerations [military and financial] . . . do not in themselves constitute any insurmountable barrier. . . . We support in principle the proposal that Burma should now be separated." Under these circumstances, though the considerable size (800,000 approximately) of the Indian population resident in Burma would naturally make the delegates from British India and the States inclined to share the unwillingness of the Government of India‡ to "disclaim all concern in the framing of a new constitution for Burma," nevertheless the decision of the Round Table Conference on Monday was almost a foregone conclusion.

The principle settled, the details remain to be arranged. Here we can do no more than indicate the broad lines of the problems which have to be faced. So far as the framing of a new Constitution for Burma is concerned, the Government of Burma have urged† that "it is of great importance that it should be made clear beyond all possibility of doubt or question that the separation of Burma will not involve for Burma any departure from the statement contained in the preamble to the Government of India Act, 1919," i.e., that Burma will march *pari passu* with India towards responsible Government. If such a declaration be now made, as we assume it will, by H.M. Government, the task of constitution-making will clearly devolve on a body appointed for this purpose.

Separate from, but allied to the question of constitutional structure, there are three main problems—defence, finance and trade relations with India. As regards the first, the Statutory Commission pointed out that "but for the existence of a powerful army in India, Burma would require more troops for its own security" than are now stationed there, and increased military expenditure "would be prejudicial to the interests and contentment of both countries; but that there was no reason why both countries should not look to a common source for protection while remaining separate political entities. But Burma does not desire her defence to be under that of India and Lord Irwin's Dispatch after further examination of the problem reached the conclusion that while not expressing any opinion as to the garrison that may be required in a separated Burma, the sources from which it may be derived, or the nature and extent of such financial contributions, if any, as Burma might for one reason or another be asked to make towards the defence of India, "There is no military reason why each country should not possess its own separate defence organisation." The military problem should then be no obstacle to separation; but the details of the settlement and the charge which will in consequence be imposed on Burma are bound up in the larger question of the constitutional—and financial—responsibility for the defence of India.

This and other financial aspects of separation, indeed, raise many difficult issues. One of the most important is to determine what share of India's unproductive debt should properly be ascribed to Burma—a matter on which many Indians feel strongly, seeing that the debt includes the cost of the Burmese wars. But the whole basis of financial settlement is one either for a friendly bargain or for reference to an adjudicating body—taking not necessarily a strictly legal view, but one of general equity. If part, at all events, of the trade between the two countries becomes subject to import duties there will be a margin of additional revenue to ease the settlement.

But India and Burma are too closely bound by commercial interests to wish to put serious obstacles in the way of their mutual trade, and it would obviously be desirable that a Convention between India and Burma should form, by agreement, an integral part of the new régime. The economic connection between the two countries has become close. Not only is a considerable amount of Indian capital invested in Burma, but Burma depends on India for supplies of coal and gunnies, while India draws from Burma her requirements of petrol and teak, and is increasingly dependent on Burma's export surplus of rice. Except in so far as collection of customs revenue is essential for Budgets, the maximum freedom of trade would be to the advantage

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of both countries; and we are glad to note U Ba Pe's emphasis on this point of view in his speech on Monday to the Round Table Conference. It is on wise economic policy that a Dominion of Burma would have to rely. Burma will need large sums in the future for railways, roads and agricultural development. If she is wise enough to maintain her credit at a high level from the outset, by inspiring confidence in the stability of her constitution and in her determination to deal fairly with all interests within her borders, that capital will be readily forthcoming from British investors, and can be used for productive purposes to mutual advantage without risk of impairing, by obtrusive Westernisation, Burma's own peculiarly unforgettable charm.

BETTER LATE THAN NEVER.

ARRESTING in its frankness was the speech with which Miss Margaret Bondfield introduced into the House of Commons on Monday a resolution to sanction an increase from £80 millions to £70 millions in the borrowing powers of the Unemployment Insurance Fund. Much of the sad story which she had to tell, particularly on the statistical side, was familiar. But she also presented new figures of a striking nature, and was courageous in her admission that, although fraudulent abuses were few and far between, abuses within the law were being perpetrated right and left, to the serious cost of the Fund and the Exchequer. The debate produced trenchant and searching criticisms, notably from Sir Henry Betterton and Sir John Simon. But the Minister of Labour was even more successful than her critics in revealing the desperate seriousness of the present position.

Of the many figures which Miss Bondfield gave we make a selection. Ordinary and transitional benefit are costing £107 millions per annum, or more than the annual cost of the Army and Navy. The debt of the Fund is now £56 millions, and it is increasing by £40 millions a year. The changes made by the 1930 Act have increased the number of claimants by 180,000, and the amount paid out in benefit by £13 millions. Of the women claimants, married women now form 50 per cent. We need quote no more to derive conclusive support for our repeated assertion that the Government should have made rapid inquiry and taken strong action long ago, first to draw a clear line between insurance and relief; secondly, to restore the insurance system to solvency and a sound actuarial basis; and, thirdly, to close up the "legal loopholes" through which public money is pouring away. The gravamen of the charge against the Government is threefold: first, they have by their legislation not merely raised the cost but widened the opportunities for abuse; secondly, by allowing relief to be progressively interwoven with insurance, they have destroyed the insurance principle and sunk the insurance

fund into irretrievable bankruptcy; thirdly, although in possession of accumulated evidence of the need for root and branch reform, they have been guilty of extremely costly and dilatory inaction, which is to continue while a Royal Commission examines the salient facts, though these, to judge from Miss Bondfield's most informative speech, are already well known by her and her Department.

But there it is. The Government have decided that there shall be a Royal Commission, and at long last a Royal Commission there will be. Experience, unfortunately, does not teach us to share Miss Bondfield's hope that it will be very expeditious and will have completed its survey by March next. So far, the names of the members have not been made public. The chairman has been announced, and in Judge Holman Gregory a sound choice has been made. But until the names of his colleagues are known, it is impossible to judge the chances of a quick, thorough inquiry and a bold report. If political partisans are appointed there will be a serious risk of several conflicting minority reports, and of a resultant situation in which Government action will be no more clear or easy than to-day. Meanwhile, throughout the period of the Commission's inquiry the taxpayers' millions will continue to melt away. For the moment the only satisfactory point is that the terms of reference are sufficiently wide to permit of investigation and recommendation covering the whole problem. Mr Snowden's answer to Parliamentary questions on Monday provides adequate assurance on that point, and this assurance is underlined by the complaint in the debate by a Labour member that the sole purpose of the Royal Commission is "to put people out of insurance."

To a certain point we agree. The most urgent task of the Commission is to show how the payment of public money to those who have no just claim to it may be stopped. It must examine evidence and give a view as to what proportion of the huge army of married women and seasonal workers now receiving benefit ever intend to enter the labour market again, and how it can be provided that benefit is restricted to those who really can claim to be genuinely unemployed and in search of work. Next the Commission must survey the difficult question of the exploitation, of which employers (perhaps even more than employed) are guilty, of the present state of the law regarding benefit claimable by short-time workers. Amazing instances of such exploitation were quoted by Miss Bondfield and by other speakers. In the interest of the genuine unemployed, just as much as of the taxpayer and the community at large, this must be stopped. There can be no disagreement about that among justice-lovers of all parties. These are the questions with which the quick interim reports of the Commission, which Miss Bondfield promises, should concern themselves.

But perhaps these first tasks are the least difficult. More intricate and more controversial are such problems

* Dispatch of 13 August, 1930, to the Government of India, Cmd. 3712.

† Cmd. 3700. § Dispatch cited, p. 86. ‡ Dispatch cited, p. 244.

as the restoration of the insurance system proper to a sound actuarial basis, the devising of alternative and separate measures for State assistance to those who cannot be brought, or kept, within an insurance scheme, the question whether the present flat-rate system of benefit should not be replaced by a sliding scale adapted to varying conditions in various districts and industries, and, finally, and most controversial of all, whether the substantial fall in the commodity price level, coupled with the straightened circumstances of the Exchequer, does not justly involve a scaling down of the general level of benefits.

In watching the work of the Royal Commission the public will do well to bear in mind one or two guiding principles. In these days, rightly or wrongly (rightly, as we think), the State has committed itself not merely to maintaining an insurance system for those who, for no fault of their own, fall out of employment, but also to the humane policy of keeping the wolf from the door of all necessitous citizens. On the other hand, tax burdens on industry have already approached, if they have not reached the limit of economic advisability. A general increase of taxation in the next Budget might, in the present temper and circumstances of industry, produce serious effects in the direction of restraining enterprise, and hampering the restoration of better trade and ampler employment. In this connection it should be remembered that one road to lighter taxation, and the chief road open to us, is the repayment of war debt. Under the régime in force at present the national Budget provides for the repayment of £55 millions of national debt out of current revenue. Owing to the trade depression and supplementary expenditure this figure will not this year be realised. Moreover, against such redemption as is effected must properly be placed the borrowing for the Insurance Fund, which, although it figures as a capital transaction, is generally recognised to be in reality an irrecoverable expenditure. So long as £40 millions per annum are to be "loaned" to the Insurance Fund, the country will in fact have been obliged to abandon its project of annual debt redemption. That is a very grave fact. Subject to the honouring of definite obligations and the satisfaction of claims recognised to be just and proper by the public conscience, the resources of the State must be carefully husbanded, if causes of fresh unemployment are to be avoided and impediments not to be placed in the path of economic recovery.

In view of the abundant data available and many times explored, we are not convinced that a Royal Commission was necessary or desirable. If the Government insist on a re-sifting of oft-sifted facts, it should have been appointed long ago. But since the delay has occurred and the clock cannot be put back, we can only say "Better late than never," and hope that the Commission in adopting that motto will realise that the emphasis is on the word *late*, and that promptitude and vigour is expected from it, in order that lost time may be made up.

GERMANY AND THE YOUNG PLAN.

(BY A CORRESPONDENT IN GERMANY.)

WHEN the long drawn-out negotiations for the "final" settlement of the reparation question came to an end at the second Hague Conference, even the pessimists hoped that for a few years at any rate Europe and the world would be able to get on with their business undisturbed by the vexed problem of international debts. To-day, some nine months afterwards, the evacuation of the Rhineland has gone off rather like a damp squib, international relations are more strained than ever, and the reparation question is persistently showing signs of coming to the fore.

It is impossible to blame the experts for this unfortunate state of affairs, and it is equally unfair to set it down to German bad faith. The Paris Conference of Experts had the misfortune of being probably the most untimely of major international conferences since the war. The atmo-

sphere of Paris was one of boom psychology; the American representatives at any rate were still imbued with the inevitability of trade expansion, and their influence was a paramount factor. The German position at the time was peculiarly unfortunate. Public expenditure on borrowed money had created artificial prosperity, and Dr. Schacht's arguments on the German "capacity to pay" were more or less completely nullified by the fact that serious attempts at public economy had never been made. The Dawes Committee had intended to provide a basis of practical experience upon which a definite estimate of German "capacity to pay" could be based. Owing to the obscuring of the situation by foreign investments in Germany it failed to do so, and the Young Committee was obliged to make another shot in the dark. Within a few months of their Report being signed a major international depression had developed.

At the time when the Committee met it was fairly obvious that the unsolved problems of capacity to pay and transfer might develop in either of two principal directions, mainly depending upon the flow of capital into Germany. If this flow continued, growing gradually less as time went on, the practical test of transfer would obviously be postponed. It was thus possible to hope that the change-over from a passive to an active balance of trade would be a smooth process involving comparatively little disturbance of the standard of living in Germany. The equilibrium of international trade would also not be seriously affected, and by that time, too, the natural expansion of world trade (a favourite theme of the Americans) might have made the sums involved relatively less important. This was the hope of the experts, and although responsible opinion in Germany was much more sceptical, the possibility was at least admitted. If, on the other hand, foreign investors were not willing to place more money in Germany, then the acid test of capacity to pay would have to be faced in the near future. This is what is happening. For some years to come Germany seems unlikely to be able to do more than fund her most pressing short-term debt. She may perhaps consider herself fortunate if there is not an outflow of capital on balance. If this is the case, the problem has to be faced here and now, and the next twelve months will be decisive.

The transfer question has been the subject of much discussion between eminent economists, but the most hardened advocates of the "automatic transfer" theory will scarcely deny that a change-over of several milliards of marks per annum in the balance of international payments, within a comparatively short period and in the teeth of a major international depression, is likely at any rate to produce severe friction. The most authoritative estimate of the German balance of payments, that produced by the Reichskreditgesellschaft, gave the non-recurring credit items (gold exports, imports of foreign capital, etc.) required to balance the account for 1929 as 2.77 milliards of marks. For 1930 and 1931 reparation payments will be lower by approximately 0.6 milliards annually, but interest payments will probably be somewhat higher. An approximate calculation would give a figure of 2.4 milliards as the measure of the increased surplus of exports over imports required to balance the account, excluding gold movements and upon the assumption that the balancing item of capital imports will no longer be available.

Considerable progress in this direction has been made during the current year. In 1929 Germany's foreign trade balance, including deliveries in kind, was practically in equilibrium. The first nine months of this year produced a surplus of one milliard, imports having dropped by two milliards and exports by one milliard, as compared with the previous year. The importance of this progress should not be exaggerated, however, since certain abnormally favourable factors have been at work. In the first place, stocks of raw material have probably been allowed to run down under the pressure of the business and credit situation. In the second place the fall in the price of raw materials, taken together with comparatively stable prices for finished goods, has undoubtedly improved the picture, but there is no guarantee that this state of affairs will continue. Even if, making allowances for these factors, we put what might be described as the

"genuine" surplus for the whole year as high as one milliard, there are nevertheless an additional 1.4 milliards or so to make up. The importance of this figure, which represents over 10 per cent. of German exports, is somewhat greater than appears at first sight. The bulk of German exports consist of finished goods made out of imported raw materials, which make up a considerable proportion of the value of finished products. The implications of this factor are vital to an understanding of the problem. Sir Andrew McFadyen, in his excellent and thorough study* of the reparation question, estimated that under present conditions an increase of exports would bring a simultaneous increase in imports of one-third of the value of the increased exports. In other words, in order to correct the deficit of 1.4 milliards mentioned above, a gross increase of some 2.1 milliards in exports would be necessary. This is indisputably correct (on the assumption that the estimate of one-third is justified) provided that the standard of living in the country is maintained. If this is reduced and there is as much diminution in production for the home market as there is increase in production for export, there will be no change in the value of the imports required.

The theory towards which this argument would seem to lead us is certainly being borne out by the pressure of the present situation on Germany's economic life. The exchange has so far not been seriously menaced. On the other hand, the Government is facing a heavy deficit, the plight of the local authorities is exceedingly serious, unemployment is well over three millions and likely to approach four at least during the winter, and there is a business depression of unprecedented severity. The Government is facing the situation with a bold programme of retrenchment and reduction not only of official salaries, but, furthermore, of salaries, wages and prices right through Germany's economic structure. Almost all business enterprise have reduced, or intend to reduce, salaries from top to bottom. A commencement has been made with wages, though this is a slower process. It is probably realised that the effect of these measures, even if to some extent accompanied by price reductions, must be to reduce the purchasing power and the standard of living in the country, although the Government, as is only natural, is a little obscure on this point. It is hoped, however, to reduce costs and export prices, and thus to find on the export markets compensation for the loss of purchasing power at home, which would automatically correct the balance of payments. In other words, as Mr Keynes has on occasion pointed out, the transfer problem is at last presenting itself as one of forcing down the standard of living in the paying country.

If this premise be admitted, it may readily be seen that the reparation problem at this point leaves the purely economic sphere and becomes largely political and psychological. That is perhaps the principal significance of the recent German elections. As long as the workers believed that reparation could be paid out of the rich man's pocket, they did not trouble about the question. Now that their own pockets are being touched, they naturally lend a ready ear to extremist agitators. The difficulty of reducing the standard of living, or even of merely reducing money wages, in a modern democratic State is obviously very much enhanced when agitators are able to point to "tribute" to the foreigner as one of the primary causes. The German Government, which certainly does not lack courage, has taken the only possible course in indicating that when the sacrifices which it is now asking of the people have been consummated, it will seriously consider making use of the protective provisions of the Young Plan. The formula, first set the house in order and then apply for a revision if necessary, was the only way of checking the progress of the extremists and getting the programme through. How far it will succeed has yet to be seen. If the sacrifices which the German population are going to make this winter prove sufficient to solve the problems involved, and a revival of business ensues, the Young Plan may be left untouched. If, on the other hand, further sacri-

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fices prove to be necessary, nothing can prevent application for a revision at an early date.

If the above diagnosis of the situation is correct and the transfer question, hitherto looked upon as an economic problem, resolves itself into the political problem of how much the standard of living in Germany can be forced down without producing unbearable political pressure, it is obvious that the negotiations for revision will be of extreme difficulty. Sir Andrew McFadyen has pointed out that if it be correct to assume that there will be no transfer difficulty without an internal difficulty, the situation will be confused. In this case it will be hard to convince public opinion in the countries which receive reparation that other expenditure cannot be restricted and the unproductive expenditure on reparation payments allowed to continue. After many years of struggle to put reparation payments on an economic instead of on a political basis it looks as though the process may have to be reversed. The advisory committee which may be set up at Germany's request, and must be set up if she declares a moratorium, is to consist of economists. The successful working of the machinery may well depend upon whether the economists have the courage to act as statesmen.

THE POLITICS OF FOREIGN INVESTMENT.

IN a recent series of articles in the *Economist* we have given statistical estimates of our capital abroad and of the income which it yields. Into the implications of this international lending we have not entered at all. The opportunity to do so is afforded by the publication of a study* by Mr Herbert Feis of foreign lending by European countries in the half-century before the war. This admirable and well-documented work is chiefly devoted to a narrative of the way in which political interests determined the course of international capital movements during that uneasy period, and how those movements reacted upon political events. It contains both parallels and contrasts with post-war international borrowing.

The first part of the book is a record of the foreign investment of the three great lenders, Great Britain, France and Germany. Each of these countries had its own peculiarities in this field. The financial machinery was different. In France the private banks of Paris were frequently the initiators, though in the larger transactions the great industrial banks gradually supplanted them; the deposit banks, like the *Crédit Lyonnais*, served mainly to distribute the securities among thousands of savers all over the country. In Germany, the business of foreign lending was concentrated in the hands of the four great banks (the "D" banks), who often retained a direct interest in the enterprises whose borrowing they had furthered. In Great Britain, the raising of capital for Governments and enterprises overseas was divided among hundreds of merchant banks, private banks, issuing houses, specialist and often transient finance companies. London was the most enterprising, free and flexible capital market in the world.

* "Europe: The World's Banker, 1870-1914." By Herbert Feis. New Haven, Conn., Yale University Press (for the Council on Foreign Relations).

* See *Economist*, November 29, p. 998.

The amount and character of the resources available for capital export also differed. A long industrial start, and the abundant possession of coal and iron, had made Great Britain wealthier than any other country, and, in spite of her high standard of living, liberated vast sums for overseas lending. The rapid rise of new countries, the possession of a vast Colonial Empire, the enterprise and *Wanderlust* of her people, all attracted the savings of Britain beyond her shores. In France, on the other hand, saving was the fruit of parsimony rather than of prosperity. The fact that the hoards of thrifty rentiers were so extensively absorbed by risky foreign ventures is one of the peculiarities of this history. The explanation is to be found in political rather than economic forces. Germany, rapidly advancing in industry and commerce, had little capital to spare after her internal needs were satisfied, but she could not afford to stand aside from the race for markets and the diplomatic huckstering which characterised the period.

These forces were reflected in the direction of the investments. The following table summarises the geographical distribution, as here recorded, of the foreign investments of the three Powers at the outbreak of war:—

	Great Britain.	France.	Germany.
	%	%	%
United States	20	4*	16*
Latin America	20	13	16
Russia	3	25	8
Turkey and Balkans...	1	13	15
Europe	3	23	31
Far East	3	5	4
British Empire.....	47	17	10
Rest of World	3		
	100	100	100

* Including Canada.

The total sums involved were respectively about £3,750 millions, 45,000 million francs, and 23,500 million marks, to which must be added in each case private investments whose distribution was not ascertainable.

The contrasts presented by the above table are most significant. One quarter of France's exported capital was sunk in Russia. While Great Britain had lent only 1 per cent. to Turkey and the Balkan States, France and Germany had lent, respectively, 13 per cent. and 15 per cent. While nearly one-half of British overseas investment went to her imperial possessions, the French colonies received only some 9 per cent. of the overflow of capital from the mother country, and the German colonies even less. The contrast is one between a world Power, interfering in European affairs only to preserve a precarious balance of forces, or to defend interests in distant continents, and Continental Powers, constantly scheming to secure for themselves the hegemony of Europe.

The history which Mr Feis relates is largely the history of that European intrigue. Constantly the French and German Governments were using their official sanction and encouragements of loans as bribes to secure political allies, or their official disapproval of loans as an instrument of political displeasure. They had legal authority over the listing of securities in the public stock exchanges. The British Government had no such authority, and infrequently desired to intervene; but, even in London, the personal pressure which could be brought to bear determined on more than one occasion the fate of a prospective issue. Official opposition to the Bagdad railway plan, for instance, effectively prevented the participation of British finance in the project.

The latter half of the book, comprising a sequence of studies of investment by the three Powers in areas of special political interest—Russia, the Balkan States, Turkey, Persia, North Africa, China—is an enthralling though often a distasteful story of diplomatic intrigue, national ambition and profligate finance. To summarise its intricacies would pass the wit of man, so an example must serve instead. Russia was a persistent and heavy borrower. Up to 1886 German capital flowed in freely, with Bismarck's encouragement. Then public opinion began to be hostile to this drain on the national resources, and finally, in 1887, Bismarck instructed the Reichsbank to refuse to accept Russian bonds as collateral. He seems to have intended this action rather as a warning than as an

attack, but it drove Russia into the welcoming arms of France. The next outstanding events were political—the refusal of Germany to renew the “re-insurance” treaty in 1890, and the contraction, in the following year, of a vague understanding between Russia and France, followed by a military convention. This understanding was nearly upset by the refusal of the Paris House of Rothschild to participate in a projected Russian loan, on the ground of the persecution of Jews in Russia, but the French Government found other purchasers. During the whole period of the alliance the sale of Russian securities in France was aided by Government favour and preceded by diplomatic discussions. Political and financial partnership was one. And so the whole story runs, with political advantage always the first and financial security the second consideration.

Throughout the narrative two questions are constantly recurring to the minds of the reader and, obviously, of the author. The first is: Was this exchange of financial for political favours worth while? Mr Feis is inclined to answer “No.” “Debts are not the kind of bond which can unite the world”; the gratitude of debtors was ever fickle. And the second question is: Will the history of foreign investment since the war be the same sorry tale with the same catastrophic ending? Has Fate (for these events were closely linked to financial history) another Agadir, another Serajevo, another Tannenberg in store? Again the answer seems to be “No.” The great international flotations which the last ten years have seen—the Austrian Reconstructions Loans, the Dawes and the Young Loans, are new and hopeful features of world finance. Colonial re-partition seems a distant possibility. But if Europe has only to wait for the financial and political rehabilitation of Germany before embarking upon a new pursuit of the Balance of Power, aided by the resources of finance, or if the story which Mr Feis tells is only to be shifted to another and more exotic scene, then, indeed, it were better if international lending had never begun.

INTERNATIONAL CARTELS.

ONE of the most pronounced symptoms of the present world depression, a symptom to which must in some degree be attributed the prolongation of the depression, is the dislocation of price relations. Wholesale prices of most raw materials have declined catastrophically, while prices of many finished products and most retail prices have followed only sluggishly. Many reasons have been advanced in explanation of this: high labour costs, the growth in the proportion of the retail price which is needed to cover the costs of distribution, and the existence of various restrictive agreements of the kind which may conveniently, though somewhat loosely, be designated by the covering term “cartels.”

The growth of international cartel agreements during the post-war years has been rapid, but there has been little collected evidence to show their extent or to enable the scope and nature of their operations to be known. Economists who recognise the imperative need for rationalisation, and whose attention is focussed principally on the disastrous waste which arises from unco-ordinated production, contemplate the extension of the international cartel movement with favour, whereas those who are more preoccupied with considerations of price are inclined to see only the dangers. The World Economic Conference of 1927 came to the conclusion that international agreements were desirable, provided adequate safeguards against exploitation were maintained, and that the first necessity was for publicity. The Conference accordingly recommended steps which might be taken by the League of Nations to remedy the lack of precise information, and the Economic Committee of the League asked five experts to prepare a report, which has recently been published in the form of a collection of monographs* dealing respectively, with iron and steel, non-ferrous metals, potash, aniline dyes, bone glue, rayon, linoleum and incandescent electric lamps.

* “Review of the Economic Aspects of Several Industrial Agreements.” (Geneva). League of Nations. 2s. 6d.

The authors of the memorandum are M. Benni, M. Lammers, M. Marlio, M. Meyer and Sir Harry McGowan, some of whom have personal experience of the framing or direction of international agreements and all of whom have exceptional qualifications for an inquiry into this subject.

The agreements under consideration may be roughly grouped according to the principal influences which appear to have led to their formation. Many of them came into being because the market was thoroughly disorganised, often owing to changes brought about by the war, so that “over-production” and price cutting were destroying all profit on output. To this category appear to belong the three iron and steel agreements discussed in the memorandum: the International Steel Agreement, the Rationing Convention of 1926 between German, French and Luxemburg metallurgists, and the International Railmakers' Association. The first of these regulates output, the last controls exports, but the writer of the monograph holds that all three indirectly had a very favourable effect on the market.

The attempted agreements among producers of zinc, copper, tin and lead respectively, also appear to have been inspired by the chaotic conditions of these four markets as a result, largely, of the opening up during the war of new sources of production. The lead agreement has not yet been in operation long enough to enable a judgment to be formed as to its effectiveness; those in the tin and zinc industries have not so far been very successful in stabilising the market. Of Copper Exporters Incorporated, the best known of these cartels, there is a fuller account. The cartel, which regulates sales but not output, was formed in the winter of 1926-7, and shortly afterwards the price of electrolytic copper fell from 14.4 cents to 12.25 cents per lb., partly owing to the opposition of the London market; but by February, 1929, Copper Exporters had succeeded in raising the price, by stages, to 18 cents. This level was maintained till April, 1930, when the pressure of stocks became irresistible and there began the rapid series of reductions which attracted so much attention last spring. It is somewhat surprising that this memorandum offers no criticism of the maintenance of the 18 cent level during the period February, 1929, to April, 1930, but sums up the effects of the Association's policy in the following somewhat self-contradictory phrases: “Considering the special position of the copper market it may . . . be asserted that both producers and consumers have benefited, as a result of the cartel, by a period of fairly stable prices. On the other hand the market was completely disorganised by the enormous fluctuations which preceded and followed the period of stability.” The disorganisation was undoubtedly very much greater in consequence of the prolonged maintenance of the price in face of rapidly mounting stocks, and it seems a heavy price to pay for a few months of precarious stability at an artificially high level.

The agreement between Italian and Spanish producers of mercury, concluded in 1928, was the natural consequence of a European monopoly, shared by only two countries, of a uniform product in the hands of a very small number of producers. Its object was the abolition of undue competition between France and Spain; it operated by allocating a fixed percentage of sales to each country and by the maintenance of an official price; and the judgment expressed in the memorandum is that “both the industries producing the metal and those consuming it must certainly have benefited greatly by this change in the situation.”

The potash industry in Germany was one of the first to be cartelised and the present Franco-German agreement, which is a purely territorial cartel, is the natural culmination of this long-standing tendency towards organisation. It has benefited the industry by stabilising prices, and as the market for potash is very dependent upon the price being kept low, the cartel is not likely to exploit the consumer. The necessity for popularising the use of potassium fertilisers, which can only be effectively done by joint propaganda, has been a great stimulus to the development of scientific research.

Less equivocal in their economic results are those cartels whose formation was largely due to the need for technical

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improvements or economies which could not be effected by competing producers. Perhaps the most interesting example of this is to be found in the monograph on the linoleum industry. The processes of linoleum manufacture are very complicated, and the bulk of the sales consist of very diverse patterned products. Since any alteration in description or pattern requires a prolonged stoppage of the machinery, linoleum manufacture is profitable only if each pattern is turned out in very large quantities. Further, the capital outlay required is very large, and success depends upon the employment of technical experts of very long practical experience. These conditions mean that competition and the existence of small firms involve immense waste and very high production costs, so that although the original Convention of 1911 had its origin in the usual price difficulties characteristic of a period of depression, the formation of the German trust in 1925, and the gradual adhesion to it of producers in six other countries, was both natural and desirable on technical grounds. In 1928 a Swiss holding company called the Continentale Linoleum Union was formed to amalgamate the leading German, Swiss and Swedish companies; it subsequently acquired interests in the Lithuanian and Norwegian industries; and Dutch and French concerns joined it in 1929.

The Continentale Linoleum Union now possesses eight factories in Germany and eight distributed over six other countries. Profits of all the members except the French firm Sarlino are pooled and equal dividends declared. The Trust has its own selling organisations in the countries where it has factories, and these work in conjunction with the native firms' own organisations. Elsewhere it sells through agencies. In view of the character of the product, orders are not allocated by quota but in accordance with the practical requirements of each case, and the non-German factories, which before entering the Trust were only working about 60 per cent. of capacity, are almost fully occupied.

Selling prices in foreign countries are fixed by friendly agreement with the English linoleum industry. The price policy of the Union has been, according to the monograph, to keep prices as low as possible and to alter them only at very long intervals. There were three reductions in 1927, but in 1929 and 1930 prices had to be raised owing to the very marked increase in the price of two important raw materials, cork and linseed oil. The price, however, is now only slightly higher than before the formation of the Trust, from which the conclusion is drawn that the economies of rationalisation have almost offset the great rise in the raw material prices. The consumer has benefited to this extent, and also from the economies effected in transport and tariff costs, while it is claimed that he has also gained in stability of price and quality.

Two of the most interesting international agreements, the Franco-German agreement on aniline dyes and the international agreement in the incandescent lamp industry, owe their existence very largely to the rapid development of scientific processes and the need for each unit in the industry to have access to all patents and processes. As far as the dyestuffs agreement, which was joined by Switzerland in 1929, is concerned, the expert responsible for the study draws the conclusion that it definitely aims at serving the customers' interest, and that outside competition is too strong for there to be any ques-

tion of raising prices. The electric lamp situation is more complicated; prices have been reduced, and there have been far-reaching measures of rationalisation, but "it is difficult to determine how far the consumer has benefited from these economies in production and sale."

The remaining memoranda lead their authors to conclusions no less favourable. In some instances, as, for example, the Linoleum Union, already discussed, and the International Association of Bone Glue Manufacturers, enough evidence is given to enable the reader to support from conviction the favourable conclusions of the authors, but some of these studies, which appear to have been prepared for publication in some haste, jump rather suddenly from the bare outline of the organisation of the cartel to an *ex-cathedra* pronouncement as to its economic effects. The experts, however, in their preface "reserve the right to make a more detailed study, in a special memorandum, of the economic aspect of the problem." We hope that they will exercise it, for it is highly desirable that the evidence on which these conclusions are based should be published as fully as possible, that they may carry the more thorough conviction.

Notes of the Week.

Governors-General and the Crown.—As we noted last week, one of the decisions of the Imperial Conference was that henceforth His Majesty should appoint Governors-General of the Dominions on the advice of his Ministers, not in London, but in the Dominion concerned. This decision has been acted upon rapidly, and it has been announced this week that the King, on the advice of Mr Scullin, the Prime Minister of Australia, has appointed Sir Isaac Isaacs to be Governor-General of the Commonwealth. Sir Isaac, the first Australian to be appointed to this high office, is a distinguished Judge and of his personal qualifications no doubts are entertained. Nevertheless, the appointment to the position of impartial representative of the Crown of one who has been closely identified with domestic politics, raises doubts as to the success of the experiment, for even if Sir Isaac were a super-Archangel his impartial performance of his task might on occasions be regarded by erstwhile political opponents with suspicion. His rôle will not be an easy one to play. As regards the ultimate results of the new system of appointment, we note in sections of the Australian Press some apprehension lest the office of Governor-General should tend to be regarded as a reward for political services. However, future Governors-General may be chosen from among any of the distinguished men, not only of Australia, but of the whole Empire, and we have confidence that future Premiers at Canberra will be guided in their selection by the success or failure of the present experiment. Meanwhile an even more important Imperial appointment is pending, namely that of the next Viceroy of India. Lord Irwin's term of office expires next spring, the announcement of the name of his successor is overdue, and the delay has given rise to certain rather disquieting rumours. It is obvious that the next Viceroy will face a load of responsibility which will call for the highest exercise of statesmanship, and upon a wise choice the smooth evolution of the next stage in Indian political evolution will in no small measure depend. We trust that the choice will be such that it will receive the same general welcome that has been accorded to the invitation to Sir Arthur Salter to advise the Government of India upon the immediate economic problems of the day.

Two By-Elections.—The by-elections at East Renfrew and Whitechapel, the results of which were declared last Saturday and Thursday respectively, have caused no change in party strengths at Westminster, the former seat being held by the Conservatives and the latter by Labour. Both results show a considerable swing of

votes against the Government, for at Renfrew the Conservative majority over Labour was increased by nearly 6,000 and at Whitechapel the Labour majority over the Liberal was reduced by over 8,000. Clearly both have sent messages of warning to the Government. The figures are, however, subject to qualification. At Renfrew the issue was confused by the intervention of a third candidate, who polled 4,818 votes, or rather more than the number by which the Labour vote was reduced. At Whitechapel, similarly, a Communist candidate entered the fray and took 2,106 votes. Here the Liberal vote rose by nearly 3,000, while the Labour vote fell by over 5,000, and the Conservative vote rose by a few hundreds. Free Trade arguments in a riverside constituency and the Liberal proposals regarding unemployment evidently made considerable impression, but too much general significance should not be read into these figures, for the election was fought in an area which, having a large Jewish population, was disturbed by the Government's Palestine policy. Indeed, all things being considered, the obvious swing against the Government is not much larger than might be expected against any Government which had been in power for eighteen months in a period of deepening trade depression. An incidental feature of these two by-elections, which distinguished them from other recent contests, was the absence of any candidate representing either the Rothermere or the Beaverbrook factions. Now we are to have another by-election, this time in East Bristol, whose Labour member, Mr W. J. Baker, has died this week. There perhaps we shall get some clearer evidence of the way in which the political tide is running.

The Moscow Treason Trial.—The trial of eight professors and experts, which has been in progress for some weeks at Moscow, is nothing out of the way in itself. Treason trials are the grand elixir of revolutionary régimes; and for years the Soviet Government, like competent theatrical producers, have managed to stage a series of such performances in almost uninterrupted succession. You cannot safely promise the millennium without paying out something on account in the form of public sensations; and the sensations must be blood-curdling if the popular valuation of the promised golden age is to be maintained at par. All this is common revolutionary form. But this particular trial at Moscow has been distinguished by the apparent eagerness of the accused to give themselves away. Their zest to confess has considerably outrun the prosecution's zeal to procure a conviction. With broad, impressionistic strokes of the brush, they have sketched a vast cartoon of an Anglo-French anti-Soviet plot, in which they claim to have played their humble rôles in a ballet graced by a galaxy of star performers: the Government of the French Republic; His Britannic Majesty's Government in the United Kingdom; Monsieur Briand; Monsieur Poincaré; "T. E. Laurence" (alias Air-Mechanic Shaw); Mr Winston Churchill; Mr Simon (uninitialed); "Sir Philip" (surname unknown, because English Lords do not sport surnames); and, last but not least, Pavel Pavlovich Ryabushinsky. Pavel Pavlovich is an authentic piece. He was a well-known Russian man of business under the old régime. He is just as historic as Monsieur Poincaré or as "H. M. G." And so Professor Ramzin's confession that he had plotted with him in Paris in 1927 was plausible enough till last Thursday, when one of Professor Ramzin's fellow-prisoners, Professor Feodotov, quietly pointed out that Pavel Pavlovich died in 1924. There is no doubt about it. The inscription on his tombstone at Batignolles, in France, has since been published in the Press. But the Public Prosecutor at Moscow is not to be defeated so easily as that, for Pavel Pavlovich has a brother, Vladimir. And what more simple than to transfer to Vladimir Pavlovich's name the damning evidence which has been booked, hitherto, to the account of brother Paul? (Just like these capitalists, to evade their obligations by shamming dead!) Meanwhile, the French Government has lodged a formal protest with the Soviet Government at being included in the caste. Monsieur Poincaré has made a personal *démenti*. And last Monday Mr Henderson announced in the House of Commons that the British

Ambassador at Moscow was being instructed to take exception to the offensive references, by the prosecution, to H.M. Government. What does it all mean? The farce may only too readily have a tragic ending, for public feeling throughout the U.S.S.R. is being worked up, and there are clamours for the infliction of the death penalty. How do the eight prisoners really stand? Are they performing their confessional works of supererogation under pressure of "the third degree," or in despair, or in collusion with the Soviet Government itself? The last of these three possible explanations is by no means inconceivable. It seems probable that "the Five Years' Plan" has lately begun to fall short, in execution, of the somewhat extravagant promises that have been made. And if this has now become apparent to those behind the scenes, the politicians and the experts may have decided that they have a common interest in finding a scapegoat. The inevitable scapegoat is the foreign capitalist world, putting one more spoke in Holy Russia's wheels. Has the treason trial been "produced" as the only possible means of reintroducing this old, old performing animal on to the Russian propaganda stage?

The New Austrian Cabinet.—Herr Vaugoin's Christian Socialist Cabinet, which failed to obtain a majority in the recent general election, resigned office on November 29th, but Dr. Ender, whom the President asked to form a new Cabinet, did not succeed until Wednesday. In consequence, the new National Assembly met on Tuesday, December 2nd, only to adjourn for two days—the adjournment being moved by a member of Dr. Schober's National Economic Bloc, and carried with Social-Democratic support, in spite of some Christian Socialist opposition. The position in the National Assembly is difficult. Dr. Ender, who is the Governor of the Province of Vorarlberg, is himself a Christian Socialist; and, like the other leaders of his party, he is in favour of co-operation with the (fascist) Heimwehr. The Heimwehr, however, are only eight strong in the new chamber; and their voting strength is not increased by the manoeuvre of marching in, two by two, with cock's-feathers in their hats. The last word remains with the less picturesque National Economic Bloc, who hold nineteen seats; and any new Government which does not include the Socialists cannot do without Dr. Schober's support. Dr. Schober appears to have agreed to join a new coalition government against the Socialists, but only on condition that the Heimwehr are excluded. And this condition has evidently been the rock on which Dr. Ender's attempt to form a Government nearly suffered shipwreck. In the list of names of the new Cabinet Dr. Schober figures as Vice-Chancellor and Minister of Foreign Affairs, and his co-operation seems in the end to have been secured by the appointment of a member of his own bloc to the post of Minister of the Interior. The rise of Dr. Schober indicates that the supporters of a moderate liberal constitutional régime in Austria know what they want, and feel themselves strong enough to insist upon having it.

Our Index Number.—After displaying a somewhat steadier tendency in the first half of November, wholesale prices developed fresh weakness in the last week of the month; and our index number for November 30th is 2.1 per cent. lower than that for October 31st and 19.7 per cent. below the corresponding figure a year ago. The previous month's rate of decline was 1.1 per cent., following falls of 3.8 per cent. in September and 1.9 per cent. in August.

AVERAGE, 1927 = 100.

End of	Nov., 1929.	Aug., 1930.	Sept., 1930.	Oct., 1930.	Nov., 1930.
Cereals and meat	90.6	82.5	79.5	76.8	73.2
Other foods	84.0	75.2	74.5	73.7	70.2
Textiles	83.6	61.7	56.9	55.8	55.1
Minerals	92.4	81.5	79.5	79.1	79.0
Miscellaneous	89.8	79.7	76.7	77.7	77.8
Complete Index	88.3	76.1	73.2	72.4	70.9

The groups in which the major downward movements occurred last month were the two foodstuffs sections.

Grain prices fell substantially, and "other" foods, notably butter, coffee, cocoa and sugar, were considerably cheaper. In the raw material groups fluctuations were irregular. Among textiles, cotton prices reacted after their firmness in October; but non-ferrous metals, taken together, were steadier, and rubber maintained the previous month's recovery.

	Inc. (+) or Dec. (-) per cent. compared with			Inc. (+) or Dec. (-) per cent. compared with	
	Month Ago.	Year Ago.		Month Ago.	Year Ago.
Wheat, Foreign	- 8.9	-46.7	Flax	- 2.5	-33.9
Wheat, English	- 8.3	-30.6	Hemp	+ 3.3	-32.6
Flour	- 13.3	-35.8	Jute	+ 2.4	-39.3
Barley	- 6.7	-21.8	Textiles	- 1.3	-34.1
Oats	- 3.9	-37.3	Pig Iron	...	-12.4
Rice	- 7.7	-31.4	Steel rails	...	...
Potatoes	+50.0	...	Iron bars	...	...
Beef, English	+ 1.7	- 5.0	Timber	- 5.9	-14.7
Beef, Argentine	-16.6	-19.3	Coal, Welsh exp.	...	- 0.6
Mutton, English	+13.3	+10.3	Coal, Durham gas	...	- 3.7
Mutton, New Zealand ..	...	- 9.5	Coal, household	...	...
Bacon, Danish	- 1.4	-32.7	Lead	+ 2.9	-23.1
Cereals and meat	- 4.7	-19.2	Tin	- 2.8	-36.2
Tea	- 3.3	+11.4	Copper	+ 6.8	-31.0
Coffee	- 7.1	-21.2	Spelter	- 2.6	-27.7
Cocoa	- 7.9	-22.6	Minerals	- 0.1	-14.5
Sugar, cane	- 6.0	-12.4	Timber, English	...	- 5.3
Sugar, refined	- 7.2	-18.1	Timber, Swedish	...	...
Cheese, Canadian	- 1.3	-22.7	Cement	...	...
Butter, Danish	-13.3	-31.2	Hides	- 4.8	- 2.8
Coco oil	+ 3.8	-18.2	Leather	...	+ 4.8
Tobacco	...	- 6.7	Petrol No. 1	...	-11.4
Other foods	- 4.7	-16.4	Petroleum oil	...	- 4.2
Cotton A.	- 7.2	-39.8	Fuel oil	+ 0.9	-35.5
Cotton E.	- 7.5	-37.0	Lined oil	+ 3.8	-31.1
Cotton yarn	- 2.5	-31.3	Tallow	+ 2.7	-43.4
Cotton cloth	- 3.4	-19.2	Rubber	...	...
Wool, English	+ 3.6	-38.3	Soda, crystals	...	-24.1
Wool, Australian	...	-31.3	Sulphate of ammonia ..	+ 6.9	- 8.9
Wool tops	...	-27.3	Cresote	...	...
Silk	...	-43.0	Miscellaneous	+ 0.1	-13.4

If 1924 be taken as 100, the current figure of our index number works out at 61.3, as compared with 62.6 at the end of October and 76.3 a year ago. In the concluding table we show the index concerted to a percentage of the average for 1913:—

AVERAGE, 1913 = 100.

Date.	Cereals and Meat.	Other Foods.	Textiles.	Minerals.	Miscellaneous.	Complete Index.
Average, 1924	168.5	215.8	214.7	149.3	122.6	166.2
" 1928	152.9	189.7	165.0	115.2	111.2	140.9
" 1929	143.0	173.5	144.7	119.6	105.0	132.8
End Nov., 1929	133.7	169.9	131.2	115.6	104.2	126.9
" Oct., 1930	113.3	149.0	87.6	98.9	90.2	104.0
" Nov., 1930	108.0	142.0	86.5	98.8	90.3	101.9

A forecast last January that before the beginning of 1931 the average level of commodity prices would have reverted to that of the last pre-war year would not have obtained wide acceptance; but it looks as though that position may be realised.

America Feels the Pinch.—It is clear from the message which President Hoover addressed to Congress on Tuesday, that American taxpayers will have to face a serious reversal of their recent happy experience of budget surpluses and tax reductions. Mr Hoover forecasts that a budget deficit of £36 millions will be shown at June 30th next in place of the anticipated surplus of £24.6 millions, and even this result will only be achieved by the application of large economies in many directions. The actual effect of the depression upon the Budget he valued at no less than £131 millions, revenues having declined by £86 millions, and expenditure on "Federal construction work" necessitated by the crisis reaching £45 millions. The prospective deficit is reduced to the figure of £36 millions by offsetting £37 millions of war debt payments, by a reduction of £20 millions in the demands of the Farm Board, and by governmental economies amounting to £13 millions. The passages in the message referring to the economic depression bore the optimistic tint which we have learned to expect from Mr Hoover. He expressed the view that the "fundamental security of the nation's economic life is unimpaired," and that "the major forces of depression now lie outside the United

States, and our recuperation has been retarded by the unwarranted degree of fear and apprehension created by these outside forces." The impression conveyed is of an America comparatively less affected by the depression than other countries, but it is scarcely borne out by certain figures given in the message. For instance, the volume of manufacturing production, he stated, was 80 per cent. of the 1928 level. Our own Board of Trade figures show for British manufacturing production indices of 109.4 for 1928, and 103.4 for the third quarter of 1930—a percentage drop of about $5\frac{1}{2}$ per cent., as compared with the American drop of 20 per cent. Moreover we note that on the day of Mr Hoover's statement, the Senate proceeded to discuss a Bill authorising the expenditure of £30 millions for unemployment relief. In view of this and other evidence, it is hardly possible to accept Mr Hoover's contention that the major forces of depression are not operating in the United States.

Tariffs at Geneva.—The second Conference for Concerted Economic Action has closed on a note of pessimistic optimism. So far as tariff questions are concerned it has just succeeded in keeping at least a semblance of concerted action going. The Commercial Convention of March, 1930, remains open for accessions, tariff negotiations are contemplated between various countries on a bilateral rather than multilateral scale, and conditions have been somewhat gingerly laid down about the preference proposals of the agricultural countries of Eastern Europe. Although the Convention is not yet in force—the time for the deposit of further ratifications is extended to January 25th—it has prevented the denunciation of commercial treaties, and has to some extent created a measure of tariff stability as a favourable atmosphere for negotiations. Whether or not it will eventually enter into force will be decided at a later session of the Conference, presumably on or after January 25th. Meanwhile, writes a League correspondent, the possibility of really executing the recommendations of the International Conference of 1927 depends almost wholly on the negotiations to be undertaken by Great Britain with countries ready to negotiate. The President of the Conference said bluntly that if the negotiations were not successful the whole undertaking would have failed completely with, in his opinion, disastrous results. The last partisans of free trade would adopt protectionism, and this would lead to a widespread tariff war. It was a matter of good sense and goodwill, and despite his fears, he said he still hoped it was "not necessary to despair." It behoves the British Government to pursue the matter with vigour and initiative. The British dyestuffs decision has improved the prospects of the entry into force of the Convention on Import and Export Prohibitions and Restrictions, and governments are asked to consider the new situation and communicate their observations in time for examination at the next session of the Conference. There is also a prospect of something being done by negotiations now in progress to find a way of drawing up a convention on the treatment of foreigners—a subject on which agreement was not reached at the conference held in Paris some time ago.

The British Industries Fair.—The Chelmsford Committee appointed by the Board of Trade to consider means of increasing the utility of the British Industries Fair has issued its report. The gist of its recommendations is that the Fair should be developed "so as to become a truly national manifestation of the quality and range of British products," that a site easily accessible from Central London should be acquired as a permanent site, and that the present Government grant should be raised from £25,000 to £100,000. If the Fair is to be continued, every effort should be made to make it representative, and if that is to be attempted it is difficult to resist the argument that an extra £75,000 is a small amount to ask for an attempt to sell British goods, in comparison with the £1,000,000 granted to the Marketing Board for stimulating the sale of Empire produce. Nevertheless every claim for the bounty of the Exchequer demands close scrutiny in these days, and before

the Government accedes, inquiry should be made, among other things, into the merits of the proposed acquisition of a special site in the London area. Might not such a building, to be used for the Fair only once a year, be a white elephant?

Greater London Traffic Problems.—The congestion of traffic on the main roads leading out of Central London presents a problem with which the London Traffic Commissioner, when he is appointed, will find it not easy to deal. In this connection, writes a correspondent, an interesting development has to be noted in the establishment of the London Coach Co-operation Committee. This was formed in September, 1930, by the independent operators of coaches running into London, owing to the rapid extension of the "Green Line" coach services controlled by the London General Omnibus Company. The "Green Line" was regarded by the independent operators as an effort on the part of the L.G.O.C. to "stake out a claim" in the London Traffic Area before Part IV of the Road Traffic Act, 1930, came into force. The Co-operation Committee is under the chairmanship of Mr Charles Dobbs, the managing director of the Skylark Motor Coach Company. Twenty-eight companies are associated with the Committee, but there is no question of any financial agreement, each company insisting on its independence. At present the organisation is somewhat a loose one, but it will doubtless be tightened up when the London Traffic Commissioner is appointed, and each company has, under the Act, to prove that its service is meeting an adequate demand. The Committee is securing legal representation so as to be able to meet the claims which the "Green Line" will put forward to the Traffic Commissioner. Between them, the companies comprising the London Coach Co-operation Committee own 415 coaches, as against the slightly smaller number of the "Green Line" service. About 200 of the 380 "Green Line" coaches have been specially constructed for the "Green Line" service by the L.G.O.C.'s associated company in the Underground Group—the Associated Equipment Company, at Walthamstow. The remainder have been taken over from the fleets operated by the East Surrey Traction Company and Autocar Services, both of whom, together with the National Omnibus and Transport Company, are agents and operators of those "Green Line" services within their respective areas.

The Australian Bank Reserve Bill.—The Select Committee of the Australian Senate, which has been considering the Central Reserve Bank Bill, has now issued its report. It will be recalled that the original Bill provided for the establishment of a new central bank to be virtually under public ownership and Government control. It also contained provisions for the bank's reserve of so complicated a character as to be, in the opinion of many authorities, unworkable. This, though in accordance with the tenets of the Labour Government and its supporters, was hardly to the liking of the Senate Committee, consisting mainly of opponents of the Government. The Committee, in its interim report, issued last June, expressed the view that the existing economic crisis made the time hardly opportune for making so drastic a change in the Dominion's banking system, and added that the forthcoming visit of Sir Otto Niemeyer and Professor Gregory provided an obvious opportunity for consulting acknowledged experts on the whole question. In other words, the Committee had a chance of playing for time, and took it. Since then, Sir Otto Niemeyer has been consulted, and has clearly criticised the draft Bill very severely. He also, apparently, agrees with the Senate that the present is a most inopportune time for making the change. Now the Senate have issued their report, in which they recommend categorically that the Government holding in the proposed bank should be limited to one-third of the shares, and that private interests—presumably private investors rather than other banks—should hold the remaining two-thirds. They also recommend that the Government should only appoint one-third

of the board, and these two provisions taken together clearly mean that the control of the bank should not be in Government hands. As this is in direct contradistinction to the views of the Labour party, it is obvious that either the bill will once more be shelved or else a constitutional crisis will arise between the Government and the Senate. On every ground it is to be hoped that it will be the former alternative that will materialise, and that the net results of the Senate's turning the bill inside out will be that the whole project will remain dormant until a more suitable moment arises for bringing it to fruition.

Irish Free State Banking.—Our Dublin correspondent writes:—Hitherto it has been difficult to follow the movements in Irish banking owing to the fact that the statistics published by the banks did not distinguish between their assets and liabilities in the Free State and elsewhere. This deficiency has now been partly repaired by the Currency Commission, which has published the following table showing the position of its nine shareholding banks at December 31, 1929:—

	In branches in Irish Free State.	In branches outside Irish Free State.
	£	£
Deposit and current accounts	124,145,775	40,559,851
Bills discounted and advances	56,999,959	34,168,471

These figures show that the ratio of bills discounted and advances to deposits is higher in the branches outside than in the branches in the Free State. This is what one would have expected in view of the predominance of agriculture in the Free State. If complete figures were published it would probably appear that the ratio of bank notes to deposits and of deposit accounts to total deposits are both higher in the Free State than elsewhere. The liquidity of the Irish banks is very great in view of the small ratio of their total deposits represented by current accounts. It is to be hoped that the Currency Commission will widen the scope of the statistics, as figures relating to the Free State alone are badly needed by all who seek to follow the progress of economic affairs in Ireland.

Bimetallism Again.—Lord Brabourne, in his address, last Wednesday, to the shareholders of the Consolidated Gold Fields of South Africa, Ltd., made a tentative proposal for remonetisation of silver. After referring to the predictions of an approaching gold shortage, he suggested that the chief nations of the world should agree to remonetise silver and fix its price at one-fortieth of that of gold—a proportion which corresponds very closely to 2s. an oz. He expressed the opinion that this price would be insufficient to induce any base-metal mill to increase its production of zinc, lead or copper merely for the sake of producing fresh silver; nor would it induce any purely silver mine to reopen. Thus he left it to be inferred that the adoption of his suggestion would not stimulate any additional production of silver, and he added that after the needs of industry and the arts had been satisfied, the amount of silver available annually for monetary purposes under his plan would not be greater than 300,000,000 oz., equivalent to £30,000,000 of gold. In making this suggestion, Lord Brabourne has entered a very wide field, and it goes without saying that any contribution to the general problem of the world's monetary gold merits the most careful consideration. Still, it is permissible to suggest that economic theory has progressed beyond the question of bimetallism, and that thought is now directed more towards means of improving the working of the gold standard rather than transforming it into a new bimetallic standard. The main difficulty in any case is the practical one of securing concerted international action. This would be even more serious in attempting to revert to the old conception of bimetallism than it need be in trying to frame jointly sound monetary policy based exclusively on gold as a monetary standard.

South Wales Coal Audit.—Our Cardiff correspondent writes:—There was a slight improvement in the financial trading results of the South Wales coal trade in the three months ended last August. The credit balance certified by the auditors was £150,848, or 3.57d. per ton, compared with £28,311, or 0.67d. per ton, in the previous quarter; while the economic wage certified was 11.59 per cent. above the 1915 standard rates, as against 8.66 per cent. in the previous three months. Under the expiring agreement, however, the owners are under an obligation to pay a minimum wage of 28 per cent. above the standard rates, and the deficiency arising from this obligation amounted to £690,595, thus increasing the aggregate deficiency carried forward under the present agreement to £16,279,378. Output, compared with the corresponding period last year, declined from 11.3 million tons to 10.1 millions, and the volume of the export trade from 6.3 million tons to 5.5 millions. The average pit-head price realised was 14s. 1.55d. per ton, which compares with 14s. 1.86d. in the three months ending last July, and with 13s. 8.72d. in the corresponding period last year. Wage costs, at 9s. 0.20d. per ton, were a shade higher than in the previous three months, and the increase in the profit was due entirely to a decrease in costs other than wages, which averaged 4s. 9.78d. per ton, as against 5s. 1.75d. in the July quarter.

More Looms Per Weaver System.—The Operative Weavers' Amalgamation, writes our Manchester correspondent, have definitely rejected the proposals of the employers regarding the wages and conditions to be applied to the "more looms per weaver" system, which the employers desire should begin on January 1st. The operatives, in a communication to the employers, laid stress on the absence of any provision for a fall-back wage, "and a minimum wage to provide for the contingency of under-employment." These were described as "lamentable features of your proposals." The operatives further stated that they were "opposed to any change in the number of ordinary looms run by a weaver on the drastic revolutionary wage proposals submitted by your organisations, and they refuse to give authority to the Central Committee to negotiate with your representatives upon them." The Central Committee of the Cotton Spinners' and Manufacturers' Association, representing the employers, discussed the situation on Friday, December 5th. Although no crisis can arise until the end of the year, the situation is undoubtedly serious and calls for tactful handling. There is no doubt that manufacturers, particularly in Blackburn and Burnley, have become impatient at the obstructionist methods of the operatives. At the outset the employers asked the operatives to discuss the proposed wages and conditions, but this request was turned down. The manufacturers then drafted a new wage list, and as long ago as October 15th this was approved by the District Associations of the employers' organisation. The new wage basis was sent to the operatives' representatives on October 28th. It was exactly a month later, on November 29th, when the Weavers' Amalgamation held a meeting in Manchester and decided to reject all the proposals. The employers are convinced of the practicability of the system, and contend that the operatives will receive bigger wages than at present.

The Butter Market.—A correspondent writes:—The Report of the Economic Section of the Empire Marketing Board on "The Demand for Empire Butter," which has recently been issued, is an important contribution to the analysis of this market for Empire produce. The object of the investigation was to provide the producer with a better knowledge of his market by placing before him a full and exact account of the nature and extent of the demand for his product. Apparently, the investigators found no evidence of foreign "dumping"; in fact, the word is not to be found in the whole report. But certain significant features are disclosed. Firstly, the main markets for each type of butter tend to be grouped round the ports of entry; Australian and New Zealand butter find their best markets in the southern districts of

England, while Danish butter is marketed mainly in the north and east. Secondly, as regards prices, and setting aside home farm and packeted butters, which are dearer than bulk butters, the order of retail prices from highest to lowest throughout the country is Danish, New Zealand, Irish and Australian; and what is significant is that the number of shops stocking each variety and the volume of imports of each variety occur in precisely the same order. Danish butter, with its established market, holds that market despite the fact that its price is higher than that of Empire butter. Thirdly, and following up the first point, multiple retail shops offer greater choice of butters than independent shops. The independent retailer clearly tends to draw his supplies from the local wholesaler, who, in turn, is likely to be found at the nearest port of entry. With multiple shops, on the other hand, supplies from a more distant port of entry have a chance of being retailed over a much wider area. The Economic Section of the Empire Marketing Board is to be congratulated on an important contribution to the study of markets. This is a type of inquiry which could, with advantage, be pursued in many other directions.

Public Health in 1929.—Sir George Newman's annual report on the state of the public health* consists partly of facts already published, as, for example, the record low birth-rate and the rise in the death and infant mortality rates in 1929, and the results of investigations into sickness and disablement experience under the Health Insurance Acts; but there is also much new matter. The section on maternity and child welfare again emphasises the importance of more determined measures for the reduction of puerperal mortality, which was 4.33 per 1,000 births registered in 1929, or appreciably worse than six years ago. In this respect Sir George Newman anticipates an improvement from the operation of the Local Government Act, 1929, which brings all public maternity accommodation under the control of the local authority. A special section is devoted to the development which may be expected from the co-ordination which the Act is designed to secure. Already progress is being made with the "break-up of the Poor Law" under the section which requires councils to aim at providing all assistance which can lawfully be so provided, otherwise than by way of Poor Relief. A number of local authorities are preparing to appropriate certain Poor Law institutions for the carrying out of these functions, and there is a timely reminder in the report that economy and efficiency may often be promoted by co-operation between local authorities for the development of their institutional work. A similar exhortation applies to the question of co-operation with voluntary agencies, and the report records that a gratifying amount of consultation to this end is already taking place. One aspect of the service in which Sir George Newman suggests that there is room for improvement in administration is the better differentiation and treatment of chronic cases and of those infirm persons who need constant care and yet are not properly regarded as sick, while at the same time he emphasises the fact that an improvement in the treatment of acute cases is also called for. The Act is also hailed as making possible a wiser and more effective organisation of the weapons of attack and defence against tuberculosis which have, even under the old régime, been welded with very substantial effect. Of the opportunities afforded to the medical officers of health under the Act, Sir George Newman writes with an enthusiasm which we hope to see justified by events. We confess, however, that we lay down Sir George's report, as in previous years, with the feeling that the country urgently needs an effectively organised General Staff in the war against disease.

Garden City Finance.—In a time of serious trade depression it is satisfactory, writes a correspondent, that First Garden City, Limited, should be able to keep up its maximum distribution of 5 per cent. on the ordinary shares, together with a payment of another fortieth on

* "Annual Report of the Chief Medical Officer of the Ministry of Health for the year 1929." H.M. Stationery Office. 3s. 6d. net.

account of arrears of dividends. One-eighth of these arrears has now been wiped out. Profits, at £12,918, are £2,610 lower than in 1929, and are just £70 below the amount required to cover the total distribution. Ground rents, the most stable source of income, show a satisfactory growth, owing to more cottage building by the Letchworth Urban Council, together with some larger houses built by private enterprise. For most of its profit the company relies on its three utility undertakings, but one of these shows a smaller profit than last year, the price of gas having been reduced, although coal costs more. Profits of the water undertaking are slightly larger, and the company has bought more land for a second pumping station. An increase of 49 per cent. in the sale of electricity units is less than the directors hoped; most of the increased demand has come from outside Letchworth; the profit was £19,021 on a capital expenditure of £335,000. Substantial additions to existing factories have been made during the year, and three out of five factories which became vacant have been purchased by other firms. The greater part of the company's land remains agricultural, as was intended from the beginning, but the revenue from its farms shows no improvement. A large county council school will be opened during the coming year, and the council proposes to build a senior school, to which a department for domestic science and technical work will be added. An approach road 150 feet wide, with a 30-foot carriage-way, is to be constructed to join the industrial area with the Great North Road; with its 60 feet of green-sward on each side of the metalled road, it may well be called a park-way. With the report a prospectus is sent out offering £100,000 of 6 per cent. registered debenture stock at 99; a similar amount was offered and subscribed last year at 97.

Bank of New South Wales.—Little surprise need be felt at the decision of the directors of the Bank of New South Wales to reduce the dividend from 10 to 9 per cent. as from the beginning of the fourth quarter of the Bank's financial year, ending September 30th last. The general situation of Australia must inevitably have affected the banking world, and have forced upon bank directors the need of exercising caution. A cabled summary of the Bank's latest balance sheet is in many respects reassuring, for despite the recent catastrophic fall in prices, deposits at £66,238,000, and discounts and advances at £60,400,000 both show small increases over the previous year. Still, the doubt arises lest the small increase in advances may not so much represent fresh and remunerative business as the gradual congelment of old loans, and the decision of the directors to make substantial appropriations to contingencies strengthens rather than dissipates these doubts. In short, the general impression of Australian banks has remained unaffected by recent adverse circumstances, there is no doubt that their earning power has suffered. This misfortune, however, is not likely to be one peculiar to Australian banks.

Prize Competition.—In accordance with Article 6 of the Rudolf Funke Foundation, the Institut für Weltwirtschaft und Seeverkehr at the University of Kiel, will award a prize for a thesis on the following subject: "The International Inter-Relationship of Economic Fluctuations." The thesis should trace the development of economic fluctuations, with typical examples from the beginning of the nineteenth century to the present day, with a view to ascertaining whether the economic fluctuations of various countries coincide, or not, in time, intensity and otherwise—and, if so, to what extent. In this connection, not only the various periods in the development of capitalism, but also the relations existing between different branches of economic life (e.g., manufactures, raw materials, agriculture) are to be taken into consideration. The winner will be awarded the Rudolf Funke Prize of Rm. 18,000 and the Rudolf Funke Gold Medal. The Institute reserves the right to purchase any thesis submitted for competition, even though it does not win the prize. Further particulars may be obtained from the Secretary of the Institute; the closing date is December 31, 1932.

The League of Nations Union announce that Sir Charles Addis, K.C.M.G., will speak on the International Aspects of Finance at the Kensington Town Hall on Wednesday, December 17, at 8.30 p.m. The chair will be taken by the Rt. Hon. the Lord Meston, K.C.S.I.

Overseas Correspondence.

UNITED STATES.

Congress Prospects — Bank Amalgamations — Capital — Money — Industry — Prices.

(FROM OUR CORRESPONDENT.)

NEW YORK, November 26.

FEAR of pressure to pass a wheat export bonus bill is offered as an explanation for the Farm Board's sudden and startling reversal of policy on wheat purchases. Recently it bought more than 10,000,000 bushels of wheat, in an effort to lift prices. The Board has explained that these purchases were designed to prevent demoralisation of the market and panicky conditions. The country remembers the futility of the Board's purchase of 60,000,000 bushels of wheat in the past year, which it still holds and which probably will be allowed to rot in the elevators, eating up about \$1,000,000 a month in storage charges. The Chicago market is being supported at a level well above world export markets, but it can scarcely be accepted that the Farm Board thinks the domestic market will take care of domestic production and no one believes the market has been permanently helped, while it is, of course, realised by most people that taxpayers will have to foot the bill for such piping. For the moment, nevertheless, the farmer sees an end to price declines and he and his representatives in Congress seem to be willing to let the matter rest there. It now looks as though no attempt will be made by the western agricultural bloc to press an export debenture bill, and perhaps after all the object of the wheat purchases was to stave off such proposals.

Such satisfaction as may be felt over that is nullified by the virtual certainty that the next Congress will be a prodigal one. President Hoover's message is expected to contain recommendations for increased appropriations for public works and other Federal expenditures. The Farm Board will probably get the remaining half of the \$50,000,000 originally set up in its revolving fund. The closeness of the party strength in the newly-elected Congress will have the moral effect of delaying action on highly controversial bits of legislation, and the next session will doubtless confine itself largely to appropriation bills.

The toll of bank casualties in the Southern and Central States has amounted to about 125, but the epidemic seems to have run its course, and some institutions which closed their doors have reopened. In a short time the affected districts will receive payment for the tobacco crop and that will ease the tension considerably. Rumours here of trouble at one or two large banks, which have persisted for nearly a year, have been set at rest by the amalgamation of four large institutions—the Manufacturers' Trust, the Bank of the United States, the Public Trust and the International Trust. A considerable writing down of capital will probably be necessary, but the merger will build from a firm foundation and it is assured of high-class management. The chief executive officer will be Mr J. Herbert Case, at present Chairman of the New York Federal Reserve Bank, and other prominent bankers, not heretofore identified with any of the constituent banks, will have places on the directorate. The new institution will be the fourth largest in the country, with resources of approximately \$1,000,000,000. It will deal effectively with what promised to grow into an unpleasant situation.

Further contraction in bank loans on securities is going hand in hand with purchase of bonds, but the banks are taking U.S. Government securities. Outside

the gilt-edged group the bond market has been rather flat. Interior institutions are not subscribing readily to new offerings and it is apparent that the translation of extreme ease in short-term credit into a comfortable long-term investment market will be a slow process.

New capital issues this week were limited by the holiday. Last week they were moderately large at over \$100,000,000, and most of them went well. Investment bankers look for a much better market shortly, and a better appetite among investors would, it is believed, quickly release a larger volume of new offerings. The prospect of a large increase in Government bond issues over the next several months has not hurt existing bond prices, which have mounted to new high levels.

Not only has hope disappeared of retention of the income tax cut made last year, but it is now reasonably certain that debt retirement will be limited strictly to the legal sinking fund, approximately \$400,000,000. There will be no surplus in the Treasury and, in fact, it may be necessary to apply the \$200,000,000 to be received from foreign governments during the present fiscal year toward extinction of a deficit. Maturities, therefore, will have to be met by new issues, which will drain off some investment capital which otherwise would be available for industrial uses.

Money rates continue at low levels. The expectation that they will remain low for at least six months more is increased by plans of the Clearing House for a reduction in interest rates allowed on bank deposits. Already two cuts in rates have been made, the reductions having lagged considerably behind the call and time money markets. Gold is again moving to Canada. Shipments north at this time of year are usual. Last year and two years ago the virtual embargo placed on gold exports by the Canadian Government prevented the normal righting of the balance in the late winter, with the result that Canadian exchange went to a discount. Recent heavy sales of wheat by the Canadian wheat pool while the Farm Board in the United States maintained domestic markets above the export price have strengthened Canadian exchange.

Concrete developments of the week reveal further declines in industrial activity, but some increase in retail trade, the holiday shopping having begun earlier than usual. The steel industry is now down to virtually 40 per cent. of capacity. Railroad traffic is showing a more than seasonal decline, being the lowest since 1921. Official figures on motor output for October give a total of 154,000 vehicles, and production for the year probably will be around 3,500,000. Conservative executives of the larger companies think that output next year will be at least as large as this year; some are raising their estimates by as much as 750,000 cars. Oil production is declining, but the price situation is highly unsettled. Gasoline at the refineries in the south-west has never been so low and there is a good deal of distress among producers unable to dispose of crude to the purchasing companies.

Commodity prices as shown by the Bureau of Labour Statistics index dropped nearly 2 per cent. in October. Details are shown below:—

Groups.	1926 = 100.			
	Oct., 1929.	Sept., 1930.	Oct., 1930.	Oct., 1930.
All commodities	96.3	84.2	82.6	82.6
Farm products	103.9	85.3	82.6	82.6
Foods	101.2	89.2	88.6	88.6
Hides and leather products	110.5	99.1	96.5	96.5
Textile products	92.7	75.5	73.8	73.8
Fuel and lighting materials	81.7	76.3	75.1	75.1
Metals and metal products	103.6	91.8	90.4	90.4
Building materials	97.8	86.4	85.8	85.8
Chemicals and drugs	94.2	86.6	86.0	86.0
House-furnishing goods	97.1	95.4	95.3	95.3
Miscellaneous	81.3	69.7	68.8	68.8
Raw materials	97.1	82.1	80.0	80.0
Semi-manufactured articles	97.9	76.5	75.5	75.5
Finished products	95.8	86.8	85.6	85.6

Notwithstanding this drop, the feeling toward commodity prices has improved with the conclusion of the copper curtailment agreement, the first effect of which was to lift copper prices to 12 cents a pound. Some reaction from that level has taken place, but it is believed that

moderate firmness may be shown for some time. The Department of Justice's attitude toward the scheme is still an uncertain quantity. Copper men hope that no point will be raised if prices are not allowed to advance too far.

FRANCE.

Public Expenditure — Oustric Commission — Iron and Steel Production — Cartels — Coal Agreement.

(FROM OUR CORRESPONDENT.)

PARIS, December 3.

THE Chamber has made good headway with the 5,000,000,000 francs colonial loan projects, the Bill for the renewal of the charter of the Banque de l'Indochine and the measure for the amelioration of the national economic plant, and is preparing to take up the Budget Bill for 1931-32. There is now an excellent prospect that before the new financial year begins on April 1st the national industries will be within sight of a distribution of 12,500,000,000 francs of capital intended, as far as the vast bulk of it is concerned, for the development of reproductive public works. The plan for the improvement of the national economic plant will place 7,275,000,000 francs at the disposal of industries of the most varied kinds. The bulk of the money (5,000,000,000 francs) is already in hand, and will be furnished from realised surplus taxation in the hands of the Treasury. The balance will be obtained from the local government authorities. The additional 5,000,000,000 francs to be raised by a series of colonial loans will be largely used for railway, road, port, agricultural and other forms of development. The important railway electrification work, the huge scheme for the utilisation of the Rhone to better advantage, and other great undertakings already in hand will still further improve the country's general industrial outlook. The country's leaders have settled down in earnest to plain, simple, non-spectacular every-day work on a national scale, and the nation is apparently responding unanimously to the call.

M. Tardieu, in his speech to the Retail Tradesmen's Federation, has just put forth a new definition of his meaning of the word prosperity. "Prosperity," he said, "does not mean getting rich quickly. Prosperity signifies labour, perseverance, conscience, order and courage." The assembled tradesmen applauded the definition, but without great enthusiasm. M. Tardieu's interpretation of the term Mr Hoover rendered famous a year or two ago, however, has been given large-type honours in endless French newspapers, and has already made its impression on the country.

The echoes of the Oustric group Bourse collapse are still making themselves heard, but the worst of the trouble—as also that connected with the difficulties of the equally important Devilder group—has been overcome. The Government had the luck of the lottery, by which the Special Commission of the Chamber—the committee of honour, as it is being called—was elected to inquire into the alleged relations of politicians with M. Oustric's operations. The Commission is now known to consist of 22 members of the governmental majority and 11 members of the Opposition, which gives the Ministry a much greater preponderance than it has in the Chamber itself. With M. Marin, the leader of the intransigent Nationalists, elected to the chairmanship of the inquiry committee, opinion generally is satisfied that "the truth" will be arrived at as far as could be expected. The Commission has already begun work in private, and has focussed its attention to begin with on the circumstances attending the authorisation given for the admission to the Bourse, some three years ago, of Snia Viscosa shares, an Italian artificial silk company which belonged to the Oustric group. To-day gossip is busy with the names of M. René Besnard, now a member of the Senate, but then French Ambassador at Rome, and M. Gaston Vidal, a former Under-Secretary, who are alleged to have been concerned in the Snia Viscosa affair. M. Besnard has to-day demanded to be immediately called before the Commission.

Iron and steel production figures for October, which are issued this week, reveal a substantial increase. The total output of pig iron was 880,000 tons, against 800,000 tons in September and 887,000 tons in October, 1929. The number of blast furnaces in operation was 139, as compared with 157 a year ago. Crude steel production totalled 796,000 tons, against 764,000 tons in September and 850,000 tons in October, 1929. How far these figures will actually be affected by the decision of the European International Steel Cartel to bring into operation a further cut of 15 per cent. (based on the October, 1929, production volume) as from October this year is as yet unknown. The managing committee of the Cartel is to meet in Paris next Friday, when one of the principal questions to be discussed will be how the "cut" which has been agreed upon shall apply. The question really turns on the application of the fines which are to be imposed on countries which exceed their quotas.

Everything tends to suggest that none of the countries concerned are likely to observe the actual production quota levels any more closely in the future than in the past; which is perhaps one of the weakest factors in the whole Cartel plan. Germany has so far been the worst offender in this respect. The French group insist that fines shall be applied solely to exported production, which is a concession from which the German producers have already profited. The French, however, have been conceded practically exclusive control of their own home market. Another important question to be considered on Friday is the future existence of the Cartel. At the last meeting it was decided to prolong the organisation until the end of the current year. The general opinion seems to be that the Cartel, on balance, has so far proved beneficial to its members, and that its renewal is practically assured, although on a slightly different but not less solid basis than at present. The recent dissolution of the French crude iron syndicate has automatically brought to an end the Franco-German convention for regulating French iron ore exports to Germany. It is expected, however, that negotiations will shortly begin for a new agreement as from January 1st.

Continental zinc producers have again been in conference here within the last few days, in an effort to revive the defunct Zinc Cartel. It was found impossible, nevertheless, to arrive at an agreement, in view of the recalcitrant attitude of the non-European producers, which was the cause of the recent break up of the old organisation.

The French coal industry, notwithstanding much grumbling at increased British, Belgian and Polish competition, continues to maintain high production levels, with prices substantially higher than in most other countries. The dividends so far reported are nearly all being maintained, and in many instances have been increased. There are no serious accumulated stocks, or threatening demands for either higher pay or shorter hours. The recent unimportant trouble in the Northern coal area, where there was a 24-hours' protest strike, owing to the failure of the employers to accede to a demand for annual holidays on full pay, has been settled by compromise. Delegates of both sides met at Douai last week, when terms were signed under which the underground workers will henceforward have the right, in principle, to six days' fully-paid holiday per annum, and surface workers to three days. In application, all workers who on January 1st have been uninterruptedly in the same employment for twelve months will be entitled to three days' fully-paid holiday per annum, this allowance being extended, in the case of underground workers, to four, five or six days, according to length of service. The length of the working day will henceforth be 7½ or 8½ hours, according to the varying demand for coal, subject to the proviso that the number of 8½-hour days shall not exceed 150 in any one year. Wages will remain at their present level for 7½-hour days and for pieceworkers, with an increase of 5 per cent. when the extra time is required. The terms of agreement are typical of the give-and-take atmosphere that has prevailed between French coalowners and their workers for some years past.

GERMANY.

Emergency Decree — Local Taxation — Prussian Budget — Impending Wage Disputes.

(FROM OUR CORRESPONDENT.)

BERLIN, December 2.

AFTER prolonged consideration, the Cabinet has decided to put into force its financial programme on the authority of the emergency clause, before the Reichstag assembles. This does not relieve the Government of the necessity of obtaining a parliamentary majority, for the emergency decree must be submitted for approval to the Reichstag and must be revoked if the Reichstag requires it. It has also proved legally impossible to incorporate in the decree ordinances which involve a change in the constitution and therefore require a two-thirds majority. The only advantage the Government gains from this recourse to emergency procedure is the avoidance of further parliamentary discussion of details. The choice they offer to the Reichstag is that of rejecting the decree *in toto* and so provoking financial chaos, or of allowing it to come into force in spite of the doubts undoubtedly felt by many of the groups which are necessary for a majority.

The Government, in evading the formal procedure of legislation, has by no means proceeded dictatorially. The Chancellor has prepared the way for the acceptance by the Reichstag of his decree by very complete negotiations first with the States and afterwards with the parties. In discussion with the Socialists in particular he has shown determination and patience, and he has made several concessions to them. The decree, indeed, has been so framed as to fulfil in some respects the wishes of every party on whose support the Cabinet is counting. For the Social Democrats the most important thing is the inclusion in the decree of a section revoking the emergency decree of July. The curtailment of health and unemployment insurance which that decree contained is now modified, and the poll tax, justifiably hated by the Socialists, which was introduced for the Communes, is more steeply graduated according to means, and so approximates more nearly to an income tax. Some of the desires of the farmers have been met by the decree, with the avowed object of making it impossible for the purely agrarian parties to vote with the Opposition for its repeal.

The decree also contains safeguards for the Budget, provision for the simplification and co-ordination of taxes, for the reduction of the taxes on land, industry and capital transfer, and for a recasting of public housing activity. New rules are laid down for the division of Reichsbank profits. The most important part of the financial plan of the Government, the reduction of official salaries, could not, for legal reasons, be completely incorporated in the decree, which simply contains an enabling clause for States and Communes which are released from any restrictions under federal laws in so far as they may desire to reduce salaries. An understanding has been reached with the States that such reduction really will take place.

In a number of Communes, including Berlin, State Commissioners have been set up by the Government to supervise the administration of finance. The Prussian Government came to this decision—and its example has been followed by the governments of other States—because the local governments were refusing to introduce the exceedingly unpopular taxes which the emergency decree of July placed at their disposal. As the burden of poor relief on the Communes, owing to prolonged unemployment, had grown enormously in spite of unemployment insurance, the Government felt that it could not wait until the good sense of the local representatives, under pressure of financial disaster, should conquer their fear of the wrath of their constituents. The State Commissioners have been given full powers to introduce the necessary taxes. They are not yet empowered to enforce economies except in Berlin, where the two Commissioners have been ordered by the Government

to put into force the economy proposals already prepared by the municipal authorities.

The Prussian Government has once more shown great firmness. The Prime Minister, who is not only the head but also the guiding spirit of the State Government, is certainly, as a Social Democrat, no supporter of poll taxes, but none the less he has called upon the Prussian Communes, and where their sense of responsibility is not sufficient is using all legal means to compel them, to introduce even these taxes if the communal budget can be balanced in no other way. Necessary, however, as this encroachment by the States on the rights of Communes is at this moment, it involves the danger of serious injury to the idea of self-government, for the Communes will perhaps in future prefer to have necessary but unpopular measures forced upon them by the States rather than take the responsibility themselves.

The recently published budget of Prussia shows reductions in expenditure amounting to Rm. 141 millions. Of this, 84 millions comes from the federal reduction in official salaries. According to the latest estimate, the Prussian budget will close at Rm. 2,250 millions, so that it amounts to rather less than half the sum (5,540 millions) which the Reich requires for its own purposes, not including reparation, in 1931. The high-water mark of public expenditure in Germany now seems really to have been passed. The closed accounts of the Prussian budget have been falling since 1928, but this is the first time the decline has been sufficiently marked to suggest no longer a mere temporary fluctuation, but a real turning point in the curve.

The nearer the end of the year approaches, the more wages agreements are denounced. Notice of termination of important salary agreements for Berlin officials has just been given, and the arbitration proceedings in the coal mining industry, which must be completed by January, are being watched with the greatest anxiety. The German system of arbitration in labour disputes suffered in 1928, through the judgment of the Federal Labour Court in the West German iron dispute, a complication which is now adding to the difficulties in the way of a peaceful settlement. Representatives of the employers of the unions appear before the Arbitration Commission as parties to the dispute, but the Commission, which consists of representatives of the two parties, sits under the presidency of a Government official. Until 1928 the chairman, if the employers and the union representatives on the Commission did not agree, would himself give the award. During the iron trade dispute the Federal Ministry of Labour decided, at the request of the employers, that an award could not be given by the chairman alone, but must be agreed to by a majority of the Commission. Thus the chairman must agree with either the employers or the trade union members. In a case like the present, therefore, where the union representatives reject any wage reduction, the chairman is forced to award a greater reduction than he really considers desirable in order to command the support of the employers' representatives. It has recently become known that this is what happened in the first award in the Berlin metal dispute, which led to the four weeks' strike. It is feared that this state of the law will hamper the arbitration activities of the Government in the severe conflicts which lie ahead.

NORWAY.

Election Results — Bank Rate — Loan Conversions — Tobacco Agreement — Norsk Hydro — Corn Monopoly — Bourse.

(FROM OUR CORRESPONDENT.)

TRONDHJEM, November 22.

THE result of the general elections in Norway last month was a considerable advance for the bourgeois parties. The new Storting, which will meet on January 11th, will be composed of 45 Conservatives and Liberal Left (against 31 in the present Storting), 32 Radical Left (31), 26

Peasant Party (26), and 47 Labour Party (62). In spite of the remarkable increase of votes in favour of the Conservatives, it is not likely that they will have any chance of undertaking the task of forming a new Ministry, nor do they particularly wish to do so under present conditions. A continuance of Radical Government is, therefore, apparently the only possibility.

The reduction of the Norwegian bank rate, on November 7th, from $4\frac{1}{2}$ to 4 per cent. was hardly anticipated, at least, not at that juncture. The easy conditions that governed the money market earlier in the autumn were no longer quite so pronounced. During the last week of October, especially, a certain tightness was experienced, as was evidenced by the deposits of the big Oslo banks. It has, therefore, been openly suggested that one of the main objects in view was to facilitate the conversion of Government and municipal loans bearing a high rate of interest. On the face of it, this, if true, may seem somewhat hard on holders of such bonds, but in the long run the disadvantages would be neutralised to a great extent by the reduction of direct taxes as a result of reduced appropriations for interest on public loans. No doubt there were also other reasons for this step on the part of the Norges Bank, but, at any rate, the Municipality of Oslo have already taken advantage of the present low discount rate by arranging for the redemption of their $6\frac{1}{2}$ per cent. loan of 1920. A contract for a new loan of 35 million kroner at 5 per cent. has been closed with a group of savings banks, and this loan is now being floated at 98. This is, no doubt the first in a series of public loans to be converted in the course of the next few months.

The return of the Bank of Norway as at November 15th, the first after the bank rate reduction, seems to offer ample justification of this action. The item "Notes in circulation" has been reduced to 297,600,000 kroner, a lower figure than at any time since March last, while at the same time loans and discounts declined by about 3.3 million kroner and deposits by 5 million kroner.

With regard to industrial developments, the negotiations that have been carried on between the British American Tobacco Company and the Norwegian Tobacco Mills have attracted much interest. The products of the former concern have been boycotted for a long time by the Association of Norwegian Tobacco Mills, but an agreement has now been reached, according to which this boycott will be lifted on certain conditions specified in the agreement. The arrangement is being received with general satisfaction, and denotes the conclusion of a long and bitter struggle between foreign and domestic tobacco manufacturers.

The Norsk Hydro Company recently held their annual meeting, the accounts submitted showing a net surplus for the year 1929-30 of 7.4 million kroner, compared with 4.05 million kroner for the previous year. A dividend of 8 per cent. was declared on the ordinary as well as the preference shares. It appears from the report that the export of the company's principal product, nitrate of lime, rose from 120,675 tons for 1928-29 to 275,000 tons for 1929-30, a result obtained through the completion of the big extensions of their works on the Kjukan and Heröia, which were started in 1928.

The Report of the Corn Monopoly (Statens Kornforretning) for the first business year has just been published. On a total turnover of about 79 million kroner the surplus amounts to nearly 900,000 kroner, which amount has been transferred to the reserve fund. Imports amounted to about 870,000 tons of grain, including 174,000 tons of rye. Purchases of home-grown grain amounted to 25,000 tons, the price paid being 4 öre per kilogramme for wheat, rye and barley and 3 öre for oats.

Activities on the Bourse have been rather brisk during recent weeks, Government and municipal bonds being favourites. Industrials and shipping shares have been irregular, while whaling shares have been steady to firm. Several of the companies are receiving favourable catch reports from the Antarctic.

FINLAND.

Money Market — Foreign Trade — Prices — Election Results.

(FROM OUR CORRESPONDENT.)

HELSINGFORS, November 17.

The slight stringency which became apparent in the money market at the end of October was largely due to seasonal causes. It is customary to pay for timber purchases from the State forests on the last day of October, and this caused some strain on the joint stock banks, which drew on their balances at the Bank of Finland. At the same time the Government's balances at the Bank of Finland rose sharply. The position of the banks is further affected by the fact that imports are comparatively heavy, as is usual towards the end of the year. This circumstance has been accentuated this year by the raising of various duties at very short notice. Importers hurried to increase their stocks while the lower tariff was still in force.

The actual changes in the balance sheets of the joint stock banks are, however, not very great. Credits increased during October by 119.2 million marks, compared with 12.7 millions last year. The total amount of credits, however, amounted to only 9,191.1 million marks, as against 9,800.7 millions a year ago, this being, of course, a result of the existing depression. Deposits fell off by 82.1 million marks, compared with 67.5 millions last year, but, in spite of the hard times, they amounted to 7,895.0 million marks in comparison to 7,486.6 millions a year before.

The position of the Bank of Finland reflects the same influences. Its total credits increased during October by 62.2 million marks to 761.6 millions, compared with 1,410.7 millions a year ago. While the reserve of foreign currency dropped slightly by 13.3 million marks, the note reserve also declined by 96.6 million marks to 785.1 millions. A year ago the note reserve was only 458.7 million marks and two years ago no more than 278.4 millions. The ordinary cover thus dropped in October from 81.1 per cent. of all liabilities payable on demand to 75.7 per cent., compared with 55.8 per cent. a year earlier.

Foreign trade during the autumn was below the level of last year. The volume of trade fell off to some extent, and, owing to the fall in prices, the value of both imports and exports fell considerably short of last year's figures. The value of imports in October amounted to 557 million marks, compared with 489 millions in September, and 654 millions in October, 1929. The value of exports at 553 million marks also exceeded the September figure, which amounted to 483 millions, but it was appreciably less than the corresponding figure for October, 1929, which was 731 million marks. The balance of trade thus resulted for October in a surplus of imports of 4 million marks, whereas in October, 1929, there was a surplus of exports amounting to 77 millions, and in October, 1928, a larger surplus of imports of 144 million marks. However, while the balance of trade for January-October, 1928, resulted in a surplus of imports amounting to 1,568 million marks, and, during the corresponding period last year to 511 millions, it is gratifying to see a surplus of exports this year of 289 million marks.

Prices continue to fall. The total wholesale index (1926 = 100) fell two points in October to 86, against 96 a year ago and 101 two years ago. The drop was greatest in the case of agricultural products, the index for which dropped to 75, while the index for local industrial articles stands at 94. The index for imported goods has fallen to 76, but for exported goods only to 83. The latter index has only fallen markedly during the autumn; in October, for instance, it fell 4 points.

The elections to the Diet were carried out in accordance with the regulations on October 1st and 2nd. Voting was livelier than at any former elections and the anti-Socialist parties succeeded in beating up considerable

reserves, with the result that they gained 134 seats in the new Diet, against 118 in the former, and thereby secured the desired two-thirds majority. The Communists lost all their 23 seats, and the Social Democrats obtained 66 seats. The Diet assembled on October 20th and accorded the Government a vote of confidence and passed the so-called "Communist laws," which brought about the dissolution last summer. As a dam has been erected against the activities of the Communists, it is expected that the excitement will calm down.

As the continued slump in trade this year has reduced the State revenue considerably, and has caused a deficit in the finances, the budget proposals were anticipated with interest. It is satisfactory to find that the Minister of Finance has succeeded in estimating a surplus of revenue amounting to 102 million marks. On the one hand, the extraordinary expenditure has been restricted, and, on the other hand, the revenue has been increased, among other things by raised duties on wheat, coffee, sugar, petrol, etc., as well as by a higher excise on tobacco.

SOUTH AFRICA.

Public Finance — Chambers of Commerce Congress — Low-Grade Ore Commission — Civil Service Salaries.

(FROM OUR CORRESPONDENT.)

JOHANNESBURG, November 10.

The high veld spring weather has not so far been such as to encourage any great hopes of substantial relief of the farmers' difficulties. The position of business throughout the country seems to be improving somewhat, but delayed rains are likely in some parts to cause severe aggravation of rural troubles. Union revenue for the six months ended September 30th shows receipts of £11,867,539 and expenditure of £16,336,595. The corresponding figures last year were £13,625,407 and £15,549,509. The latter half of the financial year brings in more than half the revenue for the year.

During October the Annual Congress of the South African Associated Chambers of Commerce met at Lourenço Marques. The president mentioned in his address that since 1920 no less than nineteen Acts of Parliament affecting trade and commerce had been placed on the South African Statute Book. While on the whole he commended the trend of this legislation, the speaker expressed the opinion that much of it was in advance of South Africa's present state of development. He suggested that Wage Act determinations reached in times of prosperity were a serious factor at the present time. The Executive Committee of the Association had prepared a detailed report on the cost of living in the Union. *Inter alia* this report states that wholesale and retail local prices of imported goods have not fallen so fast as prices in the countries of origin for the following reasons:—(1) Increased railway rates; (2) increases in Customs duties and additional taxation to replace duty formerly paid on articles now made locally; (3) increased ocean freights; (4) increased rents of business premises; (5) increased wage costs; (6) increased cost of advertising and printing.

In discussing the matter of Customs duties, the Congress denies a charge that members of the Chamber of Commerce are "red hot Free Traders." (In this connection it must be remembered that in spite of South Africa's dependence on primary industries, Free Traders are commonly regarded, not merely as people of unorthodox views, but as not much preferable to traitors.) The report contains statistics showing that in April, 1930, the wholesale market price of South African goods (including hides and skins, and all classes of agricultural goods) was 3.3 per cent. lower than the average of 1914. In other parts the report adds its quota to the fire of criticism which has for so long been directed at our railway system. (In parenthesis it may be remarked that travellers—South African and others—who return to this country report railway criticism all over the world, and seem to think well of the South African railways, apart from the goods rating system.)

The Low-Grade Ore Commission has so far taken the evidence of the Government Mining Engineer and of Mr P. M. Anderson, President of the Chamber of Mines. The Government Mining Engineer made a suggestion that has received a good deal of informal consideration for some time past. It is that European labour should be removed as far as possible from underground and that compensating employment should be offered on the surface to the men displaced. In his evidence, he suggested that the two sections of the proposal must be regarded as interdependent. To the critic it seems that the re-organisation of the labour force underground and the starting of new industries to absorb the men displaced are technical questions. The treatment of these two technical problems as interdependent, for the purpose of maintaining one section of the people in employment, is rather political than economic. It is considered by engineers that with suitable alterations in the Mining Regulations, the mines could work efficiently with an underground force of about half of the 11,000 Europeans now employed on underground work. The 5,000 or 6,000 Europeans retained would all be engaged in skilled duties of various grades, while the manual work, now done by natives, would also be supervised by natives in its immediate performance. At the existing scales of wages and compensation for accidents and phthisis, and assuming that the native gangs attained under native foremen their present efficiency, the economy would be considerable. The proposal is in some respects revolutionary, as it is still not officially recognised that natives can do skilled work, or admitted that there are fairly numerous cases in which they do it. To the true South African there is still some magic in the possession of a white skin and something sacred in a standard of life which the European enjoys only because his labourer works for perhaps one-sixth to one-eighth of the artisan's rate of pay. It is doubtful whether the scheme will be proceeded with, but if it should be, its ultimate effect on the economic structure of the Union would be fundamental. Its whole working on the mines would depend on the training of natives to responsibility and some elements of simple organisation. They would have to be paid a new scale of wages and probably the native wage level would rise generally, with a resultant rise in the native standard of civilisation. The resultant changes in South African life might lead to a new heaven or to ultimate perdition—as to which, prophecy can be guided only by personal view. What is certain is that for good or evil, nothing in South Africa would be quite the same.

Mr Anderson's evidence followed somewhat familiar lines in regard to the position of the mines as the key industry of the Union, and the views of their controllers in regard to tariffs, railway rates, native labour, etc. The suggestion which attracted most notice was in regard to a suggested "cut" of 5 per cent. in all salaries and wages.

The Union Government has already given a lead in the reduction of local allowances to its servants, the percentage to an employee in receipt of a basic salary of £306 (with an allowance on the Witwatersrand of £54) being £18, or 5 per cent. of the total emoluments. This corresponds fairly closely with the fall in the cost of living as recorded by the Department of Census and Statistics. Mr Anderson pointed out that the European standard of living in South Africa was reported by the Economic and Wage Commission in 1925 to be very high in relation to the producing capacity of the country. Real wages here (to European artisans) are as much as four times those ruling in some parts of Europe and comparable with those in North America. This is made possible by the existence of cheap unskilled labour, and the ultimate prosperity of the Union seems to be bound up in the attainment of a level more in harmony with the standard of production. Mr Anderson said that in South Africa we have a tendency to live beyond our means. For some reason this phase has been interpreted in most quarters in a personal sense instead of as a statement of general economic fact. The proceedings of the Commission are attracting a good deal of attention in official and other quarters.

HONG KONG.

Trade Improvement — Canton — Prevention of Smuggling — Budget.

(FROM OUR CORRESPONDENT.)

HONG KONG, November 1.

TRADE has taken a definite turn for the better during the past two months. During the early part of the year the general feeling was that there would be a recovery in exchange sooner or later and, not unnaturally, buying was on a hand-to-mouth basis. Stocks imported before the slump in the dollar were then available, but they have long since been exhausted; and now that there seems to be no hope of a return to a normal level of exchange dealers are placing orders much more freely. The fall of the dollar has been offset to a considerable extent by the drop in world commodity prices, and the actual landed cost of goods imported from gold countries is in many cases not very far above the cost of a year ago when the dollar was near the 2s. mark.

In the piece-goods market buying of fancy cottons for next spring is practically at an end. It is estimated that over 12,000 packages, valued at the very least £600,000, have been booked by Manchester. Clearances of woollen piece-goods for the winter season have been most encouraging and probably 75 per cent. of the goods which have arrived this autumn have already been taken up. There has been a fair quantity of supplementary orders placed with Bradford for quick shipment, and it is expected that there will be practically no carry-over. This augurs well for the next buying season, which usually opens towards the end of the year. Hong Kong trade statistics, the collection of which has recently been resumed after a lapse of four years, reveals the big strides made by Continental cloths; Germany now has a big share in the business which formerly went almost entirely to Bradford. The metal market has been much more active of late, but local prices are below replacement cost, and business has been somewhat difficult in consequence. There has been a great increase in demand for provisions and sundries, and the rapid development of motor transport in the interior is greatly benefiting the oil interests. Taken all round, the outlook is much brighter than it has been for the past few years, and despite currency depreciation, brigandage, illegal taxation and various other disabilities trade in the southern provinces is making steady headway.

There has been a welcome freedom from civil warfare in the south for over a year, but the political situation in Canton is still a little uncertain. General Chen Ming Shu, the virtual dictator of Canton, was recently summoned to Nanking, but so far has escaped the unpleasant experience of his predecessor, Marshal Li Chai Sum, who set off for Nanking in March, 1929, in somewhat similar circumstances and has remained a prisoner there ever since. Mr T. V. Soong, the able Minister for Finance in the Nanking administration, paid a very hurried visit to Canton last week. It is understood that the Nanking Government have been negotiating for a loan from the British American Tobacco Company to be secured on the proceeds of the wines and tobacco taxes. Apparently the Canton authorities were either not prepared to pledge their share of this revenue or had already earmarked it for other purposes. Whatever the reason, Mr Soong returned to Nanking after spending only two days in Canton and is reported to have gone empty away. There seems to be no doubt that Canton still retains a considerable measure of independence, although it remains loyal to Nanking.

Mr Maze, the Inspector-General of the Maritime Customs, is at present in Hong Kong in connection with the mooted agreement between Nanking and Hong Kong to combat the illicit trade which enters China from here, without passing through the Customs. The tariff which came into force early in 1929 was high enough to encourage smuggling. The subsequent fall in exchange has had the effect of increasing the tariff in respect of *ad valorem* duties as these are calculated on a gold basis,

and thus it has come about that a certain percentage of Chinese imports never go through the Customs. The Chinese are adepts at any form of evading official regulations, and as the Customs Service has not been expanded to cope with the greatly increased supervision required since the institution of the new tariff, and is hardly so efficient as it was when foreign control was more independent than it is at present, it is not altogether surprising that smuggling can be carried on with comparative ease. The Nanking Government is inclined to put on to Hong Kong all the blame for a very deplorable state of affairs and is demanding the right to station its own officials here. The Hong Kong Government is quite prepared to do all in its power to prevent illicit trade and will give the Nanking Government the facility of collecting duties here provided the officials in charge are under the direct control of Hong Kong.

The Colony's budget came before the Legislative Council last week and met with a great deal of criticism from the unofficial members. New taxation has become necessary owing to the drain on the Colony's revenue to meet the cost of the Civil Service which, being mainly on a sterling basis, has been greatly enhanced by the fall in exchange. More than 50 per cent. of the revenue is required for personal emoluments, which were increased on the recommendation of last year's Salaries Commission, and are costing the Colony about \$2 millions more than was calculated by the Commission, owing to the fall in the dollar to 1s. 3½d. Sir William Peel, who has been unfortunate in having to deal with an abnormal budget during the first year of his governorship, has promised some slight relief to the taxpayers by recommending to the Secretary of State a modification in the calculation of Civil Service salaries which will probably save the Colony about \$400,000. He is also hoping for further savings when he receives the report of the Retrenchment Committee, at present inquiring into the question of reducing the cost of administration. The million Chinese inhabitants of Hong Kong enjoy the blessing of efficient government which gives them law and order and safeguards their health conditions, but they are finding the cost somewhat burdensome and, not unnaturally, are inclined to object to further increases in taxation, more especially as 20 per cent. of such taxation is deducted for the Military Contribution which the Colony has to remit to the Imperial exchequer.

Letters to the Editor.

TRAFFIC ACT PERPLEXITIES.

TO THE EDITOR OF THE ECONOMIST.

SIR,—Parliament, true to past form, has worked some first-rate ambiguities and contradictions into the new Road Traffic Act, and as the Act is an addition to our criminal law we may look forward to seeing a number of respectable folk go to gaol on a point of draftsmanship. Are you an employer of labour? Then as you value your liberty study section 36, subsection 1 b (1) and b (2). In b (1) you will find that you are not bound under this Act to insure your liability for death of an employee arising out of and in the course of his employment. But move on to b (2) and you will discover that you must insure your liability for accidents to persons carried "by reason of or in pursuance of a contract of employment." These obscure words presumably are intended to cover the case of men taken to and from the works in motor vehicles, but on any normal interpretation they cannot be limited to that case.

What, for example, of a commercial traveller who is employed to cover a given area, and as part of his contract of employment is provided with a car? He is clearly being carried in that car by reason of a contract of employment and, even though he drives the car himself, his employers have an unmistakable take to keep the car in repair to see that it remains a road-worthy car. Failing in that responsibility, they are liable for his death or injury, and as he is carried in pursuance of a contract of employment they are guilty of a criminal act if they do not cover that liability by insurance. But it is a liability that most business car policies definitely exclude,

WAR LOAN CONVERSION.

TO THE EDITOR OF THE ECONOMIST.

SIR,—In an Investment Note in your issue of November 22nd you opine that the large amount of foreign holdings disallows a conversion scheme where the new stock to be issued is paid with tax deducted at source. Further, you suggest that Mr Goschen's success in his conversion was facilitated by his not having to contend with a large foreign holding. One of the memoranda to which you refer endeavoured to deal with this matter, making the following points:—

(a) That the British Government will never again (and need never) issue a loan where tax is not deducted at source; (b) That during the period of three months' notice any foreigner who wishes to retain a holding in British Government stock will have time to exchange into Funding Loan, from which he receives a full dividend. This feature was described as the great loophole through which the Government will be able to issue new stock when the dividend is deducted at source.

(c) That British credit is such, and that the troubles of the world to-day are such, as to make it highly probable that foreigners who hold War Loan will still wish to hold British Government stock; and if they are unable to obtain 5 per cent., they will accept 4 per cent.; and the transference of their War Loan holdings into Funding Loan will make a good market in this stock, and thereby will be reflected throughout all long-dated Government stocks. Moreover, it would appear that, the bigger the foreign holding, the stronger will be the market in Funding Loan, which should tend to give the Chancellor a better chance of fixing a good price for his new issue. On reflection, I think that the full development of this last point was not sufficiently emphasised.

All this relates, however, to the purely mechanical process of a conversion operation. The value of any new stock issued for conversion purposes will be bound to have a greater value per £100 of War Loan than £100. But the economic forces which will allow of a reduction in the percentage on War Loan really worth while are beyond the scope of this letter.—Yours faithfully,

THE AUTHOR OF ONE OF THE MEMORANDA.

The Bath Club, W.I.

November 25th.

THE DEVIL AND THE DEEP SEA.

TO THE EDITOR OF THE ECONOMIST.

SIR,—Permit me, as an old reader, to offer a few words of comment on your arresting article under this heading in last week's issue.

I think there cannot be two opinions about the gravity of the position in which the country finds itself to-day. If the situation is allowed to drift, the financial position of the country must get very much worsened, and consequently the remedying of it will be correspondingly more difficult. There is much truth in the old saying: "A stitch in time saves nine."

The country's financial position is the resultant of many causes, and consequently remedies will have to be sought in more than one direction. First and foremost, there must be a reduction of our present rate of national expenditure; secondly, something must be done with this terrible evil of unemployment, with its drain on national finance and its demoralisation of millions of our people. Is the nation so lacking in intelligence and patriotism that it cannot lift these two problems out of the rut of party politics?

You say, "Is there, then, no escape from the national dilemma? Under the existing system of politics, government, and administration there is none." Surely, such a view is defeatism in its worse form! There is no paper in the country that has a more intimate knowledge of the facts and figures of commerce and industry than the *Economist*. Your readers, therefore, not unnaturally expect that a publication with your traditions would be one of the first to step into the breach and give a lead in outlining, or helping to outline, measures of national safety which are as urgent as they are important. The Lord Chancellor, in conveying to the Lord Mayor Elect the official intimation that his election had been approved by the King, stated:

"I cannot conclude without referring to our greatest national difficulty, and that is unemployment. You, sir, in common with all Englishmen, join in the hope that during the next twelve months we may find some solution of this most pressing of problems."

Do you not think it possible that a meeting called by the Lord Mayor of representatives of all political parties, and of our national interests, banking, insurance, commerce, finance,

so all employers who send travellers round in cars should inspect their policies and see to it that the liability is covered even at the cost of additional premium.

On the other hand, are you an underwriter? Then ponder section 36, subsection 4, which says:—

"Notwithstanding anything in any enactment, a person issuing a policy of insurance under this section shall be liable to indemnify the person or classes of persons specified in the policy in respect of any liability which the policy purports to cover."

These words are cryptic enough, but they would seem to aim at the destruction *ad hoc* of *uberrima fides* and the duty of disclosure, the object of our legislators being to prevent an insurance company from voiding a policy on the ground of concealment and mis-statement—a revolutionary aim. And yet, if this is the meaning of the words, why say "notwithstanding any enactment"? For the doctrine of *uberrima fides* rests not on enactments but on judgments and case law. This is a serious obscurity on a very practical point. In the law of insurance *uberrima fides* is the holy of holies, the very ark of the tabernacle, and it is almost unbelievable that our Parliamentary draftsmen should word an Act in such a way as to leave it in doubt whether or not indemnities have been deprived of this time-honoured defence. But as the Act stands, it looks like a fifty-fifty chance that *uberrima fides* has gone.—Yours faithfully,

CORNHILL.

London, E.C.2.

December 3rd.

GOLD: PRICES: WAGES.

TO THE EDITOR OF THE ECONOMIST.

SIR,—In one short letter, Mr G. W. Turner accuses me of "mixing up cause and effect," of "having taken a violent dislike to certain eminent persons," of "proceeding to erect a case for another primary cause"—is this obliquity moral or merely mental?—and of deliberately ignoring an important feature of my subject. On the strength of all this, he rebukes me for embarking "irresponsibly" on controversy in a field over which he seems to claim proprietary rights. Here is indeed a model contribution to the responsible and uncontroversial discussion of a scientific question!

But one thing he omits: to deal with the main purport of my letter, viz., that monetary action alone cannot remove the causes of our depression and so make other action superfluous. I have nowhere disputed the importance of the gold factor; but since cause, when not "mixed up" with effect, precedes and does not follow it, and since industry here was already severely depressed (while elsewhere it was phenomenally prosperous) before the gold shortage declared itself in the world slump, I conclude that gold cannot be the sole cause of our troubles. Does Mr Turner deny this conclusion? And, if so, on what grounds?

Asking what caused prices and wages to diverge, he says that it was not primarily the movement of wage-rates which sent prices down. I agree, the more heartily that there is no movement of wage-rates. He regards the divergence as only a manifestation of the disturbance caused by the trade cycle. On the contrary, I hold that beneath the cyclical disturbance there lies in our case a persistent trouble with two roots: the fact that prices are painfully, but in the long run inevitably, falling away from the inflated standards of war; and the refusal of wage rates to conform. Inevitably; for why should prices remain permanently at scarcity levels? Whatever we in these islands may do or leave undone, there are other peoples in the world markets who realise that the vast destruction of wealth in war, not yet made good by hard work and saving, affords no basis for the general relaxation of effort and extravagance of unproductive expenditure, public and private, by which we are vainly trying to make "a world fit for heroes to live in."

I welcome Mr Turner's admission that, if cyclical fluctuations should continue, the adjustment of wages to prices (of course, in either direction) "would be an obvious necessity." As my letter pointed out, such adjustment by carrying the price-fall down to the retail level and so applying the stimulus of cheapness to consumption, would tend automatically to check the fall and initiate a price-recovery. I hope a little further consideration may convince him that we may well leave it to the future to show whether that recovery, when at last it comes, will prove to be complete (as his cyclical theory requires) or only partial (as I hope and believe); and that we may agree that the adjustment of wages to prices, here and now, is (bar politics) the sound and sensible way of bringing about the improvement we all desire.—Yours faithfully,

Cookham.

C. HARRIS.

December 2nd.

political economy, &c., with a view to the formation of a National Council to examine dispassionately and disinterestedly all the causes of the unemployment crisis and report on ways and means to be adopted to restore the prosperity of the country, would meet with acceptance at the hands of the majority of the electors?

Unless serious action is taken, national bankruptcy is only a question of a comparatively short time. As I stated above, the *Economist* is well fitted to lead some such movement, and your participation in it would be welcomed by all your readers.—Yours faithfully,

J. T. SEGRUE.

9 Queen Victoria Street,
London, E.C.4.
December 3, 1930.

[What our correspondent calls "defeatism" is in reality only a recognition of the hard fact that the division between the political parties on matters of economic policy is so definite that a National or, in other words, Coalition Government is not practicable.—Ed., *Econ.*]

Books and Publications.

INTERNATIONAL LAW.

THE articles contained in the 1930 volume of the "Year Book of International Law" fall into two main groups, the first dealing with International Law in the strict sense, and the second with International Organisation or, as it is beginning to be called, International Constitutional Law.

In the first group is a long and very valuable article by Mr W. E. Beckett, one of the legal advisers in the British Foreign Office, upon "Decisions of the Permanent Court of International Justice on Points of Law and Procedure of General Application." Its basis is, what Mr Beckett demonstrates to be the fact, that although with rare exceptions "all the cases submitted to the Court have related to the construction of complicated and obscure treaty or contract provisions of apparently no great general interest, and not directly to any question of general international law," yet in practice the Court has found it necessary in deciding these cases to pronounce upon a large number of points of pure international law of general interest and importance. It is thus clear, as has always been asserted in reply to those who stress the scarcity and inadequacy of international law or to those who insist upon a code as an essential requirement for the success of the Court, that a court makes law and that the best way to develop law is to create a court. There is nothing new in this to the English lawyer, for he knows how the English judges in the Middle Ages made the common law out of the customs of the realm which they found around them. One is also led to hope, after the comparative failure of the Hague Conference for the Codification of International Law in March-April of this year, that after two or three decades of work by the Permanent Court this task of codification will be resumed with a much greater prospect of success.

The second article in this group is by Dr. Arnold McNair on "The Functions and Differing Legal Character of Treaties." His main point is a plea for emancipation from the conventional mode of regarding the treaty as a single instrument governed by a uniform set of rules as to its formation, validity, interpretation and discharge, whereas in fact it performs a variety of functions akin to the contract, the conveyance, the charter, and the legislation of private law, and therefore demands the development of a whole series of different rules to govern these widely differing aspects.

In the International Organisation group Sir John Fischer Williams subjects "The Optional Clause" in the Statute of the Permanent Court to a very searching analysis and endeavours to assess the legal effect of the recent British signature and ratification of the Clause and of the reservations attached to it.

He also draws attention to the need, resulting from the conclusion of the Covenant and the Peace Pact of Paris and the widespread adoption of the Optional Clause, of proceeding to a reconsideration of the whole conception of neutrality—a point which General Smuts emphasised in one of his speeches made in England last year.

The Permanent Court is also the occasion of Mr Fachiri's article on two separate protocols providing for "American Participation" and "Statute Revision," in which he traces the course of the negotiations of the last four years for America's entry into the Court and also examines the recent revision of the Court's Statute, the main object of which is to increase the number of judges and establish a permanent session with reasonable vacations in place of a single annual session. This change has been necessitated by the unexpectedly large amount of business which has been brought before the Court. America has not yet ratified the Protocol of Accession. The Revision Protocol having failed to secure adoption owing to the opposition of Cuba, its principal contents have been given effect by Resolutions of the Assembly.

What is known as the "General Act" of Geneva of 1928 is a treaty consisting of four parts entitled "Conciliation," "Judicial Settlement," "Arbitration" and "General Provisions." It has received very little attention so far in Great Britain, and there is some danger lest we may find ourselves parties to it before public opinion has become aware of its contents and its implications—which, however desirable they may be, would be unfortunate. Professor J. L. Brierly brings to bear upon the discussion a power of temperate and realistic analysis which may irritate the enthusiastic, but is an essential preliminary to wise action. The arbitration provisions of the "General Act" are based on the false assumption underlying all schemes for "all-in arbitration," as it is called, namely, that every international dispute is susceptible of solution by the legal method. That assumption is as untrue in international life as it is in our civic affairs. It entirely ignores disputes which are "on the plane of interests," economic or political, and it is mischievous in so far as it leads nations into thinking that the signature of a treaty affords a "short cut" in a task which demands every resource of patient statesmanship. Professor Brierly's remarks (on page 128) upon the sloppy use of the expression "gaps in the law" are most clarifying.

Professor Manning contributes a critical examination of the "Proposed Amendments to the Covenant of the League of Nations" which were debated in the Assembly this year. Dr. Lauterpacht, in his article on "The Absence of an International Legislature and the Compulsory Jurisdiction of International Tribunals," makes larger claims than Professor Brierly would assent to for the effectiveness of the judicial function and supports his plea in a very ably sustained argument. Mr D. B. Somervell, K.C., contributes a short and topical article on the International Position of the Indian States, whom he has recently been advising in a professional capacity.

The editorial notes, summaries of decisions, book reviews, and bibliography are as useful as ever. In short, the editors, Professor Pearce Higgins and Professor Brierly, deserve congratulations upon a volume which is well up to the usual standard.

BOOKS RECEIVED.

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

(It would be a convenience to our readers if publishers would make a point of notifying us of the prices of books sent for inclusion in this column.)

Information on the Reparation Settlement. By J. W. Wheeler-Bennett and Hugh Latimer. With a Foreword by Sir Charles Addis. (London) George Allen and Unwin, Ltd., Museum Street. 10s. net.

An account of the Young Plan, with a valuable summary of the events which led up to it. The text of the relevant documents is reproduced in full. Such a clear and concise aid to the understanding of a difficult subject was badly needed.

The Indian Public Debt. By D. L. Dubey. With a Foreword by the Hon. Sir George Schuster. (London) Kegan Paul, Trench, Trubner and Company, Ltd., 38, Great Russell Street.

A thorough and lucid study of the borrowing policy of the Government of India.

The Key of Progress. Edited by A. R. Caton. With a Foreword by H.E. The Lady Irwin. (London) Oxford University Press, Warwick Square. 7s. 6d. net.

A useful survey of the legal, social and professional status of women in India.

An Economic History of Australia. By Edward Shann. (London) The Cambridge University Press, Fetter Lane. 18s. net.

An interesting book which provides the necessary background for the understanding of the present problems of Australia.

History of the Financial Administration of Ireland to 1817. By T. J. Kiernan. (London) P. S. King and Son, Ltd., Orchard House, Westminster. 15s.

A valuable contribution to financial history.

Is Advertising To-day a Burden or—A Boon? (London) The New Advertisers' Press, Excel House, Whitcomb Street. 3s. net.

A most interesting collection of articles, including: "The Economics of Advertising," by G. D. H. Cole; "Group Advertising," one Remedy for Excessive Advertising Rates," by F. Macoun, and "Bleeding the Advertiser to Pay for Newspaper Insurance," by F. E. Coe.

Inflation und Stabilisierung in Frankreich, 1914-28. By Dr. Joseph Schmitz. 11 Rm.

A German history of the French franc during the period of inflation and stabilisation.

Silver and China. By A. W. Pinnick. (Shanghai) Kelly and Walsh, Limited.

An admirably condensed discussion of the Chinese currency problem.

Die Chinesische Geldverfassung. By Dr. Kowie Dschang. (Berlin) Wilhelm Christians Verlag, Unterwasserstr. 8. Rm. 4.

A study of the Chinese currency system.

The Annals of the American Academy of Political and Social Science, November, 1930. (London) P. S. King and Son, Ltd., 2, Great Smith Street.

This volume is devoted to articles on China. They cover a very wide range, and the publication as a whole is of very great interest.

Dr. Barnardo. By J. Wesley Bready. (London) George Allen and Unwin, Ltd., 40, Museum Street. 7s. 6d. net.

An enthusiastic biography of a great personality. Dr. Bready successfully shows how very much more widely the social influence of Dr. Barnardo's work extended than the immediate range of the movement that bears his name.

Business Life Insurance Trusts. By C. Alison Scully and Franklin W. Ganse. (London) D. Appleton and Co., 34, Bedford Street, Covent Garden. 10s. 6d. net.

A textbook for business men, underwriters and trust officers.

Principles of Banking, Currency and Foreign Exchange. By Robert H. King. (London) Sir Isaac Pitman and Sons, Ltd., Parker Street, Kingsway. 5s. net.

A textbook for candidates for the final examination of the Institute of Chartered Accountants.

Manual of Company Law and Practice. By Leslie Maddock. (London) Sir Isaac Pitman and Sons, Ltd., Parker Street, Kingsway. 10s. 6d. net.

A handbook on the promotion, management and winding-up of companies.

L'Organisation Syndicale et Corporative Italienne. (Rome) Imprimerie de la Chambre des Députés de Charles Colombo.

A well-documented account of the corporative system in Italy.

The Sales Tax in France. By Carl S. Shoup. (London) Oxford University Press, Warwick Square. 25s. net.

A very thorough study, intended partly for the purpose of throwing light upon the desirability or otherwise of introducing a sales tax into the United States.

Die öffentliche Verschuldung im Deutschen Reich. (Berlin) Verlag von Reimar Hobbing. Rm. 15.

An explanatory analysis, running to some 450 pages, of the national and local public debt of Germany at March 31, 1928, and December 31, 1929.

Boden- und Wohnverhältnisse in Kiel. By Dr. Jürgen Wissing. (Bonn and Leipzig) Kurt Schroder. Rm. 3.30.

Die Miethäuser in Köln. By Dr. Lothar Lenz. (Bonn and Leipzig) Kurt Schroder. Rm. 12.

Die Entartung des Familienhauses im Rheinland. By Dr. Fritz Reiff. (Bonn and Leipzig) Kurt Schroder. Rm. 4.

Three German housing studies of a most intensive character.

Le Marché Financier Belge depuis Cent Ans. By P. S. Chlepner. (Brussels) Librairie Falk Fils, 22, Rue des Paroissiens.

A short history of the Belgian money and stock markets.

La Belgique après le Centenaire. By Fernand Baudhuin. (Louvain) Editions de la Société d'Etudes Morales, Sociales et Juridiques. 18 francs.

An interesting stocktaking of the economic position in which Belgium finds herself after the events of the last few years.

Rapport sur le Commerce et l'Industrie de la Suisse en 1929. (Zurich) Vorort de l'Union Suisse du Commerce et de l'Industrie.

A useful book of reference containing a general section, a statistical section, and a series of special reports on different branches of finance, industry and commerce.

The Cotton Report. By W. S. Ascoli. (London) Williams and Norgate, Ltd., 38, Great Ormond Street. 1s.

A brief discussion by a merchant shipper of the report by the Cotton Sub-committee of the Committee of Civil Research.

King Cotton is Sick. By Claudius T. Murchison. (London) Oxford University Press, Warwick Square. 9s. net.

An examination of the causes of the prolonged depression of the United States cotton industry.

The Riddle of Unemployment. By William Wallace. (London) Nation and Athenæum, 38, Great James Street. 6d.

Reprint of a lecture delivered at the Liberal Summer School.

The Palestine White Paper of October, 1930. Memorandum by Leonard Stein. (London) Jewish Agency for Palestine, 77, Great Russell Street.

The Round Table, December 1930. (London) Macmillan and Co., Ltd., St. Martin's Street. 5s.

Includes, among other interesting contributions, articles on the Imperial Conference, the slump in the United States, India, England in the depression, and "Where is Europe Going?"

Daily Mail Year Book, 1931. Edited by David Williamson. (London) Associated Newspapers, Ltd., Carmelite House. 1s.

A handy reference book and review of 1930.

London University Guide, 1931-32. (Cambridge) University Correspondence College, Burlington House. 2s. 6d.

A book of reference on the external examinations of London University.

The Co-operative Movement and Free Trade. (London) The Cobden Club, 69, Victoria Street. 2d.

An article from the *Contemporary Review*.

OFFICIAL PUBLICATIONS RECEIVED.

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

Annual Statement of the Trade of the United Kingdom with Foreign Countries and British Countries, 1929, compared with the years 1925-28. Vol. I. 10s. net.

Report of the Chief Registrar of Friendly Societies for the year 1929. Part 3. Industrial and Provident Societies—Section II. Directory and Summary Tables. 7s. net.

Colonial Reports: No. 1509; Jamaica, 1929. 1s. 3d. net.

Report of the Committee appointed by the Board of Trade, under the chairmanship of Viscount Chelmsford, to examine the present situation as regards the British Industries Fair and to consider what means can be adopted to increase still further its utility to British Trade. Cmd. 3726. 6d. net.

* "British Year Book of International Law, 1930." Humphrey Milford. Oxford University Press. Pp. vi + 285. Price, 16s.

The Stock Exchange.

THE ARBITRAGE CONTROVERSY.

A KEEN controversy has followed a recent decision of the Stock Exchange Committee against the return of half commission to outside companies and firms engaged in stock arbitrage. Arbitrage operations can be carried on only in securities which are internationally dealt in. Whenever the price of such a security, say, in New York, is higher than its equivalent price in London, it may be profitable to buy in London and sell in New York, provided the "margin" is sufficiently wide, even if this condition obtains only for a relatively short time. Arbitrage is a highly technical and specialised form of activity, to which approximately forty firms who are members of the London Stock Exchange normally devote either the greater part, or some part, of their energies.

During the war arbitrage business was at a standstill. In 1919, however, on the abandonment of the arrangement under which dealings in American dollar securities were in the hands of the Treasury, two firms took up arbitrage business, and subsequently a number of financial houses and branches of foreign banks followed their example. The Stock Exchange allows its members to return half their commission on orders introduced by banks and other agents, and this facility was used by the outside firms engaged in arbitrage—together with the normal facility of closing a given transaction during the same or the next succeeding Account without the charging of a second commission—although it was realised that, as regards many of the arbitrage transactions concerned, the outside houses were acting as principals and not as agents. When, however, the Stock Exchange Committee was recently asked to give a definite ruling on the principle thus involved, they decided that, as the return of half commission to principals was against the rules of the Stock Exchange, they could not officially acquiesce in the continuance of the concession, which had rested on an entirely tacit and unofficial basis. Certain members of the Stock Exchange, who had handled some of the outside firms' business, or were interested in other ways, asked the Committee to reverse its decision, but other members, representative of the "inside" arbitrage firms, asked that the ruling should be upheld.

As the Stock Exchange has not yet given an official reply to these representations the matter is, in a sense, *sub judice*. The views of the two sides to the controversy may, however, be briefly summarised. Those who favour the return of half commission to outside *arbitrageurs* declare that the latter have been largely responsible for creating an active market in London for a number of foreign securities. These outside institutions regard themselves as being somewhat at a disadvantage as compared with Stock Exchange firms engaged in arbitrage, since the latter are in a position to operate in the London market without payment of any commission. This difference, however, is partly counteracted by the facilities possessed by such concerns as banks for the foreign exchange operations necessitated by stock arbitrage. The financial resources of the Stock Exchange firms engaged in the business are declared to have been too limited in the past to allow of their handling the whole of the arbitrage operations which opportunity offered them. They carried as much business as they were able to finance, and only the "overflow" found its way to the stock arbitrage departments of the banks and outside houses.

The case of the outside firms is, further, that their operations were advantageous to the Stock Exchange as a whole, since they considerably increased the volume of the latter's business, and put commissions in the way of members which would otherwise have been non-existent. In the foreign exchange market, the participation of

banks in stock arbitrage contributed to the maintenance of an appreciable volume of activity after the stabilisation of many currencies had almost completely eliminated speculative operations. This factor was particularly in evidence in certain exchanges, such as the Canadian dollar, the Swedish krona, and the Swiss franc. Naturally, this had some bearing on the maintenance of London's position as the world's leading foreign exchange market. During the last two years, however, the total net profit earned through arbitrage by banks has been anything but princely. Arbitrage is a troublesome type of business, which ties up considerable funds and involves a certain amount of risk. Recently, total earnings are declared to have scarcely covered expenses by way of Stock Exchange commissions, though the latter have been charged at only half the full rate. Another argument advanced in support of the claim for the half commission, is that half commission in London is in any case considerably more than the full commission in most foreign Stock Exchanges.

If outside institutions decide to withdraw from arbitrage operations the consequences, it is argued, will be unfortunate from the point of view of all concerned—the more so as the rapid progress of internationalisation of finance and the increase in the number of securities available in several countries may offer future scope for a general expansion of stock arbitrage, from which London will be unable adequately to profit.

The answer made on behalf of "inside" arbitrage firms is that the Stock Exchange Committee does not propose to make a new rule, but to enforce an old one. It would create a far-reaching and probably embarrassing precedent if the Committee were to confer a privileged position on any outside operator whatever, who acted on his own behalf and not as an agent, merely because the business he brought to the Stock Exchange was of appreciable proportions. How, it is argued, could the Stock Exchange, after such a decision, refuse to split its commissions with all large buyers and sellers? To create a "privileged" outside class would involve the danger of setting up a highly ramified system of "exceptional rates," leading, in effect, to a general reduction in the average commissions charged over a wide area.

Stock Exchange firms doing arbitrage business, again, strongly deny the statement that their funds do not permit of their exploiting all the opportunities offered them. Indeed, at the present time, some of them are unable to employ all their resources in the business. The cost of arbitrage operations, they point out, is much less than their opponents have made out. Though a single firm may be responsible for dealings whose aggregate runs into many millions of pounds in a single year, the money is turned over, in normal circumstances, with extraordinary rapidity. Against the fact that they do not pay commissions on this business they put the extra charges involved by Stock Exchange membership—which involves, among other things, inability to advertise for outside business.

While recognising that some outside financial houses have played a prominent part in introducing foreign securities to London of recent years, the arbitrage firms of the Stock Exchange maintain that the amount of business brought thereby to the foreign exchange market has represented only a very minor part of the total dealings in many currencies. They declare that the natural desire of these outside firms to present as strong a case as possible for the continuance of exceptional facilities has caused them to exaggerate their rôle in the money market out of all true proportion. Alternatively, they point out that if the business is really of such considerable dimensions as have been suggested, much of it must come under what is known as the £2,500 clause, in the rules regarding Stock Exchange commissions, and thus be done at a lower commission in any case.

Finally, the inside arbitrage firms do not see how a valid claim can be made out for granting a *dual* privilege to outside houses. The latter have not only been obtaining half-commission facilities, but have also been allowed to buy a stock, say, in London at half commission and to sell it the same afternoon in Stockholm (this representing from their point of view a completed transaction), but also to carry out, anything up to a fortnight later, another transaction, say, with New York, involving the sale of the same stock in London, without paying any further commission.

The matter clearly raises numerous complicated issues, both of principle and expediency. The Stock Exchange Committee, it may be presumed, will weigh all the facts carefully before giving a decision which, in any case, cannot be entirely pleasing to one of the two parties concerned. Whether it was wise tacitly to allow the continuance for some years of a state of affairs under which certain outside firms enjoyed a *de facto* privileged position is open to question, though the Committee may reply that on the first occasion when it was officially approached in the matter it gave a clear-cut ruling. The ideal solution would, naturally, be a policy best calculated to increase the sum total of all business in the London market, irrespective of the interests of any one section. One of the most able critics of the world's Stock Exchange affairs, Mr J. Edward Meeker (the economist of the New York Stock Exchange), has just pointed out, in the new edition of his classic book on "The Work of the Stock Exchange," that arbitrage is a delicate financial operation which can be carried on when a highly organised security market is already available to those who undertake it. For the existence of such a market, those who use its facilities may be called on to pay a certain price—even if they regard some of its regulations as irksome from their own point of view.

THE WEEK IN THE MARKETS.

THE LONDON STOCK EXCHANGE.

SETTLING DAYS.	
TICKET.	ACCOUNT.
December 16.	December 18.

Outwardly, the markets continued last week's story of restricted dealings, apathetic business, and purely fractional price changes without a definite trend. Actually, the week's tendencies were by no means without significance. Monetary developments were increasingly regarded as bearing an unfavourable construction from the point of view of gilt-edged stockholders, and of Mr Snowden. Conversely, while industrial shareholders could discover meagre consolation in current trade reports, there was insufficient stock in the market to depress prices. On the theory that liquidation had come definitely to an end in London (though not necessarily in certain overseas centres), and that the relative stability of equity shares in earlier weeks signalled the transition from the "slump" to the "stagnation" stage of the cycle, a few investors were inclined to examine the claims, on a long view, of shares in companies whose industrial operations might reasonably be regarded as having touched bottom. The continuance of such a tendency in the next few weeks would undoubtedly be a reassuring factor.

The Gilt-edged market was assisted by the disbursement of £50 millions of interest on Five per Cent. War Loan—which, however, failed to counteract the effect of the further gold drain to France and the unfavourable position of the pound *vis-à-vis* foreign currencies. Conversion Loans came on offer, and Funding Loan was realised. India stocks were neglected and Australians were dull, the revenue returns being regarded with a jaundiced eye. Among newly-issued domestic stocks, a feature was the sharp decline in Central Electricity Four-and-a-Half per Cents., which fell nearly to par.

The Foreign Bond market was disturbed and apprehensive. Brazilians were depressed by nervous selling and

by the unwillingness of dealers to load their books. Japanese bonds also showed sudden weakness, selling coming from the East. Europeans, however, were firmer on the whole, particularly the Young Loan.

The day-to-day changes in the coal-mining outlook were without effect on home rails, prices being, if anything, a little harder on the slightly decreased severity of the decreases shown in traffic revenue and the appearance of a few cautious buyers. Foreign railways, however, remained out of favour. Despite further reassuring messages regarding the crops, Argentines were depressed, current traffic figures affording no evidence of any improvement in immediate earnings' prospects. Brazilian rails were dull, but Antofagastas had a mild recovery on the cessation of the previous week's liquidation.

In the Industrial market, this week's carry-over, like its predecessors, revealed only a small open account. In the week's dealings, investment interest again centred on electrical shares. A number of supply company issues were harder, while among the manufacturing company shares, Johnson and Phillips were in demand. The Stock Exchange attitude towards the coal situation (analysed in a Note on page 1073) was one of confidence in a satisfactory settlement, and no serious losses were shown in the "heavy" share markets. The speeches at the Dennis meeting caused a slight recrudescence of interest in motor shares, Dennis, Leyland and Austin all improving. The Courtauld reductions in rayon prices (discussed on page 1074) were initially interpreted as a bear point, but more favourable second thoughts were reflected in firmer conditions throughout the artificial silk share market. The preliminary figures of Carreras (set out on page 1075) afforded little justification for the activity in the shares on the eve of their publication, and the effect of the reduction in profits was to induce moderate selling of tobacco shares as a whole. Brewery values, however, were generally maintained. The better tone of Continental markets was reflected in limited support of Unilevers. The announcement that the International Tea referendum would show a large majority against continuance of the merger negotiations was generally expected, and produced no change in the shares. Allen-Liversidge and British Oxygen suffered a setback on the circulation of an anonymous document against the carrying out of the proposed fusion. Bank shares were harder early in the week, but subsequently showed a more irregular tendency, and insurance shares lost the activity of recent weeks.

Though rubber was firmer, there was no change in the idle conditions of the share market. Transactions in tea shares were similarly negligible, the few price quotations recorded revealing an irregular trend. Oil shares had a satisfactory tendency, on the Deterding speech (discussed on page 1076), the abatement of Paris selling, and the favourable American production figures, though the extent of price movements gave an exaggerated idea of the volume of business.

(Continued on page 1072.)

INVESTMENT

by L. L. B. Angas.

(Author of "The Coming Collapse in Rubber, 1926.")

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LONDON ACTIVE SECURITY PRICES AND YIELDS.

NOTE.—Shares with a New York quotation, or with definite American interest, are distinguished by italics.

In calculating the yields on the stocks and shares quoted below allowance is made for interest accrued since the last payment. Where stocks are definitely redeemable at a certain date the yield includes any profit or loss on redemption; where stocks are redeemable at or before a certain date the final date of redemption is taken when the stock stands at a discount and the earliest date when the quotation is above par. The return on ordinary stocks and shares is calculated on the dividends paid by the company during the last year.

Year 1929.		1930 (to date).		Name of Security.	Nov. 26, 1930.	Dec. 3, 1930.	Rise or Fall.	Present Yield.	Year 1929.		1930 (to date).		Name of Security.	Nov. 26, 1930.	Dec. 3, 1930.	Rise or Fall.	Present Yield.
High.	Low.	High.	Low.						High.	Low.	High.	Low.					
British Funds.																	
56 1/2	52	59 1/2	52 1/2	Consols 2 1/2 %	58 1/2	58 1/2	—	4 6 2	58 1/2	58 1/2	58 1/2	58 1/2	Foreign Ry.—cont.	1 1/2	1 1/2	—	21 11 3
83 1/2	81 1/2	84 1/2	82 1/2	Consols 4 %	93	92 1/2	—	4 8 8	83 1/2	82 1/2	83 1/2	82 1/2	G.W. of Brazil £100	11 1/2	11 1/2	—	20 11 0
80 1/2	72 1/2	78 1/2	74 1/2	Consols 4 1/2 %	82	81 1/2	—	4 6 11	80 1/2	78 1/2	80 1/2	78 1/2	In By O. Am. No. par	25	25	—	20 0 0
100	93	103	93 1/2	Do. 5 % 1944-64	101 1/2	100 1/2	—	4 7 9	100	98 1/2	100	98 1/2	Leopoldina Ord. Stk.	55 1/2	55 1/2	—	19 9 0
91 1/2	82 1/2	86 1/2	83 1/2	Do. 5 % 1944-64	101 1/2	100 1/2	—	4 7 9	91 1/2	89 1/2	91 1/2	89 1/2	Do. 5 1/2 % Cum. Pr. Stk.	50 1/2	50 1/2	—	24 0 0
100 1/2	97 1/2	103 1/2	98 1/2	Punding 4 % 1960-90	95	95	—	4 5 0	100 1/2	98 1/2	100 1/2	98 1/2	Nitrate Ry. (210)	50 1/2	50 1/2	—	11 12 6
95 1/2	86 1/2	89 1/2	87 1/2	Treasury 4 1/2 % 1932-34	102 1/2	101 1/2	—	4 1 6	95 1/2	93 1/2	95 1/2	93 1/2	Paragon Gen. L. D.	25 1/2	25 1/2	—	11 12 6
101 1/2	98 1/2	104 1/2	101 1/2	Treasury 5 % (B)	103 1/2	103	—	4 1 9	101 1/2	99 1/2	101 1/2	99 1/2	Salvador Ord. (210)	70 1/2	70 1/2	—	11 12 6
95 1/2	86 1/2	89 1/2	87 1/2	War Loan 4 1/2 % 1922-42	103 1/2	103 1/2	—	4 3 0	95 1/2	93 1/2	95 1/2	93 1/2	San Paulo Ord. Stk.	135	135	—	9 4 6
101 1/2	98 1/2	104 1/2	101 1/2	War Loan 5 % 1929-42	107 1/2	107 1/2	—	4 14 6	101 1/2	99 1/2	101 1/2	99 1/2	Talbot Ry. Ord. Stk.	65 1/2	65 1/2	—	9 4 6
61 1/2	44 1/2	50 1/2	47 1/2	Local Loans 3 1/2 %	69	68 1/2	—	3 19 6 1/2	61 1/2	59 1/2	61 1/2	59 1/2	Utd. Havana Ord. Stk.	65 1/2	65 1/2	—	9 4 6
51 1/2	44 1/2	50 1/2	47 1/2	India 2 1/2 %	47	46 1/2	—	4 8 3	51 1/2	49 1/2	51 1/2	49 1/2	Banks.	16 1/2	16 1/2	—	NU
61 1/2	44 1/2	50 1/2	47 1/2	Do. 3 %	56	55 1/2	—	5 9 1	61 1/2	59 1/2	61 1/2	59 1/2	Anglo-French (£1)	11 1/2	11 1/2	—	NU
71 1/2	60 1/2	68 1/2	55 1/2	Do. 3 1/2 %	65	64 1/2	—	5 9 5	71 1/2	69 1/2	71 1/2	69 1/2	Anglo-S. £100 £50 pd	5 1/2	5 1/2	—	9 10 6
92 1/2	80 1/2	88 1/2	75 1/2	Do. 4 % 1958-68	87	86	—	5 7 5	92 1/2	90 1/2	92 1/2	90 1/2	American B. E. L. ty. pd	25 1/2	24 1/2	—	8 4 3
105 1/2	103 1/2	109 1/2	104 1/2	Palestine 5 % 42-67	105	105	—	4 8 11	105 1/2	103 1/2	105 1/2	103 1/2	Bank of N. Zealand £1	53 1/2	50 1/2	—	5 16 0
94 1/2	88	99 1/2	87 1/2	Sudan 5 1/2 % Bonds	108	108	—	5 1 10	94 1/2	92 1/2	94 1/2	92 1/2	Bank of Rng. Stk.	270 1/2	269 1/2	—	4 9 0
99 1/2	80 1/2	89 1/2	76 1/2	Uster 4 1/2 % 45-75	99	99	—	4 11 1	99 1/2	97 1/2	99 1/2	97 1/2	Berley B. (£1)	57 1/2	57 1/2	—	4 17 3
91 1/2	80 1/2	89 1/2	76 1/2	Dom. & Colonial Govts.	85 1/2	85 1/2	—	6 3 0	91 1/2	89 1/2	91 1/2	89 1/2	Bk. of Australia (£5)	26 1/2	26 1/2	—	7 6 0
107 1/2	102 1/2	107 1/2	102 1/2	Australia 5 % 1940-60	94	94	—	4 7 3	107 1/2	105 1/2	107 1/2	105 1/2	Bk. of N.S.W. (£200)	28 1/2	28 1/2	—	5 16 0
97 1/2	88 1/2	96 1/2	85 1/2	Canada 4 % 1940-60	106	104 1/2	—	5 4 0	97 1/2	95 1/2	97 1/2	95 1/2	British Overseas (£20)	18 1/2	18 1/2	—	5 17 0
104 1/2	99 1/2	104 1/2	99 1/2	Ceylon 6 % 1936-51	95	95	—	4 12 8	104 1/2	102 1/2	104 1/2	102 1/2	Comd. Bk. of Aus. (£10)	15 1/2	15 1/2	—	5 17 0
99 1/2	88 1/2	96 1/2	85 1/2	Gold Coast 4 1/2 % 1956	104	104	—	4 16 7	99 1/2	97 1/2	99 1/2	97 1/2	District A £5, £1 pd.	65 1/2	65 1/2	—	5 12 0
104 1/2	99 1/2	104 1/2	99 1/2	Nigeria 5 % 1948-58	104	104	—	4 16 7	104 1/2	102 1/2	104 1/2	102 1/2	Do. B £1 fully paid	40 1/2	40 1/2	—	5 12 0
99 1/2	88 1/2	96 1/2	85 1/2	N.S. Wales 5 % 35-55	104	104	—	4 16 3	99 1/2	97 1/2	99 1/2	97 1/2	Essex & Aust. £5 £3 1/2 pd	5 1/2	5 1/2	—	8 2 0
104 1/2	99 1/2	104 1/2	99 1/2	N. Zealand 5 % 1946	104	104	—	4 16 3	104 1/2	102 1/2	104 1/2	102 1/2	Hambro & Co. (£125)	11 1/2	11 1/2	—	6 5 0
100 1/2	99 1/2	104 1/2	99 1/2	Queensland 5 % 40-60	104	104	—	4 16 3	100 1/2	98 1/2	100 1/2	98 1/2	Hongkong & S. (£125)	64 1/2	64 1/2	—	5 1 0
104 1/2	99 1/2	104 1/2	99 1/2	S. Africa 5 % 1945-75	104	104	—	4 16 3	104 1/2	102 1/2	104 1/2	102 1/2	Lloyds £5, with £1 pd.	64 1/2	65 1/2	—	5 1 0
97 1/2	88 1/2	96 1/2	85 1/2	Strite. Str. 4 1/2 % 35-45	96 1/2	96 1/2	—	4 13 10	97 1/2	95 1/2	97 1/2	95 1/2	Martins £20, £2 pd.	78 1/2	78 1/2	—	4 11 0
88 1/2	83	89 1/2	82	Foreign Governments.	87	87	—	5 6 9	88 1/2	86 1/2	88 1/2	86 1/2	Midland £1, fully pd.	78 1/2	78 1/2	—	5 5 0
103 1/2	100 1/2	105 1/2	100 1/2	Argentina 4 % Reclas.	104	102 1/2	—	5 15 6	103 1/2	101 1/2	103 1/2	101 1/2	Nat. of Egypt £100	27 1/2	27 1/2	—	4 11 0
62 1/2	54 1/2	61 1/2	52 1/2	Austria 6 % 1923-43	56	56	—	6 10 0	62 1/2	60 1/2	62 1/2	60 1/2	Natofindia £25 £12 1/2 pd	42 1/2	42 1/2	—	5 18 0
109 1/2	105 1/2	113 1/2	108 1/2	B. Aires (Prov.) 3 1/2 %	110	110	—	6 4 2	109 1/2	107 1/2	109 1/2	107 1/2	Nat. Prov. £20, £4 pd.	14 1/2	14 1/2	—	5 1 0
91 1/2	84 1/2	92 1/2	76 1/2	Belgian 7 %	72 1/2	72 1/2	—	9 15 0	91 1/2	89 1/2	91 1/2	89 1/2	Royal Bk. of Scotland	356	359	—	4 14 9
90 1/2	71 1/2	78 1/2	62 1/2	Bulgaria 7 % Loan	73	73	—	8 7 0	90 1/2	88 1/2	90 1/2	88 1/2	St. of S.A. £20, £5 pd.	15 1/2	15 1/2	—	5 10 0
102 1/2	94 1/2	102 1/2	94 1/2	Brazil 6 % 1927	72	70 1/2	—	8 18 3	102 1/2	100 1/2	102 1/2	100 1/2	Wimster £4, £1 pd.	79 1/2	79 1/2	—	5 0 0
95 1/2	86 1/2	89 1/2	87 1/2	Do. 6 1/2 % (1927)	89	88	—	6 18 9	95 1/2	93 1/2	95 1/2	93 1/2	Insurance.	21 1/2	21 1/2	—	4 6 0
102 1/2	94 1/2	102 1/2	94 1/2	Chile 6 % (1929)	52	52	—	7 5 3	102 1/2	100 1/2	102 1/2	100 1/2	Alliance £1, fully pd.	21 1/2	21 1/2	—	4 6 0
65 1/2	41 1/2	58 1/2	37 1/2	China 5 % (1912)	68	69	—	7 0 0	65 1/2	63 1/2	65 1/2	63 1/2	Atlas £5, £1 pd.	13 1/2	13 1/2	—	3 0 9
69 1/2	59 1/2	69 1/2	54 1/2	Do. 5 % (1913)	110	110	—	7 0 0	69 1/2	67 1/2	69 1/2	67 1/2	Com. £1, fully pd.	24 1/2	24 1/2	—	4 3 0
114 1/2	105 1/2	115 1/2	109 1/2	Czechoslovakia 8 %	85 1/2	85 1/2	—	3 13 0	114 1/2	112 1/2	114 1/2	112 1/2	Gen. Acc. £25, £12 1/2 pd	15 1/2	15 1/2	—	4 8 0
97 1/2	88 1/2	96 1/2	85 1/2	Danish 3 %	71	71	—	7 18 0	97 1/2	95 1/2	97 1/2	95 1/2	Lon. & Lanc. £5, £2 1/2 pd	28 1/2	28 1/2	—	3 8 0
95 1/2	86 1/2	89 1/2	87 1/2	Danish 6 %	85 1/2	85 1/2	—	5 12 9	95 1/2	93 1/2	95 1/2	93 1/2	North Brit. & Mer.	36	36	—	3 2 0
100 1/2	99 1/2	104 1/2	99 1/2	Egypt Unified 4 %	77 1/2	77 1/2	—	9 4 3	100 1/2	98 1/2	100 1/2	98 1/2	£5, with £1 pd.	16 1/2	16 1/2	—	4 19 0
19 1/2	16 1/2	21 1/2	19 1/2	Estonia 7 % 1927	92 1/2	92 1/2	—	6 11 6	19 1/2	17 1/2	19 1/2	17 1/2	Northern £10, £1 pd.	13 1/2	13 1/2	—	3 15 0
21 1/2	18 1/2	21 1/2	20	Finland 6 % 1923	20 1/2	20 1/2	—	3 17 0	21 1/2	19 1/2	21 1/2	19 1/2	Pearl (£1), fully pd.	14 1/2	14 1/2	—	3 15 0
107 1/2	100 1/2	109 1/2	99 1/2	French 4 % (British)	101	101	—	4 16 6	107 1/2	105 1/2	107 1/2	105 1/2	Phoenix £1, fully pd.	24 1/2	24 1/2	—	3 11 0
93 1/2	84 1/2	89 1/2	86 1/2	Do. 5 %	101	101	—	6 15 0	93 1/2	91 1/2	93 1/2	91 1/2	Prudential £1 A	40 1/2	40 1/2	—	2 10 0
103 1/2	95 1/2	104 1/2	100 1/2	German 7 %	101	101	—	6 13 6	103 1/2	101 1/2	103 1/2	101 1/2	Do. £1, with 4s. pd.	6 1/2	6 1/2	—	4 0 6
103 1/2	95 1/2	104 1/2	100 1/2	Do. 7 %	102	102	—	7 7 0	103 1/2	101 1/2	103 1/2	101 1/2	Royal £1, 10s. pd.	8 1/2	8 1/2	—	3 14 9
100 1/2	95	102 1/2	98	Hungary 7 1/2 %	95 1/2	94 1/2	—	5 16 9	100 1/2	98 1/2	100 1/2	98 1/2	Yorkshire £1, fully pd.	14	14	—	3 7 0
100 1/2	95	102 1/2	98	Japanese 5 % 1935-65	102	101 1/2	—	5 16 9	100 1/2	98 1/2	100 1/2	98 1/2	Investment Trusts.	290	290	—	5 3 5
36 1/2	22 1																

NEW ISSUE PRICES.

Stock or Share.	Issue price.	Amt. paid.	Price, Nov. 27, 1930.	Price, Dec. 4, 1930.
Asam Ry. & Trading 5½% deb.	97½	17½	1-1 pm	1-1 pm
Bermuda Development 5½% deb.	97½	25	1-1 pm	1-1 pm
Cape Town 5% 1961	101	5	par-1 pm	1-1 pm
Central Argentine Ry. 5% deb.	87½	fy. pd.	1-1 pm	1-1 pm
Central Electricity Board 4½% stock	95½	25	1-1 pm	1-1 pm
Central London Ry. 5% deb.	91½	21½	2½-2½ pm	2½-2½ pm
Gas Light and Coke 4½% deb.	98	25	3½-4½ pm	3½-4½ pm
General Electric 5% deb.	98	25	3½-4½ pm	3½-4½ pm
Grosvener House (Park Lane) 7½% cum. pref. £1	par	fy. pd.	17/-18/-	17/-18/-
India 6% 1935-37	100	30	3-3½ pm	3-3½ pm
London Electric Railway 5% deb.	99½	50	4½-4½ pm	4-4½ pm
London and North Eastern Railway 4½% deb.	90	5	1-1½ pm	1-1½ pm
Myatt (Frank) 5½% deb.	90	...	1-1½ pm	1-1½ pm
Second British Steamship Trust New £10.	£10	£2	10/-5/- dis	10/-5/- dis
South Africa 4½% 1955-75	95½	25½	1½-1½ pm	1½-1½ pm
Treasury Bonds 4% 1936-46	100½	25½	1½-1½ pm	1½-1½ pm
Yorks Electric Power	98½	...	104-105	104-105

(Continued from page 1069.)

Business in the mining share market was again restricted, and no general trend was discernible. The Cape refused to support its favourites and Kaffirs were mainly idle, with Gold Fields and Rand Mines on the down grade. Anglo-American revealed early weakness and despite a partial recovery were lower on balance. Rumour was persistent on the subject of a possible Northern Rhodesian amalgamation, but share values were not responsive, changes being small and irregular. Rio Tinto improved on Tuesday's higher copper price but relapsed later with the metal. Tin shares were quiet and largely featureless, Ayer Hitam and Pahang recording small advances.

"FINANCIAL NEWS" DAILY BARGAIN INDEX.

(Approximate number of Bargains recorded in Stock Exchange Lists.)

	Nov. 27, 1930.	Nov. 28, 1930.	Dec. 1, 1930.	Dec. 2, 1930.	Dec. 3, 1930.	Dec. 4, 1930.
Government and Municipal Loans	1,282	1,215	1,623	1,370	1,468	1,402
Transport, Communications, and Public Utilities	879	986	1,054	937	908	853
Commercial and Industrial Banks, Insurance and Financial	1,697	1,686	1,786	1,647	1,680	1,628
Mines (including Nitrate)	491	534	584	559	571	496
Oil	423	382	421	306	322	326
Rubber, Tea and Coffee	174	143	169	137	141	133
	98	118	110	120	92	94
Total	5,044	5,064	5,747	5,076	5,182	4,932

* Including iron and steel and breweries.

"FINANCIAL NEWS" DAILY AVERAGE OF 30 INDUSTRIAL ORDINARY STOCKS.

(1928 = 100.)

Highest of 1930. (Apr. 17).	Lowest of 1930. (Aug. 26).	Nov. 27, 1930.	Nov. 28, 1930.	Dec. 1, 1930.	Dec. 2, 1930.	Dec. 3, 1930.	Dec. 4, 1930.
90.6	72.6	74.0	73.9	73.9	74.0	74.1	73.7

We are officially informed that Mr Arthur Montague William Proctor ceased to be a member of the Stock Exchange on December 1, 1930.

FOREIGN STOCK EXCHANGES.

NEW YORK.

The stock markets were prepared to make the most of President Hoover's annual message to Congress. This turned out to be a somewhat colourless document. The President placed the indicated deficit in the current year's budget at \$180 millions, and advocated the elimination of the income tax reduction of last year—which was scarcely a bull point. He urged Congress to investigate the Anti-Trust Laws with a view to permitting co-operation among producers of basic raw materials in order to prevent over-production. He also suggested a further restriction in immigration and increased public works for unemployment relief. His views on power and utility development were carefully phrased to the point of obscurity, but gave the impression that he was opposed to

proposals for Federal regulation. The mild rally in share values which followed the message was based partly on the negative consideration that the President had said nothing about the banking "problem" (and, by inference, was prepared to ignore it unless his hand was forced by Congress), and partly to quite a different matter—the announcement by the U.S. Steel Corporation of an advance in selling prices. Trading, however, was restricted, transactions on Monday, for example, being the lowest for four years. Some support was given to copper shares on indications of a firmer price situation, though these were not fully borne out. After the middle of the week the markets turned heavy, though no considerable liquidation developed. The large decline in chain store and mail order sales in November induced sales of Montgomery, Ward, and Sears, Roebuck. Call money still ruled at 2 per cent., but the money market was firmer owing to heavy withdrawals for the interior.

	Nov. 20, 1930.	Nov. 26, 1930.	Dec. 4, 1930.		Nov. 20, 1930.	Nov. 26, 1930.	Dec. 4, 1930.
U.S. 3½% T. Bds.	106½	106½	106½	Natl. Biscuit	78	77½	78½
Do. 4½% T. Bds.	113½	113½	113½	Phelps Dodge	27	27	26½
Lb. Ln. 3½% '32-47	101½	101½	101½	Fullman	61½	60	59½
Do. 4½% '32-47	102½	103½	102½	Sears-Roebuck	51½	55½	52½
Do. 4½% '33-38	103½	103½	103½	Studebaker	23½	22½	22½
Atchafalpa	193	190½	183½	Un. Fruit	68½	66½	66½
Chem. & Ohio	43½	42	41½	U.S. Leather	51	51	51
Erie	30½	29½	28½	U.S. Rubber	15½	14½	14
Illinois Central	84½	179	101½	U.S. Steel	147½	145	144½
N.Y. Central	134½	129½	126½	Westinghouse	103½	100½	98½
Pennsylvania	60½	60½	59½	Woolworth	59½	60½	60½
Southern Pacific	103½	103	99	Worthington Pump	83½	79½	77
Southern Ry.	67	65	63				
Union Pacific	191	188	184½	Am. Tel. & Tlg.	190½	187½	184½
Am. Can.	117½	117	115½	Int. Tel. Toleg.	29	27½	26½
Amer. Smelting	52	50½	51½	Radio Corp.	17½	17	15½
Anaconda	36½	35½	35½	Utilities P. & L.	25	25½	25½
Bethlehem Steel	64½	62½	61½	W. Union Tlg.	141	143	135½
Chrysler Motor	19½	17½	17½				
Corn Prods. Ref.	81½	79	78	Associated Gas "A"	20½	21½	18½
Eastman Kodak	168½	166	162½	Pan Amer. B.	43	42½	43
Gen. Electric (New)	50½	48½	47½	Sinclair Oil	13½	13½	12½
Gen. Motors	36½	35	34½	Std. California	50½	49½	49
Int. Harvester	61½	59½	58½	Do. N.J.	55	52½	53
Montg. Ward	20½	22½	21				

By courtesy of the Standard Statistics Company, Inc., of New York and 13, Copthall Avenue, London, we print the following index figures of American values calculated on closing prices (1926 = 100):—

	1928.		1929.		1930.		
	Lowest.	Highest.	Lowest.	Highest.	Beginning of Year.	Nov. 26.	Dec. 3.
335 Industrials	132.5	186.4	134.5	218.9	146.0	109.2	109.6
33 Rails	120.5	139.7	127.8	173.5	134.3	101.0	100.4
34 Utilities	128.3	180.6	177.6	330.4	202.2	136.6	166.7
Total, 402 Stocks	130.3	178.9	140.3	228.1	153.0	116.9	117.1
Average yield of 50 Industrial Common Stocks	3.32%	4.42%	3.10%	5.23%	4.83%	5.55%	5.43%

DAILY AVERAGE OF 50 INDUSTRIAL COMMON STOCKS (1926 = 100).

Highest of 1930. (Apr. 10.)	Lowest of 1930. (Nov. 10.)	Nov. 19, 1930.	Nov. 20, 1930.	Nov. 21, 1930.	Nov. 22, 1930.	Nov. 24, 1930.	Nov. 25, 1930.	Nov. 26, 1930.
202.4	121.5	132.4	132.1	133.9	132.4	133.1	131.0	129.5

Highest of 1930. (Apr. 10.)	Lowest of 1930. (Nov. 10.)	Nov. 27, 1930.	Nov. 28, 1930.	Nov. 29, 1930.	Dec. 1, 1930.	Dec. 2, 1930.	Dec. 3, 1930.	Dec. 4, 1930.
202.4	121.5	*	128.1	129.8	131.5	132.9		130.6

* Holiday.

TOTAL DEALINGS IN NEW YORK.

	Nov. 27, 1930.	Nov. 28, 1930.	Nov. 29, 1930.	Dec. 1, 1930.	Dec. 2, 1930.	Dec. 3, 1930.	Dec. 4, 1930.
Stock Exchange—Shares (Thous.)	(a)	1,738	695	1,103	1,572	1,214	1,586
Bonds (Value Thous. \$)	(a)	10,356	4,984	9,044	8,589	7,532	8,694
Curb—Shares (Thous.)	(a)	474	240	396	454	406	475

(a) Exchange closed.

* 2-hour session.

INVESTMENT NOTES.

American Company Earnings.—It is now possible to estimate, on broad lines, the probable 1930 earnings of a number of the leading American industrial concerns. We have selected in the following table companies representative of the main industrial fields, and have shown how actual earnings for nine months and estimated earnings for the whole year compared with the figures for 1929:—

	Actual Earnings (9 months) per Share.		Actual Earnings, 12 months. Per share.		Estimated Earnings, 12 months. Per share.	
	1929.	1930.	1929.	1930.	1929.	1930.
Chemicals:						
Allied Chemical and Dye	2.89	2.22	12.60	10.00	12.60	10.00
Union Carbide and Carbon	1.66	1.47	3.94	3.00	3.94	3.00
Electrical Equipment:						
General Electric Company	7.33	4.25	2.24	2.00	2.24	2.00
Westinghouse Electric and Mfg.	2.45	2.49	10.15	5.50	10.15	5.50
Food Products:						
National Biscuit	1.85*	2.16*	3.28†	3.25	3.28†	3.25
National Dairy Products	5.56	0.56	4.04	4.10	4.04	4.10
Motors:						
Chrysler	4.96	2.68	5.49	3.00	5.49	3.00
General Motors	3.10*	3.01*	6.35	6.00	6.35	6.00
Retailing:						
Drug Incorporated	Decrease.	4.2	3.66	3.60	3.66	3.60
Woolworth	12.23	5.09	11.01	7.00	11.01	7.00
Steel:						
Bethlehem Steel	15.82	8.44	21.19	10.00	21.19	10.00
U.S. Steel	3.74	5.77†	8.75	8.75	5.77†	8.75
Tobacco:						
American Tobacco Co.	1.89*	2.34*	7.82	8.00	2.34*	8.00
Liggett and Myers	2.66	2.46	8.02	7.50	2.46	7.50
Miscellaneous:						
American Can Company	2.66	2.46	8.02	7.50	2.46	7.50
Otis Elevator	2.66	2.46	8.02	7.50	2.46	7.50

* Six months. † Adjusted.

It will be seen that the only companies which are estimated to have increased their earnings this year are the tobacco group, and, to a small extent, the National Dairy Products. The declines range from small percentages to nearly 50 per cent. The next table shows the highest and lowest market prices recorded this year, the current prices, the dividend rate and the dividend yields at current prices:—

	Estimated Dividend Rate for 1930.	Prices of 1930.			Dividend Yield.
		High.	Low.	Present.	
Allied Chemical and Dye	6.00†	34½	185½	304½	2.94
Union Carbide and Carbon	2.60	106½	54	62	4.19
General Electric Company	1.60	95½	44½	48½	3.30
Westinghouse Electric and Mfg.	5.00	201½	94½	99½	5.02
National Biscuit	3.30*	93	68½	78½	4.20
National Dairy Products	2.60†	62	38½	43½	6.01
Chrysler	2.50	43	14½	18	13.19
General Motors	3.30*	54½	31½	35½	8.51
Drug Incorporated	4.00	87½	63	61½	6.02
Woolworth	2.40	72½	61½	61½	3.89
Bethlehem Steel	6.00	110½	58½	62½	9.54
U.S. Steel	7.00	198½	138	145½	4.80
American Tobacco	5.00	127½	99½	109	4.59
Liggett and Myers	5.00*	114½	79	85	5.88
American Can Company	4.00	156½	107½	116½	3.43
Otis Elevator	2.50	80½	48½	58	4.31

* Including extras. † Payable when earned. ‡ Plus 5 per cent. in stock.
§ New stock. Old stock split, two for one, in July.

Readers will note with some surprise that even after the persistent liquidation from which the New York stock market has suffered, the yields obtainable on many first-grade stocks are still under 5 per cent. In some cases it will be found that the stocks are selling at a higher price value, in relation to earnings, than last year. Yields over 5 per cent. are confined to companies in industries which have been exceptionally depressed, such as automobiles, or to companies working on new capitalisations. The dividend yields obtainable in leading British industrial shares appear by contrast favourable. The following table selects some of the "leaders" on the London stock markets:—

	Current Price.	Div. Yield.
Imperial Chemical £1	19/6	8 7 6
General Electric £1	47/9	5 17 3
United Dairies £1	32/3	6 4 0
Shell Transport £1	3½	6 12 9 free of tax
Vickers 6/8	7/7½	6 19 11
Imperial Tobacco £1	4½	4 17 6 free of tax

It is not possible to estimate 1930 earnings of British companies in the absence of quarterly accounts, though some decline may be looked for in a number of instances. The higher dividend yields obtainable in British industrial shares are in part explained by the higher taxation which is imposed in this country than in America.

The Outlook for Coal Companies.—Not the least regrettable feature of the present disturbed labour situation in the coal industry is that it comes at a time when some coal-mining concerns appear to be entering upon a period of relative, if mild, prosperity. The following table shows that of thirteen companies whose reports have appeared since the beginning of September, eleven have increased their profits for the past year and seven have increased their dividend:—

Company.	1929.		1930.		Price of Ordinary Shares.	
	Net Profit.	Ord. Div.	Net Profit.	Ord. Div.	Nov. 3.	Dec. 3.
Blaenavon	£10,295	Nil	£18,155	Nil	3/9	3/9
Dormhill	13,787	2½	61,147	5	14/6½	14/6½
Denaby and Cadeby	546	Nil	108,586	5	...	...
Fernhill	Dr. 3,323	Nil	17,767	Nil	...	...
Hamstead	25,488	10	26,316	13½	...	...
Horden	144,241	7½	157,668	7½	17/6	17/6
New Monckton	5,975	Nil	36,095	2½*	...	...
Old Silstone	Dr. 6,643	Nil	22,361	Nil	...	...
Sheepbridge Coal & Iron	52,089	2½	93,723	5	10/-	10/9
S. Instone	11,840	Nil	22,503	Nil	...	...
Sneyd	31,372	7½	61,982	12½	...	...
Staveley Coal & Iron	266,118	5*	266,094	6*	20/9	20/9
Tinsley Park	32,120	10	22,583	9	22/-	20/6

* Tax free.

It is noticeable that of the six companies for which an official or unofficial quotation of ordinary shares is available, only one records a downward movement since the beginning of November, when the possible consequences of the application of Part III. of the Coal Mines Act first began to be appreciated. To suggest that this stability is due to a belief on the Stock Exchange that mining profits are certain to come unscathed through the storm would be to take an unduly narrow view. With miners' wages admittedly near subsistence level in many cases, it seems likely that shareholders will concentrate their hopes on the results of the wider measures of reorganisation in the industry to which the Act may give a certain impetus. It is already abundantly clear that only through amalgamation and widespread rationalisation on lines which in certain cases have already proved their value can the numerous small units of the coal industry hope for some measure of prosperity in the future.

The Position of Metduro.—The unhappy experience of many investors in recent months has prompted a suggestion that ordinary shareholders should organise an association, similar in character to the Council of Foreign Bondholders, which could ventilate their grievances and,

164 Branches in Finland

CAPITAL AND RESERVES,
Fmk. 426,000,000.
TOTAL ASSETS (30.6.30):
Fmk. 3,065,966,000.

KANSALLIS-OSAKE-PANKKI

(National Joint Stock Bank)

HEAD OFFICE: HELSINKI
(HELSINGFORS), FINLAND

Established 1889.

if necessary, fight for their rights in the Courts. Such a body would doubtless find much to say regarding the unfortunate position of shareholders in Metduro, Ltd. This company, which was promoted by the Metropole Gramophone, made an issue of 450,000 7 per cent. preference shares of £1, and 450,000 ordinary shares of 1s., in March, 1929, for the purpose of exploiting commercially a liquid plastic substance known as Metduro, which, it was claimed, could be used in the electrical, furniture and gramophone trades. The Marquis of Winchester was the chairman of the company and Mr Leonard Blum managing director. The brokers were Williamson, Fawcett and Stirling. The directors stated in the prospectus that the constituents of Metduro were cheap and readily obtainable, that the process of manufacture and the plant required were very simple, and that the material could be produced at a competitive price. In April this year, however, the directors stated that the manufacture had proved to be a more difficult problem than they had been led to believe. They had therefore purchased the British rights of a process belonging to the Herold Aktiengesellschaft of Hamburg which was manufacturing a substance closely akin to Metduro. The company now has a new board of directors, who have just issued an interim report stating that the company's only tangible assets of any realisable value are the factory at Waltham Abbey, valued at £55,000 but unsaleable at present, and plant valued at £10,000, apart from unpaid instalments of 10s. on the £1 preference shares. It appears that the manufacture of Metduro has been definitely abandoned. The plant has been redesigned to produce in small quantities under the Herold process. In other words, the company is now exploiting a business for which it was not founded. The company at the moment has only a small sum in cash, and requires further money to pay for plant ordered from Germany for the first Herold unit, now in course of erection at Waltham Abbey. Under the agreement with the Herold Company the Metduro Company is under a contingent liability to pay £10,000 as soon as the plant is capable of producing 30 tons per month as guaranteed. The new directors therefore propose to call up 2s. 6d. per share on the preference capital to meet this liability and to provide working capital. The shareholders will no doubt be amazed at some of the disclosures which the new directors make in their report. The old directors purchased from Metropole Developments the freehold property at Waltham Abbey for £145,000; this property had been purchased by Metropole Developments for £65,488. They had also purchased from Metropole Developments the Herold process for £75,000: this process Metropole Developments had previously acquired for £17,365. The profits on these transactions were to a considerable extent invested by Metropole Developments in buying shares of the Metduro Company from Mr Blum. As Metropole Developments is a mere promotion company without assets, the directors add that it will be unable to meet any of the unpaid calls on the 38,123 Metduro shares registered in its name. The directors consider that it should be possible to dispose of the whole output of 30 tons per month from the new Herold plant at prices which should show a profit, and that it is in the interests of the shareholders to proceed to erect the plant and to bring it into production. Shareholders have been well-advised to demand further information and a general meeting has now been called for that purpose.

A Steel Agreement—James Dunlop and Colville.—Particulars have been published regarding a merger of David Colville and Sons, Ltd., and James Dunlop and Company, Ltd. The new company will have a capital of £4,500,000, to be allotted as fully-paid to the vendor companies, and will be known as Colvilles, Ltd. In exchange for the Dalzell Steel and Iron Works, the Clydebridge Steel Works, and the Glen-garnock Iron and Steel Works, Messrs David Colville (whose present capital is £5,000,000), will receive £4,050,000 in shares of the new company, including

1,371,400 £1 7 per cent. first cumulative preference shares, 860,000 £1 7½ per cent. second preference shares (cumulative up to 5 per cent. after January 1, 1936), and 1,818,600 £1 ordinary shares. Messrs. James Dunlop have a present capital of £550,000 in 300,000 £1 6 per cent. cumulative preference shares and 250,000 £1 ordinary shares, the latter being for the most part privately held. This company is to be allotted, in the new concern, 278,600 cumulative preference, 60,000 second preference, and 111,400 £1 ordinary shares, in exchange for the Clyde Iron Works, Calderbank Steel Works, the Clyde Coal-field, and other lands. The new company will take over £650,000 of floating stocks as working capital, of which £65,000 will be contributed by the Dunlop Company. The latter will continue to work the Cardowan Colliery, which has now reached the producing stage. At June 30th last, the Dunlop Company had preference dividend arrears of £107,350 outstanding. This matter is receiving the attention of the directors. Messrs. Lithgow, who have made advances to Dunlops totalling £335,000, have agreed to waive £25,000 due to them in interest in order to extinguish the debit of the company's profit and loss account. Provided the deal goes through and the preference shareholders agree to cancel dividend arrears to June 30th last, Messrs Lithgow are prepared to maintain their loans at least until January 1, 1933, free of interest.

Dorman, Long Results.—The report of Dorman, Long for the year ended September 30th last incorporates the figures for Bolckow, Vaughan, the merger of the two companies having become effective as from November 1, 1929. In the previous year, the profits of Dorman, Long alone were £391,400, and those of Bolckow, Vaughan £351,989, the latter figure, however, being exclusive of standing charges on idle plant, £47,317, and bank and loan interest, £46,252. Deducting these amounts, the combined profits, before debenture interest and depreciation, of the two companies in the last complete financial period before amalgamation were £649,820. The profit of the combined companies this year is £394,106, which fully covers the £305,659 required for debenture interest and the £63,603 provision for the redemption of the 5½ per cent. debenture stock. The company, however, has written nothing off for depreciation. This policy is the more open to criticism as the directors have chosen to pay a full year's dividend of £51,206 on the 6 per cent. cumulative preference shares. Some £105,495 is transferred from provision for liabilities to the Government, no longer required, and the carry-forward is increased from £97,820 to £174,954. The directors declare that results so far have borne out their anticipations of the advantages derivable from the union of interests. The year's trading conditions were, however, adverse, particularly in the last six months. The Sydney Bridge was closed in August last, and will be completed during 1931. This and other contracts have kept the company's bridge and constructional department well employed, and a number of important fresh contracts have been secured since the close of the financial year. The fruits of rationalised production must clearly require further time to mature. At present, the company is earning nothing (if depreciation be allowed for) on its £883,918 of 6 per cent. cumulative preference, its £2,052,746 of preferred ordinary and £8,311,482 of ordinary capital. For future dividends, holders of the two latter share groups must look to further economies and to a general revival in the steel trades.

Courtaulds and Rayon Prices.—In the last ten days Courtaulds have made a further reduction in their prices, an examination of which suggests an apparently definite line of policy. The reduction, in the first place (writes a correspondent) has a bearing on the question of competition in the trade. Since viscose silk competes with acetate, and acetate prices were recently reduced, it was natural that viscose prices should follow suit. Courtaulds have still to meet competition

from other viscose producers, though their yarns, it is claimed, are the standard by which all others are judged. An examination of their latest price cut shows that they have continued their policy of first of all introducing a super-quality yarn, then of gradually reducing the price of this yarn and making it the standard quality. This policy tends to produce general and steady improvement in the quality of rayon goods and acts as a form of defence of the company's position against competition both at home and abroad. There is no reason to believe that the latest manifestation of this policy will, in the long run, result in any marked diminution of turnover. It must, however, react detrimentally, for the time being, upon the prospects of acetate silk. Meanwhile, it is reported that Courtaulds are negotiating for a world-wide price and production pact, which would go far to bring prosperity back to the industry.

Peninsular and Oriental.—The accounts show profits for the year to September 30th last, before paying debenture interest, of £1,165,004—a decline of £75,598. The directors have reduced the dividend from 12 per cent. to 10 per cent., and the carry-forward is £5,813 lower at £115,052.

	(Years ended September 30th)		
	1928.	1929.	1930.
Net profit, less depreciation ...	1,224,267	1,241,602	1,165,004
Debiture interest and reserve	522,697	509,565	509,565
Sundry charges and provisions	31,531	30,000	50,000
Balance available for distribution	670,039	702,037	605,439
Preferred dividend	152,000	152,000	152,000
No. of times covered	4.41	4.62	3.98
Deferred dividend:			
Amount	514,435	551,102	459,252
Earned %	11.28	11.98	9.87
Paid %	12%	12%	10%
Increase or decrease in carry-forward	+ 3,604	— 1,065	— 5,813

The balance sheet has been arranged in the customary manner and presents the usual intriguing problems of interpretation. Payments to date on vessels under construction are included with the existing fleet in one item of £14,962,399, which shows a decrease of £2,264,022. The company has again grouped its loans to subsidiaries with sundry investments, cash and debtors, which stand at £9,051,415, and show a falling off of £301,534. If the company were registered under the Companies Acts, and not established by Royal Charter, it would be required to separate these items, and show how the investments were valued. The financial position of the company is, of course, beyond criticism. Why, then, cannot the directors take their proprietors more completely into their confidence? Some £228,264 has been added to the profit-sharing scheme reserve, which is now £1,313,025. On September 30th last the insurance fund stood at £3,027,702. Of this, £27,702 was added to the profit and loss account, and £2,000,000 applied to writing down the book-value of the fleet. Three ships of the branch line to Australia have been sold, together with the "Morea" (built in 1907), for breaking up. The "Razmak" has been sold to the Union Steam of New Zealand to replace the "Tahiti." Two new 21,000-ton ships are under construction for the Australian run and four other vessels, aggregating 63,000 tons (including two of 14,500 tons) are also under construction. On all routes last year trade was difficult, but signs of improvement are discerned. The preferred capital is secured by net "book" assets of £419 15s. 1d. per £100 stock fully paid. At the present price of £205 the deferred stock yields £5, allowing for the present dividend.

Wall Paper Manufacturers.—The depression in general trade since May last has produced a continued fall in the sales of this company, reflected in a decline of £108,419 in net profit, which comes out at £585,200 for the year. Dividends, however, have been maintained.

	Years ended August 31st,		
	1928.	1929.	1930.
Gross profit	752,399	794,198	672,916
Debiture interest	41,118	40,888	40,569
Income tax	65,552	59,691	47,147
Net profit	645,729	693,619	585,200
Preference dividend	57,718	60,000	60,000
No. of times covered	11.18	11.56	9.75
Ordinary dividend	128,207	140,000	140,000
Paid %	10	10	10
Earned %	46.9	45.2	37.5
Deferred dividend	288,451	300,000	300,000
Paid %	15	15	15
Earned %	23.9	24.7	19.3
Written off goodwill, &c. ...	125,000	150,000	100,000
To pension fund	50,000	50,000	20,000
Decrease in carry-forward ...	3,647	6,381	34,800

Buildings and machinery have risen by £241,307, but Government securities are £209,076 lower at £993,047, and cash has declined by £186,082 to £2,684. Liquid assets exceeded current liabilities by £1,087,113, a decline of £352,638. At the annual meeting the chairman declared that competition had been keen both at home and abroad, accompanied by price cutting, mainly by foreign firms. The company's investments, however, are spread over paint-manufacturing and other industries, as well as the wall paper manufacturing trade. The Wall-pamur Company continues to make good progress in the paint trade, and the Wall Paper Company's cretonne factory at Uxbridge is making satisfactory headway. The tangible assets of the subsidiary companies are stated to exceed the value at which the company's investments in these concerns appear in the balance sheet. At present prices the ordinary and deferred shares of Wall Paper Manufacturers yield £6 15s. per cent. and £9 8s. 11d. per cent. respectively.

Carreras.—The preliminary statement of this tobacco company, covering the year to October 31st last, reveals a decline in profit from £1,285,154 to £968,204. After deductions of £204,655 for income-tax, £5,242 for super-annuation fund, and £3,831 for expenses of the last share bonus issue, net profit stands at £755,076, and compares with £1,013,964 for the previous twelve months. The small preference dividend is again covered many times, but the ordinary dividend, which for six years has been at the rate of 50 per cent. free of tax, is this year paid less tax. As the 15 per cent. interim distribution was on a tax-free basis, the final dividends of 4s. 9d. per share on the ordinary and "A" ordinary shares, and 7½d.

BARCLAYS BANK

LIMITED

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TRUSTEE DEPARTMENT.

CHIEF OFFICE: 37 King William St., London, E.C.4.

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on the "B" ordinary shares reflect the necessary adjustment on the year's distribution:—

	Year to October 31st,		
	1928.	1929.	1930.
Net profit	880,031	1,013,964	755,076
Brought forward	1,203,608	1,219,889	1,059,165
Preference dividend.....	20,000	20,000	20,000
No. of times covered	44	50	37½
Ordinary capital:			
Earned	860,031	993,964	735,076
Paid	562,500	703,125	687,081½
Earned %	76.4	70.6	53.5
Paid %	50.0*	50.0*	50.0†
Development fund.....	...	100,000	50,000
Other allocations	281,250	351,563	...
Carried forward	1,219,889	1,059,165	1,857,100
* Tax free. † Less tax. ‡ Estimated.			

A decline in percentage earnings following two successive issues of bonus shares was foreshadowed last year in the chairman's speech, and should come as no surprise to shareholders. As regards the decline in profits, however, an explanation will doubtless be eagerly awaited. As yet there is nothing to suggest that Carreras has suffered disproportionately from the fierce "coupon" competition. The ordinary £1 shares now stand at 6, and yield about £8 15s. per cent. less tax, after deducting the final dividend of 4s. 9d. per share.

Massey's Burnley Brewery.—Despite the general upward trend of brewery company profits, this company, in common with several Northern breweries, reflects to a marked degree the effects of depression in the textile manufacturing districts. Net profit for the year to October 31st last amounted to £31,200, or little more than half last year's total of £61,419. Dividend on the preference and participating preference shares requires £28,500, and is barely covered. In the circumstances, the ordinary shareholders will no doubt be gratified to receive a dividend of 5 per cent.

	Year ended October 31,		
	1928.	1929.	1930.
Net profit.....	41,002	61,419	31,200
Preference dividend.....	23,625	30,000*	28,500
No. of times covered	1.74	2.08	1.09
Ordinary capital:			
Earned	17,377	31,419	2,700
Paid	14,375	22,250	15,000
Earned %	12.1	10.9	0.9
Paid per cent.	10	8	5
To reserve.....	3,000	9,017	...
Increase or decrease in carry-forward.....	+2	+152	-12,300

* Seven per cent. participating preference shares received 8 per cent. dividend. Cover calculated on a dividend of 7 per cent.

No further addition is made to reserve fund, which stands in the balance sheet at £69,500. The accounts reveal a liquid position if stocks, valued at £92,000, are included in the category of available assets. Fixed capital stands at £1,533,937, after providing for depreciation to October 31, 1929—a considerable advance on last year's total of £1,323,380. Goodwill is shown at £15,000, and cash at £16. At their present price of 14s., the £1 ordinary shares show a yield of about £7 2s. per cent.

OFFER TO NEW READERS.

Any reader who makes his first acquaintance with this journal with this week's issue is invited to fill up the attached: To Publisher, "Economist Newspaper Ltd.," 8, Bouverie Street, E.C.4.

In order to test the value of your publication I should like you to forward this to me by post for the next four weeks. If I then decide to become a subscriber, it is understood that there will be no charge for the copies thus received, but otherwise I shall be willing to pay 4s. to cover their cost.

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Royal Dutch Petroleum.—At the adjourned extraordinary general meeting of the Royal Dutch Petroleum Company, at The Hague this week, Sir Henri Deterding was at pains to reassure shareholders as to the cash position of the company. He declared that the directors not only had no thought of issuing debentures, but that part of the 4 per cent. priority capital not offered for conversion was redeemed on November 1st at 102½ per cent. in cash to an amount in excess of 8,000,000 Fl. An offer from one of the company's bankers to float 25,000,000 Fl. 4 per cent. Royal Dutch debentures had been refused for the same reason that induced the board to redeem the 4 per cent. priority capital, namely that the company had more than enough cash. The capitalisation of the Royal Dutch group, he added, compared satisfactorily in regard to earning power with that of any other oil company. Their companies had been able to meet the decline in revenue arising out of over-production and low selling prices by postponing extensions which were not now considered necessary. For the current year the savings under this head would be more than 30,000,000 Fl., and in 1931 about 50,000,000 Fl. Sir Henri expressed his absolute confidence in the future of oil and of the Royal Dutch-Shell companies based on the conservative financial policy which his group adopted in writing-off considerable sums each year in depreciation and re-investing them in the business. Whenever misadventure had overtaken the group, as for instance in Russia, they had immediately made a reserve of 100 per cent. With regard to the enormous stocks of oil products which the Royal Dutch-Shell group carried, Sir Henri added that these appeared in the balance sheet either at cost or at market value, whichever was lower. This, he thought, should give the shareholders confidence that when the revival in trade did come, the Royal Dutch-Shell group would experience the benefit immediately. Sir Henri did not commit himself to any statement as to the final dividend of Royal Dutch, except to deny that it would be small. This may suggest the possibility of a certain reduction to, say, 10 per cent., making 20 per cent. for the year. The effect of this "fighting" speech was to bring in buyers of Royal Dutch shares. The oil share market as a whole, however, had already recovered part of its previous losses on the realisation that the statistical situation in the oil industry (as we explained at length in the *Economist* last week) had been considerably improved up to the end of September by the restriction measures enforced in the American oil fields. A further reduction in the crude oil output of the United States is shown by this week's figures, the present level being lower than at any time since 1926.

De Beers Consolidated.—Contrary to general expectations, last year's profits show a small increase. Diamond sales were fully maintained, and a slight setback in sundry revenue was more than counterbalanced by reduction in outlay. Nevertheless, no payment is being made upon the deferred shares. Some holders of the latter may possibly be puzzled. The explanation is to be found in the financial position. Debtors, special investments and cash give a surplus of £1,404,650 over current liabilities. But of the £2,797,950 comprised under the former heading, £916,200, represents "open accounts and loans to affiliated companies," while £903,900 is embarked in "special investments." What proportion of these amounts is liquid must be regarded as a very open question. True, the company has £624,200 in "stocks and shares," but no information is available as to their composition. Our usual tabulated comparison is appended:—

	Year ended June		
	1928.	1929.	1930.
Diamond sales	3,311,780	3,255,790	3,262,670
Other income	588,370	554,000	535,810
Expenditure, depreciation, &c.	1,707,900	1,761,780	1,671,570
Net profit	2,192,250	2,047,010	2,126,910
To taxation	321,970	303,250	302,590
Dividend on deferred shares.....	817,890	817,890	...
Rate per share	15/-	15/-	...
To reserves	100,000	250,000	...
Carried forward	500,020	377,400	1,401,720

Some important changes have taken place in the balance sheet. The £1,635,500 South African debentures have

been redeemed out of the fund created for that purpose, and the amount has been written off the fixed assets. General reserves have been reduced to £2,224,500 by the transfer of £820,740 to the fund for "stabilisation of the diamond trade," which is thus raised to £3,394,600. This sum includes the De Beers participation in the Diamond Corporation, formed in February last with a capital of £2,500,000 for the purpose of nursing surplus stocks and shares. Presumably the object of the proposed increase of £750,000 in the deferred capital will be made clear at the meeting, which is to be held on the 15th. It is all to the good that arrangements have at length been made between the big producers and the Union Government for a general limitation of sales; nevertheless, the prospects for the early future must be regarded with a cautious eye. The current quotation of the £2 10s. deferred shares is about £6, and of the preferred under £10, as against £10 7s. 6d. and £12 15s. earlier in the year.

New Capital Issues in November.—In the following table we show the new capital raised in London by issue to the public and to shareholders in November, and in recent periods.

	(000's omitted.)			
	United Kingdom.	British Possessions.	Foreign Countries.	Total.
Monthly Average.	£	£	£	£
1924	7,051	6,023	4,370	17,444
1925	12,918	5,077	1,356	19,351
1926	10,765	4,431	4,036	19,232
1927	17,240	8,318	4,039	29,597
1928	21,965	5,263	3,526	30,754
1929	16,502	5,081	2,186	23,769
Monthly Average.	Govt.	Other.		
Jan.-Mar., 1929	617	18,757	8,797	29,171
Jan.-Mar., 1930	12,803	11,973	5,360	30,136
Apr.-June, 1929	16	16,069	7,858	23,943
Apr.-June, 1930	567	10,233	7,025	18,825
July-Sept., 1929...Dr. 1,200	12,472	6,341	1,051	19,864
July-Sept., 1930... 1,800	15,224	2,775	4,586	24,585
October, 1929 ... Dr. 350	8,058	652	3,500	12,210
October, 1930 ... 850	11,839	12,000	1,480	25,319
November, 1929 ... 65,550	4,189	3,741	1,000	8,930
November, 1930 ... 1,050	6,479	6,158	2,893	15,530

The month witnessed a decline in the total of new issues. Of the aggregate of £16,580,000 issued, the United Kingdom accounted for £6,479,000, while net receipts from National Savings Certificates totalled £1,050,000, against £850,000 in October. The two most important offers were £5,000,000 inscribed stock by the Union of South Africa, and £6,000,000 4½ per cent. stock by the Central Electricity Board, together with a Central Argentine Railway issue of £3,000,000. A feature of the month has been the large number of issues "for information only," which have been privately placed and which are not included in the above table. In an "Investment Note" last week (see the *Economist*, November 29th, page 1018) we gave a summary of fifteen such issues, involving £5,513,470 of new capital.

Company Meetings of the Week.—On later pages of this issue will be found the reports of the following companies:—Mexican Railway, Ansell's Brewery, Consolidated Gold Fields of South Africa, Malaya General, Tate and Lyle, Foster Clark, and Strand Hotel. Discussing the steady decline in the price of silver, Lord Brabourne, presiding at the Consolidated Goldfields meeting, suggested that, in view of the fact that the supply of gold was apparently insufficient to meet the world's credit requirements, and of the probable decline in world gold production during the next few years, the chief nations of the world might well agree to remonetise silver and fix its price as one-fortieth of that of gold, or 2s. an ounce. At the annual meeting of Ansell's brewery, the chairman said that the promise the brewers had given to the Chancellor of the Exchequer to bear the extra duty of 3s. per standard barrel of beer themselves and not pass it on to the public or the retailers had been faithfully carried out.

CAPITAL ISSUES.

ISSUES OF THE WEEK.

By Prospectus or Offer for Sale.

Net total recorded, January 1 to November 29, 1930, £237,804,055.
Total, including conversion recorded, January 1 to November 29, 1930, £420,196,686.

National Savings Certificates.
Net sales, week ended November 29, 1930, £300,000.
Total receipts, April 1, 1930, to November 29, 1930, £5,700,000.

	Nominal Capital.	Conversions or Repayments.	New Money Cash Subscriptions.	First Payment.	Further Liability.
	£ Nil	£ Nil	£ Nil	£ Nil	£ Nil
To the Public.					
Week ended December 6, 1930					
To Shareholders only.					
Hellenic and General Trust, £600,000 5½% Deb. Stk., 1940-60, at 98%	600,000	...	588,000	60,000	528,000
Railway and General Investment Trust, £500,000 5% Red. Stk., 1975-85 at 96%	500,000	...	480,000	480,000	...
Smith (D.) and Sons (1924), 150,000 8% Cum. Pref. 4s. at par	30,000	...	30,000	7,500	22,500

Total week ended December 6, 1930

	Total Offered for Subscription—Including Conversions.	Excluding Conversions.	Total Offered for Subscription—Including Conversions.	Excluding Conversions.
Jan. 1 to date—	£	£	£	£
1930	421,594,686	239,202,055	488,764,940	285,239,400
1929	485,619,963	281,294,353	693,100,056	269,058,073
1928	530,194,284	355,813,301	...	365,165,970
1927	...	343,533,205	...	230,782,600
1926	...	216,756,575	...	232,214,500
1925	...	219,310,790	...	209,326,101
1924	...	194,618,824	...	271,399,173
1923	...	269,927,045	...	673,675,653

By Stock Exchange Introduction.

	Amount of Capital Introduced.	Prices at which Dealings Began.	Total Cash Involved.
	£	£	£
Amount previously recorded	20,779,168	...	22,532,617
Hatherley Works, 260,000 ord. 5s.	65,000	5/3	68,250
Auckland Electric Power Board, £100,000 5% 1951 Loan (Nov. 21) at 98%	98,000	99	99,000
South London Electric Supply Corporation, £300,000 4½% Deb. Stk. at 92% (Nov. 16)	276,000	94½	284,250
Colony of Sierra Leone, £202,500 4½% Stock, 1955, at 97½% (Nov. 26)	197,437	98½	199,836
Rhodesia Land Bank, £225,000 5% Guar. Deb. Stk., 1940-60, at 97½ (Nov. 26)	219,375	99½	223,875
Total for week ended December 6, 1930.....	855,812	...	875,211
Total to date, 1930.....	21,634,980	...	23,407,828
Total to date, 1929.....	31,471,788	...	43,593,529

Bognor Gas and Electricity Company.—Issue by tender of £20,000 additional ordinary consolidated stock "A," ranking for a standard dividend of 5 per cent. subject to the sliding scale equally with the existing similar stock which has for the last two years and a half received a dividend of 8 per cent. Minimum price of issue, £120 per £100 stock, yielding, on an 8 per cent. basis, £6 13s. 4d. per cent.

Particulars of the following have been issued "for information only" with a view to Stock Exchange introduction. Ner-Sag (1930). Authorised and issued capital, £20,000 in 100,000 shares of 4s. each. Incorporated in July, 1930, to acquire the undertaking of Ner-Sag, Ltd.

[Other Stock Exchange information, including the latest dividend announcements, weekly traffic returns, summary of balance sheets, reports and notices, mining output statistics and profit and loss figures, will be found on page 1088 under the heading "Company News."]

RHODESIAN GOLD OUTPUT.

Month.	1927.	1928.	1929.	1930.
	£	£	£	£
January	206,094	217,027	195,481	194,953
February	195,996	196,649	191,786	185,967
March	213,708	204,000	200,435	192,392
April	204,876	206,234	203,780	193,522
May	207,818	200,130	203,798	201,101
June	223,418	218,745	204,603	190,909
July	207,448	206,877	196,016	193,566
August	199,860	214,077	196,528	195,010
September	193,646	201,625	190,354	195,001
October	197,501	182,032	198,308	190,178
November	200,481	201,689	195,386	...
December	208,016	189,319	197,884	...
Total Gold.....	2,458,862	2,438,404	2,374,359	1,932,599

AUSTRIA'S ECONOMIC AND FINANCIAL SITUATION

State Finances.

In the financial year 1929 the Government has balanced the State finances without being backed by loan proceeds. With the repayment of 50 million schillings of the Government Debt to the Austrian National Bank on December 31, 1928, the funds of the League of Nations Loan—with the exception of the amounts deposited for the service of the loan—have been exhausted.

From the closed accounts of the Austrian Budget for 1929 the following data may be gathered (according to the reform scheme of the League of Nations): in the field of current finances expenditure amounted to 1,032.82 million schillings (£30.00 million), and the revenue gave 1,199.75 million (£34.84 million), thus leaving a surplus of 166.93 million schillings (£4.84 million). The sum spent on investments was 147.20 million schillings (£4.27 million). If the expenditure on investments is deducted from the surplus of current finances the total surplus amounted to 19.73 million schillings (£0.57 million). Of the total expenditure on investments, 40.8 million schillings (£1.2 million) have been credited to the Federal Railways, 3.5 million (£0.1 million) to other railways, and 68.2 million (£1.9 million) to the Post and Telegraph Administration, altogether 112.5 million schillings (£3.2 million), which according to the Budget should have to be met out of loan proceeds, but actually had to be met by advances from current revenue. It is, however, to be noted that in 1929 total capital investments of the Federal Railways amounted altogether to 100.4 million schillings (£2.9 million); of this sum only 40.8 million (£1.2 million), as mentioned above, have been met out of Government funds on account of the delay of the Government Loan, while the balance of 59.6 million (£1.7 million) was met by short-term credit operations of the Federal Railways, which, however, in July, 1930, after the flotation of the Austrian Government International Loan, 1930, were all paid off.

According to the Budget for 1930 and its supplements, the following figures are indicated: expenditure, 1,133.2 million schillings (£32.91 million); revenue, 1,165.4 million (£33.84 million); thus leaving a surplus of 32.2 million. The amount required for investments is 189.9 million (£5.51 million), and, consequently, the net deficit is 157.5 million schillings. Of the above-mentioned sum for investments and of the net deficit respectively, 154.6 million (£4.5 million) will be credited to the Federal Railways and the Post and Telegraph Administration, which will be met out of the proceeds of the Austrian Government International Loan, 1930.

For about three years the Austrian Government has endeavoured to raise a loan in order to cover capital expenditure for investments. Since, however, Austria's financial freedom of action was limited by a series of international obligations imposed on her, the loan negotiations were very difficult. In this direction it should be noted that the Committee of the Guarantor States of the first loan decided in October, 1927, to give Austria authority to raise a loan for productive purposes to the maximum net amount of 725 million schillings (£21 million). The settlement of Austria's relief debts in 1928 and 1930 removed a further obstacle to the flotation, while the Hague Agreement of January 20, 1930, which cancelled the reparation creditors' claims, abolished the previously necessary consent of the reparation creditors to the loan transactions. On July 14th, the Loan Contract, by which a sum of about 390 million schillings (£11.3 million) came to Austria, was closed in London. This amount, representing the first tranche of the Austrian Government International Loan, will make it possible for the Government to continue its investment programme and in this way contribute to Austria's economic progress.

The Austrian National Bank.

In accommodating itself to the development of conditions on the international money markets, the Austrian National Bank continuously reduced its discount rate amounting to 8½ per cent. on September 28, 1929; during the year under review, and since September 10, 1930, there is a rate of 5 per cent. The position of the central bank in 1930 may be gathered from the appended table, which shows the figures in millions of schillings (£1 equalling 34.585 Austrian schillings):—

	Dec. 31, 1929.	June 30, 1930.	Oct. 7, 1930.
ASSETS:			
Cash Reserve*	406.3	434.9	431.3
Net Foreign Exchange not included in Cash Reserve† ...	334.2	421.0	478.0
Bills discounted	305.6	124.8	82.9
Government Debt	108.6	101.5	101.3
LIABILITIES:			
Combined amount of Notes issued and Current accounts	1,138.3	1,088.6	1,096.9

* Since September 7, 1930, the weekly bank reports show a gold reserve of 214.6 million schillings. The balance of the Cash Reserve consists exclusively of £ and \$ holdings.

† Only £ and \$ holdings.

The following table shows the percentage of cover:—

	Dec. 31, 1929.	June 30, 1930.	Oct. 7, 1930.
Proportion to notes issued, plus current account liabilities:—			
(a) Gold	14.56	15.48	19.55
(b) Cash Reserve	35.08	39.95	39.31
(c) Total Cash Reserve and Foreign Exchange	63.93	78.62	81.98

Foreign Trade.

In 1929, the volume of Austria's foreign trade was somewhat smaller than last year, amounting to 5,515.9 million schillings (£15.95 million), compared with 5,566.3 million (£16.09 million) and 5,289.8 million (£15.29 million) in 1928 and 1927 respectively. Taking the value of imports and exports in 1928 as 100, the figures of 1929 are: 99.8 (imports) and 98.0 (exports). While the decrease in the import figures is rather small, and besides—taking into consideration that the quantity of imports was 13 per cent. larger than in 1928—only caused by the general decrease of the international price level, the falling-off from the export figures in 1928—cannot be explained by the low level of international prices alone, but rather by the fact that Austria's foreign trade continues to be greatly impeded by the customs barriers erected between the individual States. In regard to both imports and exports, Germany and Czechoslovakia continue to figure foremost on the list of countries trading with Austria. It is worth mentioning that in 1929, 73.4 per cent. of Austria's imports came from the neighbouring and Succession States while 69.2 per cent. of the exports went to these States. The percentage of imports from the Succession States (Czechoslovakia, Hungary, Poland and Yugoslavia) alone amounted to 40.6, that of the exports to 34. In 1929, Austria had an active balance of trade with Yugoslavia, Italy, Russia and some other European States, while imports of all other countries to Austria were larger than Austria's exports to these States.*

Agriculture and Industry.

The general progress in agricultural production continued during last year although weather conditions were not very satisfactory. As a result of the excessive cold prevailing during the winter 1928-29 and a considerable shortage of rain, the output of 1929 did not reach the crop of 1928. The following list indicates the crop of the chief categories of agricultural production in 1928 (in millions of hundredweights): wheat 6.2, rye 9.5, barley 5.0, oats 8.8, potatoes 42.7, sugar beets 11.8. The striking upward movement of Austria's agriculture is best shown by the percentage indicating the increase in output of 1929 as compared with 1920: wheat 66.6, rye 70.0, barley 100.6, oats 75.5, potatoes 162.1, sugar beets 210.7. The value of the total crop in 1929 is officially estimated at 1,717 million schillings (£49.7 million) as compared with 2,000 million schillings in 1928. As to the 1930 crop, in consequence of the weather conditions the results will probably be less satisfactory than in 1929 regarding both quantity and quality.

In industry a continuation of endeavours is to be observed to render industrial operations more economical by means of technical innovations and measures of rationalisation, in which direction satisfactory results have been obtained in particular in mining, metallurgy, and the electricity and paper industries.

Utilisation of Water Power.

During the year 1929, the total effective output of all kinds of electric power plants in Austria was about 2,600 million kwh. Two-thirds of this was furnished by hydro-electric plants, while the remaining one-third was generated by steam-driven stations. According to the official statistics the available water power can be utilised to the extent of more than 20 milliard kwh. per annum. Up to the present Austria spent some 440 million schillings (£12.8 million) on the development of her water power; two-thirds of this amount were Austrian capital, while the balance was met out of foreign loans. The extraordinary success of the post-war exploitation of water power is, to a great extent, due to electricity legislation. Under the terms of the Electricity Facilities Act, 1928, hydro-electric plants may be exempt from corporation tax (income tax) for a period not exceeding twenty years; immunity from charges, etc., is provided for during the period of construction of the plants and the first three years after the plants being put into operation. The coal saving effects per annum of the hydro-electric development included may be estimated at 1.8 million tons. The export of electricity reached about 120 million kwh. during 1929, representing a value of some 10 million schillings (£280,000).

* In the first eight months of 1930 imports amounted to 1,821.1 million schillings against 2,073.4 million during the same period of last year, while exports amounted to 1,223.5 million, compared with 1,463.1 million in January-August, 1929.

COMPANY MEETINGS, &c.

MEXICAN RAILWAY COMPANY, LIMITED.

A STRONG FINANCIAL POSITION—MEXICO AND HER LIABILITIES.

MR. VINCENT YORKE'S VIEWS.

The one hundred and thirty-first ordinary general meeting of the Mexican Railway Company, Ltd., was held, on the 3rd instant, at Winchester House, Old Broad Street, London.

Mr Vincent W. Yorke, the chairman of the company, presided.

The Secretary (Mr C. Tennant) having read the notice convening the meeting and the report of the auditors,

The Chairman said:—Gentlemen, I do not think it will be necessary for me to detain you long to-day, as at our last meeting six months ago, when I had just returned from a visit to the property, I went very fully into the state of the country and the position of our affairs. I am afraid at the same time that I shall not have much of an encouraging nature to say to you to-day. The times which the world is going through, while bad for all classes of business, have been particularly so for foreign railways, and we could hardly expect our railway not to share in the troubles which are affecting them.

RECEIPTS AND EXPENSES.

Our gross receipts for the half-year under review were quite satisfactory, averaging as they did over \$36,000 per diem, and the tonnage carried was greater than for many half-years. Though comparisons with the corresponding half-year are, as usual, given in the report, I do not think that I need dwell on them under this or any other head, as we are comparing with a period when the country was in the throes of a serious revolution. Passenger traffic, which is being more and more affected by road competition, as new roads are constructed, shows only a small decrease of \$31,000, which would have been much greater if it had not been for a considerable volume of tourist traffic. Of this traffic, we have great hopes in the future, as I explained at our last meeting.

The increase in expenses amounting to \$440,000 is a regrettable feature in the accounts, but includes items in respect of the strike and the accident at Potrero amounting to \$130,000, which ought not to recur. The increase in the cost of fuel oil of about \$40,000 is a matter, of course, outside our control, as is the falling rate of exchange, which may be fairly estimated to have cost us £13,000 for goods purchased abroad during the half-year.

THE NET REVENUE.

The resulting net revenue of £84,000 is less than what I led you to expect at the last meeting, when I anticipated that it would reach £100,000. Both gross and net earnings fell off considerably for the last two months of the half-year. From this has to be deducted some £18,000 for loss on remittances and Mexican income tax, and the balance remaining is insufficient by some £8,000 to meet the debenture interest for the half-year.

On the other hand, I am glad to say that our financial position at July 1st was, and is now, comparatively strong, and we could have easily made another payment of 10 per cent. to the "A" certificate holders, as we have done for the last four half-years. We are sorry to have broken the continuity of these payments, but in view of our falling receipts during the current half-year, and the gloomy outlook for business generally all over the world, we have reluctantly come to the conclusion that it is wiser to conserve our resources and not to reduce these liabilities further for the present.

THE CURRENT HALF-YEAR.

As regards the current half-year our results can only be described as very unsatisfactory. Gross traffics for the first three months have decreased by \$100,000, and expenses have increased by \$170,000, and the ratio of operating expenses has reached the high figure of 95 per cent. The wave of business depression, which took longer to reach Mexico than most other parts of the world, is now affecting all the industries of the country, and here as elsewhere there are no definite signs of any recovery. At the same time, our expenses have been more adversely affected by the new conditions as to labour imposed upon us by the strike of December last than was at first anticipated, and I fear that it may be difficult to reduce them at all commensurately with the diminution in gross receipts.

CONDITIONS IN THE COUNTRY.

I do not think it is necessary for me to dilate upon the special causes which are depressing business in Mexico to-day. It is obvious that a country which depends for its living on the production

of oil, silver, copper and lead, must be suffering severely when the prices of most of these commodities have fallen to almost unprecedented levels. Agriculture is, of course, suffering for the same reason, and the cotton industry has reached a state of over-production which is causing alarm both to employers and employed. The question of exchange is also beginning to cause considerable anxiety in commercial circles. I understand that the matter is being vigorously taken in hand by the monetary authorities, and it is much to be hoped that this difficulty, from which Mexico has been singularly free for the last fourteen years, will not now be added to her many troubles.

On the other hand, it is a matter for real congratulation that, in contrast to almost every country of importance south of the Rio Grande, Mexico has preserved complete political tranquillity during the current year, and I hope that this may indicate that Mexican politics have passed into a new phase.

AN IMPORTANT AGREEMENT.

Since our last meeting an important agreement has been concluded between the Minister of Finance for Mexico and the International Committee of Bankers which still awaits ratification by the Mexican Congress. This agreement is clear evidence of a genuine desire on the part of the rulers of Mexico to recognise the liabilities for their public debt. When this matter has been finally arranged, it is reasonable to hope that they will turn their attention to their domestic liabilities, amongst which must be included the claims of our railway.

We still claim from the Mexican Government a sum of at least £1,500,000, which is being liquidated at present at the rate of only about £2,000 per week. Even a moderate acceleration in the rate of liquidation would make a wonderful difference to our financial position, and we will not miss any opportunity of pressing upon them both the justice of our claims, and the expediency in the interest of Mexican credit of their being equitably settled.

A RECENT CABLE.

I will now read to you the following cable just received from our general manager's office:—

"On the upper division of the line about one-third of cereal crops has been lost by early frost, but on lower division cereal, coffee and tobacco crops are good. Heavy loss of wheat in certain sections of the Republic has caused importations from Canada and United States. Some sugar mills on the Istmo Railway have closed down, which should increase movement on our line. As reported previously, Istmo banana plantations have been badly damaged. Textile mills near Orizaba have arranged for reduced working hours on account of heavy stocks on hand. Discount of silver unchanged at about 13 per cent., but large importers are limiting orders to cover immediate necessities only. Outlook for tourist travel good. Labour continues unreasonable. Train service normal. Are doing utmost to reduce mileage and obtain reduction in expenses, but this will be difficult."

I regret that there is but little encouragement in this cable, and it is specially disappointing to us to hear of the damage to the banana plantations, as the traffic seemed likely to become a valuable one to the railway.

THE GENERAL MANAGER.

I am glad to be able to draw your attention to the fact that we have Mr Holmes, our general manager, with us to-day. He has been spending four months' holiday at home, which he well deserves after three continuous years of strenuous work in Mexico. He returns to Mexico next week, I know, in improved health and, I hope, refreshed in spirit. We have impressed upon him the urgent need for all possible economy in these bad times, and are confident that he will do his utmost to carry out our wishes.

In his absence, our assistant manager, who is also our resident engineer, Mr Ingram, has been managing the business, and we have every reason for thinking that he has done so with both tact and energy. Mr Ingram is retiring from active service at the end of this year, after forty years in Mexico, twenty-two of which have been spent with our company; but I am glad to say that we shall be able to avail ourselves of his special knowledge and experience in his new capacity as consulting engineer in Mexico. He carries with him in his retirement the best wishes of the board, and, I hope, your good wishes too. I can honestly say that no one who has come within my own circle of activities has deserved better of his employers than has Mr Ingram.

The chairman concluded by moving the adoption of the report and accounts.

Mr John A. Gibbs seconded the motion and it was carried unanimously.

ANSSELLS BREWERY, LIMITED.**CHAIRMAN ON TRADE DIFFICULTIES.****BREWERS KEEP FAITH.**

The thirtieth ordinary general meeting of the shareholders of Ansell's Brewery, Limited, was held on Wednesday, November 26th, at the Queen's Hotel, Birmingham, Mr James A. Fairhurst (chairman), presiding.

The secretary (Mr Arthur Kimberley) read the notice convening the meeting, and the auditors' certificate was presented by Mr Howard Fisher, of Messrs Fisher, Randle and Fisher.

The Chairman, in moving the adoption of the report and statement of accounts, said:—

Ladies and gentlemen: Before commencing the business of the meeting I must apologise for the absence of Mr Thomas Ansell, my joint managing director. Your board, and, I am sure, the shareholders, regret this, especially as it is through illness. Mr Ansell is away from home recuperating, and, I am pleased to say, is much better in health.

Last year our secretary (Mr Winterton) was unable to be present at the general meeting through illness, and unfortunately, since that time his health has not improved, and he has resigned his position, Mr A. Kimberley, who has been assistant secretary for many years, having been appointed in his stead. For thirty-five years Mr Winterton had been a trusted and valued official of the company, always giving of his best, and I can assure you that your board fully appreciate the services he rendered, and with great regret accepted his resignation. It is really quite unnecessary for me to tell most of you how much companies owe to competent, trustworthy and assiduous officials.

THE BALANCE SHEET.

The directors' report and balance sheet have been printed and circulated amongst you, and I presume you wish to take them as read. We have been hoping now for a long time for improvement in trade; you remember, no doubt, the proverb: "Hope deferred maketh the heart sick, but when the desire cometh it is a tree of life." I do not imagine, with this balance sheet before them, that the hearts of the shareholders are sick, but all of us will rejoice when "the desire cometh." I do not think that there is any necessity to refer to more than two or three items on the balance sheet. First, you will notice that the paid-up ordinary share capital now stands at £800,000. The increase of £200,000 was caused by the capitalisation of that amount of reserve and the distribution of 40,000 fully-paid shares amongst the ordinary shareholders. That explains the reason why the reserve fund now stands at £280,000.

The other item to which I wish to draw your attention is the profit of £174,733. This, compared with the corresponding figure of last year, £189,329, shows a drop in our profits of between £14,000 and £15,000. This is regrettable, but it does not surprise me. We had to reckon during the period under review with months of exceptionally bad weather. Last year I told you that we were engaged in a business which deals with a very large public who are particularly affected by the two factors of bad trade and unemployment. Such factors were operating last year, and have continued to do so, as you all know, with increasing force right up to to-day. How long it will go on I do not know, but there is this redeeming feature—the situation is now so bad that men of all classes are co-operating to remedy it, irrespective of any political bias which they previously had when circumstances were different. So that I think that in this case out of a temporary evil a permanent good may arise.

BREWERS' PROMISE TO THE CHANCELLOR.

Another matter which has affected our profits has been the extra 3s. a standard barrel beer duty which was imposed this year, and which particularly affects your company, owing to the high strength of our beers. The promise the brewers gave to the Chancellor of the Exchequer to bear this duty themselves and not pass it on to the public or the retailers has been honourably kept, but your profits have to this extent suffered. I had my doubts at the time as to the wisdom of giving any such promise, and having regard to the increase of the income tax from 4s. to 4s. 6d. in the pound (of which we were unaware when the promise was given) I am now of the opinion that it was premature, and we ought not to have bound ourselves in such a manner.

During the course of the year the directors have elected to the board Sir Pierce Lacy, Bart., and Mr Alfred Inman Sherwin, and in accordance with the articles of association they both come up for re-election. In electing Sir Pierce Lacy and Mr Alfred Sherwin members of the board, your directors are confident that such action will meet with the hearty approval of the shareholders. Both these gentlemen are very well known to you and in the City of

Birmingham for their business ability, and I feel sure you have the fullest confidence in their capability of guarding your interests.

The brewery and properties of the company and all plant and machinery have, as usual, been fully kept up out of income, and the gravity and quality of our product have been maintained. I have every reason to hope, therefore, that as and when trade improves and employment increases your company will have at least their proportion of the benefits that will then arise.

MAKING ORDINARY SHARES MARKETABLE.

There is one other matter I should like to mention. The ordinary shares of this company have up to now been privately held, and with a view of making them marketable it is necessary to alter our articles of association so as to comply with Stock Exchange requirements. At the same time it is desirable to bring such articles up to date and in accordance with the Companies Act, 1929. You will therefore very shortly be receiving a notice calling a special meeting to consider new articles as well as the sub-division of the present ordinary shares of £5 into five shares of £1 each.

Before formally moving the resolution, I would like to take the opportunity of congratulating our staff and workpeople on the excellent services they have rendered during the past year, and on the splendid loyalty they always display. Your directors appreciate it, and I am sure you do.

I now beg to move the following resolution: "That the report and accounts be received and adopted and that the following final dividends be paid for the half-year ended September 30, 1930—viz.: At the rate of 5 per cent. per annum (less income tax) on the preference shares, and at the rate of 12½ per cent. per annum, together with a bonus of 2½ per cent., on the ordinary shares (both free of income tax)."

Mr A. E. Ansell (assistant managing director): I have very much pleasure in seconding the resolution.

The resolution was put to the meeting and carried unanimously. Mr W. Heath, J.P., moved: "That Sir Pierce Lacy, Bart., be re-elected a director of the company."

Mr Heath said that Sir Pierce was a man whose name carried great weight in the commercial and financial world, and his reputation was of a high standard. Having regard to the wonderful success of the company in the past, he could not help but think that the board would be strengthened by the inclusion of Sir Pierce. Captain Crossland seconded the resolution, which was carried unanimously, Sir Pierce suitably acknowledging.

Mr Frank Woolley moved: "That Mr A. I. Sherwin be re-elected a director of the company." Mr Woolley referred to the fact that Mr Sherwin was a partner of the late Mr Joseph Ansell, who was a brother of the founders of the business. Mr Joseph Ansell was a great asset to the company, with his wonderful personality and knowledge of the trade. He (Mr Woolley) knew Mr Sherwin's great successes, his few failures, and, incidentally, many of his frailties, but he was not going to talk about that. The company could be quite sure that it would be of great assistance to have Mr Sherwin at their board meetings.

Mr W. Scott, seconding the resolution, said as a member of the board he would like to welcome Mr Sherwin. He knew Mr Sherwin had some very excellent ideas and he was sure they would all profit by hearing of them. To use the chairman's illustration, he hoped they would hasten the coming of the "tree of life."

The resolution was carried unanimously.

Mr Sherwin, in thanking the shareholders, said that he would be proud to occupy the position to which they had elected him, and would do his best to justify the confidence they had placed in him.

On the proposition of Mr James Marson, seconded by Mr L. Litherland, Messrs Fisher, Randle and Fisher were re-elected auditors for the ensuing year.

Mr H. Fisher, on behalf of the firm, thanked the shareholders on their re-election as auditors.

Mr Alfred Aston, proposing a vote of thanks to the chairman, directors and staff, said he had proposed this resolution at annual meetings for many years and it was with great pleasure that he did it again. If he might divert from the subject a little he would like to congratulate the shareholders and other directors on the re-election of Sir Pierce Lacy and Mr Sherwin. He congratulated them on acquiring gentlemen of such business acumen and, as other speakers had said, he was sure the board would benefit by their services. He would also congratulate Mr Kimberley on his appointment as secretary. He (Mr Aston) well remembered Mr Kimberley coming as a boy to the offices in Park Road, and he had seen him working in harmony with Mr Winterton, whom they all regretted had had to retire from office. They trusted that Mr Winterton would be restored to health so that he might enjoy his retirement for many years.

Mr C. E. A. Flewitt seconded the resolution, which was carried unanimously and acknowledged by the chairman.

TATE AND LYLE, LIMITED.**OUTPUT GREATER THAN EVER.****HEAVY FALL IN PRICE OF SUGAR.****SIR ERNEST TATE ON THE OUTLOOK.**

The twenty-eighth annual ordinary general meeting of Tate and Lyle, Ltd., was held, on Thursday, December 4th, at the Cannon Street Hotel, London, E.C.

Sir Ernest W. Tate, Bt. (the president), said:—Ladies and gentlemen,—Before proceeding with the formal business of the meeting, I wish to refer to the loss which the company has sustained by the death of Lord Birkenhead. Although he had been a member of our board for only a comparatively short time, we directors thoroughly appreciated his great ability. It is needless for me to refer to his wonderful career, as that has already been done by some of the best-known men in the country. I will therefore ask you to stand for a few moments as a tribute to his memory.

The meeting having stood in silence for a few moments, The Chairman said: I will now call upon the secretary to read the notice convening the meeting and also the report of the auditors, as required by the Companies Act.

The secretary (Mr Chas. R. Hutchinson) having read the notice convening the meeting and the report of the auditors,

DISAPPOINTING RESULTS.

The Chairman said: With regard to the balance sheet which we are now here to consider, I must frankly say that it is very different to what I thought it would be when we met here this time last year, and I can assure you that it is just as disappointing to your board of directors as it will be to the general body of shareholders.

I have referred on more than one occasion to the possibility of this company having to face heavy losses upon the stocks of its chief raw material if the market value should drop, and in December, 1923, when the price of raw sugar was 24s. per cwt. I sought to justify our policy of setting aside large sums to reserve by stating that "some day we may show a very considerable loss on the large stock which we are compelled to hold in order to ensure that our refineries are kept working to the fullest extent possible."

I regret to say that the fear I then expressed has been justified, but to an extent never contemplated by anyone connected with the sugar trade, the price of raw sugar having declined during our financial year from 9s. 9d. per cwt. to 4s. 9d. per cwt.—that is to say, by over 50 per cent.

THE BALANCE SHEET.

Some important changes have taken place in the balance sheet as compared with September 30, 1929. Turning first to the assets side, practically all the first-class securities have been sold. As a consequence of this, and in connection with the holdings in subsidiary and other associated companies, the investment reserve, which at September 30, 1929, stood at approximately £306,838, appears at September 30, 1930, at £190,910. Your directors are satisfied that the value of the interests in subsidiary and associated companies is fully equal to the figure at which they have been brought into the balance sheet, less the investment reserve. As regards stocks, the figure is reduced from £2,619,111 in 1929 to £1,667,971 in 1930.

As regards debtors, the figure is reduced from approximately £1,510,513 in 1929 to approximately £933,149 in 1930. The smaller figures for 1930 are caused partly by a fall in the value of the commodities, and partly by the fact that we happened to hold smaller stocks and had smaller sales outstanding at the time of balance. They are not due to a lesser volume of trade as a whole—our trade having been greater, as I shall explain later.

Turning to the liabilities side, you will notice that £1,250,000 5½ per cent. mortgage debenture stock appears and the ordinary shares are increased by the addition of the small balance previously unissued. On the other hand, the bank loan of £3,210,000 of 1929 has disappeared.

SERIOUS MARKET POSITION.

The first six months of the year's working were satisfactory. There was a fall in the raw-sugar market, and, consequently, a loss on stock, but nothing abnormal, and it then appeared that the price of raw sugar would stabilise itself somewhere round about the cost of production, and we had every reason to expect that the next six months to the end of September would be equally satisfactory.

Unfortunately, a state of affairs developed during the summer months such as we have never had to meet before, and I am sure that there are many gentlemen in the room with a life experience of the trade who will agree with this remark. In April the price of

raw sugar was about 8s. per cwt., but during the summer it fell to the lowest point touched—namely, 4s. 9d., this being more than 1s. below any previously recorded price, and a little more than half the cost of production. At one period it almost appeared that the price might go to zero, and there would be a general collapse.

Fortunately, this did not actually take place, but I think you will understand that—carrying large stocks of raw sugar as we must do, owing to the magnitude of our weekly output—the position was serious.

ATTITUDE OF BUYERS.

In stable markets we can usually rely upon the consuming trade to cover their requirements for some time ahead, thus protecting us to some extent against a decline in value, but in a market with constantly sinking prices buyers show little desire to run any risk of market fluctuations, and by purchasing no more than their immediate requirements, throw the whole onus of the market risk back upon firms like ours, which, by the nature of their business, are bound to hold large stocks.

The existence of a single selling agency to control the sale of raw sugar in the chief producing country—Cuba—imported an additional element of difficulty in the purchasing of our supplies, and we were at times faced with a situation of being compelled to buy against our better judgment and in larger quantities than we would have preferred.

REASON FOR THE FALL.

You will naturally ask what is the reason for this fall in value. The people in the room who are in the sugar trade probably know as much as I do, but in my opinion, it has been caused primarily by the accumulation in producers' hands of a large surplus of sugar as a result of the disinclination of sugar users generally to hold stocks. This is a feature not confined to this commodity, and is one of the difficulties inherent in the present economic situation throughout the world.

I do not believe that the actual consumption of sugar everywhere shows much decrease, if it shows any at all, and if I am right in this assumption, then I think we shall be able to look forward with confidence to a large and regular trade during the coming year.

THE RESERVES.

We have in the past adopted a conservative policy with regard to reserves, and I am glad to say that—even in the difficult period we have passed through—we have not been compelled to touch these reserves except to a very small extent as follows:—

The dividend reserve, which was created in the year of the Coal Strike, has been reduced by £80,000, which I consider quite legitimate, as this reserve was created to meet an emergency such as has now arisen. The general reserve of £1,150,000 remains as before.

Since the beginning of October the raw sugar market has improved, and it is quite obvious that the price of raw sugar is now considerably below the cost of production, and this position of affairs cannot go on indefinitely. Naturally, it is our interest to obtain our supplies of raw material as cheaply as possible, but when an article is being produced at a loss there is always the danger of violent reactions which may seriously interfere with the normal course of business.

RECORD OUTPUT.

In spite of the fall in actual profits, I think it is my duty to make it clear that, in the opinion of your board, the results of the year's trading are anything but discouraging.

The facts are that our output has been greater than ever before: we have practically driven the foreigner from this country, and the margin of profit on day-to-day prices has been at least as good as last year. Had it not been for the unprecedented fall in the raw sugar market, the financial results would also have been greater.

In other words, our trade generally has been better than ever, and, since it is unlikely that the price of sugar can fall much lower, we may look forward to the future with continued confidence.

In conclusion, I should like to remark that our refineries have been maintained in a high state of efficiency, and the directors wish to express their appreciation of the loyal support that they have received from the staff and workpeople. (Applause.)

The President then moved the adoption of the report and accounts and the declaration of the dividends as recommended.

Sir Leonard Lyle (chairman of the company) seconded the resolution.

A SHAREHOLDER'S CONGRATULATIONS.

Sir Douglas Newton, K.B.E., M.P., said he would like to congratulate the board upon the very satisfactory results which they had achieved in an exceedingly difficult period, and also upon the manner in which they had conducted this great enterprise in a time of acute and world-wide industrial depression. (Hear, hear.)

The resolution was carried unanimously.

The retiring directors were re-elected, and the auditors were re-appointed.

The President having announced that the dividend warrants would be posted to the shareholders on Monday, the 15th instant, the proceedings terminated.

THE CONSOLIDATED GOLDFIELDS OF SOUTH AFRICA, LIMITED.

EFFECTS OF FALL IN METAL PRICES.

REVIEW OF COMPANY'S VARIED INTERESTS.

The ordinary general meeting of the Consolidated Gold Fields of South Africa, Ltd., was held, on the 2nd instant, at River Plate House, Finsbury Circus, London, E.C., Lord Brabourne, chairman of the company, presiding.

Mr H. G. Sidgreaves (one of the joint secretaries), having read the notice convening the meeting and the report of the auditors,

The Chairman, in moving the adoption of the report and accounts, dealing first with the accounts of the operating company—New Consolidated Gold Fields—said that dividends received had increased from £311,559 to £385,000, but the total profit on sales of investments amounted to only £118,736, as against £656,636 in the year ended June, 1929, a year which comprised the exceptional profit made by the sale of the control of the American Potash and Chemical Corporation, and had not seen the inception of the disastrous period of progressive stagnation and depression in practically all markets which set in in the autumn of 1929, and of which the end was not yet in sight. The net profit balance, at £445,931, was £442,018 less; £300,000 was transferred from reserve to provide for depreciation, and a dividend of 7½ per cent. was declared, compared with 15 per cent. for the previous year.

The accounts of their own company—the holding company—showed a balance of £255,079, and the directors recommended a dividend of 7½ per cent., less tax.

Having referred to encouraging features in connection with the company's Rand gold-mining interests, and to the progress being made in Australia by the Lake View and Star, Ltd., and the Wiluna Gold Corporation, he said that their chief interest in platinum lay in the Waterval property, which, even at a much greater rate of production than the present, should have a life of over forty years, and must ultimately occupy an important place in the general picture, though at the present price of the metal it could make but small profits.

SOUTH AMERICAN GOLD AND PLATINUM COMPANY'S DIVIDEND POLICY.

Their other large interest was in the South American Gold and Platinum Company, and in this connection it was disappointing that, after fourteen years of prosperous conditions, the managers of a company which was still making a profit at the present price and had, as he was informed, a surplus of assets over liabilities of 2,017,000 dols., including 1,660,000 dols. in cash, continued to refuse to consider the payment of a dividend. "Gold Fields" held approximately a one-third interest in the company, but their voice was that of one crying in the wilderness.

SUGGESTED REMONETISATION OF SILVER.

A year ago it looked as if they might expect steady and increasing dividends from the Mexican Corporation, but the heavy fall in the price of copper, lead and zinc had greatly reduced profits. At June 30th the known oxide ore reserves contained over 7,500,000 ounces of silver, which at the present price was hardly worth mining. The fact that silver had fallen to its present level was, it could hardly be doubted, one of the chief contributory causes of the present world-wide depression in trade, for it was impossible to suppose that the fall in price had not gravely affected the purchasing powers of 700,000,000 Indians and Chinese. In view of the fact that authorities stated that the supply of gold was insufficient to meet the world's credit requirements, and of the probable decline in world gold production during the next few years, it was surely time that the chief nations of the world should agree to remonetise silver and fix its price, say, at one-fortieth of that of gold, or 2s. an ounce.

TIN INDUSTRY.

Referring to tin, the chairman, stating that their chief holding was in the Anglo-Oriental Mining Corporation, said there were signs that a recovery in price was at hand, and of that recovery, when it came, they were in a position to take full advantage. But for the formation and exertions of the Tin Producers' Association the industry would by this time have been in a complete state of chaos; but, now that the principle of ore conservation had been established with the co-operation of Dutch and Bolivian producers, there was little doubt that a return to healthy conditions could not be far off. That any British producers could hesitate to give their full co-operation to the association seemed inconceivable in view of the magnitude of the Empire's interest in the tin industry and the folly of digging up irreplaceable reserves for an insufficient profit.

After reviewing oil holdings, he said that they still had a very important interest in Celanese, both in the United States and in England, and had no reason whatever to question the desirability of their investment, which they looked upon as a permanent one of very great promise. He mentioned also the American Potash and Chemical Corporation, which, he said, continued its prosperous career; and, among new ventures, referred to gold-dredging interests in New Guinea, to the future of which they looked with complete confidence, and to the treatment of Estonian oil shales.

DEPRECIATION FULLY PROVIDED FOR.

Reverting to the general position, the chairman said that the £300,000 appropriated to depreciation reserve not only covered all depreciation of assets to June 30th last, but also more than made provision for all depreciation which had taken place since that date. Their present reserve of £606,000 was therefore intact, in addition to which they had the unrealised appreciation over book cost, to which reference was made in the report and for which they took no credit until it was realised.

In conclusion, he said that, so long as industry continued to suffer from a burden of taxation which was borne by no other country, and the present uncertainty as to the maintenance of safeguarding duties was allowed to continue, it was difficult not to take a pessimistic view of the immediate prospect. If the former was to be increased and the latter were to be removed, present depression and depreciation were as nothing compared with what might be seen in the near future.

Mr E. Birkenruth seconded the resolution which, after the Chairman had replied to a few questions, was carried.

FOSTER CLARK, LIMITED.

SATISFACTORY RESULTS.

The annual general meeting of Foster Clark, Ltd., was held on the 1st instant, at the registered office, Hart Street, Maidstone, Mr G. Foster Clark, J.P., the chairman, presiding.

The chairman, in moving the adoption of the report and accounts, said:—Ladies and gentlemen: The report, with your permission, we will take as read.

The profit for the year amounts to £149,627, and the amount brought forward is £63,098, making a total of £212,726. The directors recommend that a final dividend of 15 per cent. be paid on the ordinary shares, making a total of 30 per cent. for the year, and an allocation of £10,600 to taxation reserve and £24,499 to investment reserve, leaving a balance of £65,126 to be carried forward.

The profit is slightly in excess of the average profit for the last ten years, and in view of the present world-wide depression in trade, the directors consider that the result is satisfactory.

In addition a profit of £2,174 on sales of investments has been used to write down the book cost of the same.

The income from investments has been satisfactory.

The balance sheet is even stronger than it was last year. Provision for employees' pensions amounts to £50,460. Taxation reserve is increased to £34,700 and investment reserve to £60,000. The dividend equalisation and general reserves amount to £134,351.

The investments total £652,379, and of the £593,571 invested outside the business, £100,194 is in British Government securities. The balance is made up of Colonial and Foreign Government securities £41,547, banks, insurance companies, mortgages and debentures £179,647, and industrial companies preference and ordinary shares £272,180. The investments are widely distributed, and apart from Government securities, they number 311, and the average amount invested is £1,593.

The Australian company again had record sales for the past year, and although trade is depressed, the directors expect a reasonable profit to be made in the current year.

The report and accounts were unanimously adopted.

MALAYA GENERAL COMPANY, LIMITED.

THE RUBBER SITUATION.

The twenty-second ordinary general meeting of Malaya General Company, Ltd., was held, on the 3rd instant, at Winchester House, Old Broad Street, London, Mr George M. Weekley presiding.

The Chairman, in moving the adoption of the report and accounts, said that the results of the season's trading could hardly be called satisfactory to those who had invested their money in tropical agriculture and taken the attendant risks, which deserved a return of at least 10 per cent. But the present were trying times for industry in general, and probably more so for rubber than almost any other commodity. Rubber at the present moment was little more than half the price at which it stood at the time of the last meeting, and when one added to the estate cost of production, however low that might be, the items of freight, insurance, handling charges, storage, &c., it was very difficult for even the best managed and best kept estate to make both ends meet with "No. 1" rubber selling at anything like 4½d. per lb. The company's average selling price for the year, however, was 6.20d. per lb., which, with the income from their investments, enabled them to set aside £3,428 for depreciation and to carry into the balance sheet a net profit of £12,027.

In spite of the uncertain future and the fact that so many of their neighbours were failing to pay dividends, the directors felt it to be essential that, in bad times like the present, shareholders should have the benefit of dividends when they had been earned, and they therefore proposed to pay 5 per cent.

As market rates fell the board took all possible steps to reduce expenditure where such reduction would not jeopardise the future of the estate, and their monthly estate costs had gradually fallen to a point which enabled the manager to submit estimates for the current year on an estate basis of less than 12 cents per lb.

It was obviously unwise for growers to continue to produce more rubber than the world's requirements called for, and, after consultation with a great many other producing companies and their agents, the board had resolved to join them in an effort to keep unwanted supplies off the market. In fact, they had decided to reduce the output to about 70 per cent. of the potential yield. Fortunately, the company had ample funds; the reserve stood at nearly half the issued capital. Despite the present state of the market, the board felt they had seen the worst, although it would be unwise to prophesy as to when the desired recovery would come about.

The report was unanimously adopted.

STRAND HOTEL, LIMITED.

COST OF TELEPHONE SERVICE.

The twenty-third ordinary general meeting of the Strand Hotel, Ltd., was held on the 3rd instant, at the Trocadero Restaurant, London.

Major M. Gluckstein (the chairman) said that work on the Strand Palace Hotel extension was now nearing completion. During the past year further bedrooms had been added, and their design and equipment afforded visitors the maximum of comfort and convenience. Every bedroom in the hotel now had its own telephone, though from the company's point of view the maintenance of this service had proved costly. There were in the Strand Palace Hotel nearly 1,000 extensions, and in the ordinary way of commercial usage one would expect, for such a large installation, some concession in the matter of rental. But such was not the case. The company paid the same annual rental for these extensions as 1,000 single subscribers would pay, and the Telephone Service insisted upon a permanent deposit of a sum equal to two-thirds of the quarterly account for call fees—in the company's case a substantial figure—on which deposit no interest was received, so that the more they used the telephone the more they were penalised. This reversal of the usual order of business methods was a distinct discouragement to the healthy development of the telephone habit. Altogether, their experience so far had compelled them seriously to consider the removal of the telephones from the bedrooms at the Strand Palace Hotel instead of introducing them at the Regent Palace Hotel, as had been intended.

The company's hotel site opposite the Marble Arch had now been cleared, and a new structure was being erected. The original intention was to erect an hotel with restaurant amenities, and J. Lyons and Company, Ltd., the owners of the next block eastwards, were to erect on their site a large Corner House. Further consideration had led to a combination of these two schemes, and the two companies had decided to pool their resources and form a separate company, providing the capital equally, and to run the two businesses together on the hotel site.

The report was unanimously adopted.

Government Returns, &c.

NATIONAL ACCOUNTS.

As is shown from the Treasury Return printed below, the total ordinary revenue for the week ended Nov. 29, 1930, amounted to £6,498,500, against ordinary expenditure of £9,410,700. After allocating £490,000 to the Sinking Fund, and having allowed for a reduction in Exchequer Balances of £73,800, the week's operations, as shown below, increased the National Debt by £3,476,000 to £7,681,079,000:—

(000's omitted.)

Treasury Bills	£ 6,996	Public Dept. Advances	£ 2,450
National Savings Certificates ..	300	Road Fund	570
		P.O. and Telegraph Money	800
	7,296		3,820

A complete analysis of the National Debt at the end of last quarter was printed in the *Economist* of October 4.

REVENUE.	Estimate for the year 1930-31.	Total Receipts into the Exchequer.			
		April 1, 1930, to Nov. 29, 1930.	April 1, 1929, to Nov. 30, 1929.	Week ended Nov. 29, 1930.	Week ended Nov. 30, 1929.
ORDINARY REVENUE.	£	£	£	£	£
Inland Revenue—					
Income Tax	260,000,000	74,159,000	70,093,000	678,000	442,000
Sur-tax, including Arrears of Super-Tax	64,500,000	15,970,000	13,580,000	200,000	190,000
Estate, &c., Duties	83,000,000	54,540,000	52,660,000	1,470,000	960,000
Stamps	27,000,000	10,610,000	15,150,000	450,000	570,000
Excess Profits Duty and Corporation Profits Tax	1,700,000	...	10,000	...	...
Land Tax and Mineral Rights Duty	800,000	160,000	170,000	...	...
Total Inland Revenue ..	437,000,000	155,439,000	151,663,000	2,798,000	2,162,000
Customs and Excise—					
Customs	122,710,000	80,685,000	81,634,000	2,289,000	2,190,000
Excise	129,860,000	84,200,000	86,900,000	1,400,000	1,505,000
Total Customs and Excise	252,570,000	164,885,000	168,534,000	3,689,000	3,695,000
Motor Vehicle Duties (Exchequer Share)	4,950,000	1,749,298	1,737,824	111,000	...
Post Office (Net Receipt)	10,125,000	8,900,000	8,450,000	Dr 300,000	Dr 400,000
Crown Lands	1,300,000	1,010,000	980,000	110,000	150,000
Receipts from Sundry Loans	33,000,000	22,975,144	21,142,498	...	94,102
Miscellaneous Receipts	34,500,000	20,021,809	21,433,733	90,514	459,380
Appropriation from Rating Relief Suspense Account ..	16,000,000	16,000,000	...	...	...
Total Ordinary Revenue	789,445,000	390,980,251	373,941,055	6,498,514	6,160,482
SELF-BALANCING REVENUE.					
Post Office	60,275,000	37,500,000	37,550,000	1,400,000	1,500,000
Motor Vehicle Duties apportioned to Road Fund	23,560,000	8,714,702	8,128,176	...	...
Total Self-Balancing Revenue	83,835,000	46,214,702	45,678,176	1,400,000	1,500,000
Total		437,194,953	419,619,231	7,898,514	7,660,482

EXPENDITURE.	Estimate for the year 1930-31 (including Supplementary Grants).	Total Issues out of the Exchequer to meet payments.			
		April 1, 1930, to Nov. 29, 1930.	April 1, 1929, to Nov. 30, 1929.	Week ended Nov. 29, 1930.	Week ended Nov. 30, 1929.
ORDINARY EXPENDITURE.	£	£	£	£	£
Interest and Management of National Debt	304,600,000	186,454,669	200,449,834	1,628,681	2,192,110
Payments to Northern Ireland Exchequer	6,000,000	3,507,147	3,020,316	215,765	191,072
Payments to Local Taxation Accounts	3,300,000	1,582,603	1,703,026	11,261	908,948
Other Consolidated Fund Services			2,221,973		16,174
Supply Services (excluding Post Office)	418,933,000	276,582,467	230,884,128	7,555,000	6,530,000
Total Ordinary Expenditure	732,833,000	468,126,886	443,607,277	9,410,707	9,838,297
Sinking Fund	55,400,000	29,206,599	27,679,799	490,000	495,000
SELF-BALANCING EXPENDITURE.					
Post Office	60,275,000	37,500,000	37,550,000	1,400,000	1,500,000
Road Fund	23,560,000	8,714,702	8,128,176	...	...
Total Self-Balancing Expenditure	83,835,000	46,214,702	45,678,176	1,400,000	1,500,000
Total		543,548,187	516,965,252	11,300,707	11,833,297

The aggregate revenue and expenditure to Nov. 29, 1930, is shown below:—

FINANCIAL YEAR, 1930-31, APRIL 1ST TO NOVEMBER 29TH. (000's omitted.)

Expenditure	£ 468,127	Revenue	£ 390,980
Sinking Fund	29,206	Decreases in balances	3,295
		Net Amount borrowed	103,058
	497,333		497,333

POSITION OF THE FLOATING DEBT.

Ways and Means Advances Out-stand- ing—	Nov. 30, '29.	Mar. 31, '30.	Nov. 29, '30.	Nov. 29, '30.
Advances by Bank of England ..	29,180,000	48,530,000	24,350,000	2,450,000
Advances by Public Departments ..	796,960,000	588,885,000	681,700,000	6,995,000
Treasury Bills outstanding	826,140,000	637,415,000	706,050,000	4,545,000
Total Floating Debt				

* Includes £7,000 the proceeds of which were not carried to the Exchequer within the period of the account.

TREASURY BILLS BY PUBLIC TENDER.

Tenders for £45,000,000 in Treasury Bills were opened on November 28, 1930, and the total amount applied for was £55,810,000. Tenders were accepted for bills at three months, dated Monday at £99 9s. 5d., about 85 per cent., and Tuesday to Saturday at £99 9s. 4d. and above in full. The amount allotted was £45,000,000.

Date.	Amount Offered.	Amount Applied For.	Treasury Bills at 3 Months. Average Rate.
1930.			
Nov. 7	40,000,000	51,400,000	2 3 9-56
Nov. 14	40,000,000	54,175,000	2 4 0-37
Nov. 21	45,000,000	61,620,000	2 3 2-31
Nov. 28	45,000,000	55,810,000	2 2 11-12

The OCEAN ACCIDENT AND GUARANTEE CORPORATION, Limited.

ASSETS - - - - £29,046,500
CLAIMS PAID - - - - £56,933,000

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

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

The Bankers' Gazette.

BANK OF ENGLAND.

Return for Week ended Wednesday, December 3, 1930.

ISSUE DEPARTMENT.

Notes Issued—	£	Government Debt	£11,015,100
In Circulation	359,218,693	Other Government Securities	235,042,745
In Banking Department	55,430,117	Other Securities	11,477,263
		Silver Coin	4,464,892
		Amount of Fiduciary Issue	260,000,000
		Gold Coin and Bullion	154,648,810
			£414,648,810

BANKING DEPARTMENT.

Proprietors' Capital	£14,553,000	Government Securities	£54,966,247
Reserve	3,291,924	Other Securities	2,350,427
Public Deposits	7,843,239	Discounts and Advances	£4,606,262
Other Deposits		Securities	21,790,830
Bankers'	£81,858,241	Notes	26,397,092
Other Accounts	34,227,272	Gold and Silver Coin	55,430,117
			£91,984,810
7-Day and other Bills	116,085,513		
	1,764		
			£141,775,440

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

Both Departments.	Amount, Dec. 3, 1930.	Inc. or Dec. on Last Week.	Inc. or Dec. on Last Year.
Note circulation	359,218,693	+ 8,093,765	+ 1,867,296
Public deposits	7,843,239	+ 11,025,712	+ 159,668
Bankers' deposits	81,858,241	+ 25,957,054	+ 23,237,778
Other deposits	34,227,272	+ 2,585,485	+ 3,270,481
Seven-day bills	1,764	+ 245	+ 1,006
Total, outside liabilities	483,149,209	+ 20,439,867	+ 17,939,327
Capital and reserve	17,844,924	+ 68,240	+ 3,638
Government debt and securities	303,024,092	+ 24,371,612	+ 2,148,961
Discounts and advances	4,606,262	+ 1,474,335	+ 5,016,344
Other securities	33,268,093	+ 445,111	+ 4,105,381
Silver coin in issue department	4,464,892	+ 1,566	+ 358,696
Coin and bullion (bank's reserve)	155,630,794	+ 1,942,393	+ 21,360,985
Reserve of notes and coin in banking department	56,412,101	+ 10,036,158	+ 23,228,881
Proportion of reserve to outside liabilities			
(a) Banking department only ("proportion")	45½%	+ 14%	+ 13½%
(b) Gold stocks to deposits and notes ("reserve ratio")	32½%	+ 1½%	+ 3½%

(000's omitted.)

Date.	Notes Issued.	Circulation.	Public Deposits.	Bankers' Deposits.	Other Deposits.	Gold in or out of Bank.	Bank Rate.
1930.							
Oct. 15	417,824	357,061	12,397	66,163	36,067	290	3
22	418,942	354,528	27,933	55,505	34,099	1,114	3
29	419,504	355,626	20,970	55,694	35,002	553	3
Nov. 5	420,373	356,464	19,377	55,533	34,515	855	3
12	418,920	355,381	16,979	55,321	33,150	1,457	3
19	417,913	353,740	17,780	59,461	32,953	1,018	3
26	416,569	351,125	18,869	55,901	36,813	1,366	3
Dec. 3	414,649	359,219	7,843	81,858	34,227	1,922	3

Date.	Issue Department.		Both Divts.		Banking Department.		Reserve & "Proportion."
	Govt. Debt and Securities.	Other Securities.	Gold Coin and Bullion and Reserve Ratio.	Govt. Securities.	Discounts & Advances.	Other Securities.	
1930.							
Oct. 15	243,912	11,627	159,021	33½%	42,301	5,128	22,882
22	243,908	11,627	160,125	34½%	41,636	4,979	22,969
29	243,908	11,627	160,667	34½%	37,666	4,299	22,367
Nov. 5	243,907	11,627	161,542	34½%	35,091	4,299	22,367
12	244,060	11,477	160,081	34½%	36,726	4,459	22,449
19	244,061	11,476	158,966	34½%	33,431	4,398	24,849
26	244,056	11,477	157,573	34½%	34,596	6,081	22,236
Dec. 3	244,058	11,477	155,631	32½%	58,966	4,606	21,791

BANKERS' CLEARING RETURNS (000's omitted.)

	Town.	Metropolitan.	Country.	Total.
1930.				
January 1 to November 19	34,901,957	1,617,476	2,652,563	39,171,996
Week ended November 26	705,111	31,702	51,540	788,353
Week ended December 3	750,564	35,606	52,427	838,597
Total to date, 1930	36,357,632	1,684,784	2,756,530	40,798,946
Total to date, 1929	37,228,416	1,752,400	2,862,898	41,843,714
Increase or decrease in 1930	- 870,784	- 67,616	- 106,368	- 1,044,768
	= - 2.3%	= - 3.9%	= - 3.7%	= - 2.5%
Total for year, 1929	39,935,924	1,881,789	3,078,764	44,896,477
Do. 1930	39,311,117	1,854,194	3,039,422	44,204,729
Increase or decrease in 1929	+ 624,807	+ 27,595	+ 38,342	+ 691,751
	= + 1.6%	= + 1.5%	= + 1.3%	= + 1.6%

PROVINCIAL CLEARING RETURNS (000's omitted.)

	Week ended Nov. 29.		Month of November.		Aggregate Weekly Totals Jan. 1 to Nov. 29.
	1929.	1930.	1929.	1930.	
Number of working days	26	25	26	25	
BIRMINGHAM	2,249	2,061	10,960	9,662	121,674
BRADFORD	1,434	972	5,126	3,205	54,966
BRISTOL	1,077	1,020	5,020	4,520	40,051
DUBLIN	4,450	4,611	20,000	19,000	52,660
LIVERPOOL	825	633	3,700	3,000	229,135
LEEDS	855	759	4,346	3,658	40,460
MANCHESTER	581	543	3,326	2,898	46,778
NEWCASTLE	5,144	6,933	33,709	25,978	37,505
NOTTINGHAM	11,694	12,434	53,170	40,016	47,500
Sheffield	1,448	1,311	7,017	5,972	47,600
Wolverhampton	477	425	2,618	2,296	29,634
Other	767	615	4,084	3,343	17,347
Total	31,001	32,317	133,076	104,548	1,698,381

OVERSEAS BANK RETURNS.

NOTE.—The latest Returns of the Bank of Denmark and the Bank for International Settlements appeared in the *Economist* of November 8; Egypt in November 16; Russia and Roumania in November 22; Canada, Chile, Java, Sweden, and Lithuania in November 29.

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

	Dec. 6, 1929.		Nov. 13, 1930.		Nov. 20, 1930.		Nov. 27, 1930.		Dec. 4, 1930.	
	1929.	1930.	1929.	1930.	1929.	1930.	1929.	1930.	1929.	1930.
RESOURCES.										
Total gold reserve	2,992,970	3,028,500	3,040,980	3,024,970	3,007,490					
Total bills discounted	872,310	191,660	205,040	233,850	250,930					
Bills bought in open market	265,520	207,340	178,270	176,110	218,940					
Total U.S. Govt. securities	355,140	601,290	595,770	595,770	602,190					
Total bills and securities	1,502,670	1,006,590	983,380	1,011,940	1,072,410					
Total resources	5,465,040	4,968,120	4,969,010	4,867,450	4,953,740					
LIABILITIES.										
Federal Reserve notes in actual circulation	1,938,470	1,371,150	1,383,600	1,421,870	1,450,900					
Deposits—Memberbank—reserve account	2,401,000	2,490,290	2,448,750	2,409,930	2,423,930					
Total deposits	2,402,580	2,539,660	2,514,190	2,463,410	2,492,270					
Capital paid in and surplus	422,780	447,400	447,390	447,400	447,400					
Total liabilities	5,463,040	4,968,120	4,959,010	4,867,450	4,953,740					
Ratio of total reserves to deposits and Federal Reserve note liabilities combined	71.5%	81.2%	81.9%	81.4%	79.8%					

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

	Dec. 6, 1929.	Nov. 13, 1930.	Nov. 20, 1930.	Nov. 27, 1930.	Dec. 4, 1930.
Total gold reserves	2,992,970	3,028,500	3,040,980	3,024,970	3,007,490
Total bills discounted	872,310	191,660	205,040	233,850	250,930
Bills bought in open market	265,520	207,340	178,270	176,110	218,940
Total U.S. Govt. securities	355,140	601,290	595,770	595,770	602,190
Total bills and securities	1,502,670	1,006,590	983,380	1,011,940	1,072,410
Total resources	5,465,040	4,968,120	4,969,010	4,867,450	4,953,740
LIABILITIES.					
Federal Reserve notes in actual circulation	1,938,470	1,371,150	1,383,600	1,421,870	1,450,900
Deposits—Memberbank—reserve account	2,401,000	2,490,290	2,448,750	2,409,930	2,423,930
Total deposits	2,402,580	2,539,660	2,514,190	2,463,410	2,492,270
Capital paid in and surplus	422,780	447,400	447,390	447,400	447,400
Total liabilities	5,463,040	4,968,120	4,959,010	4,867,450	4,953,740
Ratio of total reserves to deposits and Federal Reserve note liabilities combined	71.5%	81.2%	81.9%	81.4%	79.8%

SOUTH AFRICAN RESERVE BANK.—In £'s (000's omitted.)

	Nov. 8, 1929.	Oct. 10, 1930.	Oct. 17, 1930.	Oct. 24, 1930.	Oct. 31, 1930.	Nov. 7, 1930.
ASSETS.						
Gold coin and bullion	7,938	7,059	6,798	7,046	6,953	6,532
Subsidiary coin	80	185	192	198	192	196
Investments	7,837	7,032	7,092	7,561	7,341	6,676
LIABILITIES.						
Capital	1,000	1,000	1,000	1,000	1,000	1,000
Reserve	1,000	1,000	1,000	1,000	1,000	1,000
Notes in circulation	8,611	7,687	7,240	7,200	7,200	7,200
Government deposits	1,386	1,135	1,137	1,137	1,137	1,137
Bankers' deposits	4,576	4,422	4,639	4,664	4,908	4,451
Ratio of cash reserves to liabilities to public	52.6%	49.5%	49.2%	49.9%	46.4%	47.5%

IMPERIAL BANK OF INDIA.—In rupees (000's omitted.)

	Nov. 8, 1929.	Oct. 10, 1930.	Oct. 17, 1930.	Oct. 24, 1930.	Oct. 31, 1930.	Nov. 7, 1930.
ASSETS.						
Total securities	33,07,02	24,20,67	25,20,87	26,74,15	28,22,21	28,64,34
Loans	7,96,47	17,24,91	16,84,19	16,85,37	16,30,24	16,22,04
Cash credits.....	21,63,02	27,22,02	27,68,40	26,48,35	26,89,41	26,98,12
Bank bills	3,73,16	1,75,36	1,60,90	1,71,25	1,69,38	1,59,27
Foreign bills	29,54	30,42	29,15	34,87	39,19	36,23
Dead stock	2,84,56	2,78,38	2,78,39	2,78,49	2,78,67	2,78,64
Bal. with other banks	18,73	22,76	13,66	27,28	18,29	19,25
Cash	24,67,82	25,37,70	26,86,37	26,78,70	26,65,02	24,44,82
LIABILITIES.						
Capital paid up	5,62,50	5,62,50	5,62,50	5,62,50	5,62,50	5,62,50
Reserve	5,27,50	5,37,50	5,37,50	5,37,50	5,37,50	5,37,50
Total deposits	82,65,11	86,51,36	88,52,78	89,79,98	91,30,41	89,61,44
The above includes						
Deposits in London	1,105	5,868	6,815	6,882	6,825	6,822
Advances in London	1,019	7,630	7,359	7,203	6,992	6,994
Cash, &c., at other						
Banks in London.....	141	170	104	208	136	140

GOLD MOVEMENTS.

	Position, June 30, 1914	Nov. 16, 1929.	Oct. 26, 1930.	Nov. 1, 1930.	Nov. 8, 1930.	Nov. 15, 1930.
ASSETS.						
Gold coin & bullion.....	221,320	1,125,024	834,516	830,768	824,175	817,792
Other coin & bullion			59,589	59,595	59,769	60,596
Discounts.....	41,740	672,662	660,706	663,546	664,594	659,284
Advances.....	70,540	74,471	58,257	58,252	58,252	68,258
LIABILITIES.						
Notes.....	362,270	1,172,258	1,080,565	1,161,407	1,043,679	1,018,142
Govt. deposits.....	87,340	605,530	481,195	472,646	541,387	543,480
Other deposits.....	11,440	407,869	225,666	125,710	176,869	201,343

OVERSEAS BANK RATES.

Changed. From To				Changed. From To			
		%	%			%	%
Amsterdam	Mar. 24, 1930	5	3	Oso	Nov. 7, 1930	4	4
Athens	Dec. 2, 1928	10	9	Paris	May 1, 1930	3	2
Batavia	Mar. 10, 1930	5	4	Prague	June 24, 1930	3	4
Belgrade	May 28, 1930	6	5	Pretoria	Sept. 29, 1930	6	5
Berlin	Oct. 9, 1930	4	5	Beval	Oct. 4, 1930	8	7
Brussels	July 31, 1930	3	2	Riga	Oct. 1, 1930	7	6
Bucharest	Nov. 23, 1929	9	9	Rome	May 20, 1930	6	5
Budapest	Nov. 23, 1929	9	9	Sofia	July 2, 1929	9	10
Calcutta	Nov. 20, 1930	4	5	Stockholm	Apr. 2, 1930	4	3
Copenhagen	Nov. 12, 1930	4	5	Swiss Bank			
Danzig	Oct. 10, 1930	4	5	Tokio	July 10, 1930	3	2
Helsingfors	Aug. 26, 1930	6	6	Vienna	Oct. 6, 1930	5-48	5-11
Kovno	Apr. 1, 1930	7	6	Warsaw	Sept. 9, 1930	5	5
Lisbon	June 2, 1930	8	7	Irish	Oct. 3, 1930	6	7
New York Federal Reserve	June 19, 1930	3	2		May 1, 1930	4	4
Madrid	July 17, 1930	5	6				

Central Bank of Chile.—Discount rate for member banks, 7%; discount rate for the public, 8%.

a 6% applied to banks and credit institutions.

b 7% applied to private persons and firms.

CURRENT PRICES IN NEW YORK.						
The Irving Trust Company cable the following money and exchange rates in New York:—						
	Dec. 4, 1929.	Nov. 5, 1930.	Nov. 12, 1930.	Nov. 19, 1930.	Nov. 26, 1930.	Dec. 3, 1930.
Call money	%	%	%	%	%	%
Time money (90 days' mixed coll.)	4½	2	2	2	2	2
Bank acceptances:—		2½	2½	2½	2½	2½
Members—eligible, 90 days	4	2	2	2	2	2
Non-mem.—eligible, 90 days	4	2	2	2	2	2
Ineligible, 90 days	4½	2½	2½	2½	2½	2½
Commercial accept., 90 days	5½	3	3	2½	2½	2½

	London on Australia and New Zealand.				Australia and New Zealand on London.			
	Buying.		Selling.		Buying.		Selling.	
	Aus- tra- lia.	New Zealand.	Aus- tra- lia.	New Zealand.	Aus- tra- lia.	New- Zealand.	Aus tra- lia.	New- Ze- land.
T.T.	108	93	108	95	108	104	109	105
Sight	109	93	108	95	107	103	108	104
30 days	110	93	107	...	107	103	108	104
60 days	110	92	...	...	107	102	108	103
90 days	111	92	...	...	106	102	108	103

All Australian Rates are now quoted on the basis of £100—LONDON

INDIA COUNCIL REMITTANCES.

The total remittances from the Government of India to the Secretary of State for India in Council from April 1 to November 29, 1930, were £6,386,441, of which £5,395,000 was remitted by purchases of sterling in India and £991,441 was transferred from the Paper Currency Reserve in England to the Treasury Account of the Secretary of State for India in Council to meet sales of sterling in India.

BULLION.

The following statistics of imports and exports of gold for week ended Dec. 4, 1930, are issued by the Statistical Department of H.M. Customs and Excise:—

Imported into Great Britain and Northern Ireland.		Exported from Great Britain and Northern Ireland.	
From—	£	To—	£
Spain.....	1,000,000	Poland.....	1,700
British S. Africa.....	1,637,181	Germany.....	87,393
Straits Settlements.....	7,300	Netherlands.....	2,000
		France.....	4,018,811
		Switzerland.....	102,830
		Spain.....	39,100
		Australia.....	15,030
		Yugoslavia.....	1,710
		British India.....	15,767
		Other countries.....	1,037
Total declared value of imports.....	2 644,481	Total declared value of exports.....	4,283,386

GOLD.

Messrs Samuel Montagu and Company write on December 3, 1930, as follows :—

The Bank of England gold reserve against notes amounted to £156,568,569 on the 26th ultimo (as compared with £157,913,216 on the previous Wednesday), and represents an increase of £10,608,485 since January 1st last. The shipment of bar gold from South Africa which arrived this week amounted to £1,037,000, but as this had mostly been sold forward to France, only £15,000 remained to be dealt with yesterday, and this was taken for India and the Home and Continental trade. The price fixed, 85s. 2d. per fine ounce, was the highest quotation recorded since the resumption of the gold standard in April, 1925. The French demand for gold continues and about £300,000 is withdrawn from the Bank of England daily for despatch to Paris after refining. Movements of gold at the Bank of England during the week show a net efflux of £1,922,065. Receipts totalled £600,306, of which £600,000 was in sovereigns from South Africa, and withdrawals consisted of £400,000 in sovereigns "set aside," £51,000 in sovereigns taken for export, and £2,071,371 in bar gold, the bulk of which was for France.

SILVER.

Following a sharp decline in the Shanghai exchange, the silver market was decidedly weaker during the week under review, and from $16\frac{3}{4}$ d. for cash and $16\frac{1}{2}$ d. for two months' delivery quoted on the 27th ultimo, prices fell to $16\frac{1}{4}$ d. and 16d. quoted yesterday for the respective deliveries; the latter were the lowest quotations fixed since August 9th last. China was a consistent seller and the market suffered from an absence of adequate support, there being small demand save to cover bear commitments. America has both bought and sold during the week, but was more inclined to give support at the low level. With steadier advices from China there was less pressure to sell to-day, prices reacting slightly to $16\frac{1}{4}$ d. for cash and $16\frac{1}{2}$ d. for two months' delivery. The difference between the cash and two months' quotations narrowed yesterday from $\frac{1}{4}$ d. to $\frac{1}{8}$ d.

The following were the United Kingdom imports and exports of silver registered from mid-day on the 24th ultimo to mid-day on the 1st instant :—

IMPORTS.	£	EXPORTS.	£
Mexico	60,404	British India	80,000
British India	70,800	Other countries	15,041
Australia	5,450		
Canada	15,876		
Other countries	432		

INDIAN CURRENCY RETURNS (in lacs of rupees).

	Nov. 22.	Nov. 15.	Nov. 7.
Notes in circulation	16,484	17,064	17,032
Silver coin and bullion in India	12,251	12,272	12,298
Silver coin and bullion out of India	...	...	...
Gold coin and bullion in India	3,228	3,228	3,228
Gold coin and bullion out of India	...	...	...
Securities (Indian Government) ...	867	1,342	1,296
Securities (British Government) ...	138	222	210

The stocks in Shanghai on the 29th ultimo consisted of about 95,700,000 ounces in sycee, 150,000,000 dollars and 3,500 silver bars, as compared with about 95,700,000 ounces in sycee, 150,000,000 dollars and 4,180 silver bars on the 22nd ultimo.

Statistics for the month of November last are appended :—

	BAR SILVER per oz. std. Cash delivery. Two mos. delivery.	BAR GOLD per oz. fine.
Highest price ...	16 $\frac{3}{16}$ d.	16 $\frac{1}{2}$ d.
Lowest price ...	16 $\frac{1}{16}$ d.	85s. 1 $\frac{1}{2}$ d.
Average price ...	16-625d.	85s. 0d.
		85s. 0-99d.

GOLD AND SILVER PRICES.

	Gold Per Ounce.		Silver— Per Ounce.		Date.	Silver. Cash.
			Cash	Forward		
1930.	s.	d.	d.	d.		d.
Nov. 23.....	85	1 $\frac{3}{8}$	16 $\frac{7}{16}$	16 $\frac{5}{16}$	Dec. 5, 1924	32 $\frac{11}{16}$
" 29.....	85	1 $\frac{3}{8}$	16 $\frac{7}{16}$	16 $\frac{5}{16}$	" 4, 1925	32 $\frac{11}{16}$
Dec. 1.....	85	1 $\frac{3}{8}$	16 $\frac{1}{2}$	16 $\frac{1}{2}$	" 3, 1926	24 $\frac{3}{4}$
" 2.....	85	2	16 $\frac{1}{16}$	16	" 2, 1927	26 $\frac{13}{16}$
" 3.....	85	1 $\frac{3}{4}$	16 $\frac{1}{16}$	16 $\frac{1}{8}$	" 6, 1928	26 $\frac{1}{8}$
" 4.....	85	1 $\frac{3}{4}$	16	15 $\frac{11}{16}$	" 5, 1929	22 $\frac{3}{8}$

Company News.

DIVIDEND ANNOUNCEMENTS.

Name of Company.	Rate % per Annum, except where marked % or Stated in Cash.	Interim or Final.	Date of Payment.	Method of Payment.	Dividend for Whole Years.	Latest Year.	Previous Year.
BANKS.							
Bank of New South Wales.....	9*	...	Quarterly	...	...	...	...
INSURANCE.							
Gresham Life Assurance.....	5*	Jan. 1	Tax free	...	...	...	...
Legal and General Assurance...	3/6 p.s.*	Jan. 1	Tax free	...	...	...	...
National Bank of New Zealand.	5d. p.s.*	...	...	...	9d. p.s.	9d. p.s.	...
TEA AND RUBBER.							
Assam Doora Tea.....	7 1/2%	Jan. 5	Less tax	...	...	...	...
British Indian Tea.....	7 1/2%	Jan. 5	Less tax	...	...	...	...
Hope Tea.....	7 1/2%	Jan. 7	Less tax	...	...	...	...
Jorehaut Tea.....	4%	Dec. 19	Less tax	...	...	...	...
Jokal (Assam) Tea.....	7 1/2%	...	Less tax	...	...	...	...
Leah River Tea.....	7 1/2%	...	Less tax	...	...	...	...
Meenglas Tea.....	5%	Nov. 29	...	...	...	...	...
Mount Vernon (Ceylon) Tea.....	5%	...	...	...	...	...	...
Rajah Alii Tea.....	5%	...	...	...	...	...	...
Single Tea.....	2 1/2%	Jan. 1	...	...	...	...	...
MINING.							
Chinese Engineering and Mining	4%†	...	Tax free	...	9	20	...
Grigalund Explorat'n & Finance	10%†	Dec. 20	Less tax	...	20	20	...
Iridis.....	2 1/2%†	Dec. 17	...	...	7 1/2	8 1/2	...
Kaduna Syndicate.....	2 1/2%†	...	...	...	7 1/2	10	...
Natal Navigation Collieries.....	1/6 p.s.*	Jan. 8	...	...	5	5	...
Parl Tin.....	...	...	...	...	...	...	...
Santa Gertrudis.....	...	...	...	...	...	...	...
Van Ryn Gold.....	...	...	...	...	...	...	...
OTHER COMPANIES.							
Anglo-Belgian Company of Egypt	5%*	Jan. 1	...	...	...	...	...
Associated Reinsurers.....	10%*	...	...	...	17 1/2	25	...
Benskins' Watford Brewery.....	1/3 p.s.*	...	...	...	20	Nil	...
Birmingham Rowton Houses...	...	...	...	...	7 1/2	7 1/2	...
Blackpool Winter Gardens.....	...	...	...	...	3 1/2	2 1/2	...
Bowater's Paper Mills.....	4%*	...	...	...	...	...	...
British Empire Trust (Def.).....	3%*	Dec. 18	...	...	...	...	...
British Industries.....	5%*	Jan. 1	...	...	...	...	...
British Oxygen.....	5%*	Jan. 1	...	...	...	...	...
British Steamship Investment	5%*	Jan. 1	...	...	...	...	...
Trust (Def.).....	5%*	Jan. 1	...	...	...	...	...
British Syphon.....	5%*	Jan. 1	...	...	...	...	...
British Tar Planting Machine.....	5%*	Jan. 1	...	...	...	...	...
British Tar Products.....	5%*	Jan. 1	...	...	...	...	...
Brookhurst-Whiston Amalgamated	2 1/2%*	Jan. 1	...	...	...	...	...
Callender's Share and Investment	3%*	Jan. 1	...	...	...	...	...
Trust.....	4/9 p.s.*	Dec. 16	Less tax	...	50	50 a	...
Canada Permanent Mortgage.....	2 1/2%*	Dec. 8	...	...	5	5	...
Carreras.....	6c. p.s.*	Jan. 1	...	...	5	5	...
Continental and Industrial Trust	5%*	Jan. 1	...	...	...	...	...
Cork Manufacturing.....	2 1/2%*	Jan. 1	...	...	...	...	...
Dundee and London Investment	5%*	Jan. 1	...	...	...	...	...
Ecuadorian Corporation.....	5%*	Jan. 1	...	...	...	...	...
Electric and General Investment	2 1/2%*	Jan. 1	...	...	...	...	...
First Garden City.....	3%*	Dec. 15	...	...	...	...	...
Frank Mason and Company.....	5%*	Jan. 1	...	...	...	...	...
Frederick Sage and Company.....	5%*	Jan. 1	...	...	...	...	...
General Securities Invest. Trust	5%*	Jan. 1	...	...	...	...	...
Globe Telegraph and Trust.....	5%*	Jan. 1	...	...	...	...	...
Grand Hotel, Eastbourne.....	5%*	Jan. 1	...	...	...	...	...
Greenwich Inland Linoleum.....	5%*	Jan. 1	...	...	...	...	...
Great Northern Telegraph.....	5%*	Jan. 1	...	...	...	...	...
Halford Cycle.....	10%†	plus bon	us of 10%	...	5	2 1/2	...
Harrods (Buenos Aires).....	10%†	plus bon	us of 10%	...	5	2 1/2	...
Hotel York.....	10%†	plus bon	us of 10%	...	5	2 1/2	...
Hull Brewery.....	10%†	plus bon	us of 10%	...	5	2 1/2	...
Imperial Property Investment...	10%†	plus bon	us of 10%	...	5	2 1/2	...
Ind Coope and Company.....	10%†	plus bon	us of 10%	...	5	2 1/2	...
Ingall Parsons Olive (Def.).....	12%†	Jan. 5	...	...	...	...	...
International Tea.....	12%†	Jan. 5	...	...	...	...	...
J. A. Wells.....	3 1/2%*	Jan. 1	...	...	...	...	...
J. Brookhouse and Company.....	10%*	...	...	...	...	...	...
Lilly and Skinner.....	10%*	...	...	...	...	...	...
London and New York Investm't	10%*	...	...	...	...	...	...
Marks and Spencer.....	10%*	...	...	...	...	...	...
Marmite Food Extract.....	1/6 p.s.*	Dec. 5	Tax free	...	...	...	...
Marston Thompson and Evershed	12%†	...	...	...	...	...	...
Massey's Burnley Brewery.....	2 1/2%*	Nov. 29	...	...	...	...	...
Metnue and Company.....	2 1/2%*	Nov. 29	...	...	...	...	...
Metro. Ry. Country Estates.....	5%*	Dec. 31	...	...	...	...	...
Metropolitan Association, &c.....	7 1/2%†	plus bon	us at rate of	...	7 1/2	12	...
Metropolitan Fare Register.....	7 1/2%†	plus bon	us at rate of	...	7 1/2	12	...
P. and O. (Def.).....	1/9 p.s.*	...	Tax free	...	2/9 p.s.	2/9 p.s.	...
P. Phipps and Company.....	1/9 p.s.*	...	Tax free	...	3 1/2	4 1/2	...
R. and J. Dick.....	1/9 p.s.*	...	Tax free	...	15	15	...
Robert Younger.....	11%†	...	...	...	14	10	...
Russell's Gravesend Brewery.....	11%†	...	...	...	5	5	...
Savoy Hydro (Blackpool).....	2%†	...	Less tax	...	4	4	...
Scottish Allied Investors.....	6%*	Dec. 16	...	...	...	...	...
Scrubban's.....	3%*	Dec. 16	...	...	...	...	...
Second Consolidated Trust.....	6%*	Dec. 31	...	...	22 1/2	22 1/2	...
Sharpe (Charles) and Company.....	15%†	...	...	...	...	...	...
Shawell's Brewery.....	6%*	...	...	...	...	...	...
Telford's.....	6%*	...	...	...	...	...	...
Usher's Withshire Brewery.....	5%†	plus bon	us of 4%	...	14	14	...
Warwick and Richardson.....	9%†	...	Tax free	...	11 1/2	12 1/2	...
Waterlow and Sons (Def.).....	5%†	...	...	...	10	10	...
William Murray and Company.....	1/9 p.s.*	Jan. 1	Less tax	...	...	...	...
Williamson's.....	2%*	Dec. 16	...	...	15c	15c	...
Winterbottom Trust.....	9 1/2%†	...	Less tax	...	17 1/2	17 1/2	...
Wolverhampton & Dudley Brew.	2% p.s.*	plus bon	us of 6d. p.s.	...	12	12	...
Yarrow and Company.....	7 1/2%†	...	...	...	...	...	...
Yate's Castle Brewery.....	...	...	...	...	...	...	...
Youngs Crawshaw and Youngs.....	...	...	...	...	...	...	...

a Tax free.
b Plus bonus of 1 1/2 per cent.
c Plus bonus of 7 1/2 per cent.

WEEKLY TRAFFIC RETURNS.

RAILWAYS OF GREAT BRITAIN AND IRELAND.

(b) Week ended Nov. 27, 1930. (c) Week ended Nov. 23, 1930.	Miles Open.	Week ended Nov. 29, 1930. (000's omitted.)					Aggregate 48 weeks, 1930. (000's omitted.)				
		Passen- gers, &c.	Merch- andise, dise. &c.	Coal and Coke.	Total Goods.	Total for Week.	Passen- gers, &c.	Merch- andise, dise. &c.	Coal and Coke.	Total Goods.	Total Receipts.
		£	£	£	£	£	£	£	£	£	£
Great Western...	3,758	117	194	141	335	512	11,181	10,102	5,667	15,769	27,150
Do. for 1929...	3,751	186	216	133	349	535	11,800	10,699	5,985	16,684	28,484
Lon. & N. Eastn. (c)	6,362	286	426	329	755	1,041	16,982	16,651	12,251	30,902	47,884
Do. for 1929...	6,361	305	470	316	786	1,091	17,663	20,246	13,000	33,246	50,909
Lon. Mid. & Scot.	6,956	414	489	323	812	1,226	25,147	25,186	12,143	37,329	62,476
Do. for 1929...	6,957	441	582	311	893	1,334	26,612	27,492	13,004	40,496	67,108
Southern	2,179	249	81	46	127	376	15,346	3,702	1,438	5,140	20,486
Do. for 1929...	2,175	260	88	45	133	393	15,706	3,780	1,570	5,350	21,056
Total of above	19,255	1,126	1,190	836	2,026	3,152	68,856	57,641	31,449	89,140	157,996
Do. for 1929...	19,244	1,192	1,356	805	2,161	3,353	71,781	62,217	33,559	95,776	167,557
Metropolitan (c)	59	31	8	4	1	...	35	1,558	191	2	...
Do. for 1929...	59	32	2	4	2	...	36	1,554	186	8	...
† Undg. E. R. (c)	...	296	7	...	...	...	296	7	14,477	...	...
Do. for 1929...	...	288	7	...	...	...	288	7	13,733	...	...
Lon. & Sub. Gr. up	...	43	5	...	...	...	43	5	213	1	...
Do. for 1929...	...	43	1	...	...	...	43	1	201	6	...
† Lf. & Co. D'wnc	80	1	8	...	...	...	2	130	3	...	...
Do. for 1929...	80	1	8	...	...	...	2	129	4	...	...
* Great Northern b	562	8	9	16	7	...	25	...	...	...	...
Do. for 1929...	562	9	3	16	8	...	26	...	...	...	...
Great Southern b	2,187	21	1	45	5	...	66	...	...	...	...
Do. for 1929...	2,187	22	7	48	7	...	71	...	...	...	...

* Aggregate 47 weeks.
† Includes receipts from independent omnibuses during current year.

OVERSEAS RAILWAY RECEIPTS.

Name.	Weeks.	Ending.	Present Receipts.	Gross Receipts for Week.		Total Gross Receipts.	
				1930.	+ or -	1930.	+ or -
INDIAN.							
Assam Bengal	44	Nov. 1	1,306	Rs. 4,46,000	Rs. 1,301	Rs. 1,20,40,998	Rs. 4,58,997
Barel Lt. Ry.	32	8	202	57,200	19,300	12,70,000	1,79,700
Bengal & N. Western	5	8	2,079	6,32,544	14,851	29,35,688	3,26,142
Bombay-Nagpur	31	1	3,139	14,15,000	3,76,654	4,75,14,131	57,90,410
Bombay Bar. & C. I. L.	34	22	3,094	23,11,000	3,000	6,55,50,000	50,87,000
Madras & S. Mahr.	44	8	3,229	11,09,000	3,14,237	4,54,34,778	91,58,818
Rohilk'd & Kumaon	4	8	561	1,05,690	7,394	5,21,484	61,043
South Indian	30	Oct. 25	2,371	9,23,206	4,22,663	3,68,85,194	18,44,544
† Including Laknow-Bareilly State Railway.							
CANADIAN.							
Canadian National	46	Nov. 22	204.13	4,19,286	667,982	201,741,691	40,284,132
Canadian Pacific	48	30	154.70	14,418,000	112,000	164,297,000	29,916,000
† Nine days.							
SOUTH AMERICAN.							
Antofagasta (Chili and Bolivia)	48	Nov. 30	804	21,350	12,090	1,272,330	561,265
Argentine N.E.	22	29	753	13,400	5,100	315,800	27,900
Argentine Transp'n	22	29	111	5,375	689	77,764	16,639
B.A. and Pacific	22	29	2,806	140,000	10,000	2,630,000	569,000
B.A. Central	21	23	...	11,786	981	259,774	...
B.A. Gt. Southern	22	29	5,009	235,000	27,000	4,127,000	8,954
B.A. Western	22	29	1,926	75,000	20,000	1,481,000	716,000
Central Argentine	22	29	3,359	217,000	14,000	4,303,000	1,048,000
Central Uruguayan	22	29	273	33,476	4,506	673,048	50,869
C. Urug. (East Ext.)	22	29	311	7,990	1,198	137,700	6,644
C. Urug. (W. Ext.)	22	29	185	3,886	217	75,713	7,359
Cordoba Central	22	29	1,218	51,000	4,000	1,363,000	72,000
Entre Rios	22	29	804	24,900	4,400	534,900	12,100
G. Westn. of Brazil	47	29	1,856	16,700	9,200	643,800	234,100
Leopoldina Terminal	47	29	1,856	16,700	9,200	643,800	234,100
Nitrate (monthly)	11	30	410	15,448	15,000	13,453,000	13,000
San Paulo	48	30	153	39,290	18,021	394,082	366,490
United of Havana	22	29	1,369	29,948	17,923	1,779,477	590,730
						751,982	336,316

* Traffic interrupted by storms. † Months. ‡ No returns for five weeks ending November 1

OTHER OVERSEAS.

Canadian National	46	Nov. 22	20413	4,198,286	— 667,982	201,741,691	— 40,284,132
Canadian Pacific...	48	30	15470	14,418,000	— 112,000	164,297,009	— 29,916,000
† Nine days.							

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS.

Company.	Period Ending.	Balance from Last Account.	Net Profit After Payment of Deben-ture Interest.	Amount Available for Distri-bution.	Appropriation.					Corresponding Period Last Year.	
					Dividend.			Carried to Reserve, Deprecia-tion, &c.	Balance Forward.	Net Profit.	Divi-dend.
					Prefce.	Ordinary.					
					Amount	Amount.	Rate.				
Banks.		£	£	£	£	£	%	£	£	£	%
Bank of London and South America	Sept. 30	209,573	390,472	600,045	...	318,600	9	100,000	181,445	453,145	11
British Overseas Bank	Oct. 31	58,130	140,446	198,576	...	120,000	6	5,000	73,576	159,929	6
Ionian Bank	Aug. 30	25,058	39,531	64,589	...	36,000	6	...	28,589	48,046	7
Breweries.											
Benskin's Watford Brewery	Sept. 30	56,211	179,370	235,581	19,500	91,200	17½	50,000	74,881	145,932	25
Butler (W.) and Company...	Sept. 30	31,292	121,629	152,921	18,000	60,000	15½	40,000	34,921	122,828	15½
Ind. Coope and Co.	Sept. 30	186,056	313,789	499,847	23,821	169,380	25	100,000	206,646	296,192	25
Lichfield Brewery	Sept. 30	9,845	39,145	48,990	6,250	22,113	12	9,500	11,127	37,783	12
Massey's Burnley Brewery .	Oct. 31	18,180	36,958	55,138	24,283	15,000	5	9,975	5,880	55,394	8
Phipps (P.) and Co.	Sept. 30	62,308	123,539	185,847	8,750	91,313	13½†	20,000	65,784	122,033	13½†
Russell's Gravesend Brewery	Sept. 30	24,114	57,035	81,149	9,000	23,648	14	24,083	24,418	50,083	10
Yate's Castle Brewery	Sept. 30	14,689	37,188	51,877	7,500	17,500	17½	10,000	16,877	32,757	17½
Younger (Robert)	Sept. 30	14,921	24,027	38,948	5,000	12,000	15½	5,000	16,948	19,325	15½
Financial Land, &c.											
British Empire Land Mortgage.	Sept. 30	...	Dr. 454	Dr. 454	...	...	...	...	Dr. 454	Dr. 1,065	...
Hotels, Restaurants, &c.											
Ilkley Wells Hydropathic ..	Sept. 30	89	Dr. 2,640	Dr. 2,551	...	...	...	...	Dr. 2,551	Dr. 508	...
Iron, Coal and Steel.											
Blaenavon Co.	Sept. 30	Dr. 106,667	18,155	Dr. 88,512	...	...	...	...	Dr. 88,512	10,295	...
Dorman, Long and Company	Sept. 30	s 203,315	86,448	289,763	51,206	...	...	63,603	174,954	164,162	...
Yarrow and Co.	June 30	7,474	9,696	17,170	...	7,500	5	...	9,670	3,320	Nil
Motor and Cycle.											
Halford Cycle	Nov. 1	15,543	41,844	57,387	...	28,855	15½	12,000	16,532	49,343	15½
Nitrate.											
Lautaro Nitrate	June 30	649,756	287,337	937,093	280,000	...	...	254,794	402,299	648,006	...
Oil.											
Steaua Romano (British) ...	June 30	26,715	133,130	159,845	...	62,000	4	71,059	26,786	88,490	4
Rubber, &c.											
Bandar Sumatra Rubber ...	July 31	3,069	Dr. 1,748	1,321	...	...	...	...	1,321	6,734	7½
British Borneo Para	Apr. 30	4,305	Dr. 4,042	263	...	...	...	...	263	1,973	...
Bunter Rubber	June 30	3,197	Dr. 733	2,464	...	...	...	1,000	1,464	6,780	4
Permas Rubber Co.	June 30	6,763	Dr. 1,487	5,276	...	...	...	...	5,276	2,189	...
Sungei Bahrur Rubber	June 30	5,279	Dr. 2,795	2,484	460	...	...	...	2,324	11,515	7
Shipping.											
British India Steam	Sept. 30	29,220	219,268	248,488	145,000	76,576	8½	...	26,912	222,487	8½
P. & O. Steam Navigation	Sept. 30	120,865	745,437	866,302	152,000	459,252	10½	140,000	115,052	822,037	12½
Shops and Stores.											
Harrods (Buenos Aires)	Aug. 31	122,029	465,706	587,735	188,000	150,572	5	126,571	122,592	597,413	8½
South American Stores	Aug. 31	23,554	356,439	379,993	60,667	260,000	16a	...	11,201	453,303	19a
						48,125	93½b	...			116½b
Tramways and Omnibuses.											
Belfast Omnibus Co.	Sept. 30	Dr. 11,930	11,945	15	...	...	...	...	15	...	...
Trust.											
Nelson Financial Trust	Oct. 31	38,098	32,486	70,584	4,711	23,555	6½a	...	37,570	90,350	12½a
						4,748	2½b	...			8b
Other Companies.											
African Lakes Corporation .	Dec. 31	5,939	Dr. 7,440	Dr. 1,501	...	...	...	...	Dr. 1,501	14,910	7½
Agua Santa Coffee	Dec. 31	46,067	Dr. 13,615	32,452	2,625	...	...	...	29,827	9,606	...
Associated Brick & Tile Wks.	Sept. 30	4,070	6,933	11,003	...	...	...	5,000	6,003	...	...
Blackpool Tower Co.	Oct. 31	28,185	91,913	120,098	1,860	63,938	20	25,000	29,300	95,571	20
Blackpool Winter Gardens	Oct. 31	6,378	25,300	31,678	...	16,275	20	10,000	5,403	3,254	Nil
Bowater's Paper Mills	Sept. 30	28,491	105,210	133,701	22,500	17,438	7½	55,000	38,763	77,396	7½
British Syphon Co.	Sept. 30	1,056	11,297	12,353	7,000	4,000	4½	...	1,353	19,833	10½
Dick (R. and J.)	Aug. 31	12,238	58,026	70,264	15,113	28,336	37½	10,000	16,815	76,657	43½
Eastern Chemical Co.	Mar. 31	Dr. 21,116	Dr. 758	Dr. 21,874	...	...	...	...	Dr. 21,874	Dr. 330	...
Greenwich Inland Linoleum.	Sept. 30	14,797	56,208	71,005	6,000	37,616	10	14,000	13,389	53,822	10
Industrial Newspapers	Sept. 30	3,291	21,736	25,027	21,578	...	...	...	3,449	14,592	...
Ingall, Parsons, Clive and Co.	Sept. 30	7,649	8,859	16,508	4,442	3,668	5	...	8,398	20,214	20
Manbré and Garton	Sept. 30	179,656	366,920	546,576	35,000	183,467	16a	10,000	191,975	410,289	17½a
						126,134	84½b	...	17,681	59,875	95½b
Paterson, Laing and Bruce	July 21	33,211	27,970	61,181	36,000	7,500	3½	...	17,681	59,875	7½
Sage (Frederick) and Co.	Sept. 30	48,766	24,250	73,016	8,373	16,200	6	...	48,443	39,212	8
South London Greyhound	Sept. 30	1,634	27,542	29,176	...	8,154	18-513c	...	...	...	...
Racecourses						15,000	50b	3,000	3,022	20,304	11½t
Southern Brick and Tile Co.	Sept. 30	Dr. 5,744	Dr. 6,061	Dr. 11,805	...	...	...	...	Dr. 11,805	...	14½b
Sussex Brick Co.	Sept. 30	8,505	34,587	43,092	9,300	17,437	22½	6,500	9,855	31,419	22½
Waterlow and Sons	Sept. 30	50,996	162,305	213,301	56,700	79,350	11½†	30,000	47,251	171,546	12½†

† Free of income tax. a Ordinary shares. b Deferred shares. t Preferred ordinary shares.
s Includes provision for liabilities to the Government not required.

The Union Assurance Society, Ltd., announces the establishment of a City branch which will be accommodated at the head office to deal with business in the head office area.

The Board of the Argentine Navigation Company (Nicolas Mihanovich), Ltd., have appointed Mr Alfred Woods to be a director of the company.

Lord Aberdare has joined the London Board of the Scottish Union and National Insurance Company.

Mr Mowbray Thompson, F.C.I.S., of Leverson's Wallsend Collieries, Ltd. (Newcastle-on-Tyne) and Mr Leslie Carr Gamage,

M.C., F.C.I.S., of the General Electric Company, Ltd., have been elected members of the Council of The Chartered Institute of Secretaries.

Mr N. J. Carter, F.I.A., has been appointed life manager of the Eagle Star and British Dominions Insurance Company, Ltd., in succession to Mr H. E. Melville, F.I.A., who has accepted the position of actuary and secretary to the National Provident Institution. The following additional appointments have been made: Mr S. R. Ball, F.I.A., to be assistant life manager, and Mr J. B. Andras, B.A., F.I.A., to be assistant actuary.

MINING OUTPUT STATISTICS.

GOLD.					
Company.	Period.	Ozs. Recovered.	Company.	Period.	Ozs. Recovered.
Cam and Motor	Nov.	10,609	Rezende	Nov.	2,680
Glynn's Lydenburg ..	Nov.	5,700*	Transvaal G.M.E.	Nov.	14,900
Lonely Reef	Nov.	3,650			
* Tons crushed.					
TIN.					
Company.	Period.	Tons Recovered.	Company.	Period.	Tons Recovered.
Bangrin	Nov.	89	Nigerian Consol.	Nov.	14
Bisichi	Nov.	40	Rahman	Nov.	53½
Flani	Nov.	4½	Sions	Nov.	37
Ipon	Nov.	48½	Southern Malayan ...	Nov.	22½
Kinta Kelas	Nov.	35½	Sungei Kinta	Nov.	31½
Lahat	Nov.	20½	Teja Malaya	Nov.	26½
Malayan	Nov.	131	Pahang Consol.	Nov.	252
Mernu	Nov.	15			
MISCELLANEOUS.					
Company.	Period.	Output.	Company.	Period.	Output.
Clydesdale (Transvaal) ..		Tons.	Mount Lyell	Nov.	Tons.
Collieries	Nov.	31,900	New Vaal River	Nov.	2,151
Crown Diamond	Nov.	9,124 Carats.			486 carats
		Tons.	Natal Navigation Col- lieries	Nov.	102,806
Dundee Coal	Nov.	43,362	South African Coal ...	Nov.	52,758
Durban Navigation			Tweefontein United...	Nov.	54,167
Collieries	Nov.	25,098	Wankie Colliery	Nov.	57,240
Messina (Transvaal) .	Nov.	1,383	Witbank Colliery	Nov.	56,397

OIL OUTPUTS.

ANGLO-ECUADORIAN OILFIELDS, LTD.—The production for November is cabled as 16,323 tons.

APEX (TRINIDAD) OILFIELDS, LIMITED.—The results for the month of November are as follows:—Production of oil, 36,850 tons; deliveries, 35,500 tons.

BRITISH CONTROLLED OILFIELDS, LTD.—Production for the week ended November 26th: Venezuela, 34,881 barrels; Trinidad, 23,867 barrels. Total, 58,748 barrels.

LOBITOS OILFIELDS, LTD.—The production of the Peruvian Co. for November is cabled as 28,164 tons.

THE MEXICAN EAGLE OIL COMPANY, LTD.—The production for the week ended November 22, 1930, was 222,000 barrels.

THE VENEZUELAN OIL CONCESSIONS, LIMITED.—Production for the week ended November 29, 1930, was: Bolivar district, 100,292 metric tons; Maracaibo district, 14,793 metric tons; total 115,085 metric tons.

Commercial Reports.

THE CORN TRADE.

Mark Lane, Thursday evening.

Drier conditions over the United Kingdom during the past week enabled farmers to resume seeding operations, which are considerably in advance of this period last year. The market for native wheat displayed dull features, millers showing little interest owing to attractive offers of imported, and prices generally marked a sagging tendency. In the floating and forward cargo section, prices continue to fluctuate within narrow limits according to overseas cables, the steadier tone recently prevailing being due to crop damage by rust in Argentina, and a falling off in Russian shipments. These factors, however, have now been discounted, importers refusing to follow any advance, and with Plate supplies pressing, values are pursuing a downward course. Soviet cargoes are still arriving unsold, and stocks are steadily accumulating at the chief European ports, while reduced clearances from this source will be made good when the movement from Australia and Argentina is in full swing. According to some reports, the Russian shipping programme has by no means been completed, and exports are likely to be resumed in the Spring. Meanwhile, Plate shippers will no doubt seize the opportunity to ship freely during the winter months. A fair business transpired in Australian parcels on passage, this grade being considered most suitable for mixing with Russian. Heavy stocks in North America are being reduced slowly, and in view of the urgent need for export business, it would not be surprising to find Canada a more pressing seller in the near future. Following the easier tendency of wheat, home milled flour was reduced by 1s. per sack, which encouraged users to replenish supplies for a few weeks ahead. Imported makes, however, were difficult to sell, despite lower offers for shipment. The recent improved demand for feeding stuffs was maintained, and values of maize responded to a good demand both from United Kingdom and Continental buyers. Argentine sorts were chiefly favoured owing to lack of competition from South Africa and the Danube, and because of

smaller exports of European barley. A good chartering movement will ensure liberal Plate shipments during the current month, while stocks remain on a large scale. Barley and oats experienced a quiet sale at generally steady rates.

WHEAT.—Irregular and easier. No. 1 hard, Manitoba, ex-ship, 29s.-29s. 3d.; No. 1 Northern Manitoba, ex-ship, 28s. 3d.-29s.; No. 2 ditto, 27s. 3d.-28s. 3d.; No. 3, 27s.; No. 6, Manitoba, 23s. 6d.; Barusso, 61½ lbs., 25s.; Australian, 28s. 9d.-29s. 9d.; choice white, Karachi, 27s.; Russian on sample, ex-ship, 23s.-25s. 6d.; landed, 22s. 9d.-26s. per 496 lbs. English new, 6s. 3d.-6s. 11d. per 112 lbs.

FLOUR.—Quiet. London straight run, 26s. per sack for country deliveries, and 25s. London area. Of imported, Manitoba patents, 24s.-26s.; Buffalo ditto, 24s.-26s.; Australian, 22s. 6d.-23s., ex-store; per 280 lbs.

MAIZE.—Firm with fair inquiries. Plate landed, 20s. 9d., ex-ship to arrive, 19s. 3d.; December-January, 19s. 3d.; January-February, 19s. 6d.; No. 2, white flat, African, landed, 20s. 9d., per 480 lbs. Yellow maize meal, £6 5s. f.o.r. London. Yellow African ex-ship, £5 10s.; white, £5 2s. 6d. per ton.

BARLEY.—Steady. Californian old, landed, 30s.-35s.; new, ex-ship, 30s.-41s. as to sample; Chilian brewing landed, 30s.-35s.; Chevalier, 38s.-44s.; Australian, 32s.-42s.; Smyrna, 30s.-32s. per 448 lbs. Black Sea, ex-ship, 15s. 3d.; landed, 16s. 6d.; Danubian, ex-ship, 15s. 3d.; landed, 16s. 6d.; Persian landed, 15s. 6d.; ex-ship, 14s. 6d. per 400 lbs. English new malting, 6s. 3d.-13s. 9d.; feed, 5s. 6d.-5s. 9d. per 112 lbs.

OATS.—Firm. Plate landed, 14s.; ex-ship, 13s.; Chilian tawny landed, 14s. 3d.; best whites, ex-ship, 19s.; landed, 20s.-20s. 6d.; mixed Canadian feed landed, 11s. 6d.; North Russian, ex-ship to arrive, 13s. 9d.-14s. 3d.; landed, 14s. 9d.-15s. 6d. as to sample, per 320 lbs. English new, 5s. 8d.-6s. 4d. per 112 lbs.

COMPARATIVE AVERAGES OF GRAIN.

The following table gives the estimated sales of home-grown wheat during the harvest years 1930-31, 1929-30, 1928-29, 1927-28:—

	1930-1931.	1929-1930.	1928-1929.	1927-1928.
Estimated sales of home-grown wheat—				
1 week to Nov. 29	Cwts. 119,674	Cwts. 234,909	Cwts. 245,726	Cwts. 264,574
13 weeks to Nov. 29	1,839,270	3,622,745	3,930,467	3,299,584
Average price of English wheat per cwt.	s. d. 6 5	s. d. 9 3	s. d. 9 10	s. d. 9 10

OVER ONE HUNDRED YEARS OF SERVICE.

SCOTTISH UNION & NATIONAL INSURANCE COMPANY.

ASSETS EXCEED - £15,500,000

FIRE. LIFE. ACCIDENT. MARINE.

Edinburgh: 35, St. Andrew Square.
London: 5, Walbrook, E.C.4, and 4, St. James's Street, S.W.1

The following is a statement showing the Quantities Sold and the Average Price of British Corn in the past two weeks, and for the corresponding week in each of the years from 1926 to 1929:—

Weeks ended.	QUANTITIES SOLD.			AVERAGE PRICE PER CWT.		
	Wheat.	Barley.	Oats.	Wheat.	Barley.	Oats.
1930.						
Nov. 22	145,502	470,212	45,088	6 7	9 4	5 10
Nov. 29	119,674	427,366	47,544	6 5	8 8	5 8
Nov. 27, 1926	393,794	509,798	82,404	12 4	11 4	8 6
Nov. 26, 1927	273,435	516,573	93,889	9 11	11 7	9 1
Dec. 1, 1928	245,726	533,870	75,957	9 10	10 7	9 2
Nov. 30, 1929	234,909	461,568	52,001	9 3	8 11	7 3

AMERICAN WHEAT MARKETS.

The following table shows wheat quotations in recent weeks with comparative figures for 1929:—

WHEAT FUTURE.	Jan. 2, 1929.	Dec. 4, 1929.	Jan. 2, 1930.	Nov. 19, 1930.	Nov. 26, 1930.	Dec. 3, 1930.
Winnipeg (No. 1 Manitoba)	122	143	146	59	61	58
Chicago (No. 2 Winter)	116	129	130	73	75	76

The visible supply of wheat in Canada at 57,723,000 bushels shows a decrease on the week of 4,632,000 bushels. Supplies a year ago stood at 75,455,000 bushels.

THE COAL TRADE.

Our Sheffield correspondent writes:—Owing to fears of a stoppage in the coal industry deliveries under contract have been hurried up and new inland orders placed. The present chaotic state of affairs is not, however, conducive to export business, and sellers are not anxious to contract very forward. There is fair activity in the house coal department, whereas industrial consumption of fuel tends to shrink. Stocks of small coal are very large, and the prices have been low for a long period. With more furnaces going out of commission the position of blast furnace coke gets worse, in spite of the considerable demand for domestic heating. Prices are being severely cut in the open market. The renewal of contracts under the sliding scale arrangement is now nearly due. A number of the contracts, however, will not be completed as deliveries were suspended or reduced when the iron trade slump developed. The sliding scale rate is several shillings per ton more than prices on the open market, which in some cases have fallen to 11s. per ton.

Our Glasgow correspondent writes:—Business in the export branch of the Scottish coal market is at a standstill, and the outlook is uncertain. In certain instances cargoes due for dispatch are being covered from stocks at dock sidings, but in others shippers find difficulty in obtaining supplies, which are in brisk demand at high prices for inland purposes. Additional quantities are being received by rail and sea from Northumberland.

Our Cardiff correspondent writes:—On the Cardiff coal market this week business has been dislocated by the wages and hours dispute. Contrary to the decision of last week's delegate conference but in compliance with the recommendation of the National Industrial Board and with the appeals of the President of the Board of Trade and the Secretary for Mines, the workmen have acquiesced in a temporary arrangement which secures for them their present wages conditional on the working of 11 full working days of eight hours each per fortnight up to the end of the present year. This arrangement gives a working period of 88 hours instead of the 90 hours sanctioned by the spreadover alternative under the Coal Mines Act. Negotiations have been resumed for a permanent agreement, but they have been suspended till next Monday, owing to the uncertainty in regard to the decision of the adjourned delegate conference of the M.F.G.B., which was to be held in London this week. It was one of the conditions of the temporary terms offered by the employers that in the event of a failure to agree within a fortnight, the matters in dispute should be referred to independent arbitration, but apparently this condition was struck out from the owners' terms in the form they were accepted by last Saturday's delegate conference of the South Wales Miners' Federation. The Miners' Federation is still adhering to its claim that failing a voluntary settlement the dispute shall be referred to the Industrial Board. The owners, however, are still strongly opposed to the mediation of any external body. The volume of trade this week has been considerably less than that in the first week of December last year, and prices for practically all classes of coal are at the minimum schedule figures. The following are the current approximate quotations:—Best Admiralties, 20s.; seconds, 18s. 9d. to 19s. 9d.; best dries, 18s. 6d. to 19s. 3d.; Black Veins, 18s. 3d. to

18s. 6d.; Western Valleys, 18s. to 18s. 3d.; Eastern Valleys, 17s. 6d. to 17s. 9d.; best small steams, 13s. to 13s. 3d.; cargo smalls, 12s. to 12s. 6d.; coking smalls, 13s. 3d. to 13s. 6d.; best anthracite, large, 36s. to 37s. 6d.; Red Vein, large, 22s. 6d. to 27s. 6d.; machine made cobbles, 40s. to 45s.; French nuts, 43s. to 46s.; stove nuts, 39s. 6d. to 43s. 6d.; rubbly culm, 9s. to 9s. 6d.; foundry coke, 29s. to 35s.; patent fuel, 20s. to 21s. 6d.; pitwood, ex-ship, 28s. to 28s. 6d.

IRON AND STEEL.

We extract the following from the weekly report of the London Iron and Steel Exchange:—Although the recent activity in the iron and steel markets has not been fully maintained, the tone of the market is steadier than for some time past. At the weekly meeting of the Exchange on December 2nd it was reported that more confidence was noticeable in trading and that in one or two departments buyers had shown a greater disposition to buy forward. This was particularly evident in the pig iron market, in which the recent reduction in prices appears to have stimulated business to some extent. Fewer sales of Continental iron have been reported during the past week, although it is understood that there are considerable deliveries to be made against old contracts. Some activity, however, is reported in the consuming trades which may be reflected in an increased demand for pig iron. In the steel department the demand for semi-finished material has become quieter after a spell of rather sharp buying. Whilst a certain amount of business was taken by the British works the greater part went to the Continent. A feature of this market was the withdrawal of many of the Continental works which apparently had booked as much tonnage as they cared to take in view of their curtailed production. In the finished steel department buying on export account remains lethargic, although there are signs that the overseas markets may soon become more active. The orders placed, however, have not been individually important.

Our Middlesbrough correspondent writes:—The market for Cleveland iron continues very quiet, and the uncertainty in the coal industry does not tend to improve matters, although it is not expected that there will be any serious stoppages. No change was made in the official figures at the makers' usual meeting on Tuesday, and on the market business was on a very exceedingly small scale, being made up of a few small lots for early delivery to home consumers. There was practically no demand for export. Prices were: No. 1, 66s.; No. 3, 63s. 6d.; No. 4 foundry, 62s. 6d.; No. 4 forge, 62s., f.o.b. or f.o.t. In hematite a fair number of orders of moderate size are reported this week for early delivery, both on home and export account, but there is no forward buying of any importance so far. The prospects in this direction are, however, considered favourable, as prices are not likely to go lower but rather in an upward direction, and the production is on a very low scale. Makers are accepting 71s. for mixed numbers for forward delivery, but are willing to book prompt lots at 70s. 6d. Shipments of pig iron for November were 10,643 tons behind October, and manufactured materials also showed a loss of 5,607 tons. The details are:—

	November, 1930.	October, 1930.
Pig iron	12,301	22,944
Manufactured iron	4,369	3,654
Manufactured steel	30,748	37,070
	47,418	63,668

There is very little buying of ores, and consumers are considerably in arrears with old contracts. Best rubio is offered for forward delivery at 17s. c.i.f., but prompt cargoes are obtainable at 16s. 6d., and even less than this has been accepted under special circumstances. The rate of freight Bilbao-Middlesbrough for early loading is round 5s. Imports of all kinds of ore into Middlesbrough last month totalled 86,056 tons against 91,485 tons in October. Coke is offering for this month's delivery at 17s. delivered works for ordinary furnace qualities, and a shade less has been accepted for odd prompt lots. The number of furnaces in blast in the district is 25.

Our Sheffield correspondent writes:—Demand for open-hearth steel in crude form has been a little brisker of late, but work in the mills still tends to decline, particularly in bars, strip and wire rods, and the general situation in Sheffield is no better. Buying is now being curtailed in view of the end of the year stocktaking, and little business will be transacted before January. Deliveries are being suspended for the same reason. A few contracts for foundry and forge pig iron have been fixed up at the new reduced rates. There are expectations of a partial revival in some at least of the export markets early in the new year. Seasonal trade in finished steel products has now tapered off, and only oddment orders are coming in for goods usually in demand at Christmastide. Steel prices have not been changed for several months, but there is some underselling of uncontrolled materials. Stocks of Sheffield goods in Australia are said to be exhausted and will have to be replenished to some extent shortly.

Our Glasgow correspondent writes:—One of the most pleasing items in this week's news in the West of Scotland is the fact that work has now been commenced on the new Cunarder, as it means that in a very short time regular employment will be found in the Clydebank district of Glasgow for several thousand men. In the steel trade as a whole conditions remain unchanged, the amount of new work placed being of very little account and negligible in comparison with plant capacity. While sheetmakers are still finding business quiet, there has been considerable tonnage for export booked during the present week with Glasgow works.

Our Cardiff correspondent writes:—On the Swansea Metal Exchange on Tuesday a better tone characterised the tinplate market and prices were a shade steadier at from 16s. to 16s. 3d. per box, compared with 15s. 9d. to 16s. the previous week. At the close of a meeting of the tinplate manufacturers it was officially announced that the most important firms outside the pooling scheme had agreed to come in, and that there were reasonable expectations of making arrangements with the two or three firms who still remain outside. It was also stated that it had been agreed to investigate immediately the practicability of a scheme submitted to control sales. Galvanised sheet prices were slightly firmer at from £11 5s. to £11 12s. per ton. Both Welsh and foreign steel bars are unaltered at £5 and £4 per ton respectively. Shipments of tinplates fell off last week and stocks amount to over 265,000 boxes, compared with 176,000 the previous week and 199,000 at the corresponding week last year.

OTHER METALS.

TIN.—In the standard market, the opening tone was steady, but prices subsequently gave way on selling pressure, and offerings were moderately absorbed. Standard cash changed hands at £115 5s.-£112 17s. 6d., and three months £116 15s. to £114 2s. 6d. In the East, sales were reported at £118 12s. 6d. to £119 7s. 6d. and £118 2s. 6d. per ton c.i.f.

COPPER.—Market active and firmer following reports of a further advance in electrolytic, though slightly irregular at times, closing below the best. Dealings were largely centred on forward dates, with three months selling at £48 10s., £50 8s. 9d. and £48 16s. 3d. Limited sales of cash were made at £50 7s. 6d. per ton, closing £49 value.

LEAD in quiet support but generally steady. Good soft foreign pig, December, sold £15 17s. 6d., £15 15s. and £15 17s. 6d. March, £15 18s. 9d. to £16 per ton.

SPELTER opened steady, but later prices gave way on libera offerings. December, sold at £14 7s. 6d. to £14; January, £14 8s. 9d.-£14 10s. and £14 5s.; February, £14 13s. 9d. to £14 8s. 9d.; March, £14 16s. 3d. to £14 18s. 9d. and £14 11s. 3d. per ton.

ALUMINIUM steady. Home trade and export, £85 per ton.

ANTIMONY firmer, especially for near at hand parcels. English regulus, £38 to £45; Chinese regulus, spot, £25 10s.; afloat, buyers, £25; December-January, sellers, £23 10s.; Chinese crude, December-January, £14 5s. per ton c.i.f.

An Invitation

MAY we be the medium of helping you to do good this Christmas?

In spite of the comparative improvement in the conditions of the poor, thousands will fare scantily at the season of Joy and Plenty.

Last year, Christmas cheer was provided for over 100,000 of the most needy men, women and children through The Salvation Army. Will you lend a hand this year?

While enjoying the comfort of your own home, will you please spare a gift towards: XII

CHRISTMAS DINNERS for Poor Children, Homeless Men and Women, Needy Aged Folk.

CHRISTMAS PARCELS for Poor Families.

10/- to 20/- will provide a Christmas parcel for a family, but any gift will be welcomed and gratefully acknowledged by GENERAL EDWARD J. HIGGINS, Salvation Army, 101, Queen Victoria Street, London, E.C.4.

ANTIMONY ORE.—December-January, 60 per cent., 3s.; ditto 50 per cent., 2s. 6d. per unit c.i.f.

ANTIMONY OXIDE.—December-January, £25 5s. per ton c.i.f.

WOLFGRAM quiet and easier. Chinese, December-January, sellers 15s. 6d. per unit c.i.f.

QUICKSILVER steady. Spot £21 15s. to £22 per bottle.

TIN PLATES dull. I.C. coke, prompt and forward, 15s. 9d. to 16s. per box, f.o.b. Swansea.

THE COTTON TRADE.

LIVERPOOL: December 3rd.

The trade demand by itself has not been sufficient to absorb the offerings from the South, and prices have continued to sag. A new low level has been reached, and only the action of the co-operative societies in buying futures against sales of spots has prevented a still further recession in values. Spot sales for the week November 27th to December 3rd (inclusive) are 20,000 bales, of which 7,890 bales are American, 1,600 Brazilian, 500 Argentine, 6,250 Peruvian, 1,450 Egyptian, 1,200 African, 950 East Indian, and 160 sundries. Imports for the same period are 107,634 bales, of which 70,610 are American, 1,562 Argentine, 5,281 Peru, 16,763 Egyptian, 1,282 African, 10,395 East Indian and 1,741 sundries. Quotations to-day are: American Middling, 5.75; Egyptian Sakel, 8.75; Uppers, 6.40; Brazil Fair, 5.75; Peru Smooth, 6.30; West African Middling, 5.80; and East African G.F., 6.75.

MANCHESTER: December 3rd.

The easier tendency in raw cotton prices has been the main factor in dictating the attitude of buyers during the past week. In all quarters a policy of extreme caution has been followed out. The general trade prospects, however, are considered to be rather brighter, but at the same time no important change in the situation is expected until after the end of the year. News from the Far East has been disappointing. A report from India states that an attempt is being made to standardise the rupee at 1s. 4d., as against the present rate of 1s. 6d. China has also sent news to the effect that the Nationalist Government is to impose a 10 per cent. tariff on all imports from January 1st. Demand for piece goods has been restricted, buyers generally being content to mark time. There has been rather less demand for most of the markets, and it is only in isolated instances that even moderate transactions have been arranged. A large turnover is not expected until there are definite signs of a hardening movement in raw cotton rates. Yarns have been purchased from hand to mouth.



"He that does good to another man, does good also to himself"—SENECA

THE
Friend of Numberless
THE SALVATION ARMY
Needs Numberless Friends

WILL YOU BE ONE?

DE BEERS CONSOLIDATED MINES, LIMITED.

REPORT OF DIRECTORS

For the Twelve Months ended the 30th June, 1930.

To be submitted to Shareholders at the Forty-Second Ordinary General Meeting to be held on Monday, 15th December, 1930.

TO THE SHAREHOLDERS—

GENTLEMEN,—Your Directors beg to submit their Forty-Second Annual Report, Balance Sheet at 30th June, 1930, Profit and Loss Account for the year ended 30th June, 1930, and Appropriation Account, 30th June, 1930.

The unappropriated balance at 30th June, 1929, was £650,029 12 8

Deduct—Final Deferred Dividend in respect to year ended 30th June, 1929 272,628 10 0

During the year the Diamond Account amounted to £377,401 2 8

Add to this the following:—

Interest and Dividends on Investments £503,168 0 10

Profits realised on sale of Investments 18,482 16 5

Income from other sources 14,160 6 9

535,811 4 0

£4,175,878 4 9

Deduct Expenditure as follows:—

Mining Expenditure £1,140,371 17 6

Farms and Landed Property Expenditure 59,537 11 7

Donations and Relief 13,579 18 11

Allowances to retired Employees, amounts paid during annual leave, and contributions to Provident Fund 104,500 18 4

Directors' Fees 21,708 6 11

Salaries—Head Office 30,901 10 1

General Charges—Kimberley and London 57,996 2 7

Interest on Debentures and on Capital of Leased Companies 133,191 2 9

Sinking Fund for repayment of Debentures 109,784 12 4

1,671,573 1 0

£2,504,306 3 9

Leaving a balance of £2,674,572 11 0

Which has been dealt with as follows:—

Union of South Africa Income Tax £302,588 11 0

Dividends:—

Preference Shareholders 800,000 0 0

1,102,588 11 0

Balance unappropriated £1,401,717 12 9

The Stock of Blue Ground and Lamps on the Floors at 30th June, 1930, was as follows:—

De Beers Mine 48,396

Wessels Mine 337,304

Bultfontein Mine 307,778

Dutoitspan Mine 914,348

Total 1,677,836

The usual dividend of 20s. per share was paid to Preference Shareholders during the year under review, and, as was foreshadowed in last year's report, a final dividend of 5s. per share in respect to the year ended 30th June, 1929, has been paid to Deferred Shareholders. No dividend has been paid to Deferred Shareholders in respect to the financial year covered by this report.

BALANCE SHEET, 30th JUNE, 1930.

Capital Authorised:—

800,000 Preference Shares at £2 10s. 0d. each 2,000,000 0 0

1,000,000 Deferred Shares at £2 10s. 0d. each 2,750,000 0 0

£4,750,000 0 0

Capital Issued:—

800,000 Preference Shares at £2 10s. 0d. each 2,000,000 0 0

1,000,000 Deferred Shares at £2 10s. 0d. each 2,726,285 0 0

4,726,285 0 0

Appropriation for Stabilment of the Diamond Trade, invested in the Diamond Corporation, Ltd., other Diamond Mining Companies and Kindred Interests:—

As at 30th June, 1929 2,573,841 16 0

Add amount transferred from Reserves:—

General Fund 820,744 10 8

3,394,586 6 8

Reserves (per contra):—

General Fund as at 30th June, 1929 £3,028,823 6 2

Add Adjustment of Blue Ground 16,435 19 3

5,045,259 5 5

Less Amount transferred to Appropriation for Stabilment of the Diamond Trade 820,744 10 8

2,224,514 14 9

Blue Ground Stocks, 30th June, 1930, at cost 257,301 18 2

Redemption Fund: South African Exploration Debentures 1,635,495 0 0

Less Transferred to Property (per Contra) 1,635,495 0 0

2,481,816 12 11

Current Liabilities:—

Loans and Open Accounts 621,389 19 9

Unclaimed Dividends and Sundries 64,792 4 2

Commissioner for Inland Revenue—Union of South Africa 302,588 11 0

Commissioners of Inland Revenue—Great Britain 3,688 15 9

Commissioner of Taxes—Southern Rhodesia 857 11 0

Preference Shareholders 400,000 0 0

1,393,317 1 8

Balance transferred from Appropriation Account 1,401,717 12 9

Contingent Liability: The Company has guaranteed the repayment of, and interest on, £984,100 of 5½% First Mortgage Debenture Stock, being the unredeemed portion at 30th June, 1930, of an issue of £1,250,000 made by the Cape Explosives Works, Limited, Somerset West, Cape Province. Imperial Chemical Industries, Limited, have indemnified De Beers Consolidated Mines, Limited, to the extent of half this contingent liability.

£13,397,722 14 0

AUDITORS' REPORT.

TO THE SHAREHOLDERS OF DE BEERS CONSOLIDATED MINES, LTD.

We have examined the above Balance Sheet with the books and records of the Company, including the Audited returns of the London Transfer Office, and have obtained all the

KIMBERLEY, 13th October, 1930.

On the 1st January, 1930, the De Beers 4½ per cent. South African Exploration Debentures fell due for redemption and have since that date been redeemed out of the investments representing the Debenture Redemption Fund which had been specially accumulated for the purpose. The reserve of £1,635,495 representing the amount appropriated out of past profits has now been deducted from the book value of claims, Other Mining Interests, Estates and Farms.

Throughout the period under review the diamond trade, in common with all other trades and industries, has felt the influence of the existing world-wide depression, and, with those of the previous year which had been adversely affected by over-production from other sources. The depressed condition of the trade was seriously aggravated by the crisis in the United States of America in October last, and any marked improvement can only be contingent upon a revival of general prosperity coupled with the judicious control of output and sales.

In February and March last, representatives of the four Conference Producers and the Diamond Syndicate attended a Conference convened by the Honourable the Minister of Mines and Industries at Cape Town with the object of concluding a new Inter-Producers' Agreement and Sales Agreements with the Syndicate in place of those expiring on the 31st December next. As the outcome of the Conference the Honourable the Minister of Finance was able to announce in the House of Assembly on the 26th March that the basis of agreement had been reached both for the allocation of the quotas to the big Producers and for the sale of Union and South West Africa diamonds, the volume of trade. Negotiations are now proceeding in connection with the conclusion of the agreements.

The Diamond Corporation, Limited, in which this Company and some of the other Conference Producers are interested together to the extent of 50 per cent., was registered on the 18th February last with a capital of £2,500,000. One of the principal objects of this flotation was to overcome the difficulty which had arisen through past over-production by taking over accumulated stocks of diamonds and spreading their trade to the Conference Producers.

During the year African Explosives and Industries, Limited, declared a dividend of 10 per cent., the amount paid to this Company in respect to its holding in that Company being £137,600.

Your Directors beg to report that in December last Sir Ernest Oppenheimer, M.P., one of the Directors of the Company, was appointed Chairman.

Your Directors very much regret to record the death, on the 13th March last, of their valued friend and colleague, Mr. L. Breitmeyer, who had been a Director of the Company for the past 18 years. Since the close of the year Sir Basil Blackett, K.C.B., K.C.S.I., has been appointed a Director of the Company to fill the vacancy.

In terms of Clause 89 (c) of the Company's Articles of Association, three Directors retire, namely:—

Mr. S. B. Joel,
Sir Ernest Oppenheimer, and
Sir Basil Blackett,

but, being eligible, they offer themselves for re-election.

A report by the General Manager on the Company's operations during the year will be submitted at the Meeting.

E. OPPENHEIMER, Chairman.
A. G. W. COMPTON,
D. HARRIS,
R. PHILLIPS-STOW,
W. PICKERING,
H. P. RUDD,

KIMBERLEY,
13th October, 1930.

Property:—

Claims and other Mining Interests 3,161,121 5 3

Estates and Farms 1,842,961 11 3

£5,004,082 16 6

Less Redemption Fund South African Exploration Debentures (per contra) 1,635,495 0 0

3,368,587 16 6

Investments in The Diamond Corporation, Limited, other Diamond Mining Companies and Kindred Interests 3,368,587 16 6

Machinery, Permanent Works, Buildings and Stores 4,044,690 14 5

1 0 0

Investments in Stocks and Shares 7,413,279 10 11

Live Stock 624,207 6 7

Reserve Investments (per contra):—

Investments representing General Funds at Market Prices, 30th June, 1930, or under 2,224,514 14 9

Blue Ground on Floors:—

1,677,836 loads at cost deposited on Floors 257,301 18 2

2,481,816 12 11

Debtors, Special Investments and Cash:—

Open Accounts and Loans to Affiliated Companies 916,158 14 2

Short Loans 191,000 0 0

Fixed Deposits with Interest accrued to date 735,303 4 5

Special Investments at Market Prices, 30th June, 1930, or under 903,882 1 4

Cash at Bankers and in hand 51,597 4 4

2,797,946 4 3

Diamonds on hand 1 0 0

£13,397,722 14 0

Information and explanations we have required. Proper books and records have been kept, and in our opinion the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs at 30th June, 1930, according to the best of our information and the explanations given to us and as shown by the books

HOWARD PIM & HARDY,
SALISBURY, BEATON & RAYNHAM, } Auditors.

De Beers Consolidated Mines, Limited.—Continued.

PROFIT & LOSS ACCOUNT for the year ending 30th June, 1930.

DR.	£	s.	d.
To Mining Expenditure	1,140,371	17	6
Expenditure on Farms, Landed Property and Kimberley-Alexandersfontein Electric Railway	59,537	11	7
Charges:—			
Salaries, etc., Head Office	30,901	10	1
General Charges	57,996	2	7
Legal Expenses	860	0	0
Donations and Relief	13,579	18	11
Compensation	3,587	19	4
Auditors' Fees	1,700	0	0
Directors' Fees	21,708	6	11
Employees' Provident Fund, Company's Contribution	29,141	19	1
London Transfer Office—Net Expenses	15,290	5	4
Allowances to Retired Employees	53,933	0	5
Amounts paid to Employees during Annual Leave	21,425	18	10

228,686	16	10
96,392	10	0
36,798	12	9
109,784	12	4
2,126,905	1	1
£3,798,477	2	1

CR.	£	s.	d.
By Diamond Account	3,262,665	18	1
Interest and Dividends on Investments after adjustment of Reserve and Special Investments to Market Prices, or under, at 30th June, 1930.	503,168	0	10
„ Sundry Receipts	13,679	18	3
„ Transfer Fees	480	8	6
„ Profits Realised on Investments	18,482	16	5
	£3,798,477	2	1

Statement of the Cotton Trade.

	1930.				Corresponding Date.	
	Nov. 12.	Nov. 19.	Nov. 26.	Dec. 3.	1928.	1929.
Raw Cotton—Mid. American	6-02	5-97	5-89	5-75	10-77	9-67
Sakellaridis Fully Good Fair	9-80	9-65	9-40	8-75	19-30	14-65
Egyptian	9-1	9-1	9-1	9-1	16-1	14-1
Yarns—32's twist	10-1	10-1	10-1	10-1	17-1	14-1
40's twist	18	18	17-1	17-1	28-1	24
60's twist (Egyptian)	18	18	17-1	17-1	28-1	24
32-in. Printers, 116 yds., 16 by 16, 32's and 50's	18 9	18 9	18 6	18 6	26 0	24 0
36-in. Shirtings, 75 yds., 19 by 19, 32's and 40's	21 0	21 0	20 9	20 9	28 9	26 9
36-in. ditto, 38 yds., 18 by 18, 10 lb.	11 9	11 9	11 7	11 7	15 6	14 6
39-in. ditto, 37½ yds., 16 by 16, 8½ lb.	10 7½	10 7½	10 6	10 6	14 0	13 0

Raw Cotton—Sakel Fully Good Fair Egyptian at 8-75d. is lower than at any time since 1915.

THE WOOL TRADE.

Our Bradford correspondent writes:—Unless the current series of London sales are interfered with by fog they will close on Friday, December 12th. This means that three auctions are being abandoned, this being largely due to the withdrawal of New Zealand wools. Evidently owners think it is advisable to hold for a better level of values, and no doubt those realisable to-day are very low indeed. The question many are asking, is whether any advance can be expected during the next six months. There is certainly a big weight of crossbreds in sight, but prices surely cannot go much lower. Importers and topmakers are realising what a further decline would mean, particularly to growers. There is absolutely no need whatever for any further depressing influences to be brought to bear upon any description of wool. In London the demand for slipe-lambs is very good, and as very little more of this description than is now already in London can be expected till next March, what has already arrived is being held for slightly better prices. The competition for greasy crossbreds has been very good, and blanket slipes are selling exceedingly well. Merinos are moving freely on about a parity with prices realisable at the first sale. The selection is good, particularly clips from Queensland and West Australia, whilst there are some good new clips from New South Wales. Scoured Queenslanders are selling with their wonted freedom, Eddington having touched 28d., and Maxwellton 24d. The Bradford market is quiet but steady. The trade has more or less recovered from the disturbing influences which have recently been at work. It is recognised that values for wool in Australian and other centres are moving fully on a parity with the cost of tops. This means that a constant struggle is going on in Bradford to make things fit. Some improvement in the quantity of spinning machinery employed is seen, but botany firms are the busiest, whilst some who were previously mostly engaged on crossbreds have had to turn over to merinos to meet their customers' requirements. Yarn prices are steady, and on the whole the position of spinners is strong enough to enable them to avoid undue cutting of prices.

HIDE, LEATHER AND ALLIED TRADES.

Further reductions of from ½d. to ¾d. per lb. were recorded for ox and heifer hides at the auctions held in Manchester on Tuesday, while with a less inquiry for calfskins prices for these were also slightly weaker. The market for sheepskins remains unsatis-

APPROPRIATION ACCOUNT, 30th June, 1930.

DR.	£	s.	d.	CR.	£	s.	d.
To Union of South Africa Income Tax:—				By Balance unappropriated 30th June, 1929	650,029	12	8
Normal Tax				Less			
Preference Dividend Account:—				Deferred Dividend Account:—			
10s. per share on 800,000 shares payable to Shareholders registered at 31st December, 1929, declared 24th December, 1929	400,000	0	0	Final Dividend of 5s. per share on 1,090,514 shares in respect to year ended 30th June, 1929, payable to Shareholders registered at 31st December, 1929, declared 24th December, 1929	272,628	10	0
10s. per share on 800,000 shares payable to Shareholders registered at 30th June, 1930, declared 20th June, 1930	400,000	0	0				
Balance carried to Balance Sheet	1,401,717	12	9	Balance transferred from Profit and Loss Account	2,126,905	1	1
	£2,604,306	3	9		£2,604,306	3	9

Kimberley,
13th October, 1930.

A. DRAKE, Secretary.
W. M. MILLER, Chief Accountant.

factory. Little business has transpired during the week in the foreign hide market, and although prices generally show small variation, wherever alterations have occurred they have been against the seller. In the South American market sales have been made of Argentine ox on the basis of 6½d., with light ox selling at 5½d., and Montevideo ox at 6½d. Only a limited amount of business has been passing in dry South Americans, with B.A. Americanos quoted at 7½d., and M.V. Americanos at 7½d. Fair sales have been made of Cape hides, drys selling at 7½d. and 6½d. for firsts and seconds, with dry salted 20/30 lbs. quoted at 6½d. and 5½d. Australian hides are neglected, and although no change in values so far has been recorded the tone is weaker. Producers and distributors of sole leather have found business rather less active for most descriptions, and the general opinion is that orders will gradually become smaller as the end of the year draws nearer. A moderate turnover is being done in box and willow calf, but here again business tends to fall away.

OVERSEAS PRODUCE.

SUGAR.—Quiet conditions governed the market, and at previous prices only a comparatively small business was arranged on actual trade account. Weakening factors in the situation just now are to be found in an increased European crop estimate by Mr F. O. Licht and a report that Germany, whose outturn is estimated at 2,425,000 tons, is desirous of exporting 800,000 tons. Terminal sections took a downward turn, as sellers were to the fore, though offers were fairly well absorbed. Of raw, March delivery sold 6s. 1½d.; May, 6s. 4½d. to 6s. 5½d. and 6s. 4½d.; August, 6s. 8d. to 6s. 7½d.; December, 6s. 11½d. to 6s. 10½d. Raw refining sugars still sparingly offered. Cuban receipts last week cable 57,561 tons, against 36,403 same time last year; exports, 130,721, against 51,432; stocks, 764,387, against 254,694. Stocks on plantations and in course of transit estimated at 923,000, against 330,000 last year. Stocks of raw sugar in the three chief ports of the United Kingdom for week ending November 29th amounted to 139,140 tons, against 162,688 last year.

COFFEE.—All the finer liquoring kinds meet with sustained support and realised firm rates, but otherwise market proved dull. Brazilian for shipment, very slow.

COCOA.—Only small spot sales occurred during the week on about former terms. Forward positions easier. Accra F/F. London contract, January-March, quoted 24s. 3d. f.o.b. G/F. January-March, to Continent, sold 26s. 3d. c.i.f. Terminal, March, sold 27s. 7½d. to 27s. 3d.; July, 28s. 6d. to 28s.

TEA.—Indian sales during the week totalled 53,290 packages. Monday's offerings went well at rates showing no essential change,

COMMERCIAL TIMES—WEEKLY PRICES CURRENT.

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

LONDON, TUESDAY.		FRUIT (continued)—		Wool—		HIDES—	
CEREALS AND MEAT.		Spanish Onions,		English Southdown, washed		Wet salted—Australian	
	s. d.	Valencia:—	s. d.		s. d.		s. d.
GRAIN, &c.—		case, 4s.	5 0 5 3	Lincoln hog, washed	9 1/2	per lb.	0 4 1/2 0 4 1/2
Wheat, No. 3, N. Man. 496 lb.	nom.	case, 5s.	5 0 6 6	Queensland, scd. super cmbg.	23	Cape	0 4 1/2 0 4 1/2
Eng. Gaz. av., per cwt.	6 5	Onions, Oporto	0 0 0 0	N.S.W. greasy, super	11	Dry and Drysalted Cape...	0 6 1/2 0 8
Barley, Eng. Gaz. av.	8 8	Chestnuts, Huelsa ... bags	13 0 15 0	N.Z., gray, half-bred 50-56	8 1/2	Market Hides, London—	
Oats, " "	5 8	Grapes, Lisbon	0 0 0 0	Crossbred 40-44	7	Best heavy ox and heifer	0 5 1/2 0 7 1/2
Maize, La Plata, landed, 480 lb.	20 6	Almeria ... barrels	12 0 20 6			Best cow	0 3 1/2 0 4 1/2
Flour, Lon. stan. ex mill, s. d.		LARD—				Best calf	0 8 1/2 0 10 1/2
280 lb.	24 6 0 0	Irish bladders	70 0 80 0	Merinos 70's	27		
Rice, No. 2 Burma, per cwt.	8 4 1/2 0 0	American, boxes 56 lbs.	0 0 0 0	" 64's	24		
Sago, Pearl, per cwt.	19 0	SPICES—		Crossbred 48's	11 1/2		
Tapioa, per cwt.		Pepper, per lb.—		" 46's	11		
B.I. flake, fair spot ...	17 6 0 0	Muntok, fair White...	0 0 0 11 1/2				
Medium pearl	20 0 0 0	Black Lampung	0 0 0 0				
Potatoes, good English,		Cinnamon—1st sort, per lb.	0 11 0 0				
per cwt.	5 0 6 6	Cloves—Zanzibar per lb.	0 0 1 3				
Beef, per 8 lbs.—		Ginger—per cwt.—					
English long sides	4 8 5 4	African	40 0 0 0				
Argentine chilled hinds	3 10 4 4	Jamaica, ord. to good	50 0 90 0				
Mutton, per 8 lbs.—		Mace	1 6 2 4				
English wethers	6 4 7 4	Nutmegs 65's	1 4 0 0				
N.Z. frozen	3 6 4 4	SUGAR—					
Pork, English, per 8 lbs.	3 4 8 0	(Duty, 11s. 8d. per cwt.)					
		B.W.I., crystallised	19 0 22 6				
BACON— OTHER FOODS.		Java, white, c. & f. India	7 8 1 0 0				
Irish—per cwt.	70 0 96 0	REFINED—London—					
Danish	61 0 70 0	Yellow Crystals	18 4 1 0 0				
Canadian	nom.	Cubes	22 9 23 3				
HAMS—Irish	0 0 0 0	Crushed	21 3 21 9				
Canadian	0 0 0 0	Granulated	19 14 19 10 1/2				
American	94 0 102 6	HomeGrown (Dec.)	18 6 19 0				
BUTTER—		TEA—					
Irish creamery per cwt.	nom.	Indian & Ceylon—per lb.					
Australian	86 0 118 0	Pekoe	0 9 1/2 2 2 1/2				
New Zealand	88 0 130 0	Broken Pekoe	0 10 1/2 2 3				
Danish	128 0 130 0	Orange Pekoe	0 10 1/2 2 3				
CHEESE—		Broken Orange	0 10 1/2 3 3				
Canadian	72 0 80 0	TOBACCO—					
New Zealand	58 0 62 0	(Duty 8/10-11/2 per lb.)					
English Cheddars	64 0 106 0	Empire growths, 6/9 1/2					
Dutch	40 0 74 0	per lb.					
COCOA—		Virginia leaf—					
(Duty, British grown,		Common to fine	0 10 2 6				
11s. 8d.; foreign, 14s. cwt.)		Rhododend leaf	0 6 1 3				
Accra, f.f., per cwt.	26 0 32 0	Nyasaland leaf	0 7 1 0				
Trinidad	46 0 54 0	" strips	0 10 1 10				
Grenada	38 0 49 0	East Indian leaf	0 4 0 6				
COFFEE—		" strips	0 5 1 0				
(Duty, British grown,		COTTON— TEXTILES.					
11s. 8d.; foreign, 14s. cwt.)		Mid-American	5-75				
B.I. good to fine, per cwt.	105 0 145 0	Sakellaris, f.g.f.	8-75				
Costa Rica, good to fine...	110 0 155 0	Yarns, 32's twist	17 1/2				
Cent. Amer. mid to fine	90 0 120 0	60's twist	17 1/2				
Kenya, bold sizes	70 0 115 0	FLAX—					
Colombian, mid to fine...	90 0 120 0	Livonian ZK	39 0 0 0				
EGGS—		Permian HD	44 0 0 0				
English	per 120 19 0 27 0	Stanetz Medium 1st sort	39 0 0 0				
Danish	20 0 22 0	HEMP—					
FRUIT—		Italian P.C.	per ton 33 0 0 0				
Oranges, South Africa bxs.	0 0 0 0	Manila, Dec.-Feb. "J2"	23 15 0 0				
Oranges—		N.Z.	nom.				
Dania and Valencia		Sisal, African, Feb.-April	22 10 21 15				
cases 300	12 0 35 0	Mexican	0 0 23 10				
350	8 0 20 0	JUTE—					
504	7 6 16 0	Native 1st mks.	per ton 16 5 0				
Lemons, Naples boxes	0 0 0 0	Dec.-Jan.	16 5 0				
Sicilian	boxes 7 6 16 0	Jan.-Feb.	16 5 0				
cases	12 0 40 0	SILK—					
Malaga cases 420 No. 1	0 0 0 0	Canton	8 0 10 6				
Apples: Amer. (var.) bris.	18 0 33 0	Tussah	5 0 8 0				
(var.) boxes	9 6 13 0	Japan	9 0 12 0				
" Tasmanian boxes	0 0 0 0	Italian—Raw, fr. Milan	9 6 12 0				
" Australian	0 0 0 0						

11 1/2d.; Lampung, October-December, sellers, 3 1/2d.; January-March, 6 1/2d.; Muntok, white, October-December, 10 1/2d.; January-March, 10 1/2d. London stocks of black, 523 tons, against 1,178 same time last year, increase of 73 tons on the week. Stock of white, 338, against 1,305 last year; increase on the week of 87 tons. Cloves dull. Zanzibar, spot, 1s. 2 1/2d.

FRUIT (Dried).—Currants: Market quiet and prices a shade easier. Pyrgos, 30s.-30s. 6d.; Amalias, 31s.-32s. Raisins maintained with fair inquiries. Valencias, quarter-boxes, 36s.-54s. Figs steady. Evaporated Fruits: Market firm for plums, especially large sizes, but peaches and apricots are difficult to sell and prices rather easier. Californian peaches, 1930 crop re-cleaned, 42s. 6d.-56s.

CANNED GOODS.—Fruit: English descriptions encountered a fair demand and there is some inquiry for Australian at about late rates. Californian fruits, however, move off slowly with fair supplies coming forward. Fish: Sardines in limited request and values easy for lower qualities, fine being scarce. Meat: Market dull but prices unaltered for beef and tongues. Condensed Milk: Market steady with a good demand for forward deliveries. Quotations: Dutch condensed milk, full cream, sweetened, 5-cwt. casks, 33s. 6d.; machine-skimmed, ditto, 22s. 6d. English condensed milk, full cream, sweetened, 5-cwt. casks, 36s.; machine-skimmed, ditto, 22s. 9d. Honey: Trade remains quiet with adequate supplies on offer. Jamaica white, 40s.-45s.

MEAT.—According to the Smithfield Market official report, supplies of meat during last week amounted to 8,959 tons, as compared with 8,995 tons in the corresponding week last year. Imported beef, principally Argentine, formed 82.5 per cent. of the supplies, as against 78.3 per cent. a year ago, and imported mutton, mainly New Zealand, formed 73.4 per cent. of the total supply, as against 71.4 per cent. last year. The price of pork has been slightly lower, but beef and mutton remained steady.

BUTTER.—Generally steady and a moderate amount of business resulted. Standard sheet, spot and December, sold 4 1/2d.; January,

4 1/2d.; January-March, 4 1/2d.; April-June, 5d.; July-September, 5 1/2d.; October-December, 5 1/2d. To New York, estate sheet, January-February, sold 4 1/2d. c.i.f. As far as can be gauged at the moment, London and Liverpool stocks on Monday next will mark an increase. London stocks increased 222 tons on the week, landings 1,883, deliveries 1,661, stock 76,670, against 52,538 last year. Liverpool stocks decreased 559, landings 145, deliveries 704, stock 39,933, against 17,752. Malaya shipments last month 41,142 tons, against 46,239 last year.

HEMP.—Market active and firmer. K grade, December-February, sold £23 15s.; L.1, £23; M.1 and L.2, £22 10s. c.i.f. African sisal, No. 1, f.a.q., October-December, sellers, £22 c.i.f. Receipts last week cabled 22,000 bales, against 26,000 last year and 16,000 in 1928. Estimate for next week 24,000, week after 23,000. Manila shipments last week: 6,000 to the United Kingdom; 5,000 Continent; 6,000 U.S.A.; 2,000 Japan; 1,000 other countries; and 1,000 local consumption; making stocks 112,000 bales.

VEGETABLE OILS AND OILSEEDS.—There is a staidier feeling in the markets generally and more disposition to trade. Linseed is in fair request in near positions, which are at a good premium over in distant. Plate linseed, on passage and early December shipment, has been done at up to £11, while later December is a round £10 7s. 6d., and January to March, £9 17s. 6d. Favourable reports continue to come to hand regarding the new Argentine crop which is expected to yield an exportable surplus of over two million tons. A good trade has been done in cottonseed at advancing prices. Black Egyptian, on passage to Hull, is quoted £6 7s. 6d., and Linseed oil is erratic, and the lowest figure recorded for some years has been touched in the past few days, viz., £24 per ton naked ex Hull mill spot, and £23 month. Current value is somewhat better at £24 6s. spot. Cotton oil is firmer, crude Egyptian being held for £23 and common edible for £25 10s. prompt. The market in copra has been quiet. Straits S.D., December, to Rotterdam, quoted £16 8s. 9d.; Dutch East Indies, ditto, £16 8s. 9d.

The Economist,

WEEKLY COMMERCIAL TIMES,

Bankers' Gazette and Railway Monitor

A POLITICAL, LITERARY, AND GENERAL NEWSPAPER.

Vol. CXI.

SATURDAY, DECEMBER 13, 1930.

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THE MONEY MARKET.

MAINLY as a result of the fact that, so far, the Government has repaid only £4,675,000 of the money borrowed from the Bank in order to pay the War Loan dividend, money early this week was still in abundance, and even on Thursday the rate for new money was as a rule only 1 1/2 per cent. Loans into the New Year are at the rate of 2 1/2 per cent. to the end of the first week of January, and 2 3/4 per cent. to New Year's Day. The outflow of gold, however, to France and Germany has had a steadying effect upon the discount market, and this week the discount rate on

three months' bills was $2\frac{7}{8}$ per cent. January bills were $2\frac{1}{2}$ per cent., and Februaries practically $2\frac{7}{8}$ per cent., while four and six months' maturities commanded respectively $2\frac{1}{2}$ and $2\frac{5}{8}$ per cent. The clearing banks have now ceased buying bills. The November averages, reproduced below, show that since October they have made further substantial additions to their bill portfolios, and it is not surprising that they are now following their usual practice of refraining from immobilising additional funds in bills immediately before the end of the year.

	Nov. 20, 1930.	Nov. 27, 1930.	Dec. 4, 1930.	Dec. 11, 1930.	Previous Rate and Date Changed.
Bank Rate	3%	3%	3%	3%	$3\frac{1}{2}$ (May 1, '30)
Banks' Deposit Rate	1	1	1	1	$1\frac{1}{2}$ (May 1, '30)
Discount { Call	1	1	1	1	$1\frac{1}{2}$ (May 1, '30)
{ Notice	$1\frac{1}{2}$	$1\frac{1}{2}$	$1\frac{1}{2}$	$1\frac{1}{2}$	$1\frac{1}{2}$ (May 1, '30)
Houses {					
Market rate (3 months' bills)	$2\frac{7}{8}$	$2\frac{7}{8}$	$2\frac{1}{2}$	$2\frac{7}{8}$	...

While money is likely to remain easy until the end of the year, it must be remembered that the Christmas expansion in the note issue is making steady progress, a further increase of £5,255,000 in the circulation being shown in this week's Bank return. This, together with the week's gold losses, has reduced the Reserve by £8,437,000, and the Proportion to 43 per cent. Furthermore, several large movements of funds are imminent. On December 20th £6,000,000 of India bills are falling due, while on December 31st £5,000,000 of Australian bills and an equal quantity of Argentine bills reach maturity. It is possible that none of these bills will be renewed. On January 15th comes the final call of 90 per cent. on the recent Treasury Bond issue. The proceeds, amounting to £105,000,000, will mainly be used to pay off the £75,000,000 still outstanding of $4\frac{1}{2}$ per cent. War Loan and £11,000,000 of Treasury bonds maturing on February 1st. Thus the bulk of the money absorbed by the call will quickly be returned to the market, but while these operations are in progress there may be a certain shortage of funds.

To the continuance of the steady outflow of gold to France there was added this week the beginning of an efflux to Germany. So far as can be deduced from the Bank return, French withdrawals from the Bank for the week ending December 10th came to a round £2,000,000, which raises her total withdrawals from the Bank since November 6th to £9,400,000. Her purchases of Cape gold during this period amount to about £1,500,000, so that on the basis of these estimates she has taken a total of practically £11,000,000. Withdrawals on German account during the week ending December 10th amount to £1,100,000, to which must be added £600,000 taken on December 11th. It is not easy to account for the present strength of the Berlin exchange, but it has been suggested that German houses are calling in short loans from London, and that a large number of German bills, drawn against London credits, have lately been discounted in the London market. If this explanation is correct, it is not a bad thing that London discount rates should stiffen.

The November statements by the nine English clearing banks reveal a further increase in deposits, and a slight decrease in cash:—

	November, 1929.	August, 1930.	September, 1930.	October, 1930.	November, 1930.
Capital and reserves.....	130.8	131.8	132.1	132.1	132.1
Acceptances	215.2	212.7	217.8	216.4	216.3
Deposits (including notified profits, &c.).....	1,751.4	1,767.4	1,764.1	1,791.2	1,800.8
Total liabilities	2,097.4	2,020.9	2,014.0	2,039.7	2,049.2
Coin, notes, balance at bank, and cheques in course of collection	242.0	235.4	232.6	239.3	237.8
Money at call.....	139.7	133.7	132.9	141.9	135.1
Investments	259.5	276.5	281.3	283.3	291.0
Discounts	230.7	279.3	283.8	296.0	309.5
Loans and advances	973.0	934.3	925.4	922.3	918.7
Cash for accept., premises, &c.	252.5	161.7	158.0	156.9	157.1
Total assets	2,097.4	2,020.9	2,014.0	2,039.7	2,049.2

Earning assets have continued what has now become their customary trend. Advances have again contracted, and the banks have had to use more of their resources in the purchase of bills and investments. These movements are the inevitable consequence of the depressed state of trade and of the lack of demand for accommodation by industry.

NEW YORK.

Money remained easy up to Wednesday, with call rate steady at 2 per cent. Commercial paper was quoted at $2\frac{3}{4}$ per cent. for prime names, and 90-day bankers' acceptances at $2\frac{1}{2}$ per cent. Gold arrivals include a further \$2,750,000 from Buenos Aires, announced at the end of last week. The suspension of the Bank of the United States is discussed on a subsequent page.

THE STOCK MARKETS.

The stock markets were dull and somewhat dispirited. The gold drain and the failure of an important American banking institution arrested an incipient advance in gilt-edged stocks. Home railways were neglected, and, among foreign railways, Argentines suffered on a fresh pessimistic diagnosis of conditions by a well-known chairman. Industrials slowly receded, values as a whole re-attaining the low point previously touched last August. A number of rubber shares were marked higher, but tea shares continued to decline. The earliest Kaffir dividends were satisfactory, but most of the increases recorded had already been discounted. The published details of a proposed Rhodesian copper fusion created no enthusiasm.

THE COMMODITY MARKETS.

Although a national stoppage has been averted, uncertainty continues to prevail in the coal trade, and colliery owners and merchants are reluctant to enter into new contracts. Apart from the seasonal increase in the demand for coke and coal for heating purposes there are no signs of an improvement in the coal markets. Activity in the iron and steel industries continues on a low level, and although the demand for pig iron has slightly improved, production is still in excess of current requirements. The market in Manchester has been thoroughly disorganised by the further fall in raw cotton values. Trade in Bradford is quieter, but the position of raw wool is considered sound. Raw jute has shown more steadiness lately, and business in yarn has been more active. Hides are dull, and the demand for leather has decreased further. Wheat prices are scarcely changed on the week.

THE FOREIGN EXCHANGES.

The foreign exchange market was active in the earlier part of the week, but quietened down towards the close. Several currencies were irregular, the tendency in many cases being in favour of sterling. The peseta broke badly on Thursday on the news of the Valencia strike. New York went from $4.85\frac{1}{2}$ to $4.85\frac{1}{4}$, and Montreal also weakened to $4.86\frac{1}{4}$. Paris lost four points at 123.60 after 123.67. Brussels improved sharply from $34.80\frac{1}{2}$ to $34.76\frac{1}{2}$, after being $34.75\frac{1}{2}$. Milan was weaker at 92.75, and Madrid went from 43.30 to 44.90. Amsterdam moved in our favour to 12.06 $\frac{1}{2}$. Berlin was unchanged at 20.36. Switzerland recovered from 25.06 $\frac{1}{2}$ to 25.04 $\frac{1}{2}$. Stockholm weakened from 18.09 $\frac{1}{2}$ to 18.10 $\frac{1}{2}$. The South American currencies were all irregular and generally weaker, Rio losing $\frac{1}{8}$ d. at $4\frac{1}{2}$ d. after $4\frac{1}{2}$ d., Buenos Aires $\frac{1}{8}$ d. at $37\frac{1}{2}$ d., and Montevideo $\frac{1}{2}$ d. at $37\frac{1}{2}$ d. In the Far East the rupee was firm at 1s. $5\frac{1}{2}$ d. The yen gained fractionally at 2s. $0\frac{1}{2}$ d. Batavia was half a point better at 12.06 $\frac{1}{2}$. In the forward market, New York went from par for both periods to $\frac{1}{2}$ cent and $\frac{1}{4}$ cent premium. The quotation for end of the year delivery remained at $\frac{1}{2}$ cent discount. The discounts on forward Paris narrowed to 6 and 11 centimes, whilst Brussels was, at 3 and 5 centimes discount, rather wider than last week. Milan was weaker at 24 and 64 centimes discount. The peseta went from par and 4 centimos premium to a premium of one centimo for both periods. Amsterdam weakened a little at $\frac{1}{4}$ cent and $\frac{3}{4}$ cent premium. Berlin remained at $3\frac{1}{2}$ and $9\frac{1}{2}$ pfennigs discount. Silver prices fell sharply by $\frac{1}{8}$ d. for both cash and forward to 15 $\frac{1}{2}$ d. and 15 $\frac{3}{4}$ d. respectively. The China silver exchanges also weakened, Hong Kong losing $\frac{1}{2}$ d. at 1s. 2d. and Shanghai $\frac{1}{2}$ d. at 1s. 6d.

THE LONG SPOON.

SINCE we last reviewed the political terrain two events have taken place from which there was a tendency in advance to expect that some considerable modification of the situation would be forthcoming. The first was the definition of the attitude of the Liberal Party towards the Government given by Mr Lloyd George in an address to Liberal candidates last Friday, and the second the memorandum on economic and financial policy signed by Sir Oswald Mosley and sixteen of his fellow malcontents in the Parliamentary Labour Party. But in fact neither of these events has produced as profound an effect as was expected upon the immediate political outlook.

Mr Lloyd George opened his address by accepting the definition of the political situation recently put forward in the *Economist*, namely, that the country is between the Devil of an ineffective semi-Socialistic régime and the Deep Sea of a haphazard protectionism. Of the two, the Liberal leader prefers the former, and his choice is intelligible on the ground that while it is possible to sup fairly safely with the devil by means of a very long spoon, you are exceedingly likely to drown if you are plunged into an uncharted ocean. And the spoon which Mr Lloyd George proposes to use is apparently one which is not only exceedingly long but is also easy to withdraw from the porridge bowl, or even to employ, in the case of provocation, as a weapon of offence upon the head of the Prime Minister. For although Mr Lloyd George's policy is to keep the Government in office rather than to risk a Tory administration, he was at great pains to emphasise that there is no question of a pact or deal between the Liberal and Labour parties; that the Government is there on sufferance; and that, in his view, their misdeeds are grievous. Indeed, his speech comprised as much biting railery against the Government and its actions as might be expected in a speech of the leader of a party in unqualified opposition. Ministers were characterised picturesquely and variously as "pot-bound," as "toddlers" being wheeled out in a perambulator by bureaucrats, and even as "footlers"—quite a formidable addition even to a political vocabulary which has recently been enriched by "humbug," and other reported "terms of endearment."

Apparently the paramount influence in Mr Lloyd George's mind in deciding upon what we may describe as an attitude of malevolent tolerance towards the Government, has been its supposed willingness to introduce an Electoral Reform Bill including the provision of the alternative vote. We use the word "supposed" because, although an Electoral Reform Bill has been promised by the Prime Minister, there is as yet no official information as to whether it will really include provisions for a new electoral method. It must, however, be presumed that Mr Lloyd George has some previous knowledge of the contents of the Bill, and so the alternative vote enters the arena of practical politics. Mr Lloyd George and his Liberal followers accept it as a *pis aller*. They want proportional representation, but, hostility to this method in the Labour rank and file being unconquerable, they are prepared to accept the alternative vote as a small instalment towards an urgently needed reform.

With this qualified acceptance of the alternative vote we are inclined to sympathise. Under the system of the alternative vote, by which in a three-cornered election the candidate at the bottom of the poll is wiped out and his votes transferred—according to the second preference of his supporters—to the other two candidates, it will become rather less likely than at present that a House of Commons could be elected actually representing a minority of the nation. But we certainly cannot go as far as Mr Lloyd George in his claim that the alternative vote would make it certain that if we are to have Protection it will be only because Protection is voted for by a majority. The chief merit of proportional representation is that it produces, as nearly as human ingenuity can, a legislature in tune with the real opinion of

the country. It is possible for the alternative vote to work in a manner definitely less satisfactory. It is conceivable, to take an extreme case, that under that system a party might poll hundreds of thousands of votes without securing any representation in respect of them. Supposing, for the sake of argument, that the Liberal candidate was at the bottom of the poll in thirty constituencies and polled an average of 6,000 votes in each. Then 180,000 Liberal voters would be left without representatives of their first choice. The alternative vote, then, gives no certainty of the attainment even of approximate electoral justice, nor does it give a certainty that we shall be saved from the recurring possibility of that hopeless anomaly in any democracy, an unrepresentative parliament. Nevertheless, the ideal being unattainable in the present political atmosphere, the second best merits acceptance, however unenthusiastic, and events may prove Mr Lloyd George to be right in thinking that this system will work substantially in favour of the middle party of three. At all events, given the alternative vote, the elector will be saved from the dilemma of choosing whether to sacrifice his one and only vote on a forlorn hope or to give it to a candidate whose policy he does not whole-heartedly approve, simply in order to exclude the candidate whom he regards as least desirable of all.

The upshot of Mr Lloyd George's pronouncement is that the Government are rather more firmly set in the saddle and that their expectation of life has been increased; although it is difficult to believe that in the event of the House of Lords throwing out the legislation for the alternative vote (which must be accounted as a distinct possibility), the Liberal members of the House would really agree to keep the Government in power for this sole purpose in the two years or more that would be necessary to overcome an obstinate opposition from the Upper House. The Trades Disputes Bill, failure to reform the Unemployment Insurance system, or extravagant budgetary policy might obviously strain the unofficial *entente* to breaking-point. At the same time the much advertised memorandum by Sir Oswald Mosley and his colleagues has entirely failed to shake the Government's position. The list of signatories to the manifesto was by no means as imposing as had been expected, and the actual text itself is too curious a mixture of Tory protectionism, Labour ideals and crude Imperialism to make a wide appeal.

Sir Oswald's first proposal concerns the machinery of government, and here he suggests the establishment of a dictatorship of five, to whom, in the essential sphere of economic policy, Parliament's rights of control and criticism would be surrendered. In the sphere of domestic economics "the resources of the State would be mobilised to assist in the development of new industries and to secure the modernisation and re-equipment of industry." As regards overseas trade, he would establish import boards, bulk purchase agreements with the Dominions and protection for the home market, the latter to be conditional upon the maintenance of efficiency by the producers and non-exploitation of the consumer by higher prices. On finance and taxation the memorandum is vague. It is to be based on a "producer's policy," debt repayment is to be postponed, and relief in taxation given to skilled, technical and managerial workers. It is all rather a jumble, containing nothing very new in political or economic thought and little to strike the imagination either of the practical politician or of the man in the street, who, in particular, may be pardoned for smiling at the old, old proposition, of which Mr Bennett, of Canada, was the latest exponent, of protection coupled with a guarantee that prices will not be raised against the consumer.

Yet we cannot resist a feeling of sympathy for the underlying motive of the Mosley memorandum. "It is impossible to meet the economic crisis with a nineteenth century parliamentary machine." That is a point of

view which has found frequent expression in these columns and upon which, as our readers will remember, Mr Winston Churchill has based his demand for the creation of an industrial parliament. We agree, too, with Sir Oswald Mosley and his colleagues that the task which faces the nation is to "compress into a short period the readjustments we failed to carry out in the last decade." Let us frankly admit that the inelasticity and inadaptability which Sir Arthur Salter finds in our economic system are also unfortunately attributes of our administrative and executive machinery; and though Sir Oswald's remedy of a dictatorship is no more practical politics than the recent plea of the *Times* for a national Government, we should face the coming year with a better heart, could we hope that the Government—in return for the increased, if still precarious security, which Mr Lloyd George offers it—will address itself with a greater vigour to the present economic problems of the day.

CLEARER SKIES IN CHINA.

In every situation China may be trusted to take us by surprise. In 1928, the Kuomintang armies confuted all foreign prophecies by completing their triumphal progress from Canton to Peking and re-establishing the political unity of the Republic. Just when we were getting used to that, the whole edifice apparently fell to pieces again. The Kuomintang quarrelled with its partner the Kuominchün; General Chiang Kai-shek went to war with General Fêng Yü-hsiang; Fêng was aided and abetted by "the good boy" of China, the model tüchün Yen Hsi-shan; and so anarchy was let loose again. It looked like the familiar scene: Kuomintang on one side, Northern War-Lords on the other, and the Yangtse Valley for the cock-pit. Indeed, last year's fighting was only distinguished from the previous twenty years' fighting by being more sanguinary—the Chinese armies having been improved (from the technical point of view) by a long process of natural selection. A few months ago, all the observers—Chinese and foreign, on the spot or at a distance—were reminding one another that, in the rhythm of Chinese history, these bouts of aimless and devastating anarchy were apt to last for periods of anything from one hundred up to four hundred years. The gleam of light in 1928, we were all saying, must have been just some queer kind of optical illusion: in China, neither this generation nor the next was destined, after all, to see daylight. And then, when the words were on our lips, the skies cleared over China (just when they were darkening over almost every other part of the world) and the Chinese landscape changed as if by magic.

Ostensibly, the miracle was performed by a single *deus ex machina*, "the young marshal" Chang Hsüeh-liang, of Manchuria. After sitting discreetly, and not uncomfortably, on the fence for more than a year, this remarkable young man abruptly came down on Chiang Kai-shek's side; and, lo, Chiang's enemies were scattered in the twinkling of an eye. The model tüchün, Yen Hsi-shan, who had been unique among Chinese military governors in having held his province of Shansi continuously since the beginning of the Revolution, has at last been put out of business like all his confrères. As for the Christian General, Fêng Yü-hsiang, he has finally been defeated in his efforts to carve himself a corridor to the sea, and has thereby lost all hope of securing foreign supplies of munitions. Worse than that, he has been driven right out of the fertile plains of the east into the barren famine-stricken highlands of Shensi and Kansu—provinces which have never been able, out of their own resources, to maintain Fêng's army. Unkindest cut of all, poor Fêng has even been deprived of his victorious rival Chiang of the sole title to his soubriquet. For, a few weeks ago, General Chiang Kai-shek became a Christian too!

General Chiang Kai-shek's conversion, it may be said in passing, is a strange and unexpected culmination to the "anti-Christian" movement which has been one of the manifestations of the "anti-foreign" movement in

China during the last half-dozen years. The Christian Church in China seems to be as much astonished by this reversal of fortune as the Christian Church in the Roman Empire was when the persecutions of Diocletian and Galerius were followed by the conversion of Constantine. If Chiang Kai-shek were really to play the part of a Chinese Constantine, the consequences might be momentous. And there are considerations in China now, as there were in the Roman Empire then, which might prompt a far-sighted autocrat to contract an alliance with the alien faith. The modern Christianity which has appealed to Fêng and Chiang alike is the American type of Protestantism which presents itself, first and foremost, as a beneficent organising force—the force behind famine relief and behind the Y.M.C.A. To a Chinese mind, this American Christianity might well stand for that combination of honesty, efficiency and constructiveness which is precisely what China now most needs.

Presumably such considerations, coinciding with others of a personal character, have decided Chiang Kai-shek to take this step. But there is perhaps more in his conversion than that. Besides being an affirmation of personal faith and an indication of public policy, it has the appearance of being a gage of defiance thrown down at the feet of the stalwarts of the Kuomintang Party, to whom Christianity is obnoxious as a foreign institution.

This further explanation is suggested by the outcome of the recent plenary session of the Central Executive Committee of the Kuomintang. For in this session Chiang Kai-shek—reinforced by Chang Hsüeh-liang, who came to Nanking from Mukden for the purpose—has been able to secure the passage of two measures which must both be odious to Party members who believe in, and profit by, the Party Dictatorship. The first measure was the circulation to all Party members of a public reproof, in which they are taken to task for exploiting the Party as a source of personal livelihood, for conducting local Party headquarters as rival authorities to the local organs of Government, and for being guilty of improper conduct and improper language towards the people. The second measure, which was still more unpalatable, and which was carried in the teeth of violent opposition, was the decision to summon a people's convention for the purpose of framing a democratic constitution to replace the oligarchic dictatorship of the Kuomintang.

It was in vain that the scribes and pharisees of the Party cited the authority of their master, Sun Yat-sen himself, who had prescribed that the period of party-tutelage was to last for five years. The two marshals carried the day; and, when the people's convention meets, we may expect to see the Party Dictatorship formally superseded by some ostensibly democratic form of constitution in which plenary executive power will be vested in the hands of a first and second consul.

How will Chiang and Chang use their power if they really secure a free hand? In order to fight the last round with one another for the prize of sole survival? We need not be so pessimistic as to take that undoubted possibility for granted. After all, the territories of the Chinese Republic are surely broad enough to provide elbow-room for two dictators side by side, and there is no reason why our Chinese Octavian and Mark Antony should not co-ordinate their activities so far as to produce and apply a common policy in matters of common concern to China as a whole.

The two most urgent matters at this moment are the same as ever. They are the disbandment of the armies and the revival of economic prosperity through the removal of local impediments to trade. In fact, the problems of China and the problems of Europe are identical with one another to-day—and who knows whether the Chinese may not have stolen a march on us in approaching a solution? Already peace has brought a marked revival of trade in the vast area between Canton and the Yangtse. And in the world-wide depression of to-day, this is a favourable portent which deserves close attention. Supposing that a reconstruction of China on the grand scale by international co-operation were on the verge of becoming practical politics. Might not this conceivably provide the stimulus which is needed in order

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to set the general economic and financial life of the world in healthy motion again? Perhaps this was in the mind of the American Academy of Political and Social Science when they devoted to China the entire issue of their *Annals* which appeared last month. This collection of well-chosen and well-written studies by forty different American, Chinese and English writers gives a timely survey of the possibilities in China to-day. Equally timely is the arrival, at this juncture, of the British Economic Mission to the Far East which left London on September 19 and which recently landed at Shanghai after spending a month in Japan.

High prices and short credits have been putting British goods in China at a serious disadvantage in competition with other foreign goods—Japanese and German goods in particular. On the other hand, the reputation of British goods in general for high quality is reported to stand in China as high as ever. Under such conditions, any increase of Chinese purchasing power which may follow from improved political conditions ought to benefit British trade peculiarly, if the opportunity is foreseen and is turned to full advantage.

ANALYSING THE WORLD SLUMP.

HOWEVER much the attention of thoughtful citizens in different countries may be attracted to the political problems of the day—and such a problem, for example, as that of the future constitution of India, involving as it does the great question of the relations between Asia and Western civilisation, takes on the complexion of a world issue—there is no doubt that the economic crisis arising from world-wide depression of trade dominates the outlook—political, industrial and social—of almost every country. Everywhere men continue to ask what are the causes of this depression? In what pre-existing conditions did its origins lie? What factor, or combination of factors, gave an impetus to its beginnings? For though special causes operative in particular countries may have varied locally the intensity of the slump, the almost world-wide range of its incidence suggests that forces of a universal character must have been at work.

Towards providing the answer to these questions, important contributions have come in the past few weeks from different sources, notably the New York Academy of Political Science, the International Chamber of Commerce, and two interesting articles contributed to the *Times* on Monday and Tuesday of this week by Sir Arthur Salter, Director of the Economic Section of the League of Nations. Sir Arthur was concerned primarily with the special difficulties under which Great Britain is labouring, and we comment in a Note of the Week on certain features of his diagnosis and prescription in their particular relation to British ills. Regarding the depression from a world point of view, he described the situation very truly as "an example of the paradox of general plenty causing general impoverishment. General overproduction, the economists say, is impossible—but on

one condition, that there is a satisfactory system to secure exchange, distribution and adjustment—and that condition is not now fulfilled."

Equal emphasis on this paradoxical element in the situation was laid by Mr. T. W. Lamont in his recent address to the New York Academy of Political Science, though he went on to tabulate other factors which characterised and influenced the course of the slump. Looking at the depression as a whole and not simply as it concerns America, he stated that the general consensus of opinion ascribed this world-wide phenomenon chiefly to the following causes:—

1. Production out-running consumption, not only in many basic commodities, such as cotton, wheat, copper, rubber, silk, sugar, oil, but also in many manufactured products.
2. Efforts made in many parts of the world to hold up commodity prices artificially, e.g., in the case of rubber, cotton, wheat, coffee, copper, etc. When prices for such commodities finally gave way, the severity of the business collapse was accentuated.
3. The fall in the price of silver, and thus in the purchasing power of a large part of the world's population as represented by India and China.
4. The shifting, on an almost unprecedented scale, of gold holdings among various countries. Thus from the beginning of 1929 to date the Bank of France and the Federal Reserve banks of America had increased their gold reserves in the aggregate amount of approximately \$1,120,000,000, a large part of this being drawn from the central bank reserves of other countries.
5. Current political unrest in many quarters of the globe, including notably India, China and South America.
6. The spirit of rampant speculation in certain countries of the globe, especially America. For some years many people lost interest in investing their money in good bonds returning a fair rate of interest. They had wanted quick speculative profits with the inevitable result that everybody knew.

This diagnosis of the fundamental causes of the world depression finds corroboration and amplification in the statement issued after a meeting in Paris last week by the International Chamber of Commerce. Having noted that since its June session no definite improvement could be detected, but that in some countries the depression had become more acute, while it had gradually spread to other countries where relative immunity had hitherto been enjoyed, the Chamber drew up the following list representing generally agreed causes of the depression:—

- (a) A general increase in productive capacity which has temporarily outstripped the rate of increase in population and in the capacity of consumption.
- (b) Following upon a long-period decline in world commodity prices, a farther sharp and excessive fall in prices, especially in raw materials and foodstuffs, not only too rapid but also too extensive to enable costs of production to be adapted and throwing retail prices out of equilibrium to wholesale prices. Immediate recovery from the prevailing price depression is delayed by the postponement of liquidation in stocks.
- (c) The widespread agricultural crisis.
- (d) The unprecedented extent of industrial unemployment.
- (e) The prolonged malaise caused by political unrest.
- (f) The closing, partial or complete, of some of the world's most important markets.
- (g) The slow readjustment of national to the international economic situations by reason of the varied bases chosen for monetary stabilisation.

(h) Barriers to enterprise and investment imposed in many places by an unusual spread between long- and short-term money rates.

(i) The heavy fall in the price of silver which has further reduced the purchasing power of one-third of the world's population.

(j) The forcing on the world markets of large quantities of grain, raw materials and semi-finished products by Soviet Russia at prices less than the normal cost of production.

(k) The levying in many countries of very heavy taxation to meet unprecedented national and international indebtedness.

(l) Excessive incursions of the State into the domain of private enterprise, which are clearly hindering, and in some cases actually preventing the necessary accumulation of private capital and the inducements to private enterprise and venture.

Into the details of the foregoing elaborate analysis of the world's present economic trouble we shall not attempt to enter on this occasion. Opinions will doubtless vary as to the relative weight to be attached to the influence of the several factors which enter into the problem, and in a number of the items listed by the International Chamber of Commerce, e.g. "the extent of industrial unemployment," a symptom rather than a cause of the depression appears to be indicated. Moreover, it is not to be supposed that the statements which we have quoted above are necessarily comprehensive; other important factors may occur to other observers.

For the moment, therefore, we will content ourselves with drawing attention to the fact that Sir Arthur Salter, Mr Lamont and the International Chamber are at one in pointing to "over-production" as the predominant feature, and that there is general agreement that this phenomenon was produced by failure on the part of the world to adjust itself adequately, or with sufficient rapidity, to certain changes in economic balance and structure imposed upon it by the course of events. Now, as Sir Arthur Salter has logically pointed out, the paradox of impoverishment through plenty is not and cannot be permanent. "It is not human desires that set the limit to consumption, but purchasing capacity or earnings. With a world system properly functioning these should in total approximate to the world's productive capacity." The first question then that arises is whether it was conditions arising primarily out of developments on the production side that placed temporarily too great a strain on the functioning of the world's system.

Mr Lamont proceeded to amplify his statement by giving some figures of the rate of increase in world production of certain basic products in recent years, figures which show in every case a much larger increase in 1929, over 1928, than in the preceding years:—

	Average Annual Rate of Increase in Production 1923-28.	Rate of Increase in Production 1929 over 1928.
Cotton	0.8	8.2
Sugar	5.8	6.2
Rubber	6.5	20.1
Copper	5.6	8.9
Crude petroleum	5.1	10.5
Pig iron	4.9	11.6

Following the evidence afforded by the League of Nations' indices* of world production, which showed that in 1928 the world's output of cereals and other food crops was 16 per cent. greater than in 1913, that of all food-stuffs 17 per cent. greater, and that of all raw materials 48 per cent. greater (increases considerably outrunning the expansion in world population), the figures of 1929 increase, quoted by Mr Lamont, suggest forcibly that the world could only have absorbed without economic indigestion the quantities which were being produced immediately before the slump if the process of the adjustment of distribution and exchange had been effected with remarkable rapidity and smoothness.

This, however, is not quite the whole of the story. Admitting the truth of Sir Arthur Salter's dictum that there can be no fixed limits to human needs "till the last Hottentot lives like a millionaire," the further question arises whether, given the aggregate purchasing capacity enjoyed by the world at present or likely to be enjoyed by it in the immediate future, the world could

* Memorandum on Production and Trade, 1923 to 1928-29. Geneva: League of Nations.

really be said in 1928-29 to stand economically in need of such increasing quantities of *primary products*. On this question some pertinent observations were made not long ago by Mr Arthur Loveday, of the League of Nations, in *The Index*.* His argument was that when primary necessities are met, the further rise in purchasing power and in the standard of living shows itself in a demand for personal services, sport, entertainment, etc., for more highly worked-up forms of raw material, for travel, literature, and not for goods which involve a proportionate increase in basic products. Material civilisation may involve for a long time to come a growing specialised demand, say, for copper for the electrical industry, rubber for tyres, or other materials of typically "twentieth-century" industries, but certainly not for food and clothing, nor for primary products as a whole. A great momentum, however, has in recent decades been given to the production of such products, not merely by opening up new areas for cotton growing, the development of new mineral resources, the bringing of new cattle-raising lands within range of the market, and so on, but by increasing the efficiency of production and by discovery of means of resisting inclement weather, pests and so forth.

Hence, we suggest, without minimising the importance of many other contributory factors—monetary influences, political unrest, tariffs and other forms of "economic nationalism"—it is arguable that for some years before 1929 forces (barely detected at the time) were at work producing a "hidden crisis," whose key feature was *real over-production for the time being* of primary foods and materials, demand for which was rendered abnormally inelastic by altered direction of purchasing. In short, to quote again Sir Arthur Salter's words, the depression of 1929-30 has been "a crisis superimposed on a crisis."

If it be correct thus to diagnose the fundamental cause of the world's present ills (aggravated though they be by other "complications"), then it will be appreciated that—even if all hindrances, political, fiscal and monetary, could be eliminated—convalescence is likely to be slow. For the real question is not merely the comparative powers of individual countries to readapt themselves to changed fashions of demand, or to readjust their internal mechanism of production, but the "correction" of "over-supply" extending over a wide range of agricultural and mineral commodities on whose value the purchasing power of half the world depends. Is the process of "correction" going to involve a protracted struggle—primary producers *versus* manufacturers—with the latter (and their employees) paying in loss of orders and unemployment for an attempt to maintain selling prices and wages at a level far too high for the primary producers. Or will sellers of finished articles succeed rapidly in re-establishing the volume of exchange of goods by equating their prices in terms of money with those of their "monetarily" impoverished customers—rich only in primary stocks? Given the universality of the present disequilibrium, time, we fear, will be required before an answer to these questions can be given; their immediate significance is that they suggest in themselves that no short-cut in the way of concerted inflationary expansion of aggregate currency could save the world as a whole from the painful task of re-establishing the economic balance which it has lost.

THE END OF THE DYESTUFFS ACT.

On November 19th Mr Graham announced, in answer to a question in the House, that it was proposed to allow the Dyestuffs (Import Regulation) Act to lapse on the appointed date—i.e. on January 15th next. The Government, he stated, had given "full and careful consideration" to a complex and much controverted question. The opinion of the framers of the Act, that ten years should prove a sufficient period to put the industry on its feet, had, in his judgment, been fully vindicated. "The comprehensive Report† of the Dyestuffs Industry

* *The Index*, January 1930. (Stockholm) Svenska Handelsbanken.

† Cmd. 3568, August, 1930.

Development Committee shows," said Mr. Graham, "that the industry has now reached a stage at which it is capable of meeting a very large proportion of the requirements of dyestuff users in the United Kingdom, and of carrying on an increasing export trade, and the manufacturers have indicated their ability to meet normal foreign competition in respect of prices. It appears then that the object of the Act has been attained."

The Government's decision was challenged by the Conservative Party, and on Thursday of last week, on the Committee stage of the Expiring Laws Continuance Bill, it was proposed to add the Dyestuffs Act to the schedule of that Bill. After a full-dress debate, in which the dialectic of Sir Philip Cunliffe-Lister was somewhat unexpectedly fortified by that of Sir John Simon, the decision to allow the Act to lapse was upheld by a majority of 30. In another month, therefore, yet another of our post-war essays in Protection will come to its appointed end.

The Dyestuffs Act has an interesting history. As was urged in last week's debate, it points no certain moral either for the protectionist or for the free trader. For across the simple issue that divides these hostile camps cut a number of conflicting claims. Military necessity—the promotion of research—the welfare of the fine chemicals industry generally—each of these aims, it has been urged, has been served by the protection of home dyestuffs; and the needs of the textile trade, clamorous for better and cheaper dyes, have to some extent, admittedly, been sacrificed to these ulterior ends. It is to be hoped—in spite of the Jeremiads that were raised last week in Parliament—that they have not been sacrificed in vain.

Before the war Britain was almost entirely dependent upon foreign producers for the dyestuffs that she used. In 1913 some 41.2 million lbs. were imported, of which 38.4 million lbs. (93 per cent.) came from Germany. The total value of these imports was £1.89 millions, and they comprised in all some 10,000 differently designated products. The whole of the supplies were of course cut off by the war. The necessity for stimulating their home production was thus urged forcibly upon public notice; the more so since (1) the laboratory in which the derivatives of coal-tar are distilled is the happy hunting ground of the research chemist; (2) the plant used in dye manufacture can be readily converted to the production of explosives. The British dye industry began life as a war-baby, and a carefully nurtured one; its foster parents applied research on the one hand and the urge of State necessity on the other.

The steps by which, as the war drew to a close, the industry was brought into existence were as follows:—In the first place, financial assistance was provided for various interested concerns. This took the form of grants for research and equipment and, later, of the actual investment of public moneys in the British Dyestuffs Corporation. Secondly, the amalgamation of the various

producing concerns was actively encouraged. And finally, on the advice of a Board of Trade Committee appointed in 1918, the importation of foreign dyestuffs, except under licence, was prohibited. Originally, this prohibition took the form of a mere Proclamation, but by the so-called Sankey judgment of 1919 the Proclamation was invalidated. *Ad hoc* legislation became necessary to protect the infant industry from the chilly blasts of competition. Such was the genesis of the Dyestuffs (Import Regulation) Act. "For national security," declared the Government, "it is essential that synthetic colour-making factories should be in existence, and be maintained in operation with their staffs of chemists and other experts in this country, and that their equipment should be equal in extent to that of any other possibly hostile nation." Against the assertion of this principle few voices were raised in opposition. The Dyestuffs Act had the blessing of the late Earl of Oxford, as Sir John Simon emphasised last week.

How has the Act worked in practice? We have been faced, during the controversies of the last three weeks, with a number of conflicting views. Users of dyestuffs, taking them as a whole, are heartily sick of the Act. In spite of the ten years' nursing which the British manufacturer has enjoyed, whole ranges of dyestuffs are still not produced in this country; these have had to be brought in under licence, and the delay and inconvenience involved have caused widespread complaint. Some makers of fabrics, it is notorious, have actually been sending their goods to be dyed abroad. Licences have only been granted on two grounds: (1) that the home-produced article is excessively dear, and (2) that it does not exist at all. The licence has been granted for the latter reason in practically every case.

It is urged, on the other hand, that the industry, though it has made substantial progress, is not yet quite ready to withstand competition from abroad. A few years more (the demand is a familiar one) and all will be well. In the quality and price of his wares, meanwhile, the home producer has nothing to fear from his competitors. It is at this point that the arguments for the continuance of the Act become a trifle incoherent. For if the infant of 1921 is now fully grown, what need has he of further protection? If he is not fully grown, how justify, after all these years, the continuance of his expensive tutelage? Reading between the lines of the Development Committee's Report (to which allusion has already been made) one draws the following conclusions: (1) A fairly flourishing industry has been built up. The table below shows that we imported, in 1913, 78 per cent. (by quantity) of the dyestuffs used; we imported, in 1928, 7 per cent. only. (2) But "the tendency has been . . . to concentrate on the materials for which there is a comparatively large demand; . . . where consumption is relatively small, the policy appears to have been to leave these to the foreign maker." Thus 36 per cent. of our demand for

DYESTUFFS CONSUMED IN UNITED KINGDOM—COMPARISON OF IMPORTS WITH DOMESTIC PRODUCTION: 1913, 1922, 1928.

[Adapted from Cmd. 3658.]

Classification.	Quantities in Lbs. 000.											
	Do- mestic produc- tion.	%	Imports.	%	Do- mestic produc- tion.	%	Im- ports.	%	Do- mestic produc- tion.	%	Im- ports.	%
	1913.				1922.				1928.			
Direct cotton colours	1,681	19.2	7,092	80.8	2,726	78.3	755	21.7	7,177	88.3	947	11.7
Acid wool colours	631	10.7	5,223	89.3	4,189	89.3	1,095	10.7	7,849	93.3	563	6.7
Chrome and mordant colours ...	4,316	32.7	8,945	67.3	4,928	75.3	1,622	24.7	8,431	91.2	811	8.8
Basic colours	312	16.3	1,599	83.7	918	80.1	228	19.9	2,688	95.8	119	4.2
Sulphur colours	1,928	32.9	3,923	67.1	5,866	96.6	209	3.4	7,266	97.7	167	2.3
Vat colours	...	...	588	100.0	281	51.1	269	48.9	1,877	63.7	1,070	36.3
Dyestuffs for lake making	7	0.6	1,082	99.4	479	75.3	156	24.7	1,389	86.0	226	14.0
Oil spirit and wax colours	99	70.1	42	29.9	358	100.0	...	...	735	100.0	...	...
Indigo	...	...	3,830	100.0	1,088	50.4	1,063	49.6	9,166	100.0	...	...
Unclassified	140	33.5	278	66.5	3,000	97.6	76	2.4	4,442	99.3	31	0.7
Total	9,114	21.9	32,604	78.1	23,833	84.2	5,471	15.8	50,960	92.8	3,934	7.2

the important (and expensive) vat colours is still being supplied under licence. (3) The drawbacks of protection, as well as its advantages, are thus beginning to assert themselves. The original objects of the Act have been largely, not wholly, fulfilled; to the extent to which it has failed, other, and less desirable objects, have supervened. The time has come to tear down the barrier, and to let in a little fresh air.

What then of the future, and of the hopes and fears expressed in last week's debate? That our national safety will be imperilled by the lapsing of the Act we do not for a moment believe. If the price of security is a bolstered industry, a direct subsidy would be better. So, too, with the complaints of organic chemists, that dyestuff manufacture is a *sine qua non* of scientific research. If this is true, it is scandalous. Better supplement, from State grants, the niggardly million and a half at present provided for our Universities than handicap our fabric manufacturers in the markets of the world.

Two other fears have been expressed. One is that the lapsing of the Act will be followed by excessive "dumping" (an immediate consequence in 1919-20 of the Sankey judgment); the other, that pressure will be brought upon the user of dyes to buy the whole range of foreign products as a condition of his securing those not yet manufactured at home. Two lines of defence, however, are here possible. One—if the worst comes to the worst—is a re-embodiment in legislation of the principle of the Act; the other is the entry of Britain—as represented, say, by Imperial Chemicals—into the Franco-German-Swiss Kartel. Such a possibility is by no means out of the question.

One final point may be noted. Many of the chemicals at present prohibited by the Act from coming in as dyestuffs have other (e.g. medicinal) uses. In so far as this is so, they have been admitted, but have paid duty under the "key industry" sections of the Finance Act, 1926. When the Dyestuffs Act lapses, the relevant sections of this latter Act will remain unaffected. Thousands of organic compounds will thus continue to be taxed if designed for one purpose, admitted free for another. Complications of this kind are everywhere recognised as among the minor evils of protection.

CENTRAL BANKS AND FORWARD EXCHANGES.

(BY A CORRESPONDENT.)

THE details of the foreign exchange clearing scheme of the Bank for International Settlements are expected with great interest in banking circles all over the world. Nothing has yet transpired as to the conclusions of the committee of foreign exchange experts of central banks, which met at Basle in November, and meanwhile, in the absence of any guidance, the scheme is subject to lively discussion in the foreign exchange markets. There is a wide divergence of opinions as to the limits up to which the central banks and the B.I.S. could, or should go. One extreme is represented by the attitude of those who view with suspicion every move of the International Bank, and would like to veto any new departures—even simple operations, such as tendering for Treasury bills—on the ground that they compete with vested banking interests. These critics are alarmed at the possibility of interference by the monetary authorities with the foreign exchange market. The other extreme is represented by those who attribute to the B.I.S. supernatural powers to solve all the monetary evils the world is suffering from. They hope that the foreign exchange clearing scheme will be able substantially to reduce exchange fluctuations, and may thus put a check to disturbing gold movements.

In reality, the proposed system seems unlikely to aim at anything as ambitious as is hoped by enthusiastic supporters, or feared by suspicious opponents of the B.I.S. It is most improbable that, with its limited resources, that institution should attempt to monopolise the market, or control the fluctuations of exchanges. Opinions may be divided whether such a course would be possible, and, if so, whether it would be desirable. Expert opinion is unanimous, however, that, at the

present stage of its development, the B.I.S. could not possibly embark upon such ambitious schemes with any chance of success. A sphere, however, in which the B.I.S. could operate successfully in spite of its limited resources is the market in forward exchanges. This market, which is largely a post-war development, is assuming an increasingly great importance in the international transfer of liquid capital. As it provides means for the elimination of exchange risks, it greatly facilitates the international distribution of funds. Any attempt on the part of the central banks and the B.I.S. to improve the facilities of the forward exchange market should therefore be welcomed; and as banking interests are well aware of the limitations of these facilities, they are not likely to resent this form of interference with the foreign exchange market.

As things are at present, the forward exchange market is far from adequate, and its shortcomings are often responsible for anomalies which are inconvenient to the practical business man. In theory, the forward exchange rate between two countries on the gold standard should always represent the difference between interest rates in two countries. In practice, discrepancies are caused by speculative influences and divergences between supply and demand. There are only a few exchanges in which there is an active forward market; in the great majority of exchanges, forward rates are a matter of negotiation, and hardly ever represent the equivalent of the difference between the rates of interests in the two markets concerned. Even in the exchanges which have an active forward market the forward rates very rarely correspond exactly to this difference.

Theoretically, the premium or discount for three months should be approximately three times the premium or discount for one month. There may be some discrepancies, owing to differences in the money markets between interest rates for one month and three months. But this, in itself, does not justify such discrepancies as appear sometimes, especially on days when there are wide movements in spot rates. In a market which is constantly borrowing abroad, local money rates and rates of forward exchange are constantly reacting upon each other. Between two lending markets, however, differences may develop which are not always offset instantaneously by arbitrage.

This is due in part to speculative influences. It results, however, to a much greater extent from the inadequate facilities of the forward exchange market. Although the rates usually quoted in tables of forward exchanges are those for one, two or three months, in practice a good deal of forward exchange business is transacted for odd dates. To give a true picture of the forward exchange market, it would be necessary to publish rates quoted for every working day within the next three months or more. This is obviously impossible, for in no market is forward business transacted on any particular day in any particular exchange for eighty or more consecutive working days. Thus, in practice, the chances for "marrying" exactly buying and selling orders for forward exchanges for most dates are negligible even in an active market. But for the fact that some dealers work so extensively not only in "outright forwards," but on margins against the spot exchange, it might be difficult to execute orders for odd dates. As it is, the rates for such orders are a matter of negotiation; if there happens to be strong buying or selling for any particular date the rate will deviate considerably from the theoretical level corresponding to the difference between money rates in the two centres.

The central banks and the B.I.S. would render a valuable service, therefore, if they could remedy this evil. Without suggesting that central banks should speculate in forward exchanges, or that the B.I.S. should provide a clearing house for these speculative transactions, it is possible to advocate that the monetary authorities should take an active hand in the development of an adequate forward exchange market by assisting in the elimination of the discrepancies due to local and temporary conditions of supply and demand. Even if, in doing so, they were to take a certain amount of risk—which in the case

of gold currencies is negligible—the benefit would be worth the sacrifice.

This is only one aspect of the problem. In other directions, too, there is a fair scope for central banks to operate in forward exchanges also. Several suggestions have been made lately as to the rôle central banks should play in this respect. Mr Keynes, in Vol. II of his "Treatise on Money," advocates, as part of his proposal of widening gold points, that central banks should buy and sell regularly the principal forward exchanges. It was recently suggested in the German Press that the Reichsbank should support the forward market in Reichsmarks whenever the spot rate is near gold export point and the forward rate is beyond gold export point on account of higher interest rates in Germany. Whether or not one agrees with either of these controversial suggestions, they certainly would appear more feasible if the task of the central bank were facilitated by the existence of an international exchange clearing system.

CANADA'S AGRARIAN CRISIS.

(BY OUR OTTAWA CORRESPONDENT.)

THE prairie provinces of Canada are confronted, as the result of the wholesale *débâcle* of grain prices, with the most serious economic crisis in their history. On October 15th the price of No. 1 Northern wheat (December) slumped to below 60 cents, the lowest recorded level in the annals of the Winnipeg Grain Exchange, and the atmosphere of pessimism which had enveloped the prairie country for the past twelve months became one of almost panic-stricken anxiety. The Premiers of the three prairie provinces at once held a conference in Winnipeg with the local bankers and representatives of the wheat pools and other grain trading interests, and then went to Toronto to hold further conferences with the banking executives at their head offices. On arriving in Toronto their spokesman, Premier Bracken of Manitoba, made the grim announcement that their mission was "to save the whole economic structure of the West."

The results of the conferences were reported to be satisfactory. At any rate, the banks agreed not to force any drastic liquidation of the wheat stocks on which they had advanced money and to support the Premiers in their demands for Federal assistance. The three Premiers then proceeded to Ottawa and submitted to Sir George Perley, the acting Prime Minister, and his colleagues a demand that the Federal Government should take measures to stabilise the price of wheat on a basis of 70 cents per bushel for No. 1 Northern. Eventually, after communication with the absent Premier had been opened by telephone and cable, and the Western Premiers had secured reinforcing support for their demands from the railway executives and leaders of the financial and business world in eastern Canada, the Government gave an undertaking that if the price of wheat recedes below a certain level, which is probably 60 cents per bushel for No. 1 Northern (December), it will stand behind the banks to support the financial commitments to the wheat pools and thereby avert a policy of drastic liquidation of wheat stocks which the banks would otherwise be compelled to force. It is understood that the advances of the banks on wheat stocks average about 58½ cents per bushel, so that the margin of security remaining is perilously narrow.

The problem which confronts the pools and the leaders of the private grain trade in Western Canada, is the marketing of about 300 million bushels of Canadian grain at adequate prices in what is obviously a buyers' market. In a bulletin published last week, the Dominion Bureau of Statistics placed the total volume of the Canadian wheat crop for 1930 at 396 million bushels. There was a carry-over of June 31st of 112 million bushels, and up to the end of October only some 85 million bushels had been exported. Accordingly, on October 31st, there still remained for disposal a total of 423 million bushels. Seed, domestic consumption and unmerchantable grain will probably account for 110 million bushels, leaving a

Hungarian Supplement

Next week's issue of the ECONOMIST will include a Special Supplement containing signed articles by a number of prominent Hungarian Ministers, bankers and public men, surveying the financial, industrial and agricultural situation of Hungary.

net exportable surplus as on October 31st of 313 million bushels. The Bureau's statement derived some comfort from the fact that up to the middle of November the export outflow has been on a somewhat larger scale than it was a year ago, and that the present low price of wheat makes it possible for China to purchase considerable quantities. Thus there are hopes of improved markets in the Orient for low-grade wheat; and it also happens that the wheat suitable for the Oriental market is chiefly to be found in the northern and central regions of Alberta and Western Saskatchewan, which are the areas nearest to Vancouver and Prince Rupert, the sea-board outlets to the Orient.

There is, however, very little hope that grain prices are due to experience any substantial rise for some months, and meanwhile Western Canada has a desperately hard winter before it. The Statistical and Research Department of the central selling agency of the wheat pools last week issued a carefully prepared statement in which were presented facts and figures showing the abnormal decline in the price of farm products and the accompanying loss of purchasing power for the farming community. It estimated that the value of the wheat crop of Saskatchewan, the most important grain growing province, had shrunk from 255 million dollars in 1925 to 90 million dollars for the current year, and that the earning power for each acre sown to wheat in the province had declined from \$22.40 to \$6.92 in the same period. It also pointed out that while the gross returns per acre from wheat grown on Saskatchewan farms had fallen by 58 per cent., the index of the retail prices of goods which the farmer has to purchase had decreased only 3.6 per cent. from the level of 1926, and that therefore the Western farmers had been reduced to a position of grave economic disadvantage. Those farmers are counted lucky who have enough money to buy the bare necessities of life, and in certain areas where the crop either failed or still stands in the fields unthreshed owing to inclement weather, many farming families are faced with a state of destitution which calls for immediate relief.

There is a widespread demand among the farmers for a general moratorium on their debts, and in many places they have banded themselves together with mutual pledges not to make any offers for land or stock at foreclosure sales. All the banks have very large sums of money tied up in unsold stocks of wheat. They thought they were playing safe when they agreed to make advances to the wheat pools sufficient for an initial payment to their members on the basis of 60 cents per bushel for No. 1 Northern, but their calculations proved wrong, and they have since been compelled to make the pools reduce this initial payment to 50 cents. Again, practically every country storekeeper has on his books a heavy volume of debts which at the moment are uncollectable, and wholesale houses who supply goods on credit cannot get their accounts paid. Mortgage companies and farm implement firms are also unable to get their money, and one well-known oil company is said to have millions of dollars due to it from farmers for gasoline bills.

At intervals in the past it has happened that when hard times have descended upon the West, there has been talk about a secessionist movement whose aim would be to create a separate British Dominion out of

the western provinces and emancipate them from the domination of the industrial and financial interests of Eastern Canada. So far this idea has not found expression in any organised movement, but it is simmering far and wide, and unless something is done to help the West it might become serious. It is contended that the West would be much better off separated from the East; that it could utilise the new Hudson Bay route and the Pacific coast ports as outlets for its exports and bring in imports by the same channels; that it would be free to pursue a free trade or low-tariff policy; and that it could thus reduce the costs of agricultural production to a level which would enable it to compete successfully in international markets.

Thus Mr Bennett finds himself in a peculiarly embarrassing position. All his adult life he has been identified with the fortunes of Western Canada, and during the recent election campaign he denounced the King Government vigorously for a culpable neglect of the interests of Western Canada which had brought the price of wheat down to the scandalously low level of 85 cents. He also promised that if the western farmers would support his policy of higher protectionism he would use the Canadian tariff as an instrument "to blast a way for their produce into the markets of the world." Yet, at the special emergency session held in September, he used his Parliamentary majority to put through a measure of upward tariff revision which threatens to increase both the cost of living and production for the western farmers, and he also secured authority for substantial expenditures of money for the relief of urban unemployment. Mr Bennett had doubtless hoped that the Imperial Conference would have yielded him some fruits which he could claim to be beneficial to the agricultural communities of the West, but now he returns empty-handed from the Conference, as far as the western farmer is concerned—to face as pretty a peck of troubles as has ever confronted a Canadian premier.

Notes of the Week.

The Royal Commission at Last.—On Tuesday the House of Commons passed a supplementary estimate of £10 millions for "transitional" benefit under the unemployment insurance scheme, and on the same day the Prime Minister announced the composition of the Royal Commission which is to investigate the system and make recommendations for its reform. The coincidence serves to underline the urgency of the task which faces this new body, which, promised in the King's Speech in October, now at last comes into a belated existence. The chairman, whose appointment we welcomed a week ago, is Judge Holman Gregory, and his colleagues are to be the following:—Councillor Astbury (of Sheffield), Professor Henry Clay (the well-known economist), Mr H. J. W. Hetherington (Vice-Chancellor of Liverpool University), Mr E. C. P. Lascelles (deputy umpire under the Unemployment Insurance Acts), Mrs C. B. Rackham (a former Inspector of Factories), and Mr H. M. Trouncer (President of the Institute of Actuaries). On the whole it is a workmanlike body, on which a very wide range of knowledge and experience is represented, and the inquiry will be saved from the embarrassment of political controversy by the exclusion both of trade union leaders and of political protagonists of any party colour. Two reflections, however, leap to the mind. It is unfair, in the first place, to expect that the Commission will find any way of saving the Government from measures of reform whose application is as likely to be unpalatable to large numbers of their supporters, as their general character was obvious before this inquiry began. In the second place, it is no aspersion upon the capacity of the members of the Commission to suggest that, because their number does not include names of leaders familiar to the general public, their report, however practical and comprehensive, may

not be accorded by mass opinion the respect which would have attached to that of a more popularly impressive Commission, whose findings even a reluctant Government could not have afforded to disregard.

The Round Table Conference.—From the not very informative "news" which has been permitted to emerge from St. James's Palace, it is difficult to form a just appreciation of the progress which is being made by the Round Table Conference. The vexed question of communal electorates appears to have proved less readily susceptible of settlement than earlier optimistic forecasts suggested, and the very size of the Conference is not conducive to the rapid despatch of business. The real danger seems to be lest the delegates, both from British India and the States, should tend, in the necessarily difficult process of translating principles into practical working forms, to revert almost instinctively towards the *partis pris* of pre-Conference policies and attitudes. If we judge rightly the present temper of the Conference, the British Indian delegates seem inclined to allow their first newly-found enthusiasm for the federal principle to be weakened by reluctance to have the status of a Lower House in a bicameral system changed greatly from that of the existing Legislative Assembly, namely, that of a popularly elected body dealing primarily, if not exclusively, with matters of "common concern" to British India alone. We should be glad to think that the difficulties which such a form of constitution, given a supreme and really federal second chamber, would involve, are being squarely faced and thrashed out. Moreover, it remains to be seen whether the Princes, during these knotty negotiations in formal constitution-building, may not in their turn lose part of their initial willingness to participate actively in federalism here and now. Meanwhile, if it be correct, as reported, that many of the delegates have booked their passages back to India for the middle of January, time presses. We trust, however, that at all costs means will be found to prevent the Conference from breaking up or, as is more likely, dwindling away, until agreement on the general principles of a constitution has been reached. If the lack of understanding revealed in Mr Churchill's mischievous speech on Thursday represented the considered view of the Conservative party, the prospects of such an agreement would be remote; but fortunately there is reason for thinking that the majority of the party has no wish to play the part of the bull in a china shop.

Dr. Brüning's Victory.—Last Saturday the Reichstag rejected, by 292 votes against 254, a motion, supported by the "Nazis," the Nationalists and the Communists, to repeal President Hindenburg's decree of December 1st, in which the President enacted the financial and economic reforms announced by the Ministry on September 30th. Though the margin of 38 votes is not large, the victory is signal. For one thing, the decree which is now confirmed is a repetition of the July decree which the last Reichstag promptly repealed at the time. It was on that very account that the last Reichstag was dissolved; so that the President and the Chancellor have brought a majority of the Reichstag round from opposition to support of their policy—and this in spite of the drastic terms of the decree, the successes of the extremist parties in the general election, and the unfortunate turn which the course of international affairs has just taken at this session of the Preparatory Commission for the Disarmament Conference. The decree which has thus been endorsed by the Reichstag is drastic indeed. It reduces the salaries of national, State and municipal employees by 6 per cent.; sets the limit of the budgets for the next two financial years at a figure £50,000,000 lower than that of the current financial year; places a veto upon any further assistance, out of the Budget, to the unemployment insurance fund; and makes further increases in the Customs tariff. What considerations have induced the Reichstag and the nation to support the Government in taking such stern measures? No doubt, in the back-

ground of the German mind, the ultimate consideration is a resolve not to relapse into the conditions of 1923, when Germany was fainting under the triple scourge of inflation, an unsolved reparations problem and a foreign military occupation. There is, however, a more positive incentive than that. There is the Government's steadfastly maintained principle that financial reform at home is "the essential condition for any successful foreign policy." And this aspect of the matter was brought out in the debate last Saturday, when Herr Curtius intervened in it. The main objectives in the field of foreign policy which the Government will seek to attain, when the time comes, are genuine disarmament, genuine protection of minorities, and some reconsideration of the Young Plan settlement in the light of the general financial and economic situation of the world. Meanwhile, last Saturday, Herr Curtius delivered a crushing retort to a motion (passed by the Foreign Affairs Committee of the Reichstag at the instance of the "Nazis") for withholding ratification from the recent German-Polish liquidation agreement. The authors of the motion would be surprised, he told them, to know what the representatives of the German minority in Poland would say about their handiwork. That was a shrewd blow. In Dr. Brüning and his colleagues we have a German Government which means to make itself respected equally at home and abroad.

France Without a Cabinet.—On Thursday, December 4th, Monsieur Tardieu's Government fell on a question of confidence in the Senate, which went against the Government by eight votes (147 to 139). A week later, at the moment when we are going to press, successive efforts to form a new Government still remain fruitless. In France, of course, the fall of a Government does not entail a general election. General elections occur at fixed intervals. Accordingly, this last week's *impasse* tells us nothing about the state of French public opinion. We shall receive no light on that until the general election of 1932. The present ministerial crisis reflects merely the balance of parties within the Senate and the Chamber as it has stood for the last two years and is destined to stand for two years more. The deadlock, which is not yet resolved, arises from the fact that the Socialist-Radical group are strong enough to veto the inclusion in the new Ministry of an element to which they object—the group led by Monsieur Louis Marin—but are not strong enough to form the nucleus of an alternative Coalition Government of their own. Meanwhile, anyone who attempts to form a Government without the Socialist-Radicals must form it on much the same lines as Monsieur Tardieu's Government, which was defeated last week; and Monsieur Tardieu is making it a condition of his own co-operation that Monsieur Marin should be taken into partnership as well. This is the dilemma from which it has so far been found impossible to escape. The first attempt was made by Monsieur Barthou, who aimed at what is called "Republican Concentration." His first rebuff was received from Monsieur Poincaré, who is steadfast in his determination to hold aloof. Monsieur Barthou did secure the support of Monsieur Briand; but this did not avail him in the end. By Monday morning, he had to inform the President of the Republic, Monsieur Doumergue, that he had failed; and the President handed over the task to Monsieur Pierre Laval. Monsieur Laval undertook it, only to find that the contradiction between Monsieur Tardieu's conditions and the Socialist-Radical conditions had set hard. By the evening of Wednesday, Monsieur Laval in turn found himself obliged to report that he had failed as Monsieur Barthou had failed before him. And there, for the moment, the crisis stands.

The Moscow Trial's Finale.—At midnight on December 7th, the Court of the U.S.S.R., which has been trying the eight professors and technicians, passed its sentence. Five of the prisoners were condemned to death, and the other three to terms of ten years' imprisonment each. From these sentences there was no appeal. Adroit as ever, the stage-managers of this strange judicial farce waited until the whole daily Press of the capitalist world

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had indited and published the appropriate leading articles. Thereupon, the Presidium of the Red Parliament of the U.S.S.R. exercised its prerogative of mercy by commuting the five death-sentences to terms of ten years' imprisonment with confiscation of property, and reducing the three other sentences from ten years' imprisonment to eight. It is the old story of the Chinese mandarin who sentenced his prisoner to be "shortened at both ends," and then allowed him to present himself for execution in boots with extra-thick heels and a hat with an extra-high crown, with the happy consequence that the execution of the sentence was as bloodless as it was correct. In Russia, as in China, this kind of judicial play-acting really seems to work. The tragic emotions of pity and terror which the Government desires, for its own political purposes, to keep alive in the hearts of the masses are duly evoked—and evoked, it appears, so effectively that the immense paraphernalia of the setting and the lengthy rigmarole of the proceedings are well rewarded from the Government's point of view. All this is very alien to the Western mind. We can only conclude that the Five Years' Plan has not been working out quite according to the time-table (it would be a hasty assumption to suppose that it is breaking down), and that the eight prisoners were forced to go into collusion with the Government and take the rôle of scapegoats upon themselves. Were they subjected to police-methods of the third degree? Or were they simply told that, if they placed themselves at the service of the management in this official play, their ultimate fate would be less unpleasant than if they obstinately pleaded "not guilty"? Meanwhile, at Westminster, Mr Henderson has had to stand a fire of parliamentary questions regarding the allegations against the British Government, which came out in the evidence at the trial, and also regarding the use of Russian wireless for anti-British propaganda. This is a very old story. The Soviet Government's excuses do not sound very convincing; the attacks upon the British Government for letting these Russian breaches of international decorum pass do not sound very sincere. The truth is that the Soviet Government is incorrigible, but that few people in this country genuinely want Anglo-Russian relations to be broken off again.

The Savoy "Free Zones."—The question of the Savoy "Free Zones" has been brought, once again, to public notice by an order which was given last Saturday by the Permanent Court of International Justice at The Hague in a public sitting. The issue is a dispute between Switzerland and France, which might be one of the standing dangers to the peace of Europe if the scene of action happened to lie rather further east. As it is, the affair is merely piquant; for in this little drama France, who, since the peace settlement, has constituted herself the champion of the sacrosanctity of treaties, appears in the "Nazi" rôle of a revisionist who resorts to *force majeure*. Geneva is a city almost surrounded by foreign territory at close range; and for centuries the city has enjoyed free trade with the surrounding countryside by treaty with whatever State has happened to be the local sovereign of the day. In the Treaty of Versailles, France secured the insertion of an Article declaring that she was entitled to suppress the "Free Zones" by agreement with the Swiss Government. Such a clause was a strange ingredient in

a peace treaty terminating a war in which Switzerland had not been a belligerent, and in which the issue of the "Free Zones" had not been raised. The sequel has been curious. In 1923 France, after failing to obtain Swiss consent to the suppression of the "Free Zones," simply suppressed them unilaterally by moving her Customs cordon up to the political frontier. Switzerland then demanded arbitration; but, though the necessary *compromis* was concluded between the two Governments in 1924, it was not ratified by France until 1928, with the result that the Hague Court did not render a judgment till 1929. The Court then decided in favour of Switzerland by 9 votes to 3, but gave the parties a term within which to settle the dispute by agreement before the judgment should come into force. This term was extended by the Court for the second time last Saturday, and the President of the Court is empowered to extend the term again if he deems this expedient. When, however, the term does run out, the Court will deliver a judgment which will either embody the agreement of the parties (if such agreement has been reached) or will be confined to the decision of the point of law. It will be interesting to see whether, in this event, France will maintain her unilateral revision of the treaty—a revision which she has carried through by force—when judgment has been given in Switzerland's favour.

British Ills and Remedies.—By his detachment as an Englishman whose position as director of the Economic Section of the League has given him an almost unique insight into the financial, industrial and commercial conditions in European countries, Sir Arthur Salter is well fitted to play the part of Britain's candid friend. On his observations with regard to the world depression, published by the *Times* this week, we comment in a leading article. His analysis, however, of the peculiar disabilities of this country, quite apart from the world situation, will repay careful study. The essence of his diagnosis is that the British economic system suffers more than that of competing countries from rigidity. Having been first in the industrial field we have passed from the pioneer to the hereditary stage; much of our plant is old and inefficient; our banking system, directed from five great offices "has neither the liquidity and external relation to industry of the pre-war banks, nor has it the positive and directive interest of the German tradition"; internal debt, fixed charges and taxation, all increased enormously in weight by the fall of commodity prices, are more burdensome than elsewhere, and wages and labour rules of employment are dangerously inelastic. This statement of the case should receive fairly general assent, but the remedy is less easy to prescribe; and here Sir Arthur's prescription is likely to occasion controversy. In bald outline he suggests that the "Big Five" banks should make greater use of their power as creditors to force through industrial re-organisation schemes by agreement among themselves on common policy; that the strain of fixed charges might be eased by some discrimination in tax methods against debenture interest, etc., as opposed to dividends on equity shares; that taxation payable by companies might be assessed not on calculated profits but on dividends alone; that retail prices should be lowered (here Sir Arthur gives no clear indication of the means proposed); and that wage earners should recognise that "if prices go on falling there must come a point at which, whatever the reforms in other directions, nominal wages can only be maintained at the expense of a quite impossible extension of unemployment." Sir Arthur's thesis invites examination, and debate at much greater length than we can give it here. This much, however, may be said. He has drawn attention cogently not only to the pressing need for importing into Britain's economic structure the power and adaptability which it now lamentably lacks, but also to a problem of which much more is likely to be heard, namely, how in the long run we are to persuade active workers of every category to accept for their services a lower return in terms of money, while the *rentier* is automatically enriched by every reduction in prices to which the producer, in the widest sense, is asked to accommodate himself.

The Commons and Economy.—On Tuesday evening in the House of Commons a motion was introduced by Sir John Davidson calling for stern exercise of public economy. Before Sir John had proceeded far with his indictment of public extravagance, which with Budget shadows approaching is surely the liveliest of live national issues, the debate was interrupted for lack of a quorum. The necessary forty members were collected—but not among them the Chancellor of the Exchequer, who watched from the doorway but did not enter the Chamber—but after Mr Brendan Bracken and one or two other speakers had developed the theme of the urgent need for retrenchment and indicted the Chancellor for indifference, the House was actually "counted out" and rose for the day. True, it was only a private member's motion that was before the House and not a full-dress debate upon expenditure policy. Nevertheless, it is more than a little unfortunate that the Chancellor in particular and members of all parties in general have given the country an impression of callous indifference to one of the most vital problems of the day.

November Foreign Trade.—The November overseas trade figures have recorded a distinct reaction from the recovery shown by the returns of the previous month. If the published November results be added to the charts published in the *Economist* of November 15th, it is difficult to escape the conclusion that the general trend of the curves is still downwards. When, however, allowance is made for the fact that November was not only a day shorter than October, but also contained five Sundays, the setback is not so serious as at first sight appears, and in fact exports of British goods per working day were slightly higher in November than in October.

MONTH OF NOVEMBER. (000's omitted.)					
	1930.	Increase or Decrease as compared with			
		November 1929.		November, 1928.	
Imports	£ 79,412	£ -28,823	% -26.6	£ -27,410	% -25.6
British exports	44,057	-19,067	-32.0	-19,709	-30.9
Re-exports	6,818	-1,383	-20.0	-3,985	-58.5
Total exports	50,905	-20,456	-28.7	-23,694	-31.8
Excess of imports over total exports	28,506	-8,367	-22.7	-3,716	-11.5

ELEVEN MONTHS ENDED NOVEMBER 30TH. (000's omitted.)					
	1930.	Increase or Decrease as compared with			
		1929.		1928.	
Imports	£ 955,181	£ -160,104	% -14.3	£ -140,314	% -12.8
British exports	532,094	-139,031	-20.7	-130,939	-19.7
Re-exports	81,736	-20,068	-19.7	-29,537	-26.5
Total exports	613,831	-159,099	-20.6	-160,476	-20.7
Excess of imports over total exports	341,350	-1,005	-0.3	+20,162	+6.4

Raw material imports at £16.5 millions for November show a drop of £1.6 millions below October and one of £13.5 below November last year. Owing to the simultaneous decline in re-export trade, the reductions in re-export figures quoted above. Exports are in many respects disappointing. Those of coal were 4,066,000 tons, or the worst since August; those of machinery 36,000 tons, or the worst for the year with the exception of August (also 36,000 tons) and September (30,000 tons); those of iron and steel were 204,000 tons, or the worst for the year except for September (201,000 tons); those of woollen tissues were 5,245,000 square yards, or the worst for the year with the single exception of April (5,000,000 square yards) when the labour dispute was in progress; and those of cotton piece-goods were 130,000,000 square yards, which was easily the lowest figure of the year. Exports of motor cars were up to the year's average, and actually

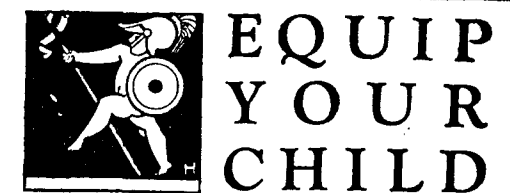
showed an improvement over October. Details for the first eleven months of the year are given below:—

	Total for Eleven Months.		
	1928.	1929.	1930.
Coal	45,870,791	55,278,600	50,632,504
Pig iron and ferro-alloys	407,314	505,502	297,867
Railway material	576,202	449,034	379,425
Total iron and steel	3,902,570	4,047,428	2,988,381
Textile machinery	115,463	117,921	85,990
Total machinery	519,144	518,776	446,720
Cotton yarns	156,051,000	152,147,500	125,063,600
Cotton piece-goods	3,576,093,500	3,398,127,200	2,276,612,500
Wool tops	318,874	307,610	264,203
Woollen tissues	120,182,000	100,341,700	74,121,200
Worsted tissues	38,079,000	43,714,400	32,107,500
Linen piece-goods	60,973,000	66,506,000	57,248,400
Boots and shoes	1,012,195	929,650	854,132
Leather	379,973	338,848	228,974
Paper and cardboard	4,174,594	4,649,407	4,002,762
Locomotives	37,122	36,449	48,243
Motor cars and chassis	29,491	39,237	27,509

The figures for November, unfortunately, give no ground for thinking that the October returns were the prelude to a recovery. The best that can be said for them is that the deficit on 1929 is rather less than that of recent months.

An American Bank Suspension.—On Thursday afternoon it was announced that the Bank of United States had closed its doors and that the State Examiner was holding an investigation. Our New York correspondent cables as follows:—The Bank of United States was formed in 1913 in a Hebrew shirt-waist-manufacturing district on the East side of New York, and traded on its name, which was intended to give the impression of some connection with the Government. This, of course, was not the case. The management in the last few years made the most of trade expansion and stock market enthusiasm to push its expansion; and by amalgamations with numerous other small Jewish banks, and the purchase of new sites, it finally became an important institution with 59 branches. Most of its business, however, was done in connection with the clothing industry. It also formed a security subsidiary called the Bankers' Corporation, which dealt in stocks and bought and sold the bank's shares. The break in the stock market in the autumn of 1929 was a severe blow, and started rumours of trouble. Efforts were made to overcome the difficulties for several months, finally culminating in merger negotiations with three other banks. These failed, however, the stumbling blocks being the character of the business, which was not the same as that of the other large commercial banks, and which the latter's officers were reluctant to undertake. The Bank was not a member of the Clearing House Association, which, nevertheless, since the intervention of the New York State Banking Department has agreed to lend 50 per cent. at 5 per cent. on net deposits to any depositor. The bank had a capital of \$25,250,000, a surplus and undivided profits of \$17,156,000, and gross deposits of \$202,972,000 held by 400,000 depositors. The bank had 59 branches and 23,000 stockholders and 1,884 employees. It is the largest bank ever to fail here and the first since the market break.

A Banker on the Depression.—In an article on a previous page we examine the views of Mr Lamont, Sir Arthur Salter and others on the causes of the present economic depression. On Tuesday a British banker, Viscount Churchill, chairman of the British Overseas Bank, made a contribution to this discussion in an interesting speech to the shareholders of that institution. After a clear and cohesive review of the world situation and the influences at work to produce it, Viscount Churchill summed up as follows:—"These, then, have been the difficulties of the international monetary situation. The inequable distribution of gold, due to economic forces not being allowed free play, and aggravated by tariffs, reparations and other such forces distorting the natural courses of trade, has led to deflation, disharmony between prices, and ultimately to a general loss of confidence and



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the dislocation of the entire world's trade." We commend to our readers' attention the full report of Viscount Churchill's speech, which appears on pages 1133 and 1134 of this issue. There they will find not only the reasonings, drawn from the Bank's first-hand experience of world economic forces, which lead up to the conclusion just quoted, but other striking points as well. Of these three which are perhaps of the closest topical interest are Viscount Churchill's defence of banking practice, his insistence on the necessity to lower costs of production, and his condemnation of the results of recent attempts at artificial restriction of the output of various commodities.

More Looms Per Weaver.—Important developments, writes our Manchester correspondent, have taken place in connection with the dispute between the Lancashire cotton weaving employers and the Amalgamated Operative Weavers' Association with regard to the more looms per weaver system. The Cotton Spinners' and Manufacturers' Association has decided to give one month's notice to the trade union of their intention to bring the new piece price list rates of wages into operation as from January 5th next. The employers, in their letter to the Secretary of the Weavers' Amalgamation, point out that it has been proved to their satisfaction that the system would result in a reduction of costs, while the proposals provide for a considerably higher individual wage. The position was considered at a meeting of the Central Committee of the Weavers' Amalgamation on Tuesday last. It is understood that arrangements were made to ascertain the opinions of the branches, and the whole matter will come up for discussion at a meeting of the General Council to take place in Manchester on December 20th. The Weavers' Amalgamation has issued a manifesto in which it is stated: "The changes in the methods of weaving that the employers are proposing to operate throughout the whole of their mills have brought us face to face with what is one of the greatest problems in the history of the Amalgamation. We have no precise information where the system and the list will operate, as it makes each individual employer into a list-maker and a price-maker, and this will probably lead to chaotic and disastrous conditions in the trade. The General Council realises that this new system will of necessity impose increased physical and mental strain upon the members retained as weavers. We believe there should be provided within this system a full-back wage by which the standards of yarn can be safeguarded and a maximum wage below which the operatives should not be paid whilst remaining on the employers' premises a full working week." There is undoubtedly much difference of opinion as to the savings which can be effected by this system of working. Mr Thomas Ashurst, the Secretary of the Cotton Spinners' and Manufacturers' Association, has stated that putting weavers on eight looms will reduce the wage cost by at least 20 per cent. On the other hand, Mr Naesmith, the trade union Secretary, says that the cost of producing a plain grey cloth will not be reduced more than 2½ to 3 per cent. It is recognised that the leaders of the operatives have injured their cause by refusing to enter into negotiations with the employers. A large number of manufacturers are determined to establish this new system, and under some terms and conditions it will certainly come into operation. The position is complicated and a way out of the difficulty may not be easily found. It is understood that Sir Horace

Wilson, the Chief Industrial Adviser to the Government, is keeping in close touch with the situation. During the last fortnight Sir Horace has had discussions with the different sections of cloth manufacturers in Lancashire, and it is understood that the chief object has been to ascertain the view of manufacturers with regard to big-scale amalgamations. It is reported, however, that he has met with very little encouragement in this connection. The weaving branch of the Lancashire cotton industry is largely carried on by private firms and, although the trade has felt the recent depression very severely, numerous concerns are weathering the storm remarkably well, and there is a strong disposition against submerging their individuality.

Cotton Supplies and Prices.—On Monday last the United States Department of Agriculture published further statistics relating to the cotton crop for this season. The estimated yield was revised to 14,243,000 bales, against 14,438,000 bales a month earlier. The crop for last season was 14,828,000 bales. It was announced that up to the end of November 12,835,000 bales had been ginned, against 11,962,000 bales a fortnight earlier, and 12,853,000 bales at the same date last year. The yield per acre, at 150.8 lb., is disappointing and compares with 153.2 lb. a month ago and 155.0 lb. for last season. These figures were below the expectations of the market, but the slight advance in prices was soon lost. Leading authorities, writes our Manchester correspondent, are of opinion that the world consumption of American cotton this season will not be much more than 11,000,000 bales, and there is a probability of a carry-over next July of about 9,000,000 bales. A new low level of prices has been reached in the Liverpool market this week. On Tuesday January American futures were quoted at 5.37d., and for such a low level of values it is necessary to go back 15 years. The slump in prices for Egyptian cotton during the last week or two has also been important. On November 1st the quotation for Fully Good Fair Sakellaridis on the spot in Liverpool was 9.90d., but on Tuesday last the figure was 7.85d. There has been heavy selling in Alexandria and rumours of dissensions in the Government with regard to future policy have caused a very unsettled feeling to prevail. The raw cotton situation is causing much uneasiness in Lancashire trade circles, and is having a depressing effect. Buyers are afraid to operate, and it is recognised that the depreciation in values will be a serious matter for firms that take stock at the end of the year.

The Rayon Industry.—The almost world-wide setback to trade at the end of 1929 did not leave the rayon industry unaffected. The following table shows the production of rayon yarn in the United Kingdom and in various other countries, with an estimate of world production and consumption:—

RAYON PRODUCTION.						
Thousand lbs. (excluding waste).						
Period.	U.K.	Other European Countries (Belgium, France, Germany, Holland, Italy, Switzerland).	U.S.A.	Japan.	World.	
					Production.	Consumption.
					Total.	British proportion of Total.
1927, Quarterly average	9,699	32,085	18,762	2,001	66,717	14.5
1928, Do.	13,011	40,752	24,663	3,000	86,751	15.0
1929, Do.	13,275	47,064	30,534	4,500	100,791	13.2
1930, 1st quarter	12,283	50,166	29,841	4,511	102,923	11.9
1930, 2nd quarter	10,945	45,562	27,359	8,690	98,010	11.2
1930, 3rd quarter	12,242	45,586	27,240	8,270	98,697	12.4
						%
						68,751
						81,999
						99,624
						98,947
						94,450
						97,942

It will be seen that world consumption began to fall off early this year, reaching its lowest level in the second quarter. Although production was reduced in most countries, it continued in excess of demand until the third quarter. This resulted in the accumulation of considerable stocks of unsold yarn, with a depressing influence on

prices. During the past quarter, however, a slight seasonal increase in demand brought consumption more into line with the reduced level of production. France and Japan have been the only countries in which production continued to increase since January last; but the latter is experiencing increasing difficulties in disposing of its current output. The outstanding feature of the British rayon industry is the continuous decline in its proportion of the world's output since 1928. It fell from 15 per cent. in 1928 to 13.2 per cent. in 1929, and the average for January-September this year was under 12 per cent. The sharp contraction in the home market for rayon, which began at the end of last year, was promptly met by a curtailment in output, not drastic enough, however, to keep pace with the decline in demand. As will be seen from the table below, imports into this country have become almost negligible, while exports in volume under 20 per cent. of the total output, have declined by 17 per cent., as compared with the 1929 average:—

BRITISH RAYON.						
Thousand lbs. (including waste).						
Period.	Estimated Production of Rayon Yarn and Waste.	Quantity on which Excise Duty has been Paid.	Trade.		Estimated Consumption.	Stocks Increase (+) or Decrease (-).
			Imports.	Exports.		
1928, Quarterly average	13,560	13,146	651	2,883	10,917	+ 414
1929, Do.	14,226	14,130	417	2,433	12,114	+ 96
1930 1st quarter	12,810	11,409	101	2,294	9,216	+ 1,401
1930 2nd quarter	11,350	11,148	188	2,261	9,075	+ 202
1930 3rd quarter	12,730	13,005	201	2,020	11,186	- 275

Although there has been a seasonal increase in consumption during the past quarter, the immediate outlook for the rayon industry in this country and in the world as a whole is none too encouraging. In fact, world production and consumption for the current year will probably be on a lower level than in 1929. Moreover, writes a correspondent, it is to be feared that even yet the price position is unstable. Though further cuts would result in uneconomic working, they are certainly as likely as any increase. During the last week the Ministry of Labour have issued for the first time separate unemployment figures for the rayon yarn producing industry. From these it would appear that the percentage unemployed at October 27th was 27.7, or fractionally below the September figure, though much larger than that for July. During recent months there has been a great increase in efficiency of production—the number of workers per machine being reduced, but the effect upon employment cannot, in total, be very marked.

The Coal Mines.—As we recorded a week ago, last-minute efforts have succeeded in averting, for the moment, a national dispute in the coal-mining industry; and these efforts came to final fruition on Saturday, when the Scottish miners agreed to return to work for the time being on temporary "spread-over" terms, the gist of which is that wages remain the same as in November and the employers give an undertaking that not more than eleven days of eight hours shall be worked in any fortnight. Thus, in Scotland, as in South Wales and other districts, there is a truce, but it would be a grave error to mistake a truce for a settlement. A real settlement has still to be reached, and much work remains to be done, and much common sense and accommodation to be exercised on both sides, before terms are agreed which will carry the industry peacefully over coming months, and particularly the fateful date next July, when the Act of 1926 is due to expire, reducing legal hours from 7½ to 7 per day. To no small extent the success with which the industry will solve its internal problems will depend upon the work of the Coal Mines Reorganisation Commission appointed under Section 11 of the Act of 1930, the constitution of which was announced from 10, Downing Street on Tuesday. The Chairman is to be Sir Ernest Gowers, who was Permanent Under-Secretary for Mines from 1920 to 1927, who will have as his colleagues Mr Lawrence Holt, Mr Joseph

Jones, Sir Felix Pole, and Sir William Whyte. The purpose of the Commission is "to promote and assist by the preparation of schemes and otherwise the amalgamation of undertakings consisting of or comprising coal mines where such amalgamations appear to the Commission to be in the national interest." The Commission has power to prepare and submit a scheme to the Board of Trade. At the same time the Central Council administering the Central Coal Mines Scheme has appointed a panel of arbitrators to settle disputes between coalfields as to allocation of quotas. Between now and next July it may be possible to have a clearer idea how the machinery which the Act of 1930 set up is going to work.

Shipping Freight Index Number.—A further downward movement in whole-cargo chartering rates occurred in November, our index number recording a fall of 3 per cent., as compared with the previous month.

AVERAGE 1898-1913=100.

	Average, 1913.	Nov., 1929.	Sept., 1930.	Oct., 1930.	Nov., 1930.
European Waters	110.0	124.9	87.3	91.1	89.5
North America	113.1	96.9	91.2	85.6	85.0
South America	123.4	97.6	95.7	93.3	90.4
India	106.3	110.7	103.0	101.3	99.8
Far East and Pacific	117.4	91.6	89.2	85.2	81.0
Australia	127.9	94.4	117.5	113.9	107.7
Total	116.3	102.7	97.3	95.1	92.2

Outward coal freights were generally weak, and though homeward quotations from India were nominally firmer on the shortage of immediately available tonnage at Bombay, the one really encouraging feature in homeward business was the recovery late in the month of freights from the Plate, as a result of better inquiry for maize. The month's changes in the index of each group and sub-group are shown in the following table, the figure 100 representing in each case the average rate during the basic period 1898-1913:—

	Index Number	Inc. or Dec. Points.		Index Number	Inc. or Dec. Points.
Home trade	81.0	- 0.4	South America—outwards	83.4	-11.2
Bay—outwards	106.4	- 3.7	South America—homewards	97.4	+ 5.3
Bay—homewards	96.8	...	India—outwards	109.5	+ 10.5
Mediterranean—outwards	80.6	- 3.2	India—homewards	90.2	+ 7.5
Mediterranean—homewards	91.3	- 2.1	Far East, &c.	81.0	- 4.2
North America	85.0	- 0.6	Australia	107.7	- 6.2

Expressed as a percentage of the average for 1913, the total figure of our index number for November works out at 79.3, as compared with 81.7 in October and 88.3 a year ago.

Sugar Restriction.—After a temporary breakdown, owing to the Java delegates' unwillingness to accept the Cuban proposal for a joint commission to ascertain what annual increase in Java's export quota would be justified by Eastern market conditions, a sugar agreement was suddenly reached last Monday. The Java producers have been conceded their demand for a cumulative addition of 100,000 tons yearly, during 1932-35, to their export quota, which is to be 2,300,000 tons in 1931. In return, Cuba will restrict her output during the next five years to 3,570,000 tons. It is hoped that this will be the foundation for an international agreement of wider scope, and both the Cuban American and the V.I.S.P. delegation have proceeded to Brussels, where the Sugar Conference is now in session. The European countries represented at the Conference are Germany, Poland, Czechoslovakia, Belgium, and Hungary, and three committees have already been appointed to discuss restriction in general, stocks and statistics respectively. Questions of prices and markets do not figure on the agenda of the Conference, but the projects to be considered include diminution of the area of cultivation in Europe, less intensive cutting of canes overseas, and the warehousing and marketing of existing stocks.

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Germany's Foreign Debt.—Our Berlin correspondent writes:—The Federal Bureau of Statistics has undertaken for the first time an inquiry into German foreign debt. Although it was known that this debt was very great, the result of the inquiry caused surprise. Short-period foreign debt alone is estimated by the Bureau at Rm. 10.8 milliards, of which 8.6 milliards (as at the end of 1929) were attributable to the banks. In the third quarter of the current year it may be assumed that there was a substantial reduction of some 300 millions in the foreign indebtedness of the banks. The holdings of foreigners in Germany are estimated at 26.1 to 27.1 milliards. Apart from the short-term debt, this includes 8.5 milliards of long-term loans. To this must be added about 800 millions of German fixed-interest securities in foreign ownership, about four milliards of foreign branches and shares, and two milliards German land owned by foreigners. The development of foreign indebtedness in the last four years has been very significant. The short-term foreign debt of the German banks was as follows:—

SHORT-TERM FOREIGN BANK DEBT AT DECEMBER 31st.

(In Million Reichsmarks).				
1926.	1927.	1928.	1929.	
3,472	5,710	7,618	8,604	

During the same period the short-term foreign debt of public corporations has risen from 200 to 500 million. The growth of long-term foreign debt has followed a similar course, as is shown by the table below:—

FOREIGN LONG-TERM DEBT AT DECEMBER 31st.

(In million Reichsmarks.)										
	1924.	1925.	1926.	1927.	1928.	1929.	1930.	June 30,		
Industry, trade and transport	42	785	1,667	2,149	2,893	3,146	3,353			
Mortgages	...	105	170	701	1,052	1,050	1,028			
Reich	940	928	907	883	856	827	2,261			
States and Hanse Towns	...	390	849	1,098	1,512	506	501			
Communes	...	...	...	...	762	733	728			
Unions of local authorities, &c.	...	...	...	...	44	67	87			
Churches	...	16	79	92	122	142	154			
	982 2,224 3,672 4,923 6,242 6,471 8,292									

The first item in the table includes, at each of the last four dates, 189 millions bank indebtedness. Against the 26-27 milliards of foreign holdings in Germany must be set German foreign holdings of 8.8-10.8 milliards, of which 4.8-5.8 are short loans, three-quarters to one milliard fixed-interest securities and 3¼ to 4 milliards shares in foreign undertakings and miscellaneous invest-

ments. The foreign investments of German banks have been as follows during the last four years:—

	1926.	1927.	1928.	1929.
(Milliard Reichsmarks).				
Foreign assets of the German banks	2.7	2.7	3.8	4.5
Of which Reichsbank foreign exchange holdings	1.0	0.5	0.5	0.8

When foreign holdings and foreign debt are set off against each other the balance of indebtedness is reduced to 16.3-17.3 milliards, of which 6 millions are short and 10.3 to 11.3 long-term debt. The interest burden which this lays upon Germany's annual balance of payments amounts to about 1 to 1.2 milliards.

Transvaal Gold Output.—The total output of gold of the mines of the Transvaal during November amounted to 884,753 ozs. of fine gold, as compared with 926,561 ozs. produced during October. In November, 1929, the output amounted to 861,593 ozs. of fine gold. The following table shows the monthly output since the beginning of 1924:—

Months of	1924.	1925.	1926.	1927.	1928.	1929.	1930.
	Fine Ozs.	Fine Ozs.	Fine Ozs.	Fine Ozs.	Fine Ozs.	Fine Ozs.	Fine Ozs.
January ...	796,768	823,692	796,270	839,782	843,857	876,452	882,801
February ...	760,617	753,925	753,924	779,339	816,133	815,284	818,188
March	795,671	825,479	834,340	860,511	877,380	866,529	889,370
April	768,923	787,519	803,303	824,014	825,907	874,125	868,606
May	809,003	813,249	849,214	859,479	886,186	897,598	916,213
June	773,053	780,251	852,145	855,154	862,363	856,029	887,867
July	829,437	818,202	860,134	851,861	867,211	889,480	912,652
August	809,571	808,218	843,854	863,345	891,863	889,601	921,081
September ..	799,422	797,247	839,939	842,118	857,731	849,553	903,176
October ...	827,583	812,832	853,296	855,743	897,720	888,690	926,561
November ...	802,313	787,633	840,276	848,059	872,484	861,593	884,753
December ...	826,273	791,455	836,157	851,225	859,761	851,134	...
Total ...	9,597,634	9,599,702	9,962,852	10,130,630	10,358,596	10,414,066	9,811,268

The number of natives employed by members of the Witwatersrand Native Labour Association and Contractors over the past few months was as follows:—

	March, 1930.	April, 1930.	May, 1930.	June, 1930.	July, 1930.	Aug., 1930.	Sept., 1930.	Oct., 1930.	Nov., 1930.
Gold mines	200,134	202,434	202,182	201,324	201,111	202,257	205,061	206,778	205,030
Coal mines	15,250	15,109	15,028	14,943	14,670	14,788	14,706	14,482	13,973
Diamond mines	7,002	5,565	5,340	5,126	5,490	5,754	5,767	5,032	4,748
	222,386	223,108	222,550	221,393	221,271	222,799	225,534	226,292	223,751

The number of natives employed at the gold mines showed a decline on the month.

Overseas Correspondence.

UNITED STATES.

Business Conditions—Railroad Difficulties—Presidential Message—Finance.

(FROM OUR CORRESPONDENT.)

NEW YORK, December 3.

WHILE the surface has been ruffled by the convening of Congress and the forecast of Governmental expenditures and taxation contained in the Presidential Message, no real change in the business situation has taken place. Retail trade is holding up well because of the holiday buying, but production of raw materials, manufacture and distribution have declined further. In most instances the decreases have been more than seasonal. Steel production has fallen to beneath 40 per cent. of capacity, although some hope is pinned to the action of the leading companies in announcing an increase in prices of \$1 a ton for certain products for the first quarter of 1931. The stand is taken that more business is likely to be stirred up in that way than by further price-cutting. However, this action emphasises the fact that present prices are unprofitable and that demand is slow.

Oil production is declining, but stocks of crude are still mounting, although all oils are lower. There is no great sympathy with Sir Henri Deterding's proposal that prices be raised by the leading companies. For one thing, con-

certed action here would clearly be illegal; for another, the enormous stocks and moderate demand do not warrant a price rise. Copper prices are slightly firmer, but the higher quotation looks artificial. It will at least have the effect of improving the inventory position of companies at the year end. Commodity prices in general lost ground in November. Dun's index dropped 1.3 per cent., compared with a decline of 1.8 per cent. in the previous month.

The decline in railroad traffic continues. Weekly freight-car loadings during November were the lowest for any similar period since 1921, and the recession from the previous month was considerably more than seasonal. In spite of efforts to reduce operating expenses the railroads reported for October a drop of approximately 27 per cent. in net income as compared with 1929. In all probability, the showing will be even worse for November. Many of the weaker roads and several of the stronger ones are not earning their dividends, though reductions in dividends have not been numerous.

The darker outlook for railroad securities on account of the poor year's traffic has brought to the fore questions which were kept in the background during recent prosperous years. These are the steady whittling away of freight traffics by the Interstate Commerce Commission, the matter of consolidations, and, more especially, growing competition from motor passenger bus, motor truck, oil company pipe lines, airways and coastal shipping through the Panama Canal. In a recent report the Association of Railway Executives has called upon Congress for legislation designed to remedy some of these ills. It asks (1) for a respite from rate reductions, (2) withdrawal of Government-operated transportation, (3) a fairly comparable system of regulation for competing transportation service by water and on the highways. The report estimates an increase in railroad freight traffic from 1920 to 1929 of less than 1 per cent. annually, against a rise of 7 per cent. a year in the thirty-year period 1890-1920. Passenger traffic, after gaining steadily to 1920, has since then dropped 3 per cent. a year. Motor buses in operation have since 1920 increased 825 per cent. Panama Canal tonnage has risen 637 per cent. Inland waterway traffic has increased 93.5 per cent. Railroad competition, the report says, has also come from oil pipe lines, high-power electric lines and natural gas pipe lines, which cut into coal traffic. Meanwhile railroad executives announce that they will no longer submit meekly to adverse legislative efforts, and a spokesman for the Association declared that the railroads were now facing the most serious crisis since the passage of the Transportation Act in 1920.

A somewhat more cheerful view is taken by the Interstate Commerce Commission in its annual report, just submitted to Congress. The Commission notes that "financial difficulty confronts the railroads" as a result of competition from other forms of transportation, that "passenger revenue of 1929 was over 414 millions less than that of 1920." It admits that freight revenue was 498 millions greater, but states that the prospect is darkened by competition from water lines, pipe lines and trucks. "However," the Commission concludes, "the country still needs its railways and can support them. With the traffic of 1929, the railways were as a whole enjoying a comfortable degree of prosperity, even though they did not reach the full return upon their property which we think would be reasonable. Fortunately for their financial position, their capitalisation in recent years has not kept pace with their investment, and the relation of their net income, after interest charges and all taxes, to their capital stock was never better in their history than it was in 1929."

In his Message to Congress President Hoover insisted that railroad consolidations were desirable, and that additional legislation was needed in order to provide for them. Whether anything can be expected of Congress is rather doubtful, but sooner or later something will undoubtedly be done to provide better regulation of competing forms of transportation.

On the whole, President Hoover's Message was well liked by the financial community. He has proposed

elimination of the capital gains tax and asks Congress to consider revision of the Sherman anti-trust law, although he does not favour repeal. This law was passed forty years ago, since when conditions have greatly changed. President Hoover would have revision with the idea of making possible such agreements on production in the important industries as would conserve the country's natural resources. He is believed to have had in mind particularly the coal, petroleum and copper industries.

President Hoover asked Congress for a special appropriation of 100 to 150 millions to spend on public projects with the sole idea of relieving unemployment. This, with other appropriations passed or pending, would bring governmental expenditures for public works to 650 millions over the next twelve months. Still, the President admitted that "economic depression cannot be cured by legislative action or executive pronouncement." Wall Street regarded that as a sound economic gospel, but was less in accord with his assertion that "the major forces of depression now lie outside the United States" and that "we will overcome world influences."

The country was not particularly cheered by the President's estimate of a deficit of 180 millions for the fiscal year ending June 30th next and the recommendation of higher income taxes which would restore rates to the 1929 level. The really large deficit will, of course, be shown in the following fiscal year, unless stronger measures are taken to cut expenditure and unless new ways are found to produce revenue.

The Treasury will shortly announce a new certificate or note issue to meet maturities of 585 millions on December 15th. It will also have a bill maturity to meet. Tax collections are estimated at 475 millions for the fourth quarter. Recently the Treasury announced a cut of $\frac{1}{2}$ per cent. in the interest rate which it demands of banks holding Government deposits. The lower interest rate will insure subscription, as usual, on the basis of Government deposits, the operation being one whereby the subscribing bank merely credits the Treasury with a deposit balance of the amount of its subscription, which is drawn out as needed by the Treasury. It is also likely that the reduction in rate will enable the Treasury to borrow at a lower charge, and the coupon may be around 2 per cent. or under.

FRANCE.

Politics — Disarmament — Gold — Coal Production — Canal du Nord.

(FROM OUR CORRESPONDENT.)

PARIS, December 10.

THE fall of the Tardieu Cabinet last Thursday, by a narrow adverse majority in the Senate, was symptomatic of the incoherent situation brought about in the French political world by many months of sterile party warfare. There is no serious difference of opinion between the governmental majority and the Opposition on any of the vital questions concerning either foreign or domestic policy—so much so, in fact, that the Opposition has for months past lost no opportunity of taunting the Ministry with having actually put into operation as their own a programme of legislation that was originally drafted with the help of their present opponents. This charge is well-founded, and for the simple reason that the Tardieu Cabinet, since its advent, has consistently continued, in regard to both foreign and domestic affairs, the policy followed by its predecessors, under M. Poincaré and M. Briand successively, which policy was being either continued or further developed while MM. Herriot, Sarraut and other Socialistic Radicals were still actively co-operating as Ministers with the Government of the day, and the Radical Socialist Party formed an integral part of the majority in both Houses.

The whole present trouble is due to the fact that the Radical Socialist Party, as a whole, is still dominated by a majority among its rank and file in the constitu-

encies, who regard anti-clericalism as the vitally important plank in the party platform. It was this large section which passed the historic resolution at their Angers Conference, two years ago, which compelled MM. Herriot, Sarraut and two others of the Party to resign the important posts which they had held for over two years in the penultimate Poincaré Cabinet, as Ministers for Education, the Interior, Agriculture and the Colonies. The leaders of the recast Poincaré Ministry that followed, and of the two Tardieu Cabinets since, have always given proof of their conviction that no stable majority is likely to be constituted unless led by a "Government of Broad Republican Concentration," and have repeatedly manifested their anxiety that M. Herriot and his friends should resume co-operation with them. Until less than a month ago the return of the Radical leaders to the Cabinet seemed possible, and almost probable. Since their victory in the Senate, however, this hope has faded. The Radical objection to renew co-operation in a Cabinet including the Marin or Union Nationalist Party, has now extended to excluding M. Tardieu personally. The efforts, first of M. Barthou and then of M. Laval, to form a Ministry of the kind which everybody regards as necessary have so far, for this reason, been abortive, and down to a late hour to-night the country was still without a Cabinet.

M. Tardieu's argument is that, after all, the majority returned at the last elections, though small, still exists intact, and that the Radicals, although the largest individual Party in the Chamber, scored a defeat in the voting of two years ago, and can have no valid claim to dictate to the *de facto* majority in the popular House, whatever the situation in the Senate may be. To-night, dissolution of the Chamber and a general election is being suggested as the only satisfactory solution of the apparent deadlock. Meanwhile, the shadow of the revelations that are expected to result from the sittings of the Oustric Committee, in regard to the participation of politicians in financial operations, weighs heavily on all Parties.

A remarkable sidelight on the question of the French attitude towards disarmament has been afforded by a statement made in the Chamber by the War Minister, M. Maginot, a few hours before the Cabinet fell. The Minister, in reply to Socialist criticisms, stated that the national defence problem has now been complicated by the fact that, owing to the serious drop in the birth-rate during the four war years, the annual contingent of conscripts to be called on to join the colours each year, as from 1935, will be only 140,000, instead of the normal 250,000. It is hinted that, unless some satisfactory general decision be come to as to the reduction of military forces by the countries concerned, France may find it necessary to modify the present one-year's service system, in order to maintain her forces at what her leaders consider to be the requisite strength.

Attention is closely focussed here on the controversy concerning the continued flow of gold to France, and a good deal of bitterness is being expressed in regard to what M. René Théry terms the "keen campaign that has been carried on against France for some months past in certain foreign political and financial circles, accusing her of systematically attracting gold to herself and thus aggravating the general economic crisis." The French case is that this country is the prisoner of the gold standard, like those who have been or are suffering from the outward drain. All experts here agree that the continuance of gold movements to France is by no means a benefit, but quite the contrary, and that none of the various suggested remedies could in the nature of things be effective, while most of them must inevitably create still greater difficulties than those existing. The proposal that the French discount rate (which has stood at $2\frac{1}{2}$ per cent. for some time) should be reduced still further would be both difficult and dangerous, it is argued, and would risk producing inflation that would have serious consequences. The political situation and the general economic unsettlement, further, would prevent any attempt more or less officially to organise French investments abroad, while the suggestion that this country should foster movement of French capital to other countries finds no support. It is being pointed out that if

France has increased her stock of gold by some 9,712 million francs since 1929, America has acquired an additional 8,273 millions, while Great Britain, Germany, Italy, Belgium and Switzerland have also increased their holdings. M. Théry bases his hopes of a solution of the difficulty on the Financial Committee of the League of Nations.

Coal production figures for October indicate a total output during the month of 4,784,680 tons (with 750 more labour units engaged), against 4,603,396 tons in September (26 working days in each case), and monthly averages of 4,577,000 tons in 1929 and 4,369,000 tons in 1928. To these should be added 2,036,722 tons of coal and lignite from the Saar area, which entries are regarded as in fact, if not in principle, forming part of the national output of combustibles. The average daily output from the French pits, which was 177,054 tons in September, was in October 184,026 tons, against 184,120 tons in October, 1929. Imports of coal included 1,091,271 tons from Great Britain (against 1,030,283 tons in September), which was closely equivalent to the average monthly tonnage of ordinary coal alone that has been drawn from the Saar for over three years past. Imports from Germany were 414,882 tons (against 424,435 tons in September), this forming part of German reparation payments in kind. The total amount of coal (including lignite) placed at the disposal of consumers during the month was 6,500,000 tons, against 6,250,000 tons in September. None of the October figures concerning either coal or coke suggest any decline in industrial activity.

The rapidly growing imports of British and other foreign coal has just drawn a strong appeal from a deputy—speaking in the Chamber on behalf of the Marin Nationalist group—for the speedy taking in hand of the completion of the Canal du Nord, begun before the war, which would furnish direct means for the transport of combustibles from the northern coalfield to the metropolitan industrial area. The northern mines, it was stated, are now producing 33,000,000 tons a year, or two-thirds of the total national output. Of this, 12,000,000 tons are absorbed in the northern industrial area, 7,000,000 tons in the Paris area and in the Rouen and Havre districts, 5,000,000 tons in the east and 3,000,000 tons by the P.L.M., Orleans and State railways. The total consumption in the Rouen, Havre and Paris area, however, is 14,000,000 tons, so that apparently 7,000,000 tons are furnished there by British and other importers. In 1929, in fact, British importers increased their tonnage in France by 5,000,000 tons, Havre and Rouen alone absorbing 2,200,000 tons more than in 1928, while the French northern pits sent only an additional 100,000 tons into that region. If better transport facilities were provided, by the completion of the Canal du Nord, the northern mines would, according to the speaker, in a few years be producing 40,000,000 tons a year, and would be able in case of war to increase their output to 50,000,000 tons, and thus—if adequate transport facilities were available—render the country independent of foreign supplies. It is now hoped that completion of the canal may be taken in hand as part of the comprehensive plan, now before the Chamber, for the improvement of the national economic equipment.

GERMANY.

Electrical Companies' Amalgamation — Politics — Foreign Policy — Agricultural Protection.

(FROM OUR CORRESPONDENT.)

BERLIN, December 9.

ONE of the biggest industrial transactions of the year has just taken place, quite unexpectedly. The Rheinisch-Westfälisches Elektrizitätswerk has acquired the control of the Vereinigte Elektrizitätswerk Westfalen. The R.W.E., with an annual sale of current amounting to 8,000 million k.w.h., is the largest public utility undertaking on the Continent, but the other Westphalian company, with a yearly sale of 600 million k.w.h., catered

for an important section of the West German market and has hitherto always rejected the idea of a unification. It is now, however, obliged to give up its independence, chiefly because large extensions and acquisitions were financed last year by short credits, and it has not been possible to consolidate them in the present unfavourable condition of the international capital market.

In the summer of this year an international consortium, under the leadership of the D.D. Bank and of Harris Forbes, of New York, promised the Vereinigte Elektrizitätswerk Westfalen to take over Rm. 60 millions of preference shares and \$10 millions of loans, but the transaction could not be immediately completed, and to this difficulty others were recently added in the shape of unsuccessful stock exchange operations by certain of the directors on the company's account, which very seriously damaged the company's credit.

The R.W.E. is securing control on very favourable terms. It has agreed to the exchange of Westphalian shares for R.W.E. shares in the ratio of 6 to 4 in favour of the R.W.E. and to a dividend guarantee in the same proportion. The R.W.E. is now capitalised with Rm. 240 millions in shares and Rm. 280 millions of American loans; only Rm. 40 millions of new shares are necessary for the taking over of the whole Westphalian undertaking. The unification of the market should enable the R.W.E. to effect great economies.

The Brüning Cabinet has achieved a new victory in the Reichstag, where the motion of the National Socialists and German Nationalists for the revocation of the presidential decrees was rejected by a majority of 40. The Social Democrats supported the Government and very few of them abstained from voting. On the other hand, the Government has lost the support of a party which has hitherto been represented in the Cabinet. The Economic Party has gone over to the Opposition and has withdrawn from the Cabinet its representative, Dr Brecht, who was the Minister of Justice. The so-called "Christian Social People's Service" voted with the Government. Of the agrarian groups, the Government has only won over the German Peasant Party, which, in contrast to the much larger Land League, is republican in principle. The last elections have had the ominous result of making the Government dependent for the time being on the small groups of the Moderate Right to a degree which makes the conduct of government extraordinarily difficult. It was for precisely that reason that the Cabinet had recourse to the method of emergency decree; if it had had to discuss details with every separate group it would never have achieved anything.

The victory is undeniably a well-deserved reward for the Chancellor, who has carried through with skill and patience the whole difficult business of securing the necessary support from the fragmentary groups to the right of the German People's Party without losing the support of the Socialists, who were his strongest bulwark. The task was made more difficult, too, by the fact that the emergency decree cuts very deeply into the former rights of the States. The Bavarian People's Party, which is bound closely to the Chancellor's party by its Catholic viewpoint, and is in other respects a reliable auxiliary of the Government, wanted to oppose at the last moment because it saw in the decree, perhaps not wholly without justification, a "centralist" tendency. In the end, however, they contented themselves with a protest which they will perhaps carry before the courts, and voted, on general political grounds, with the Government.

The Brüning Cabinet will now have another battle to fight. It will have to defend its foreign policy. The German Nationalists and the National Socialists are demanding that Germany assert herself very definitely on both the disarmament and the reparation questions. They demand that the Polish-German liquidation agreement and the Polish-German trade treaty shall not be put into effect, and there are proposals that Germany should resign from the League of Nations. There is no doubt that the failure of the disarmament discussions, the oppressive burden of reparations, and the Polish excesses against the German minority have brought very large

sections of the population into a frame of mind in which they would feel it a relief if the German Government would bang its fist on the table at an international conference.

Everybody in Germany is fundamentally convinced that this sentiment is justified. It is very difficult to make any headway with rational arguments against the resentment of a people which was made to disarm in order to get disarmament started and then finds that nobody else has any intention of taking the further steps. When a peace treaty is openly admitted to be a dictate of the victor, it augurs ill for world peace. But when the fiat of the conqueror is disguised as a moral judgment or as a measure for the general betterment of mankind and subsequently stands revealed as nothing but the will of the stronger, that is far worse. Such an abuse constitutes the greatest danger to the idea of the community of nations and of international justice. That is the psychological condition of Germany at present and when the Government defend their foreign policy their most dangerous opponent will not be the propagandist nationalism of Hitler and Hugenberg but the spontaneous indignation of the people themselves at the injustice they have suffered.

The inevitability of such inward rebellion does not, it is true, alter the fact that it is at this moment a bitter necessity for Germany to pursue a moderate foreign policy. The Foreign Minister and the Chancellor must do their utmost to prevent the Reichstag from demanding any departure from the Stresemann policy which Herr Curtius himself has continued. In pursuing this course Herr Curtius will have difficulty with the right wing of his own party, the German People's Party.

A particularly important provision among the taxation clauses of the emergency decree is that according to which farmers having an income not exceeding 6,000 marks will be liable to land tax but not to the general income tax. The measures for the protection of agriculture include one which is entirely new in principle: a high duty has been imposed on bran. This is the first time that any kind of dairy fodder has been subject to duty. Hitherto only swine fodder had been taxed, on the ground that it competed with the surplus of native-grown potatoes and barley. This duty on bran will make competition with Denmark and Holland very difficult indeed for those butter producers who are not also corn-growers. Moreover, milk production is by far the most important branch of agriculture in Germany, and the Government only recently made great sacrifices in the Finnish trade treaty in the hope of protecting German butter producers. The bran duty was, however, very difficult to avoid if the corn protection measures were to be carried. The decree requires millers to handle a small quantity of rye so that there is an increased output of bran, and without the duty bran prices might have been so depressed that all advantage to the producers of grain would have been neutralised.

The Government has also undertaken a very considerable degree of interference with the consumer in favour of agriculture. Pure wheaten bread may in future only be produced for household use, not for restaurants and hotels, and the baking of larger loaves of wheaten bread without an admixture of rye is prohibited. The margarine industry may in future be compelled to use a prescribed quantity of German fat, and a corresponding obligation in respect of German wheat may be imposed on breweries by the Food Minister.

ITALY.

Budget Deficit — Public Servants' Salaries — Press Cost-of-Living Campaign — Wage Reductions — Unemployment — Traffic — Foreign Trade.

(FROM OUR CORRESPONDENT.)

TURIN, December 1.

THE Budget situation, which had been slowly deteriorating for some months, revealed disquieting symptoms at the end of October, since the effective expenditure rose

for the first four months of the present financial year to 7,081.6 million lire, against a revenue of 6,394.7 million lire. With the exception only of the net revenue of the railways, postal, telegraph and telephone services (+ 19.7), lotteries (+ 5.6) and wheat duty (+ 161.1), all other heads of public revenue showed signs of slackening: income tax declined by 136.1 million lire; stamp and registration duties by 276.4 million lire; excise by 86.6 million; customs by 42.4 million; salt and tobacco by 128.3 million.

The Government took immediate steps to face the situation. Salaries of public servants had been increased in the spring of 1929 by about 25 to 30 per cent., according to class, half of the increase being payable as from July 1, 1929, and half as from July 1, 1930. A royal decree of November 20, 1930, published in the Official Gazette for November 26th, reduced them again uniformly by 12 per cent. The exchequer will thus save 400 million lire for the present fiscal year and 700 million in a full year. The 12 per cent. decrease in wages and salaries was made compulsory also for all employees of provinces, municipalities, and other public bodies, employers' and employees' syndicates depending upon the State, provinces or municipalities, or maintained, wholly or partly, out of public revenue. Salaries of such employees, between 40,000 and 60,000 lire, will be reduced by 25 per cent. and those above 60,000 lire by 35 per cent.

This reduction of the salaries of public employees was the signal for a Press campaign for a thorough-going reduction in the cost of living. Campaigns of such remarkable vehemence are, perhaps, a peculiar feature of Italy. The main subjects of the inflammatory exhortations were bread, meat and other necessities of life. Willingly or not, retailers were invited by their associations to reduce prices by 10 or more per cent. The corporative system was called in aid. For instance, house-owners had been on July 1st restored to complete freedom in fixation of rents. The transition from a regulatory system to complete freedom of bargaining was easy and did not give rise to friction. To-day, however, house-owners are asked by their association to contribute to the general reduction in the cost of living by a reduction of rents. The reduction is not legally enforceable; but the house-owner is reminded that he is liable to exclusion from membership of the association as an unworthy citizen. To be so labelled is not a pleasing prospect. The general cry in the Press is: "Back to four times the pre-war prices." The co-efficient four is the result of the 3.67 multiplier adopted for the stabilisation of the lira, with a small addition to take account of the depreciation of gold. In a few cases, producers have endeavoured to prove that their case is exceptional. For instance, sellers of electricity assert that the price of electric light has only tripled since 1914 and that the big increase in the price paid by the consumer is mainly due to the increase in state and municipal taxation of electricity for illumination. Taxation in general, increased from seven to eight times the pre-war level, is, indeed, the most difficult item of cost to diminish. In his speech in the House of Deputies on November 27th, the Finance Minister, Signor Mosconi, offered no hope of reduction in taxation in the near future. The reduction in public employees' salaries was prompted by the urgent need for avoiding a deficit and maintaining the state credit. He disclaimed vehemently any Government intention of also reducing the interest paid on Consols and other State Loans.

One after another the great corporations and public bodies are following the lead given by the Government. The Chamber of Deputies has reduced the members' salaries by 12 per cent., notwithstanding the fact that they were just four times the pre-war rate. Their example will undoubtedly be followed by the Senate and the Academy of Italy. The Bankers' and Banking Employees' Confederations have agreed to reduce the salaries of the employees by 12 per cent. and the fees and other perquisites of directors by 25 per cent. Fees of joint-stock companies' directors are to be reduced also by 25 per cent. Industrial wages will be reduced by 8 per cent., except where they are below 12 lire per day in

cities of over 200,000 inhabitants and 8 lire in other cities. Wages of men working only three days per week are not to be reduced. Monthly salaries of industrial employees between 300 and 1,000 lire will be reduced by 8 per cent.; over 1,000 lire by 10 per cent., always provided that a minimum salary of 300 lire is paid.

Time will show whether these reductions will be sufficient to reabsorb the unemployed, whose number rose from 322,291 at the end of June to 446,496 at the end of October. In 1929 the corresponding rise was from 193,825 to 297,382. Taking the number of men employed in a certain number of factories in September, 1926, as 100, the corresponding number was 94.2 in January, 1929, 97.0 in July, 1929, 93.6 in January, 1930, 87.9 in July, 1930, and 87 in September, 1930. At the latter date, cotton (75.2), linen and hemp (73), motor cars (73.9), railway materials (76.3) were well below the average; while artificial silk (111.8), jute (100.7) and electric machinery (105.5) employed more men than in September, 1926.

After a discussion lasting twenty-seven days, the federations of sugar-beet growers and sugar makers reached on November 27th an agreement in virtue of which 413,000 acres of land will be devoted to beet-growing and work will be assured to raise all the sugar necessary for internal consumption. To that end a royal decree of the same day increased the duty on foreign sugar from 360 to 450 gold lire per ton until October 31, 1931. This will exclude foreign and especially Czechoslovakian sugar from Italy; but sugar makers have pledged themselves not to increase its price in the meantime.

The figures of goods carried on the railways, a sensitive index of the economic situation, show widespread reductions. Goods loaded on railway cars in the first nine months of the year for trade account amounted to 40.1 million tons in 1930, as against 45.1 in 1929; goods loaded in the ports to 9.4, as against 10.8; goods entered by land from foreign countries 4.5, as against 5.1; goods exported by land to 2.0, as against 2.3. A decrease of the tariffs for carriage of goods on State railways is contemplated, and a committee has been appointed to work out the details in the briefest possible time.

The value of imports in the first ten months of the year decreased from 18,008.9 million lire in 1929 to 14,417.1 in 1930, or 20 per cent.; exports from 12,468.9 to 10,110.1 million lire, or about 19 per cent. As the weight of the goods imported decreased in the first nine months only from 20.7 million tons to 18.9, or 8.6 per cent., and of goods exported from 3.5 to 3.3 million tons, or 8.5 per cent., it appears that the main cause of the foreign trade contraction is the fall in prices.

AUSTRIA.

Election — Economic Conditions — Distribution of Taxes — Tariff — Hydraulic Power Contract.

(FROM OUR CORRESPONDENT.)

VIENNA, November 27.

THE result of the Austrian general election is in favour of those who recognise that Austria's chief concern is not the domestic political situation but the growing economic crisis. The whole of the Right Wing of the Christian Socialist Party, and especially the members who are leaders of the Home Defence League (Heimwehr), thought at one time of doing away with Parliament, but they finally saw that they would not have the support of their following for this step. During the critical weeks the Austrian Social Democratic Party displayed very striking reserve, and their success in the election is partly attributable to the fact that, possibly for tactical reasons, they declared the combating of economic privation to be more important than the political fight.

During the last few weeks the economic situation has become still worse. The number of unemployed in receipt

of benefit has gone up to 210,000, which means an increase of nearly 70,000 over the corresponding figure for last year. It is estimated that this figure will increase at the rate of 2,000 per day up till the end of the year, and a reform of unemployment insurance cannot further be postponed. Already there has been a rise of 20 per cent. in the contributions for this purpose, and even this has failed to make ends meet. In addition, the advances made by the Government are going up by leaps and bounds, and these sums will not be easily repaid.

Apart from the decline in purchasing power at home, the recession in Austrian trade is having other unfavourable effects. Austrian exports for the first ten months of this year are 156 million schillings less in value than those of the corresponding period of last year, while imports have sunk by 382 million schillings, or more than 15 per cent. In volume, exports have decreased by nearly 480,000 tons, while imports have decreased by 1.6 million tons. In view of the increasing difficulty in exporting, the iron industry and the locomotive and wagon works have cut down output. By May of next year the locomotive works will have completed all the orders they have in hand, and even now they can only keep things going by working short time. In several plants only four days a week are being worked.

In fear of a further reduction of staff, the employees of the big electricity works "Elin" carried on a very animated agitation against the transfer of the share majority of the company to the German Siemens-Schuckert concern. The Credit-Anstalt and the Bankverein, also the Eisenbahn Verkehrs Anstalt, were prepared to sell their holdings, but only at a price considerably higher than the stock exchange quotation. In spite of all assurances to the contrary, the employees were still afraid that output would be cut down, and they succeeded in inducing the Government to oppose the sale of the enterprise to the foreign syndicate. The shares, which had risen rapidly to nearly 44 schillings, went back to 30 schillings when the sale negotiations were broken off, owing to the lively speculation which had occurred in connection with them.

The municipality of Vienna has started relief measures by creating a guarantee fund amounting to five million schillings, which is to constitute, after negotiations with insurance companies, assurance for exporters against losses due to failures of clients and to catastrophes. The total of invoices insured at any time must not exceed ten times the amount of the fund. With this export credit insurance it will therefore be possible to cover invoices amounting to 50 million schillings. As, in general, the risks are of three to six months, the average turnover can be estimated at 150 million schillings per year.

In consequence of bad trade throughout the world, the credits which the banks and industrial concerns have taken on short terms from abroad have also dwindled through repayments, and this is reflected in the fact that the gold and foreign exchange holdings of the National Bank, which figured at 432.2 million schillings on October 1st, have since diminished by 12.1 million schillings. From time to time the demand for foreign means of payment stiffens foreign currency quotations, especially the rate of the dollar, which has gone up temporarily to 711.50. Conditions in domestic politics during October had an unfavourable influence upon bank deposits, so that at the leading Vienna banks and savings banks a decline of 21 million schillings was registered. Many withdrawals ensued in consequence of the rumours then in circulation, but in the meantime the public has become reassured and deposits are again on the increase. This is the more noticeable as the public cannot be induced to take any interest at all in the stock and share market. The big increase in life assurance is also a symptom of the crisis. In many cases the policies are destined to become collateral for borrowed money; on the other hand, they serve as savings. New issues are at a complete standstill, and under these circumstances the Vienna banks will undoubtedly consider

distributing lower dividends than last year. At several of the banks, including the Bankverein, further measures of retrenchment have been taken and staffs have been reduced.

The negotiations which will shortly take place, when the new Government has been formed and the newly-elected Cabinet meets, will be of great importance. One of the questions to be settled is the distribution of taxes among the various provinces. The Federal State and most of the provinces take the view that the share of Vienna is too large and should be diminished by 41 million schillings. Vienna regards such reduction of its revenue as excessive, especially as the municipality is continuing its housing activity, which is financed out of public means. Next year municipal housing is to be carried on to a value of about 90 million schillings. The great body of the public is opposed to this building as far as its financing is concerned. It is the general desire that the municipality should show consideration for the present generation, which is bearing an almost overwhelming burden of economic difficulties and heavy taxes, and not finance housing out of revenue from taxes but by means of a loan for the purpose. Moreover, it is feared that it will gradually become impossible to let dear flats in Vienna, and that the normal increase of rent and the general impoverishment will compel tenants of big flats to live more modestly. Shops are now to let in good parts of the city, for the first time for many years.

Price reduction is making very slow progress in Austria. Shoes and clothing and all articles of luxury are becoming cheaper, but foodstuff prices are more resistant. Farmers, however, have been obliged to make a reduction in the price of milk, a reluctant concession, as milk was the only profitable part of the business of many farms. The resolutions of the East European States in relation to the creation of a central sales organisation for agricultural produce have attracted great attention in Austria. The question of a grain monopoly has again been raised, and the proposal of the former President of the Republic, Dr. Hainisch, that Austria should purchase agricultural products only in those countries which constitute a valuable market for Austrian industrial products, is once more under discussion.

The new parliament will begin as soon as possible a comprehensive revision of customs tariffs. It will certainly not be possible to concede all the increases asked for by industrial and agricultural interests. The commercial treaty with Germany is still awaiting ratification, and it is seldom that a treaty has met with such unanimous reprobation in Austrian economic circles. It does, indeed, offer Austria very few advantages. An agreement must also be arrived at with Yugoslavia, as a preliminary condition of the conclusion of a treaty with that country. It is also possible that a revision of the commercial treaty with France will be undertaken. However, it is highly desirable that Austrian industrial circles should get rid of the idea that customs duties should be increased on industrial products which are not yet manufactured in Austria. For instance, the passing to France of a contract for a rather large quantity of water pipes has given rise to plans for an increase of duty on such pipes, because one concern here, in which, incidentally, German capital participates, is contemplating manufacturing them in Austria at some future date.

After lengthy negotiations, the contract for the extension of hydraulic power in West Tyrol has been given to a group supported by the banking houses Credit-Anstalt and Escompte-Gesellschaft, and a start will probably be made in the course of next year. In consequence, another project, which was planned with the participation of the Wiener Bankverein, the Rheinisch-Westfälische Elektrizitätswerke and certain Swiss concerns, has been shelved, but it is assumed that this group will finally participate in one way or another in the extension.

ARGENTINA.

Crop Prospects — Wool Market — Exchange Rates — Currency Reform.

(FROM OUR CORRESPONDENT.)

BUENOS AIRES, November 8.

At the moment of writing the general situation in Argentina is one of anxiety owing to the reported widespread existence of the yellow rust technically known as *puccinia glumarum*. This particular pest has been officially reported as present throughout almost all the wheat-growing regions, though as yet no estimate of the damage done is obtainable. Indeed, there is still a hope that actual loss will be small. Since, however, in certain weather conditions, a week is sufficient to destroy the grain throughout a wide area, pessimistic reports abound. Warm, damp unsettled weather is fatal to the wheat if it is then attacked by this particular scourge; and that, unfortunately, is the weather which prevails at present. Furthermore, by an inexplicable oversight, the pedigree wheats that have been bred and sown of recent years were specially prepared to resist the ravages of "black" rust only, *glumarum* being previously unknown in this country.

Within the next month, and possibly sooner, authoritative information as to the position may be expected. Meanwhile an open mind as regards crop reports is advisable, remembering always that it is to the interest of exporters to minimise as much as possible the net yield of what looked like being an all too abundant harvest, given the cereal position throughout the world generally. The estimated area sown to wheat has been officially declared at 8,636,200 hectares, which is some 350,000 hectares above last year's figures. Meanwhile grain prices are extraordinarily low, wheat being \$7.30 paper per hundred kilos., maize \$3.95 and linseed \$13.20. The linseed crop, which is already being harvested, may be described as exceptionally large and reasonably safe, the area sown being close upon 3,000,000 hectares, and the probable yield round about 2,000,000 tons. If anything like these figures is realised the superabundance of the seed will undoubtedly cause a sharp decline in prices to a figure which will barely repay cost of production.

Conditions in the wool market are also most unsatisfactory. The season begins on October 1st, and prices are even lower than they were in October, 1921. Fine wool from the Pampa is quoted at \$4 paper per ten kilos., while fine wool from Corrientes, which is the best wool that Argentina produces, stands at anything between \$8 and \$10. Moreover, even at these prices buyers show small interest, declaring that they are still awaiting orders from their principals and can for the moment do little trading.

The general financial situation is marked by easy money, a superabundance of deposits in the banks, and complete lack of local enterprise. This condition has favoured the Government in its financial readjustments. Advantage will be taken between now and the end of the year, of the balance of the offer made by the local banks. Some \$45,000,000 paper will be thus taken off the market in six months Treasury bills discounted at 5½ per cent. per annum net. Exchange is barely 39d., and during the past month has been below that figure. The Government, by availing itself of its legal right to ship gold in settlement of external debt services, if and when ruling rates make purchases of remittances in the open market unprofitable, has given very real assistance to remitters by keeping the rate stable and, to a certain extent, thereby checking speculation. It is not thought necessary to take steps at the moment to raise the quotation of the Argentine peso to anywhere near its par value, and if 42d. is reached by the end of the year, it is said that the official world will be satisfied. Offers of export bills, if substantial, should easily carry the rate to that figure, and, as the Government has given ample indication of its intention to interpret the clause in the 1923 Budget which authorises gold export in a liberal and commonsense manner, if all goes well even higher quotations are probable. Meanwhile, though the offers of external loans are still numerous their consideration is deliberately delayed, in the very

reasonable belief that rates for long-term accommodation are likely to decline in the New Year, while available funds for carrying our harvest operations can easily be had locally, or alternatively—with exchange rates as they are, and the great grain interests of Argentina practically in the hands of two firms whose international credit is such that they are able to raise money when and where they please—they can be obtained abroad at a minimum cost.

All this encourages the Government to attend first to the reform of the currency. An important long-term loan will undoubtedly coincide with the announcement that a new single currency system is projected. The business of the country is likely to be facilitated, at home and abroad, by the legal and irrevocable establishment of the Argentine peso pure and simple, without any explanatory device of gold or paper significance. This peso would be based on a gold standard having ample reserves, and valued, at present gold prices, round about the current value of the present Argentine dollar reckoned in terms of the international gold parity at the time the change is made. The change will certainly not be immediate, but that it will be one of the most important adjuncts to the issue of a new long-term loan is as certain as anything can be in the present state of world finance. Nor does it necessarily follow, when one speaks of the terms of international gold parity, that the new Argentine peso thus imaginatively outlined will perforce be one of 47½d. A peso at 42d. or 44d. par would, for all internal purposes, be just as satisfactory. If it be objected that this is tantamount to currency depreciation, one may well reply that such objection is more theoretical than real. Present interests would suffer little loss, as the principal liabilities contracted in the past will be in terms of foreign money, and repayable in foreign money at lender's demand or option.

AUSTRALIA.

Public Finance — Decline in Imports — Government and Commonwealth Bank.

(FROM OUR CORRESPONDENT.)

MELBOURNE, November 7.

THE fresh financial proposals of the Commonwealth Government have produced an unfavourable impression, as although they include further additions to taxation, they do not provide for fully balancing the 1930-31 Budget and show only a slight actual reduction in expenditure, apart from the sinking fund. The latter is to be reduced by £1,950,000 as part of a total reduction of £3,180,000 in expenditure. New taxation is estimated at £4,820,000 in a full year, or £3,700,000 for 1930-31, principally from Customs and Excise, £3,100,000 (full year), and additional income-tax on property incomes £1,500,000 (full year). The tariff alterations are partly protective, but the revenue portions include an increase in primage from 2½ to 4 per cent., a duty of 4d. per lb. on tea, and a duty of 1d. per gallon on kerosene. The latter tax and the taxes on lubricating oil and fencing wire will be especially burdensome on the country districts, and objection is being raised to them by the Country Party. The Acting Treasurer's speech included a statement of short-term debts of the Commonwealth and States, showing totals of £37,897,000 in London, and £7,134,000 net in Australia. As London payments are now being provided for by remittances from Australia with the help of the banks, he stated that the short-term indebtedness in London would remain practically stationary until a funding loan is issued.

Imports are now falling off considerably, and the total for the three months ended September 30th shows a decrease of £17½ millions, or 46 per cent., as compared with the first three months of the 1929-30 financial year. Between this and the general contraction of business there has been some reduction in demand for banking accommodation for trading purposes. The decline in imports is reflected in the Customs revenue, which for the four months ended October 31st, shows a decrease of £4½ millions. In view of the moderate aggregate value of

Australian exports expected during 1930-31, and the amount required for interest and other payments abroad, it is evident that Australian capacity to import will be severely limited for a considerable time to come. This is the result of the withdrawal of the stimulus of constant external borrowing.

The question of the relations between the Commonwealth Government and the Commonwealth Bank is approaching a critical stage, as in pursuing a sound line of policy the directors of the Commonwealth Bank are not carrying out the inflationary objects hoped for in some quarters. Should the question lead to a double dissolution, there is an expectation that the manufacturing interests which are understood to have assisted in the Labour victory in New South Wales would be likely to repeat the process in the Commonwealth, and thus give Labour full command over the Commonwealth Bank. Meanwhile proposals are on foot that the Commonwealth Bank should be called upon to create credit in favour of the Government to provide for repayment of the loans about to mature locally so far as they cannot be converted, and the moderate members of the Government find it difficult to resist the pressure of the extreme section.

Letters to the Editor.

GOLD: PRICES: WAGES.

TO THE EDITOR OF THE ECONOMIST.

SIR,—May a third party presume to offer a contribution on the above subject, as a supplement to the remarks of both Sir Charles Harris, whose letter was published in your issue of November 22, and Mr. Turner, whose reply appeared in the issue of the following week?

These letters express the views of two rival camps in the field of practical economics, but, strange as it may appear at first sight, their views are not necessarily irreconcilable. If common ground can be discovered, some useful result may not be beyond hope.

The essential difference of view between the two camps may be summarised as follows:—

Sir Charles Harris argues that the pegging of money-wages is one of the causes of unemployment; and one is led to infer that in his opinion "a general system of constant real wages," "increasing when productivity increased, but not otherwise," would be desirable.

Mr Turner, who apparently objects to any scheme involving a reduction of wages unless it is applied equally to "other factors," argues that the divergence of wages and prices which has occurred in recent years is not a primary cause of our present industrial troubles; and he states in support of that assertion: "Obviously it was not primarily the movement of wage rates which set prices in the downward direction."

Thus speak the two rival camps; they look at the problem from different ends. But the two views are not irreconcilable, because each statement is only a half-truth. On the one hand, Sir Charles Harris's thesis that wages should be continually adjusted to secure that their real value bears a constant ratio to the country's productivity appears to pay too little regard to the fact that the country's "productivity," which must be regarded as comprising not only volume of production but also facility of exchange of goods, is often very far from the maximum possible (as, for instance, at present). Sir Charles Harris has given no proof that present real wages are too high for the country's maximum potential productivity (i.e., on a basis of 100 per cent. employment); and if real wages are not shown to be too high for that state of affairs, it is not easy to justify reductions in money-wages as a remedy for present ills, seeing that that places the burden of sacrifice where it can least be borne.

On the other hand, to Mr Turner one might say that the main reason why prices of raw materials did set in the downward direction was because the world demand slackened; and the world-demand for raw materials slackened for the same reason that the demand for labour slackened, namely, that enterprise was checked because it was seen to be no longer profitable. (It does not matter where this movement started; we know that when once it starts, the effect is cumulative.) While Mr. Turner would be right in suggesting that it was not a general movement of wage rates which rendered enterprise no longer profitable, it might still be true that the results of wage-movements in the past are at the bottom of the trouble;

for, whatever may have been the intrinsic merit of present wage rates when they were introduced, no economic justification can be found for their existing relation to one another; and this is true of other countries as well as our own. Is it not possibly this "uneconomic" maladjustment which has been slowly for many years tending to produce the effects, in most countries alike, which we can now no longer ignore?

The influence on general trade of diverse wage-levels within the country is a subject on which the public would welcome further information from the experts. It is clear that wide divergences of wage-levels will have some adverse effects. The pamphlet recently issued by the Engineering and Allied Employers' National Federation has given fresh emphasis to this fact. Is it, or is it not, true that if the prices of the "products" of our "intermediary" sheltered industries (such as transport, power and so-on) were lowered to conform adequately to reductions from the high money-wages in those industries, our trade in exportable goods could be re-established?

The immediate answer to which the ordinary thinking man inclines is: "Yes."

If that answer is correct, then possibly Sir Charles Harris is right in so far as he says that some money-wages are too high, and wrong in implying that none are too low. And if that answer is correct, it follows that any system of wage regulation should start by bringing wages in different industries nearer to a common basic level. If this step is, as suggested above, demanded by the "economics" of the situation, we must take the step, and face the incidental consequences; possibly introducing other adjustments where these may be necessary. One of the awkward incidental consequences is that those whose money-wages might have to be reduced would suffer a reduction in real earnings during the period which, under present conditions, elapses before a new price equilibrium is established. This is a problem of hastening as far as possible the price adjustments. Although this is an incidental and not a fundamental problem, it is, as Mr Turner implies, serious. One simply cannot ask those whose earnings are the lowest of all to be alone in bearing the burden of sacrifice. One need not, however, despair of a satisfactory solution to that problem, especially if it can be recognised and dealt with as the temporary and incidental factor which it is. It is a separate problem, and a discussion of it must be for another occasion.

Briefly, then, as regards wages. Is not the wage problem essentially a two-fold problem comprising:—

(1) The determination of an appropriate general basic level for wages as a whole, and

(2) The determination of an appropriate relationship between the basic levels of wages in different industries?

Given an "economic" adjustment of the relationship between wages in different industries under (2), the determination of the "general level" in a country like Britain must in the final resort depend upon how far our costs enable us to maintain an adequate trade in exports.

To regard the wage problem in this way and to deal with it thus, as it were in two separate compartments, offers, I suggest, a sound basis for a system of regulation of industry which should enable us to secure a constant approach to maximum employment and maximum "productivity."

Yours faithfully,
53 Anson Road, N.W. 2.
December 8th.

E. M. D.

TO THE EDITOR OF THE ECONOMIST.

SIR,—Whatever the demerits of my recent short letter, it has, with your permission, at least provided Sir Charles Harris with opportunity for an interesting elaboration of his argument in favour of the adjustment of wages to prices.

He now distinguishes two stages of our present trouble, viz., the depression which existed here before the world slump set in (i.e., before about September, 1929, if we take the date selected by the London and Cambridge Economic Service), and the further depression which has added to our difficulties since that date. As regards the first, he gives two roots—a long trend price fall from inflated standards of the war, and the failure of wages to conform. As regards the second, I gather he accepts monetary causes, on a world-wide scale, as predominant.

I suggest, first of all, that the depression we were suffering from before September, 1929, is not adequately explained by the two "roots" he mentions. I do not see how he can ignore, for example, the numerous disturbances resulting from the war, such as the breakdown of markets, reparations and external debts. Neither can he dismiss as negligible the effects of post-war monetary policy, including the reactions from the return to the Gold Standard; nor the regrettable dislocations which followed the attempts made to adjust wages to prices a few years ago.

Looking at these causes in the past, and at the monetary causes which seem to have been established as conspicuously responsible for the present world slump, I am not satisfied that the adjustment of wages is either the only or the first consideration. In any case, why select wages for sole treatment when other costs are also out of step with prices and in one way or other just as much "pegged" as wages?

I do not say there is a sole cause or a sole cure. But I do suggest that so long as we employ money (whatever its form) with a purchasing power liable to frequent and arbitrary variation, an attempt to adjust wages to prices would not remove our difficulties. Such an adjustment, together with the similar adjustments required to deal with other costs would, to put it mildly, produce enormous "economic friction." And when it had been accomplished, the instability of prices would remain to upset everything again.

I think I am not alone in the opinion that we have painfully followed the effects of price disturbances long enough; and that it is time steps were taken both nationally and internationally to try the other course of aiming at some form of monetary stability. That is why the measures directed to dealing in the first place with the monetary factor seem to me to be preferable to Sir Charles Harris's revival of the hoary idea of "having another cut at wages."—Yours faithfully,
Ealing.
G. W. TURNER.

December 8, 1930.

Books and Publications.

INTERNATIONAL LAW AND AFFAIRS.

THOUGH Dr. Baty has taken international law as his subject, his book* is to a considerable extent devoted to the discussion of public affairs. On many matters the author trenchantly gives his own opinion. The result is a very live piece of work, and one which cannot lightly be passed over, for Dr. Baty's views are based not only on an extensive acquaintance with legal and other libraries, but on considerable practical experience of affairs of state. Looking at the world from Japan he has the advantage of detachment. After pointing out that international law exists without any policeman or legislature and without being formulated in a code, resting merely upon the universal conviction of what is right, Dr. Baty continues, "It is a necessary corollary that its rules must of necessity be simple, certain and objective, while nevertheless elastic. These four requirements are the Canons of International Law." This explains the title of his book, in which he is concerned "to ascertain and to reinforce certain guiding principles, the recognition of which appears to be necessary if the Law of Nations is not to degenerate into a morass of conflicting opinions, or of ukases dictated from Geneva."

While the rules ought to be (1) simple, to be understood; (2) certain, because to question an established rule may be to destroy it; (3) objective, so that they may be capable of easy application by the ascertainment of plain facts, and (4) elastic, it becomes very clear, as subject after subject is passed in review, that these conditions have by no means been fully established as yet. Questions of territory and extra-territoriality, of independence and interdependence, of recognition of States and Governments, of nationality, of treaties, and many war questions (including the relations of belligerents and neutrals at sea) are discussed.

It is impossible in a short notice to deal adequately with 500 pages of compressed writing, but, by way of example, reference may be made to what is said of "the movement to introduce a privileged position for the subjects of powerful States in the territory of weak ones, by holding the latter responsible, by hook or crook, if they come to harm." This movement, Dr. Baty considers, "is really one to standardise the world in the interests of trade. . . . Merchants must be sure of protection for their agents, their goods and their contracts. Concessionaires must be sure of safety for their engineers, their mines and their lines, and the rest of their property." This creation of a privileged class, Dr. Baty

* "The Canons of International Law." By T. Baty. John Murray. 21s. net.

describes as a very menacing phenomenon. "It is easy," he remarks, "to say that the resources of the world are here for the benefit of all, and that they ought not to be appropriated by any single state. Such an appropriation is by far a lesser evil than the intrusion of foreign force."

BOOKS RECEIVED.

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

(It would be a convenience to our readers if publishers would make a point of notifying us of the prices of books sent for inclusion in this column.)

Borrowing and Business in Australia. By Gordon Wood. (London) Oxford University Press, Warwick Square. 12s. 6d. net.

The content of this timely publication, which is very fully documented and constitutes a most thorough and scholarly study of the subject, is best summed up by the sub-title, "A study of the correlation between imports of capital and changes in national prosperity."

An Economic History of Modern Britain. By J. H. Clapham. Second Edition. (London) Cambridge University Press, Fetter Lane. 25s. net.

This second edition of Professor Clapham's work in the period 1820-1850 has not been re-written, but account has been taken of such criticisms and corrections called forth by the first edition as appeared to the author to be valid.

An Early Experiment in Industrial Organisation. By Erich Roll. (London) Longmans, Green and Company, Ltd., 39, Paternoster Row. 15s. net.

A history, from original records, of the pioneer firm of Boulton and Watt.

How we Live. By J. A. R. Marriott. (London) Oxford University Press, Warwick Square. 2s. 6d. net.

An introductory volume for the student and the general reader. It differs satisfactorily from most of its kind in crediting the lay reader with a normal degree of intellectual development.

Cheap Bread. By Ronw Moelwyn-Hughes. (London) Ernest Benn, Ltd., Bouverie House, Fleet Street. 2s. 6d. net.

A brief account, with some statistical tables of imports, of the mechanism by which the British consumer gets his bread supply.

Les Principes de la Méthode Statistique. By Lucien March. (Paris) Librairie Félix Alcan, 108, Boulevard Saint Germain. 125 francs.

In this very substantial volume the author has sought to present the elements of statistics in such a way that the mathematics of the subject shall be within the capacity of the non-mathematical student.

Methods of Correlation Analysis. By Mordecai Ezekiel. (New York) John Wiley and Sons, Ltd., 11, Henrietta Street, Covent Garden. 22s. 6d. net.

A useful text-book for students of statistics who have surmounted the elementary stages.

Deutschlands Handelsverträge und sein Anteil am Welt-handel. By Dr. Franz G. Haushalter. (Leipzig) C. L. Hirschfeld Verlag. Rm. 8.

A useful analysis of Germany's foreign trade relations.

L'Eveil des Nationalités et le Mouvement Libéral (1815-1848). By Georges Weill. (Paris) Librairie Félix Alcan, 108, Boulevard Saint-Germain. 60 francs.

A study of the rise of nationalities in Europe and America during the first half of the nineteenth century.

La Política Económica Española ante el Memorandum Briand. By R. Perpiñá Grau. (Madrid) Editorial El Financiero, Ibiza 13.

An essay, in Spanish, on the economic policy of Spain.

Strumenti Teorici di Corporativismo. By Carlo Pagni. Reprint of an article on industrial parliaments, in which the views of Signor Favet are discussed.

Les Problèmes Actuels du Crédit. (Paris) Librairie Félix Alcan, 108, Boulevard Saint Germain. 15 francs.

A series of lectures by French economists on present-day credit problems. M. Jacques Rueff contributes a lecture on international credit problems.

Problems We Bankers Must Meet. By R. S. Hecht. (New York) Published by Economic Policy Commission, American Bankers Association.

Reprint of an address to the American Bankers' Association.

The Documents of Commerce. By F. A. Willman. (London) Sir Isaac Pitman and Sons, Ltd., Parker Street, Kingsway. 7s. 6d. net.

Deals with bills of exchange, cheques, shipping forms, contracts, marine insurance and Customs forms, &c.

The Work of the Stock Exchange. By J. Edward Meeker. Revised Edition. (New York) The Ronald Press Company. \$5.00.

An interesting and very full descriptive account of the New York Stock Exchange.

International Yearbook of Agricultural Statistics, 1929-30. (Rome) Bestetti and Tumminelli S.A., 32, Via Michelangelo Caetani.

This reference book is completely indispensable to any statistical office. In it are tabulated the area, population and numbers of live-stock of all countries; the area, production and yield of the principal crops in each country; the imports, exports and prices of the principal agricultural products, freight rates and fertilizer and forestry statistics. Most of the tables cover the years 1926-29.

Whitaker's Almanac, 1931. (London) J. Whitaker and Sons, Ltd., 12, Warwick Lane. 6s. net.

One of the best, if not the best, annual books of reference on general subjects. It is the first place in which to look for information, not obviously covered by some highly specialised year-book.

The South American Handbook. Eighth Edition. (London) Trade and Travel Publications, Ltd., 14, Leadenhall Street. 2s. 6d.

A book of reference for the business man and tourist on the products, industry, trade, transport, currency, banking and government of the countries of Latin America. A new air section has been added this year.

Rubber-Producing Companies, 1930. Compiled by the Mincing Lane Tea and Rubber Share Brokers' Association, Ltd. (London) The Financial Times, 72, Coleman Street. 7s. 6d.

Contains very full financial particulars of each company, with a list of directors and secretaries.

The Canadian Securities Manual. October, 1930. (London) Andrew Holt and Company, 148, Leadenhall Street.

A pocket reference booklet containing the usual financial particulars of each security.

The Thirty-sixth Semi-Annual Table of Bonds and Debentures in Japan. (Tokyo) The Industrial Bank of Japan, Ltd.

The Banker, December, 1930. (London) Financial Newspaper Proprietors, Ltd., 20, Bishopsgate. 2s. 6d.

Includes an article by E. L. Franklin on "The London Foreign Exchange Market."

The Bankers' Magazine, December, 1930. (London) Waterlow and Sons, Ltd., London Wall. 2s. 6d. net.

The leading article this month is on "The Financial and Industrial Outlook."

Decisions of Courts and Opinions Affecting Labor, 1927-1928. (Washington, D.C.) Superintendent of Documents. 85 cents.

Union Scales of Wages and Hours of Labour, May 15, 1929. (Washington, D.C.) Superintendent of Documents. 50 cents.

A most detailed collection of tables showing the union rates current in the various districts of the United States in May, 1929, for each grade of work.

The Manchester School, Vol. I, No. 2, 1930-31. (Manchester) The University.

Includes an article by Professor Daniels on "Recent Criticisms of the Theory of Wages."

Kyoto University Economic Review, July, 1930. (Tokyo) Maruzen Company, Ltd.

OFFICIAL PUBLICATIONS RECEIVED.

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

Bankruptcy, 1929. 47th General Annual Report by the Board of Trade. 9d. net.

Department of Overseas Trade: Economic Conditions in Ecuador. September, 1930. 1s. 6d. net.

Imperial Institute: The Mineral Industry of the British Empire and Foreign Countries. Statistical Summary, 1927-29. 5s. 6d. net.

The Stock Exchange.

"KAFFIR" SHARES.

MORE than usual interest attaches to the half-yearly dividends about to be declared by the Rand gold-mining companies. A bout of anticipatory activity is usually evident in the market at this period of the year, but up to a very recent date the customary animation has been lacking this year. The reasons can be readily discerned. "Kaffir" shares have been unfavourably affected by the dullness of stock markets generally. Paris, which always exercises an important influence on Rand shares, has been under a cloud. In Johannesburg, there have been minor difficulties on the Stock Exchange. Now, however, that the November settlement in Paris is safely over, and Johannesburg's troubles, it may be hoped, have been overcome, the way has been at least partially cleared for efforts to induce a revival of activity in Kaffir shares.

Working costs on the Witwatersrand have lately tended to benefit from falling commodity prices and the corresponding rise in the value of gold. Such conditions make not only for reduced costs of production but also for a plentiful native labour supply, owing to migration from agriculture and other depressed industries. Thus "record" tonnages may be mined and treated with a greater spreading of overhead charges, so that, other things being equal, profits may be increased and mine development programmes expedited. If a future world "shortage" of gold should arise, the Rand would naturally benefit from any efforts made to stimulate gold production. A Government Commission has been examining the position of the Rand low-grade mines. Should its recommendations urge the Union Government to take action calculated to lower working costs and lengthen the lives of the mines, its report might be a stimulus not only to the low-grade producers but to the industry as a whole. On the other hand, there are certain doubtful factors in the situation—such as the possibility of a diminished labour force and the doubts entertained in some quarters as to whether the Government will, in fact, go as far in the direction of helping the industry as the more optimistic prophets believe.

Excluding dormant and moribund concerns, there are thirty-three Rand mining companies at present in existence; thirty are actual producers and three are in the development stage. Twenty-one of the former declared

dividends last June; twenty-three are expected to do so this month. Four of the remaining seven will probably re-enter the dividend list sooner or later, but no further distribution is generally expected from the three others until their liquidation. The above rough classification provides the investor with a working basis for further study, and in the table below he will find some of the more relevant details to aid him in measuring the relative merits, as speculative investments, of the twenty-three companies expected to declare dividends this month.

A striking feature of the table is the wide range in yields, from just over 2 per cent. in the case of Durban Deep to 32 per cent. for Modderfontein B. This shows, incidentally, how dangerous it is to generalise, even within the restricted category of Rand dividend-payers. The reason is to be found partly in differing expectations of life, partly in prevailing views as to the trend of future profits and dividends. When a mine has only a short prospective life, the investor must needs allocate from dividends comparatively large annual sums for capital redemption, while dividends themselves tend rapidly to dwindle during the last few years of such a mine's operation. Low yields usually prevail where expectations exceed past realisations, and "medium" yields where prospects, profits, prior charges and dividends are on a more stable basis. The yields shown are gross flat yields. Kaffir dividends are subject to the full rate of British income tax less the appropriate rate (at present 2s.) of Dominion tax relief. For this reason—and owing to the fact that no allowance has been made for accrued dividend since the last payment in August—the actual yields afforded are higher than the figures given in the table, which are based on the last two dividends and ignore possible changes in the coming declarations.

As a guide to immediate prospects, the working profits for the first nine months of the current year have been compared with figures representing some three-fourths of the totals for 1929, except in the case of companies closing their year on June 30th, whose figures for the first three months of the current financial year are compared with amounts equal to one-fourth of the 1928-29 total. In applying this criterion to possible dividends such factors as capital expenditure, debenture interest

Company.	Esti- mated Life (Years).	Dividends.				Shares.		Gross Flat Yield.* %	Working Profit.		Development.				Ore Reserves.**	
		1928.	1929.		1930.	Par.	Current Price.		Three- fourths of 1929 Total.	9 months 1930.	1929.		1930		Tonnage.	Value Imports, Inch- dwts.
			Total.	June.				Dec.			June.	% Pay- ability	Value Inch- dwts.	% Pay- ability		
		%	%	%	%			£ s. d.	£	£						
Year ends December 31st																
Brakpan	15-20	48½	23½	25	21½	1	2½	16 16 4	495,397	397,214	41	471	39	534	—	—
Crown	20-30	55	32½	32½	32½	10/-	3½	8 17 6	710,334	750,302	65	358	72	407	—	—
Durban Roodepoort Deep	10-15	NH	NH	NH	2½	10/-	12/-	2 1 9	34,980	46,370	65	425	57	411	—	—
Geduld	15-25	33½	15	16½	16½	1	3½	8 19 3	391,641	404,992	33	452	33	549	—	—
Geduld	5-10	2½	2½	2½	3½	1	8/6	14 14 1	30,200	45,134	30	420	29	432	—	—
Goldenhuis Deep	15-20	90	45	45	45	5/-	1½	14 8 0	1,977,408	2,066,278	56	504	46	649	—	—
Government Areas	10-15	15	7½	7½	10	1	24/6	14 5 8	233,874	286,752	57	458	59	388	—	—
Langlaagte	5-15	80	40	40	40	5/-	12/6	32 0 0	430,923	413,184	20	389	20	437	—	—
Modder B															—	No change.
Modder Deep	5-10	135	65	65	65	5/-	1½	27 7 6	583,060	563,312	—	—	—	—	—	—
New State Areas	15-25	12½	7½	7½	7½	1	2	6 5 0	528,882	674,317	52	519	55	514	—	—
Robinson Deep ("B" shares)	15-20	NH	NH	NH	NH	7/6	9/3	...	131,442	201,273	51	436	51	438	—	—
Rose Deep	< 5	2½	NH	NH	2½	1	5/6	9 2 0	26,650	33,944	66	383	27	332	—	—
Sinmer and Jack	10-15	NH	NH	NH	NH	2/6	2/10½	...	57,990	73,983	71	386	65	422	—	—
Springs	15-25	33½	17½	18½	17½	1	3½	11 14 4	589,092	491,797	38	775	35	645	—	—
Van Ryn Deep	5-10	40	17½	17½	15	1	1½	23 12 9	376,662	351,432	47	308	44	347	—	—
West Springs	10-25	8½	5	5	5	1	12/-	16 13 4	186,363	157,000	22	484	20	392	—	—
Witwatersrand Gold	< 5	2½	NH	2½	5	1	9/-	16 13 4	11,510	31,348	24	429	29	486	—	—
Year ends June 30th.		1928-29.	1929-30.	1929-30.	1929-30.				1929-30.	3 months, 1930-31.	1928-29.	1929-30.				
Consolidated Main Reef	15-20	5	5	5	3½	1	17/6	10 0 0	41,550	42,033	44	329	53	317	—	—
Modder East	10-20	10	10	10	10	1	1½	16 16 9	51,635	50,193	20	341	18	343	—	No change.
New Modder	10-15	70	70	70	67½	10/-	3½	20 15 1	547,044	533,763	63	507	46	418	—	—
Nourse	10-15	NH	2½	2½	2½	1	10/6	9 10 6	14,081	20,742	39	310	46	342	—	—
Sub Nigel	35-40	30	20	20	20	10/-	2½	9 2 10	104,690	168,191	37	428	47	510	—	No change.
Van Ryn Gold	< 5	2½	2½	2½	2½	1	7/6	13 6 8½	13,543	13,650	45	269	35	289	—	No change.

* Based on current price and last two dividends.

† Free of Tax.

** Increase (+) or decrease (-), and last financial year compared with 12 months previously.

and redemption, miners' phthisis levies, etc., must be taken into consideration, and each mine must be regarded on its own merits. It should also be remembered that the newer mines work under lease from the Government, paying to it a proportion of profits on a sliding scale.

It will be seen that outstanding increases in working profits are shown by Witwatersrand Gold, Sub Nigel, Nourse, Robinson Deep, Simmer and Jack, New State Areas, Durban Deep, and some other mines. Where estimated lives and other conditions indicate a maintenance of such an improvement, the yields will be found to be on a low level, and the investor, pursuing his investigation, will next look for data on which to base a long view in these cases. He will study such factors as future calls on capital expenditure, the redemption of debentures or the liquidation of other indebtedness, which will tend to release larger proportions of gross profits for future dividends. He will gather useful information from the trend of ore reserve tonnages and values, and will compare current with past development results.

Ore reserve tonnages offer no guide whatsoever to the life of a mine: at least, not until all development and reclamation has ceased. Decided trends in ore reserve tonnages and values, however, read intelligently in conjunction with results of development, afford much useful information. In calculating the development figures in the table, values, in pennyweights, have been taken across the width (in inches) over which the ore will be stoped or extracted. The result, expressed in inch-dwts. is the all-important factor as regards the quality of the ore. In regard to the quantity met in relation to the total footage advanced on the reef, the percentage of payability is the index of relative success in development. In the appended table we have indicated the increase or decrease in ore reserve tonnages and values at the end of the last financial year, as compared with those twelve months earlier. These changes, read in conjunction with the trend in development results, show how each mine is "opening out," since reserves at the close of any year reflect the run of development during that year. In other words, to foresee what change is likely to take place in ore reserves at the end of this year, the course of development during 1930 must be compared with that during 1929.

On certain mines, increasing ore reserves, and an improved tendency as regards development (which, in its turn, may suggest further future increases), may lead to the installation of new plant, the expectation of higher monthly crushings, and possibly to lower costs per ton crushed and to increased profits. Such conditions apply, for instance, to Sub Nigel, while in the case of Robinson Deep, similar hopes have been created by the acquisition of Village Deep. On the other hand, decreasing ore reserves and poorer development results spell eventual lowering of grade in order to keep mills fed to capacity, leading inevitably to lower yields, smaller profits, and decreasing dividends. Again, when a mine is reaching exhaustion and no ground remains to be developed, it often happens that working costs are relieved by the extent of development charges, and profits are deceptively higher. Such a condition may apply to a varying extent to Modderfontein Deep, Van Ryn Gold, New Kleinfontein, and certain other mines.

The main conclusion suggested by this review is that gross flat yields are no criterion of the relative merits of respective Kaffir shares. The investor must perforce look further, to avoid serious misconception and, possibly, financial loss. Kaffir shares fall into the category of speculative investments. The industry "produces" a stable commodity under, on the whole, improving conditions in the matter of costs and efficiency. The investor, however, must constantly bear in mind that a mine is a wasting asset, and Rand mines, long lived as most of them have proved, are no exception to this rule. He must, therefore, prepare to redeem his capital by annual re-investment of a portion of his dividends. He must also be ever on the alert, and must examine monthly, quarterly and yearly results with the utmost care. If he is prepared to observe these conditions, a close study of the table given on the previous page, interpreted on the lines laid down in this article, may assist him in making a judicious selection of Kaffir shares.

THE WEEK IN THE MARKETS.

THE LONDON STOCK EXCHANGE.

SETTLING DAYS

TICKET.
December 16.

ACCOUNT.
December 18.

The week's Stock Exchange events were not altogether reassuring. The gilt-edged market did not like the increased gold efflux, and after some little firmness values became easier on Thursday. New York was unquiet, and the Continent turned a seller before the week was over. News from home industry gave little scope for optimism, the continued increase in the unemployment figures, at a time when Christmas trade normally absorbs large numbers of seasonal workers, being the subject of adverse comment. Before the end of the week, industrial share values had receded to the low level reached last August. In the mining markets prevailing discontent vented itself in criticism of the terms of a big Rhodesian fusion. The general feeling was summed up in a remark that the "House" would be better pleased to lose its reputation as a prophet of coming industrial events than to have its present judgments confirmed.

Gilt-edged stocks showed to advantage in the first half of the week, on a recovery in sterling and on easier money market conditions. Conversion issues were in fair demand, and War Loan at one time reached 103. The accentuation of the gold drain, however, as the week progressed, put a brake on the market, reactions occurring in prices throughout the list. The reception of the Kenya Loan, however, was not discouraging, the high price frightening off the stags, while the scrip was firm after dealings had started in the market. Other new issues were steady, with improvements in some cases. India loans were harder on the prospect of the removal of the Hindu-Moslem *impasse* from the Round Table Conference. Further selling took place of Australians.

The foreign bond market was quiet. Some slight support was forthcoming for German issues, but Brazilians were unable to hold an improvement, and China Customs Loans remained on the dull side.

Home Rail prices tended to ease, though there was little actual selling. The wage negotiations developed according to plan, and the week's traffic figures showed no general change in the situation. An unusually small decrease in the receipts of the London, Midland and Scottish was due mainly to comparison with a poor week of 1929. Argentine rails suffered from a further pessimistic pronouncement by an authority whose conservatism had previously been made plain. The "heavy" stocks tended to slump in mid-week, after a fresh fall in the Argentine dollar, though the exercise by the Cordoba Central directors of their power to postpone payment of the Second Debenture interest caused no surprise. Antofagastas were weak, after a moderate gain, but Havanas rose slightly on the sugar restriction agreement. Canadian Pacifics were easy all the week.

The industrial markets suffered from domestic *ennui* and a partial renewal of foreign liquidation. Transatlantic issues were marked down appreciably before and after the failure of the Bank of the United States. This tendency affected Columbia and H.M.V. The firmness of electrical issues was checked by profit-taking, mainly from the provinces, whence came further selling of Turner and Newall. Motor shares receded, mainly on liquidation by tired bulls. Developments in Lancashire in regard to the more-looms-to-a-weaver question were looked on as a bear point for textile shares as a whole, and Courtaulds shared in the general tendency. The brewery group held its ground better than most, on the satisfactory nature of recent profits statements. Anglo-Argentine Tramway preference issues became largely a nominal market on the postponement of the final dividend payments. Tobaccos turned easier following the revival of higher taxation rumours. Unilever were weak, partly on the unsatisfactory United Africa report (discussed on page 1127), and towards the end of the week, on selling from Amsterdam. A few scattered sales of P. and O. deferred stock occurred after the chairman's somewhat colourless speech. Insurance shares remained

dull, with prices lower where changed, and only a small business was done in banking shares.

Though business in rubber shares was again restricted, the firmness of the commodity caused a tentative effort to mark up a number of prices at the beginning of the week. Tea shares, however, continued to decline, Consolidated Tea being again on offer, while Assam Frontiers were weak on the passing of the interim dividend. Oils were firmer at the beginning of the week, but on Wednesday and Thursday Amsterdam came in as a seller, Royal Dutch (and, to a less extent, "Shell") being considerably affected. The results of this tendency entirely offset the favourable effect of a further decline in the American production figures.

The mining share markets again suffered from a marked absence of business, particularly in the second half of the week. Paris and Johannesburg evinced some interest in their favourites at the outset, but Continental advices subsequently became less assuring. The outlook for Kaffir shares is discussed in a leading article on an earlier page. The week's dividend announcements were generally satisfactory, but the increases recorded by a number of companies had been foreseen and discounted. The market did not give an enthusiastic welcome to the terms of the Rhodesian merger (which are dealt with on page 1130). Congo Border, Bwana, and N'Changa were all lower on the proposals, particularly the first-named. A feature was the strength of Ashanti Goldfields on a promising cable, though profit-taking cancelled part of the gain. Tin shares were again quiet, the metal being weak. Burma Corporation was dull on the reduced interim dividend and the record low level of silver, and Tintos were lower over the week.

"FINANCIAL NEWS" DAILY BARGAIN INDEX.

(Approximate number of Bargains recorded in Stock Exchange Lists.)

	Dec. 4, 1930.	Nov. 5, 1930.	Nov. 8, 1930.	Dec. 9, 1930.	Dec. 10, 1930.	Dec. 11, 1930.
Government and Municipal Loans.....	1,402	1,338	1,615	1,373	1,346	1,168
Transport, Communications, and Public Utilities	853	940	1,107	899	880	813
Commercial and Industrial Banks, Insurance and Financial	1,628	1,632	1,902	1,482	1,380	1,635
Mines (including Nitrate)	496	505	592	471	489	505
Oil	326	307	410	440	352	422
Rubber, Tea and Coffee	133	106	115	103	115	94
	94	104	118	121	77	83
Total	4,932	4,932	5,859	4,891	4,639	4,720

* Including iron and steel and breweries.

"FINANCIAL NEWS" DAILY AVERAGE OF 30 INDUSTRIAL ORDINARY STOCKS. (1928 = 100.)

Highest of 1930. (Apr. 17).	Lowest of 1930. (Dec. 11).	Dec. 4, 1930.	Dec. 5, 1930.	Dec. 8, 1930.	Dec. 9, 1930.	Dec. 10, 1930.	Dec. 11, 1930.
90.6	72.3	73.7	73.5	73.3	73.2	72.9	72.3

FOREIGN STOCK EXCHANGES.

NEW YORK.

Dealings at the beginning of the week resembled those of earlier periods. The outstanding feature was the weakness of railroad shares, heavy selling being recorded of Van Sweringen issues, while New York Central, Atchison and other leading shares fell to new low price levels. Second-grade railroad bonds were also sold owing to the fact that a number will lose their position as "eligible" investments this year, earnings having fallen below the minimum prescribed by State laws. Utility, copper and chemical shares also declined, but at a more moderate pace. Despite some support, a number of stocks broke November's low levels, the list including Bethlehem Steel, Westinghouse Electric and Eastman Kodak. Although the steel industry was estimated to be working at only 88 per cent. of capacity, as compared with 89 per cent. last week, the Steel Corporation's unfilled tonnage

statement for November showed an increase of 158,000 tons. On Wednesday, in the last hour, the market became very unsettled on rumours of a crisis in the affairs of a large banking institution, and on Thursday it was announced that the Bank of the United States had suspended payment. Runs at the branches of the bank on Wednesday exhausted its ready cash and the bank had no more securities eligible for discount at the Federal Reserve Bank, so a closing down was decided upon. The stock market took the news calmly, and sold off moderately. There is a general feeling that an abscess has been cleaned, and it will now be easier to restore confidence. No other bank of consequence is in trouble, and two which have been conducting merger negotiations with the Bank of United States joined the Clearing House on Thursday morning. However, the public is somewhat nervous, and some withdrawals of deposits from other banks in the Jewish sections is likely. The danger of real trouble, however, is remote. The bank had no financial connections whatever outside New York.

	Nov. 1930.	Dec. 1930.	Dec. 1930.		Nov. 1930.	Dec. 1930.	Dec. 1930.
U.S. 3½% T. Bds.	106½	106½	106½	Natl. Biscuit	74½	74½	75
Do. 4½% T. Bds.	113½	113½	112½	Phelps Dodge	27	26	23
Do. 4½% "32-47"	101½	101½	101½	Pullman	60	59½	55½
Do. 4½% "32-47"	103½	102½	102½	Sears-Roebuck	55½	52½	50½
Do. 4½% "33-38"	103½	103½	103½	Studebaker	22½	22½	21½
Atchison	190½	183½	176½	Un. Fruit	66½	66½	56½
Chas. & Ohio	42	41½	38	U.S. Leather	14½	14½	4
Erie	29½	28½	23	U.S. Rubber	14½	14½	13½
Illinois Central	179	80½	74	U.S. Steel	148½	144½	139½
N.Y. Central	129½	126½	118	Westinghouse	100½	98½	93½
Pennsylvania	60½	59½	55	Woolworth	60½	60½	56½
Southern Ry.	103	99	95½	Worthington Pump	79½	77	65½
Southern Ry.	65	63	57				
Union Pacific	188	184½	177½	Am. Tel. & Tlg.	187½	184½	182
				Int. Tel. Teleg.	27½	26½	23
Am. Can.	117	115½	111½	Radio Corp.	17	15½	13½
Amer. Smelting	50½	51½	47½	Utilities P. & L.	25½	25½	23½
Anacosta	35½	35½	32½	W. Union Tlg.	143	135½	129½
Bethlehem Steel	62½	61½	57½				
Chrysler Motor	17½	17½	16½	Associated Gas "A" ..	21½	18½	17½
Corn Produce Rf.	79	78	75½				
Eastman Kodak	166	162	153	Pan Amer. B.	42½	43	38
Gen. Electric (New) ..	48½	47½	45½	Standard Oil	13½	12½	11½
Gen. Motors	35	34½	33½	Std. California	49½	49	47½
Int. Harvester	59½	58½	53½	Do. N.J.	52½	53	51½
Montg. Ward	22½	21	18½				

By courtesy of the Standard Statistics Company, Inc., of New York and 13, Cophall Avenue, London, we print the following index figures of American values calculated on closing prices (1926 = 100):—

	1928.		1929.		1930.		
	Lowest.	Highest.	Lowest.	Highest.	Beginning of Year.	Dec. 3.	Dec. 10.
335 Industrials ..	132.5	186.4	134.5	218.9	146.0	109.6	103.6
33 Rails	120.5	139.7	127.8	173.5	134.3	100.4	93.8
34 Utilities	128.3	180.6	177.6	330.4	202.2	166.7	157.7
Total, 402 Stocks ..	130.3	178.9	140.3	228.1	153.0	117.1	110.5
Average yield of 50 Industrial Common Stocks..	3.32%	4.42%	3.10%	5.23%	4.83%	5.43%	5.44%

(Continued on page 1126.)

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LONDON ACTIVE SECURITY PRICES AND YIELDS.

NOTE.—Shares with a New York quotation, or with definite American interest, are distinguished by italics.

In calculating the yields on the stocks and shares quoted below allowance is made for interest accrued since the last payment. Where stocks are definitely redeemable at a certain date the yield includes any profit or loss on redemption; where stocks are redeemable at or before a certain date the final date of repayment is taken when the stock stands at a discount and the earliest date when the quotation is above par. The return on ordinary stocks and shares is calculated on the dividends paid by the company during the last year.

Year 1929.	1930 (to date).		Name of Security.	Dec. 3, 1930.	Dec. 10, 1930.	Rise or Fall.	Present Yield.	Year 1929.	1930 (to date).		Name of Security.	Dec. 3, 1930.	Dec. 10, 1930.	Rise or Fall.	Present Yield.
High.	Low.	High.	Low.				£ s. d.	High.	Low.	High.	Low.				£ s. d.
British Funds.															
56½	52	59½	52½	Consols 2½%	58½	57½	+	4	6	7	5½	3½	4½	1½	
88½	82½	94½	82½	Consols 4%	92½	91½	+	4	8	6	58½	42½	53½	2½	
80½	72½	83½	74½	Cons. Loan 3½%	81½	81½	+	4	6	11	66½	49	57½	4½	
100	93	103½	93½	Do. 4½% 1944-45	100½	101	+	4	7	3	87½	80½	83½	4½	
100	93	106½	102½	Do. 5% 1944-45	105½	105½	+	4	8	9	170½	95½	97½	45	
91½	82½	96½	85½	Funding 4½% 1920-30	101½	101½	+	4	5	0	57	37½	42	20½	
100½	97½	102½	98½	Treasury 4½% 1932-34	101½	101½	+	4	2	0	167½	85½	85½	65½	
101½	97½	102½	100½	Treasury 4½% 1935-36	101½	101½	+	4	2	0	217	85½	85½	65½	
95½	90	97½	100½	Victory Bonds 4%	96½	96½	+	4	3	0	108½	77½	80½	65½	
103½	99½	103½	100½	War Loan 5% 1923-42	103	103	+	4	14	6	49½	25	26½	4	
101½	99½	103½	100½	War Loan 4½% 1923-42	100½	100½	+	3	19	6½					
65½	60	69½	61½	Local Loans 3%	68½	68½	+	4	8	3					
51½	44	49	40½	India 2½%	46½	45½	-1	5	11	1		17½	14½		
61½	50½	59	47	Do. 3½%	55½	55½	+	5	9	1	18½	9½	12½	10½	
71½	60	68½	55½	Do. 4½%	65½	65½	+	5	9	1	8½	6½	7½	5½	
92½	80	90	78	Do. 4½% 1958-68	85	85	+	5	8	11	62½	56½	59½	24½	
105½	99½	106	100½	Palestine 5½% 42-57	105	105	+	4	8	11	26½	23½	27½	24½	
109	103½	109½	107½	Sudan 5½% Bonds	108	108	+	5	1	10	60½	53½	58½	63½	
94½	88	99	87½	Ulster 4½% 45-75	99	99	+	4	1	1	30½	25½	28½	25½	
Dom. & Colonial Govts.															
99½	90½	95½	76	Australia 5% 1945-75	82½	82½	+	6	3	0	86½	58	69	58½	
91½	86½	95	86½	Canada 4% 1940-60	94	94	+	4	4	3	15½	11½	12½	8½	
107	102½	106½	102½	Ceylon 6% 1936-51	104½	104½	+	4	12	8	30½	23½	27½	24½	
97½	91½	98	92½	Gold Coast 4½% 1936-50	98½	98½	+	4	12	8	67½	60½	68½	56½	
104½	98½	105	99½	Nigeria 5% 1934-58	104	104	+	4	14	0	38½	36½	40½	37½	
104½	98½	105	101	Nigeria 5% 1950-60	104	104	+	4	14	0	9½	6½	7½	4½	
104	98½	105	99½	N.S. Wales 5% 35-55	75½	74½	-1	7	4	3	107	8½	9½	8½	
100	89	92½	70½	N. Zealand 5% 1946-..	102½	102½	+	4	16	3	150½	118	120	99½	
100	89	92½	70½	Queensland 5% 40-60	79½	78½	-1	6	15	0	68½	59½	66½	59½	
104½	99½	104½	99	S. Africa 5% 1946-75	102½	102½	+	4	16	3	83½	71½	82½	75½	
97½	93½	98½	93½	Stras. Bet. 4½% 35-45	98½	98	+	4	13	10	34	20½	34	28½	
Foreign Governments.															
105½	99½	105½	100½	Austria 4% 1920-43	87	87	+	5	6	9	55	44½	46½	34	
105½	99½	105½	100½	Austria 6% 1923-43	102½	102½	+	5	15	6	12½	14½	14½	12½	
105½	99½	105½	100½	B. Aires (Prov.) 3½%	56	56	+	6	10	0	37½	34½	36	33½	
91½	84½	92	76½	Belgium 7%	110	110	+	6	4	2	16½	14½	15½	14½	
90	71	87	62	Bulgaria 7½% Loan	77½	76½	-1	9	18	0	81½	71½	80½	74½	
102½	94½	94½	84½	Brazil 5% Fund, 1914	69½	68½	-1	7	10	0	23	18	21	17½	
95½	41	55	22	Do. 6½% (1927)	80	69½	-1	8	19	6	12½	13	15	13½	
104½	98½	104½	98½	Chili 6% (1912)	85	85½	+	9	10	6	29½	23	26½	21½	
104½	98½	104½	98½	Do. 5% (1913)	54	54	+	7	16	0	17	13½	16½	13½	
104½	98½	104½	98½	Do. 5% (1913)	69	68½	-1	7	16	0	39½	31½	37	30½	
97½	75½	82	78½	Czechoslovakia 8%	110	110	+	3	13	0	39½	31½	37	30½	
86	76½	80½	70½	Danish 3%	82	82	+	3	13	0	39½	31½	37	30½	
95	85½	92	73	Danzig 6%	86½	86½	+	5	12	0	18½	15	17½	14½	
100½	90½	100½	91½	Egypt Unified 4%	71	71	+	9	6	6	14½	12½	13½	12½	
19½	16½	21½	19½	Estonia 7% 1927	77½	76½	-1	9	6	6	16½	13½	15½	12½	
21½	18½	21½	20	Finland 6% 1923	92½	92½	+	3	17	0	28½	21½	29½	24½	
107½	100½	109½	98½	French 4% (British)	204½	204½	+	7	0	0	46½	37½	41½	36½	
93½	84½	93½	86½	German 5%	101	101	+	6	15	0	7½	5½	7½	5½	
103½	95½	104½	100½	Greek 6% Stab. Ln.	101	101	+	6	15	0	9½	7½	11½	8½	
103½	95½	104½	100½	Do. 7% Refugee	102	102	+	7	7	0	14½	12½	14½	12	
100½	95	102½	98	Hungary 7%	94½	94½	+	5	15	0	310	289	319	287	
105	101	104½	100½	Japanese 5½% 1935-65	101½	101½	+	5	16	9	158½	147	158½	147	
36	22	26½	14½	Do. 6% (1924)	14½	14½	+	5	15	0	30½	24½	30½	24½	
105	101	104½	100½	Mexican 5% (1899)	104	104	+	5	15	0	45½	34½	47½	39½	
107	100½	106½	90	Norwegian 5% 1921	90½	90½	+	8	8	0	177	177	177	177	
93	83	92½	79	Peru 7½% 1922	81½	81½	+	4	17	0	205	162	192½	163	
106½	99	107	101	Poland 7%	104	104	+	4	2	9	...	122½	112½	112½	
80	78	86	61½	Romania 6% 1934-64	87½	87½	+	4	2	9	390	315	363	326	
104½	97½	104½	97½	Sweden 3½% 1908	74½	74½	-1	10	5	0	505	330	486	421	
23½	17½	19½	8	S. Paulo Coffee 7½%	8	8	+	6	5	0	27½	20½	25½	20½	
93½	81	89	81	Turkish 4½% Unified	80	80	+	6	5	0	329	248	267½	248	
96½	86½	96½	76	Uruguay 5% 1919	79	78	-1	8	7	8	...	119	93½	...	
105½	99½	105½	99½	Berlin 6% 1935-57	105	105	+	4	10	11	...	103	89½	...	
105	99½	105½	99½	B'gham 5% 1946-56	106	106	+	4	8	0	...	103	89½	...	
101	95½	101½	87½	Brussels 5% 1948-58	91½	91½	+	7	19	0	...	103	89½	...	
99½	95½	101½	96	Danzig 7% 1935-45	99½	99½	+	5	1	9	23½	24½	19½	19½	
104½	100	103½	98	F. London 5% 1960-70	103	103	+	5	3	0	157	123	129	105	
66½	60	69	60½	Loans 5% 1937-52	68	68	+	4	8	3	138	135	106	97½	
67½	61½	70	62½	J.O.A.B. 5%	70	70	+	4	8	0	272	220	252	218	
104½	99½	105½	99½	Met. Wat. Bd. B 3%	104½	104½	+	4	13	0	303	234½	264	231	
104½	99½	105½	99½	Pt. of Londn. 5% 1950-70	111	111	+	4	18	0	...	...	...	...	
103½	103½	111½	104½	Selne 7% 1935-52	111	111	+	4	18	0	...	...	...	...	
98½	93	93	75	Sydney 5½% 1954	77½	77½	+	7	4	0	...	...	...	...	
Corporation Stocks.															
90½	78½	94	62½	Berlin 6% 1935-57	79	78	-1	8	7	8	58½	35½	41½	27½	
105½	99½	105½	99½	B'gham 5% 1946-56	105	105	+	4	10	11	72	49½	54	39½	
101	95½	101½	87½	Brussels 5% 1948-58	91½	91½	+	7	19	0	11½	6½	7½	39½	
99½	95½	101½	96	Danzig 7% 1935-45	99½	99½	+	5	1	9	44½	33½	42½	28½	
104½	100	103½	98	F. London 5% 1960-70	103	103	+	5	3	0	40½	23½	27½	17½	
66½	60	69	60½	Loans 5% 1937-52	68	68	+	4	8	3	21½	17½	19½	16½	
67½	61½	70	62½	J.O.A.B. 5%	70	70	+	4	8	0	11½	12	7½	7½	
104½	99½	105½	99½	Met. Wat. Bd. B 3%	104½	104½	+	4	13	0	16½	13½	15½	12½	
104½															

NEW ISSUE PRICES.

Stock or Share.	Issue price.	Amt. paid.	Price, Dec. 4, 1930.	Price, Dec. 11, 1930.
Assam Ry. & Trading 5½% deb.	97½	17½	1-1 pm	par-1 pm
Bermuda Development 5½% deb.	97½	25	1-1 pm	1-1 pm
Cape Town 5% 1961	101	21	1-1 pm	1-1 pm
Central Argentine Ry. 5% deb.	87½	fy. pd.	85½-87½	85½-87½
Central Electricity Board 4½% stock	99½	55	4-4½ pm	4-4½ pm
Central London Ry. 5% deb.	91½	41½	2½-2½ pm	2½-2½ pm
Gas Light and Coke 4½% deb.	98	65	3½-4½ pm	3½-4½ pm
General Electric 5% deb.	98	65	3½-4½ pm	3½-4½ pm
Grosvener House (Park Lane) 7½% cum. pref. £1	par	fy. pd.	17-18/-	17-18/-
India 6%, 1935-37	100	30	3-3½ pm	2-2½ pm
London Electric Railway 5% deb.	99½	77½	4-4½ pm	4-4½ pm
London and North Eastern Railway 4½% deb.	90	45	1-1 pm	1-1 pm
Myatt (Frank) 5½% deb.	95½	25½	1-1 pm	1-1 pm
Second British Steamship Trust New £10	100½	10	9½	9½
South Africa 4½% 1955-75	100½	10	9½	9½
Treasury Bonds 4%, 1936-46	98½	...	104-105	104-105
Yorks Electric Power	98½	...	104-105	104-105

(Continued from page 1123.)

DAILY AVERAGE OF 50 INDUSTRIAL COMMON STOCKS (1926 = 100).

Highest of 1930. Apr. 10.	Lowest of 1930. (Nov. 10)	Dec. 3, 1930.	Dec. 4, 1930.	Dec. 5, 1930.	Dec. 6, 1930.	Dec. 8, 1930.	Dec. 9, 1930.	Dec. 10, 1930.
202.4	121.5	130.6	128.7	128.9	127.1	125.3	125.3	123.4

TOTAL DEALINGS IN NEW YORK.

	Dec. 4, 1930.	Dec. 5, 1930.	Dec. 6, 1930.	Dec. 8, 1930.	Dec. 9, 1930.	Dec. 10, 1930.	Dec. 11, 1930.
Stock Exchange—Shares (Thous.)	1,586	1,585	717	1,979	2,112	3,141	2,883
Bonds (Value Thous. \$).....	8,694	9,802	4,684	9,804	11,292	9,798	12,553
Over-the-counter—Shares (Thous.)	475	510	274	534	613	705	754

* 2-hour session.

PARIS.

The end-of-October settlement was effected in the face of heavy differences, and the liquidation which followed brought about a considerable fall in prices. After a mild recovery, the announcement that the Banque Oustric could not meet its obligations brought about a fresh collapse in values. In spite of the measures taken by the Chambre Syndicale de la Coulisse to arrest the decline and rally confidence (such as to invite its members to refuse short selling orders and to re-establish provisionally the right to call for delivery before the settlement) the fall was accentuated during the first fortnight of November. Several houses, unable to meet the large differences which the *débâcle* of the Oustric group had occasioned, resigned from the Syndicat. The list of defaulters appears now to be closed, thanks to the financial assistance rendered by those intermediaries who were not too deeply involved. The settlement of the 15th was effected fairly comfortably with money at ½ per cent. The Chambre Syndicale announced that it would guarantee the bargains in which houses belonging to the Syndicat were concerned, and as a result the tendency improved somewhat at the beginning of the second fortnight. In the *marché en Banque*, money rates have been fixed at 4½ per cent. against 4¼ per cent. at the end of October—

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an increase which reflects current tendencies. The energetic cleansing of the market has produced a better impression, and the two major questions—Oustric and Devilder—are now considered to be settled.

"Valeurs à Terme"	Oct. 31, 1930.	Nov. 30, 1930.	"Valeurs à Terme"	Oct. 31, 1930.	Nov. 30, 1930.
Banque de France	20,750	20,600	Citroën	640	645
Banque d'Algérie	14,180	13,040	Norv. Azote	1,530	1,649
Paris-Pays de Bas.	2,425	2,330			
Union Parisienne	1,405	1,360			
Cie. Algérienne	1,830	1,900			
Comptoir Nat.	1,710	1,680			
Crédit Comm.	1,235	1,210			
Crédit Foncier	4,985	5,110			
Crédit Lyonnais	2,660	2,680			
Suez	16,300	16,880			
O. de F. Santa Fé	2,180	2,230			
Soc. Lyon. Eaux	2,430	2,315			
Parisienne Elect.	2,075	2,205			
Gén. Electricité	2,820	2,680			
Littoral Médit.	1,284	1,253			
Elect. Nord Fr.	955	950			
Chemins de Fer	1,217	1,303			
Mines de Lens	995	1,015			
Penarroya	424	469			
Dives	2,385	2,420			
Etab. Kulmann	705	747			
Phosph. Gafsa	705	648			
Pechiney	2,290	2,285			
Air Liquide	1,280	1,258			
Caout. Indo-Ch.	471	380			

x Ex dividend.

BERLIN.

In November and the first week of December the Berlin security market underwent unusually large fluctuations. There were, indeed, some favourable influences in the first half of November, as for example the firmness with which the Government proceeded with the rapid execution of their financial programme. The steady increase in unemployment, the idleness of much industrial plant, combined with the heavy declines on foreign stock exchanges, were factors determining the tendency in Berlin. Between November 20th and 26th there was an unusually heavy fall. Foreign holders of German securities offered large blocks of shares, the declines in New York and Paris made matters worse, and the bear attacks were the more successful as the approaching session of the Reichstag was awaited in Germany with much uneasiness. In a few days Reichsbank shares lost 20 points, R.W.E. 22, A.E.G. 29, and Siemens 35, while Salzdettfurth even lost 70. The reaction followed very soon, and when it became clear, at the end of November, that the Government were prepared to bring their financial programme into effect in any circumstances, hasty covering purchases were made and quotations recovered in a few days, though only a part of the decline was made good. On December 1st the emergency decree was issued, and on December 6th the Brüning Government secured a majority for it. The Berlin Bourse responded to these developments with a favourable tendency, but the turnover remained small and there was no real eagerness to buy. It is particularly noticeable that German loans are continuing their downward tendency, in spite of the fact that there has not been a single internal issue in the last few months.

Official "Cash" Quotations in all cases.

	Nov. 8, 1930.	Dec. 8, 1930.		Nov. 8, 1930.	Dec. 8, 1930.
Banking and Insurance			Industrials—cont.		
Berliner Handelsg.	131	123½	Deutsche Erdöl...	66½	62½
Commerz. und Priv.	114½	111½	Deutsche Linoleum	122	107½
Darmstädter	149	150	Dynamit Nobel...	65	61½
Deutsche and Disconto	110	109½	Feldmühle Papier	139	130
Dresdner	110	110	Gelsenkirchen	117½	112
Reichsbank	227½	225	Görlicher Waggon	86½	85½
Allianz und Stuttgarter	173	162½	Harpener	88	84
Nordstern	205	200	Hirsch Kupfer	83	80
Communications			Kali Aschersleben	121	127
Deutsche Reichsbahn Pref.	87½	86½	Karstadt	188	148
Hamburg-Amerika	72	69	Lindström	430	398
Hamburg-Süd-Amerika	157	157½	Manneemann	71½	68
Hansa	122½	125	Nationale Autom.	11½	10½
Norddeutscher Lloyd	72½	70½	Norddeutsche Wollkammerei	59	53
Industrials			Orenstein und Koppel	47	45
Allg. Elektrizität	113	103½	Polyphon	150	150
Augsburg-Nürnberg	68	63	Riebeck Montan	81	77
Berg. Masch.	69	63½	Rütgers	49½	46
Bergmann	132	124	Salzdettfurth	260	225
Continental Gummi	125	118	Sarotti	102	100
Daimler-Benz	24½	25	Schlesische Textilwerke	6	5½
Dessauer Gas	109	108	Schultheiss-Patenbofer	178	170
			Siemens und Halske	177	101½
			Tietz	117½	113
			Verein. Glanzstoff	100	91
			Verein. Stahlwerke	67½	63½
			Zellstoff Walldorf	108	103

x Ex dividend this month.

INVESTMENT NOTES.

Stock Exchange Membership.—The Stock Exchange Committee have passed alterations and additions to the "House" rules, the effect of which is likely to be far-reaching. As long ago as May, 1928, writes a Stock Exchange correspondent, a movement for dividing membership into two groups came to a head. Petitions were then presented to the Committee with the intention of strictly limiting the number of nominations to membership. It was claimed that this object could be achieved without imposing hardship upon Stock Exchange clerks who desired to become members through the operation of the rule which annually admits a limited number without the necessity of acquiring a nomination. The scheme was adumbrated by Mr C. F. Hipwell, and is commonly known by his name. The policy of the Stock Exchange for many decades has been to encourage membership on the part of men who have served an apprenticeship in the "House," and have always been regarded as particularly desirable, from the point of view of experience, as prospective members. Four years' service entitles a clerk to apply for membership under a greatly reduced scale of entrance fee and subscriptions, as compared with the outside candidate. Under the old system, such an entrant, after he had been a member for four years, was entitled to receive a nomination of the same value, and ranking in all respects *pari passu* with the nominations already in existence. The effect, naturally, was to bring into being a waiting-list of clerks who desired to become members without the payment of the cost of a nomination. The list, to-day, includes some hundreds of names. The Stock Exchange managers have admitted varying numbers from year to year; sometimes as few as five, sometimes as many as twenty. Thus, nominations have been "watered" annually. Under the new scheme, which has now been passed by the Stock Exchange Committee (subject to confirmation next Monday week), two sets of membership are inaugurated. The waiting list is divided into two sections, one of which will correspond with the rules as they stand at present, while candidates in the section called "B" will not have any right of nomination unless it be acquired by payment. In brief, the effect will be to restrict the number of nominations actually in force, and to enhance the value of Stock Exchange membership, though clerks seeking membership without the right to nominate their successors will be able to obtain it as freely as heretofore. A further advantage is that a nomination will become an asset in the estate of a defaulter, and will be dealt with by the Stock Exchange Committee in such a manner as will benefit the creditors. As things stand at present, if a Stock Exchange member is "hammered," his nomination is lost, and it has been felt for many years that this constitutes a grave hardship upon creditors who cannot obtain any value for what is obviously an asset of worth. The passing of the rules has had no immediate effect on the prices either of Stock Exchange shares or of nominations. The value of the latter remains about £400, which may be considered a poor indication of the value that should be placed upon membership of the London Stock Exchange. It is true that within the past two or three years the price of nominations has been up, at one time, to nearly £2,000, but even the latter sum is a bagatelle compared with the price of seats in the New York Stock Exchange.

Anomalies of the Companies' Act.—In a lecture before the Incorporated Secretaries' Association at Sheffield on Monday last, Mr Herbert W. Jordan described some of the anomalies inherent in the latest codification of British company law. As a registration agent, Mr Jordan speaks with unrivalled authority, for he has been present at the birth of hundreds of thousands of British companies. His criticism on this occasion, however, was almost entirely confined to matters of detail. He showed, for example, that whilst the receipt of applications for a declared "minimum subscription" was an indispensable condition precedent to allotment of shares only on the occasion of a company's first issue, every subsequent prospectus was

required to state a "minimum subscription," which had no binding force. Mr Jordan also pointed out that though proxies are included in the computation of votes for or against an extraordinary or special resolution, they have no statutory right to demand a poll unless the articles specially provide for such a power. There are, indeed, many obscure points in the legal position of proxies, as has been exemplified in the recent case of Cousins and Another v. International Brick Company, Limited, and Another. In this case Mr. Justice Luxmoore decided that a shareholder who has given a proxy which has not been validly revoked can, nevertheless, attend and vote personally at the meeting for which the proxy was given. This case may possibly go to appeal, but the general principle that the agency of a proxy may be determined by a shareholder who elects to attend and vote personally would appear to be sound. Another important matter which Mr Jordan touched upon but did not develop at length was the unsatisfactory definition of a subsidiary company. Under Section 127 of the new Act a company is a subsidiary when another company holds more than 50 per cent. of its share capital or of its voting power, or has power to appoint the majority of its directors. One criticism of this definition is that, in practice, a company may be effectively controlled, to all intents and purposes, by another company whose nominal rights fall short of those specified; while, as Mr Jordan amusingly pointed out, a company may theoretically be a subsidiary to three distinct companies, under the terms of the Act. In view of the growth of holding company finance, and the probability that further measures of rationalisation of British industries will involve the creation of yet more holding companies, the matter is clearly one upon which the law should be laid down with the utmost precision. Mr Jordan finally drew attention to the loose draughtsmanship of Section 128 of the Act, relating to the disclosure of remuneration paid to directors. As this Section contains a proviso exempting amounts paid to managing directors from disclosure, and the expression "managing director" is nowhere defined, it has been possible for many companies to drive a coach and four through the Act's provisions. In some cases companies with large directorates have expressly appointed nearly the whole of their board managing directors. On the whole, while many critics declare that the new Act does not go nearly far enough in imposing more stringent requirements on companies, particularly in the matter of disclosure of material facts, its general draughtsmanship has so far proved not unsatisfactory. Some of the anomalies pointed out by Mr Jordan and other commentators, however, are of sufficient importance from the investor's point of view to suggest the advisability of a short amending Act in the near future.

The United Africa Company.—The first report has been issued of the United Africa Company, which was formed in April, 1929, as an amalgamation of the African and Eastern Trade Corporation and the Niger Company, both

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companies trading with the natives of West Africa. Subsequently, the company acquired the West African interests of the Margarine Union. The African and Eastern and the Niger Company each received 6,500,000 shares of £1 in the United Africa, while a further 2,731,600 shares of £1 are to be issued in respect of the Margarine Union and other acquisitions, bringing the total issued capital up to £15,731,600. Treating the subsidiary companies as branches, the United Africa now reports a profit of £386,407 for the year to April 30, 1930, from which the following deductions are made: depreciation, £276,275; directors' fees, £3,000; income tax, £38,616; employees' provident fund, £25,360; and preliminary expenses, £19,013, leaving a balance of £24,143, or 0.15 per cent. on the issued capital. Even so, no depreciation has been provided in respect of land and buildings other than those belonging to manufacturing subsidiary companies, as it is the intention of the directors to have a revaluation made of the fixed assets of the company. Clearly, such a revaluation is urgently required as the consolidated balance sheet shows a break-up value of about par for the £1 ordinary shares, which are only able to earn 0.15 per cent. The significant feature of the consolidated balance sheet is the disclosure of the enormous quantities of stocks carried, merchandise being valued at £6,531,946 and stocks of produce at £3,597,306, a total of £10,129,252. These stocks are valued at cost or market prices, whichever are the lower, and the writing-down of merchandise and produce to market values may account for the meagre profits shown in the profit and loss account. Disregarding stocks, it will be found that "quick" assets (debtors, payments in advance, cash and bills receivable) amount to £3,967,529, as against trade liabilities of £9,464,563. The company does not appear to be very liquid, and the carrying of such large stocks prompts the suggestion that the company's trade has been gravely affected by the slump. The African and Eastern is placed in a somewhat thankless position. It holds 6,500,000 shares of the United Africa, on which it is receiving no dividend. Its income is entirely derived from the rents of its properties

(Africa House, Kingsway, and Hampden House, which were not transferred to United Africa, bring in about £17,000 a year) and from interest on its investments. The results for the past three years compare as follows:—

	Year to September 30, 1928.	Seven months to April 30, 1929.	Year to April 30, 1930.
Profit	Dr. 96,953	74,600	14,803
Brought in	266,453	44,717	37,330
Available	169,500	119,317	52,133
Prof. divs.	†124,783	*81,987	14,250
Forward	44,717	37,330	37,883

* Including one half-year's dividend to December 31, 1928, on "B" preference. † "B" preference dividend paid to June 30, 1928, only.

The company has paid the dividend on its "A" preference shares for the year to April 30, 1930, but the "B" preference shares dividends are in arrears since December 31, 1928. Until the trading position of United Africa improves, the shareholders of the African and Eastern must possess their souls in patience. The ordinary shares of African and Eastern have fallen to 3s. 9d., after being as high as 16s. 6d. this year. The "A" preference shares are quoted at 16s. 6d. and the "B" shares at 7s., as compared with high levels of 19s. 9d. and 18s. 4½d., respectively, earlier this year.

Aerated Bread Company.—A marked improvement is shown by the accounts for the year ended September 27th last. After £66,737 was allotted for depreciation, as compared with £51,541, a year ago, the net profit rose by £82,086 to £104,328. After payment of preference dividend, a distribution of 5 per cent. was made on the ordinary capital, on which 6.29 per cent. was earned. This distribution may be criticised on the score of liberality, in view of the falling off in the company's holding of cash, and the difficulties through which its affairs have recently passed:—

	Fifty-two Weeks ended		
	Sept. 29, 1928.	Sept. 28, 1929.	Sept. 27, 1930.
Gross profit	66,899	73,783	171,065
Depreciation	*	51,541	66,737
Net profit	66,899	22,242	104,328
Preference dividend.....	26,000	26,000	25,594
No. of times covered	2.6	0.85	4.07
Ordinary dividend:—			
Amount	37,500	...	48,437
Earned, per cent.	3.27%	...	6.29%
Paid, per cent.	3.75%	...	5%
Income tax provision	15,000	6,000	25,000
Reserves	...	†	...
Staff pension fund	2,000	...	...
Increase or decrease in carry-forward	-13,601	-9,758	+5,297

* Not stated.
† £124,659 general reserve absorbed in providing for losses or depreciation of investments in subsidiary companies and other assets and in making provision for expenses of investigation.

On the figures shown in the balance sheet, the financial position has been considerably improved. A mortgage of £83,000 has been redeemed, and the bank overdraft reduced by £54,178 to £49,698. The growth of £38,549 in creditors was offset by an increase of £41,375 in debts, of which £39,812 was represented by the rise in sums due by subsidiaries, now £93,786. Cash fell by £20,646 to £5,979, and property and fixtures, equipment, etc., were reduced by £25,866 and £17,656 respectively to £1,055,025 and £483,786. In their report, the directors state that the turnover was a record for the company. Drastic reorganisation has been, and still is being carried out. The J.P. Restaurants redeemed £100,000 6 per cent. debentures, the interest on which had been guaranteed by the A.B.C. since 1928. The directors go on to say that the assets of the company are free from any prior charge, but the combined balance sheet does not appear quite to bear out this statement. This balance sheet is shown after "eliminating goodwill and all intangible assets, and after making provision for all dividends paid

or declared for the period covered by the accounts." Assets are shown totalling £1,080,771, the largest being property £823,304, plant, etc., £158,921, stock £41,428, sinking fund premiums £15,551 (surrender value £9,551), debtors £32,630, and cash £8,836. Of the liabilities of £692,627, £300,000 represents debentures (presumably those of Abford Estates, Limited, which has this sum outstanding), mortgages, loans and overdraft £277,125, and creditors £115,502. Of the surplus of assets of £388,144, the Aerated Bread share is £362,782. During the year new premises have been acquired and attention given to redecoration and repairs to the various depots, the latter being paid for out of revenue. At the present price of 19s. 4½d. per £1 share, the yield on the ordinary shares is £5 8s. 10d. per cent., allowing for the 5 per cent. dividend.

Richard Thomas.—In a circular issued last October the directors of this steel and tinplate manufacturing company informed shareholders that, in view of the higher level of earnings and the reduction in floating indebtedness, they proposed to postpone the formulation of a scheme of capital reorganisation in order to have further experience of the working of the company under the new arrangements. The accounts for the financial year ended September 30th last certainly reveal a gratifying improvement. Gross profit totals £391,573, against £231,128 in 1929. Net profit, at £203,991, compares with £27,566 for the previous twelve months. The payment of preference dividends, however, even on a reduced scale, has not yet been resumed.

	Year to September 30.	1928.	1929.	1930.
Gross profit	242,728	231,128	391,573	
Directors' fees	...	5,928	6,709	
Depreciation, &c.	67,182	67,336	62,925	
Debenture interest, &c.	132,441	130,298	117,947	
Net profit	43,105	27,566	203,991	
Brought forward	189,747	232,852	260,418	
To re-valuation reserve	...	...	250,000	
Carried forward	232,852	260,418	214,409	

The sum of £250,000 has been transferred from profit and loss account to a special "reserve for revaluation of capital assets," while a further amount of £150,000 has been taken from general reserve and likewise credited to the new fund, which now totals £400,000. The carry forward is decreased from £250,000 to £214,409. A note in the balance sheet states that the values shown are "subject to adjustment in respect of depreciation of properties and investments, the total amount of which cannot at present be fully ascertained." Though the position of the company is still far from liquid, an improvement has been effected since 1929, the "amount due to bankers" and "amounts due by the company" both revealing considerable reductions. It remains to be seen whether the directors' previous forecast of a net annual profit of £250,000, after providing £120,000 for depreciation, will be realised during the present year.

Samuel Allsopp.—The accounts of these Burton brewers for the year to September 30th last reveal a marked increase in turnover and profits. Trading profit stands at £234,156, an increase of £23,548, while net revenue has advanced from £128,240 to £145,323.

	Year to September 30th.	1929.	1930.
Net profit	128,240	145,323	
Brought forward	19,324	31,850	
Preference dividend.....	52,760	52,760	
Rate %	7	7	
No. of times covered	2.4	2.8	
Ordinary capital:—			
Earned £	75,480	92,563	
Paid £	37,312	39,645	
Earned %	16.2	19.8	
Paid %	8	8½	
To Reserve	25,642	25,000	
Carried forward	31,850	59,769	

The report recalls that during the year negotiations were concluded for the purchase of a controlling interest in the Lichfield Brewery Co. and half the ordinary shares in Archibald Arrol and Sons, the acquisitions being financed by a temporary loan which has since been repaid out of the proceeds of an issue to ordinary shareholders of 466,408 shares at a premium. The effect of these amalgamations does not appear in the current balance sheet, but the board is of the opinion that "substantial benefit will henceforward accrue." Shareholders will notice that the balance sheet fails to reveal a high degree of liquidity, and that goodwill still stands in the books at £700,000. At their present price of 23s., the £1 ordinary shares give a yield of £7 14s. 6d. per cent., allowing for the dividend of 8½ per cent.

An Undesirable Offer.—It is doubtful whether the machinery of the Industrial and Provident Societies' Act was intended to cover such propositions as the Co-operation Rubber Corporation, Ltd., which has been formed, according to its prospectus, mainly to speculate in raw rubber. Any form of speculation, as such, is unsuitable to the small investor, but of all possible forms, that of gambling in one of the most unstable of all commodities, whose past price movements have repeatedly taken even well-informed market authorities by surprise, is the least desirable. The Corporation has a capital of unlimited amount in 2s. shares, for which the outside public may subscribe at par plus 1d. entrance fee, with a minimum limit of 100 shares and a maximum of 2,000. The directors are Mr William Alfred Lack, a director of two rubber companies, and Mr Walter Cecil Norfolk, described as an East India merchant. The prospectus bristles with debatable points. The document which has reached us originally bore the printed words: "This is not an invitation to subscribe for shares, but is issued for information only." This has been ruled through in red ink. The erasure is not attested in any way, but as an application form is enclosed, it must be presumed that the document is, in fact, an invitation to subscribe. The shares will, naturally, have no Stock Exchange quotation, and no market, though the corporation is prepared to act as a clearing house for members who wish to buy and sell, and proposes to allocate an unnamed sum from each year's revenue as a fund for the repurchase of shares "at the discretion of the directors." Any funds which are not required for the purchase and sale of rubber are to be used for an "investment trust business," though the document is entirely silent as to the proportion this sideline is likely to bear to the rubber business or the nature of the securities into which the money will be put. In a letter to the Press, one of the directors has stated that the money not employed in the rubber business will, in fact, be invested in gilt-edged securities. This is not the normal meaning of the term "investment trust business," and should have been made clear in the official document. The matter forwarded to us includes a folder giving information (of a somewhat optimistic tenor) on the subject of native rubber output, plantation costs, etc., and leading to the conclusion that "an immediate forward purchase of raw rubber with the object of holding it, if necessary for twelve months, should yield a profit of approximately 100 per cent." There are many conservative persons in



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the rubber market who believe that, sooner or later, the commodity will rise above its present low level, but few would support a bald statement that within twelve months it is likely to rise to over 9d. a pound. The resources of the small investor are entirely inappropriate media for speculations on such a possibility.

Turkish Loans.—The recent failure of the Turkish Government to meet its obligations has caused much speculation as to bondholders' prospects. Last spring the two Co-Presidents of the Loan Council visited Turkey and were presented with a request from the Turkish Government that till October 25th the Loan Council should make a loan to Turkey of two-thirds of her interest obligations, while Turkey would pay one-third to them. This arrangement was never confirmed by the Loan Council, which pointed out that not only had the Co-Presidents no power to make it, but had never given their consent as claimed by Turkey. Till October 25th, Turkey regularly paid the one-third. French legal opinion has, however, been consulted, and has declared that such part payment is no discharge of the debt. Turkey's latest budget incidentally allots £T54 millions to the Army and £T7 millions to the Navy and Air Force out of a total estimated expenditure of £T222 millions, while Public Works and Public Debt receive £T33 millions each. It is recognised that at present taxation in Turkey has reached a maximum point; the 1930 crop, further, has been bad. As a result of the legal advice the Council has received, it is not prepared to distribute any of the money received from the Turkish Government lest it should be regarded, under International Law, as having agreed to the discharge of the Turkish Government's obligation by the payment of 6s. 8d. in the £1. Since October 25th, Turkey has not fully maintained the payment of the one-third of her obligations. Nevertheless, it is stated that America has decided to loan Turkey certain sums to found a Central Reserve Bank. So long as Turkey finds herself in a position to obtain new money on these lines a settlement of the Debt dispute is likely to be delayed.

The Rhodesian Amalgamation.—For some time past negotiations have been in progress for a fusion of, or at least, a working arrangement between the Congo-Border-N'Changa group and the Bwana M'Kubwa. The delay in the announcement of the scheme is attributed to the opposition of a minority interest on the Congo side; and even now two out of the twelve directors of the Congo Border Company are not in agreement with the proposals. These are, in brief, that the Rhodesian Congo Border Conversion should absorb the N'Changa, giving one share in respect of every four, and should acquire for 550,000 shares "the mining and prospecting undertaking and certain assets" of the Bwana M'Kubwa Company. For this purpose the capital of the Congo Border Company is to be largely increased, and to provide the additional funds needed for treatment, plant, etc., an issue of £4,500,000 7 per cent. debentures is to be made under guarantee of the Rhodesian Anglo-American and Messrs J. C. im Thurn and Sons. That the Congo and N'Changa concerns would be amalgamated sooner or later was a foregone conclusion. The properties adjoin, and the ore bodies trend from the one into the other. As regards the Bwana, importance attaches chiefly to the N'Kana property, which is situated some 40 miles from the Congo area. It is claimed that the fusion will (1) effect a marked saving in capital outlay and overhead charges; (2) will facilitate financing; and (3) will place the combined undertaking in "a dominating position" amongst the copper producers of the world. In view of the distances separating the two groups of properties, it is not quite clear how No. 1 claim can be justified. From the Bwana Company's point of view, however, the financial provisions would appear to be not unattractive; they may also have been the chief ground of opposition of the Congo minority interest. The information lacking on various points, more especially as affecting Bwana, will doubtless be supplied at the meetings. Meanwhile the announcement of the scheme has had the effect of depressing the quotations of the various shares to lower levels than for many months past.

British Controlled Oilfields.—Last September a scheme for the reorganisation of the capital of the British Controlled Oilfields was passed by the shareholders. This scheme involved the writing-down of the preference shares by 40 per cent. and of the ordinary shares by 60 per cent. On account of this reorganisation the directors have considered it desirable to alter the date of the accounting period from July 31st to December 31st, so that the general meeting which takes place in Montreal shortly will be adjourned until April 30, 1931, when the report and accounts covering the period of seventeen months ending December 31st, 1930, will be presented. In the meantime the directors have issued an interim report, stating that the total production of the company from all sources for the year ended July 31, 1930, was 2,714,985 barrels, as compared with 2,601,374 barrels in the preceding year, while the gross profits amounted to £395,864, as compared with £440,171. The following table, comparing the results for the past few years, shows that the company has made steady, if slow, progress:—

	1928. Barrels.	Year ended July 31. 1929. Barrels.	1930. Barrels.
Crude oil production ...	2,352,576	2,601,374	2,714,985
Gross profit	£ 405,280	£ 440,171	£ 395,864
Net profit after depreciation	169,472	241,115	149,864

The net profit figure for last year, after allowing for depreciation of £246,000, has been calculated on the same basis as in the previous year. It is satisfactory to learn, from the directors' report, that the reduction in profits for the past year is mainly attributable to higher freight rates, for there has been a severe fall in tanker freight rates since July 31st. The issued capital of the company now consists of \$27,500,000 in \$17,500,000 7 per cent. participating preferred shares of \$5 and \$10,000,000 common shares of \$5. Approximately £194,000 is required for the dividend on the preferred shares. It will be seen that the company earned only 77 per cent. of its preference dividends last year. As regards the prospects for the current year, the shareholders must wait for the chairman's statement at the general meeting in April next year. The common shares, which have been as high as 4s. 10½d. this year, are now quoted at 1s. 6d., and the preferred shares have fallen from 8s. to 3s. 9d.

Rand Low-Grade Mines.—The evidence submitted to the Low-Grade Ore Commission, sitting at Johannesburg, has been of a varied and voluminous character. We are in receipt of a statement prepared by Mr H. M. Thomas, M.E., B.Sc., who has had a long experience in management on the Witwatersrand Goldfield. An accompanying diagram emphasises many of the writer's conclusions. It shows clearly the "zone of enrichment" which extends from the New Modder to the Springs, and after a break of several miles reappears at the Sub Nigel. Although at the last-named property the zone is much narrower, and the gold contents much higher than further north, the Modder and Sub Nigel zones are considered to be identical. On the south-west side of the Zambesi there is a narrow belt of low-grade ore; on the north-east side a fairly wide belt of medium-grade material. Each of these belts narrows to disappearance at the break above referred to. Mines situated within the rich zone are the New Modder, Modder Deep, Government Areas, New State Areas and Springs; those partly in the rich and partly in the poor zone, the Van Ryn Deep, Brakpan and West Springs; those partly in the rich and partly in the medium zone, the Modder B, Geduld, East Geduld and Daggafontein. The two last-named, and the Witpoort, are at present only in the development stage. The principal object of the writer has been "to place the Far East Rand in its true perspective as regards the future of the gold-mining industry." Circumstantial evidence is declared to be against the optimistic view that the district will continue to produce vigorous New Modders and Government Areas. On the results shown by development and drilling, Mr Thomas

places the possible additional payable claims at 7,900, containing ore above 8.5 dwts., 5,000 claims containing ore above 6 dwts., and "a certain number" of lower grade. These totals include the ground owned by the three developing mines—the East Geduld, Daggafontein and Witpoort; hence the prospective addition does not amount to a great deal. But while hopes are buoyed up by visions of future discoveries in the Far East Rand, "millions of tons of low-grade ore in the producing mines from Boksburg to Randfontein are in peril of being permanently lost through the caving of the partly worked-out areas and the cessation of operations. Millions of tons have already been lost through these causes, and the extraction of the remaining tonnage before it is too late is a matter of foremost importance." Here we have the point of a paper the bulk of which, at first sight, appeared rather wide of the mark. The writer's contention is that it is really better to render possible the exploitation of ore known to exist than to spend large amounts in searching for ore which may not be there. As regards the Low Grade Commission, cabled advices from South Africa state that this body is unlikely to continue its sittings during the coming session of the Union Parliament. It is expected that technical sub-committees will be appointed to go into the various questions and draw up reports to be considered by the Conference at resumed sittings next recess.

Tin Dredging Results.—In view of the conditions which have prevailed during the period covered, the showing made by the reports of the Malayan Dredging group to June 30th is better than might have been expected. Those conditions were, of course, the low price of the metal and the restriction of output in one shape or another. The company named treated a somewhat increased quantity of ground, but the average yield was distinctly lower than before, and the net profit came out at £107,100 in place of £153,050. The final dividend of 10 per cent. makes 47½ per cent., as against 60 per cent. On the present occasion only a trifling sum is written off property account, but £110,770 goes forward, or £11,870 more than was brought in. Investments have risen by £119,100 to £293,900. Of the area of 2,177 acres, 889 acres have been worked out. A new and powerful dredge is replacing two old machines closed down. Thanks to the operation of all four dredges the subsidiary, Southern Malayan, put through a largely increased yardage, with only a small falling off in average yield. As a result the output totalled 2,018 tons, against 1,270 tons, and the profit came out at £96,700 in place of £79,060. A final dividend of 2½ per cent. is declared, raising the total to 30 per cent., or 7¼ per cent. more than for 1928-29. Of the 2,020 acres held, 188 acres have been dredged out. With the Southern Perak, results were adversely affected by the reduced value of the ground treated, although a considerably larger yardage was put through. The profit amounted to £28,600, as against £46,600. No final dividend is recommended, the total for the year thus being 18½ per cent. in place of 25 per cent. Of the company's area of 1,888 acres, 415 acres have been dredged out. Each of these undertakings is in a position to benefit quickly from any improvement in the tin market.

Company Meetings of the Week.—On later pages of this issue will be found the reports of the following companies:—British Overseas Bank, Peninsular and Oriental Steam Navigation, State of Bahia South-Western Railway, Nelson Financial Trust, British Burmah Petroleum, Steaua Romana (British), Roan Antelope Copper Mines and Luipaards Vlei. At the annual meeting of the Peninsular and Oriental, Lord Inchcape said that, although the number of ships in commission during some part of the past year slightly exceeded the number for the previous twelve months, they had, as a result of the trade depression, run three-quarters of a million less than in 1929; the cargo carried had dropped in the same period by a million tons; the number of passengers had fallen by 50,000, and the number of animals by 50,000. Presiding at the meeting

of the Roan Antelope Copper Mines, Mr A. Chester Beatty informed shareholders that during the year a Central Native Labour Association was formed to serve the rapidly growing needs of the Rhodesian copper mines, and that, within a very few months of its formation, the labour shortage had practically disappeared. At the Luipaards Vlei meeting, the chairman said that the success of the new system was illustrated by the fact that during the period September-November of this year they had been able to send to the mill nearly 93,000 tons of ore, compared with 68,600 tons during the corresponding three months of last year.

CAPITAL ISSUES.

The week's flotations reveal that professional investors are becoming more discriminating as the supply of investment issues increases. *The British Aluminium Company's* issue of 5½ per cent. debenture stock at 98½, offering a flat yield of £5 1s. 6d. per cent., was not much more than fully covered by subscriptions. For an industrial bond covered only three times on earnings and two and a half times on assets the terms were not considered cheap. *The Kenya Government* 4½ per cent. loan at 98½ was regarded as dear, and was not even fully subscribed, underwriters receiving 23 per cent. *The Cunard House* issue of 4½ per cent. first mortgage debenture stock at 90, to return a flat yield of 5 per cent., was better received, the loan being secured on real property in the City and unconditionally guaranteed as to interest and sinking fund by the Cunard Company, whose earnings, we regret to observe, were not published in the prospectus. This issue was ten times over-subscribed. On the other hand, *The Metropolitan Housing Corporation's* offer



THE CHASE NATIONAL BANK

of the City of New York

(Incorporated with limited liability under the National Bank Act of the U.S.A.)

CAPITAL, SURPLUS, AND UNDIVIDED PROFITS \$361,523,927
DEPOSITS - - - \$1,852,295,045
TOTAL RESOURCES \$2,432,434,809
 (AT CLOSE OF BUSINESS, SEPT. 24, 1930)

NEW YORK CITY OFFICES:

Head Office - - Pine Street corner of Nassau
 Equitable Trust Branch - - 11 Broad Street
 Forty-five other branches in Greater New York

FOREIGN OFFICES:

HAVANA - Cuba, CRISTOBAL - Canal Zone
 PANAMA CITY - Republic of Panama

OFFICES OF REPRESENTATIVES:

LONDON - - - - 10 Moorgate, E.C.2
 PARIS - - - - 41 Rue Cambon
 BERLIN - - - - Unter den Linden 57
 ROME - - - - Piazza Mignamelli 3

AFFILIATED ORGANISATIONS:

Chase Securities Corporation . . . American
 Express Company . . . Equitable Eastern Banking
 Corporation . . . American Express Bank & Trust
 Company . . . The Chase Safe Deposit Company
 The Chase Bank (Paris, Mexico City)

LONDON OFFICES:

10, MOORGATE, & BUSH HOUSE,
 E.C.2 ALDWYCH, W.C.2

of 5½ per cent. first mortgage debenture stock at 95½ was apparently just subscribed. These results point to a more discriminating mood on the part of the London capital market. An issue of £750,000 Corporation of Smethwick 4½ per cent. stock, 1955-65, at 98½ was issued on Thursday, the stock being a Trustee issue, giving a flat yield, somewhat on the low side, of £4 11s. 4½d. per cent. The result of the issue was not available when we went to press.

ISSUES OF THE WEEK.

By Prospectus or Offer for Sale.

Net total recorded, January 1 to December 6, 1930, £239,722,055.
Total, including conversion recorded, January 1 to December 6, 1930, £421,114,686.

National Savings Certificates.

Net sales, week ended December 6, 1930, £300,000.
Total receipts, April 1, 1930, to December 6, 1930, £5,000,000.

To the Public.	Nominal Capital.	Conversions or Repayments.	New Money Cash Subscriptions.	First Payment.	Further Liability.
Kenya Government	3,400,000	...	3,349,000	170,000	3,179,000
British Aluminium Co.	2,500,000	...	2,462,500	250,000	2,212,500
Cunard House	750,000	...	675,000	75,000	600,000
Sun Electrical Co.	60,000	...	50,000	7,500	52,500
Metropolitan Housing Corp.	1,000,000	...	955,000	100,000	855,000
Smethwick Corporation	750,000	...	738,750	37,500	701,250

Total issued to the public, week ended December 13, 1930 ... 8,460,000 ... 8,240,250 ... 640,000 ... 7,600,250

To Shareholders only.

Southdown Motor Services, 150,000 ord. £1 at par	150,000	...	150,000	75,000	75,000
London Express Newspaper, 500,000 7 per cent. cum. pref. £1 at par	...	500,000	...	50,000	450,000

Total issued to shareholders only, week ended December 13, 1930 ... 150,000 ... 500,000 ... 150,000 ... 125,000 ... 525,000

Total Offered for Subscription—

Jan. 1 to date—	Including Conversions.	Excluding Conversions.	Whole year—	Including Conversions.	Excluding Conversions.
1929	430,304,936	248,377,305	1929	488,764,940	285,239,400
1929	485,966,698	281,491,098	1929	693,100,056	289,058,073
1928	538,263,908	363,882,925	1928	...	363,165,970
1927	...	353,507,382	1927	...	330,782,600
1926	...	227,321,825	1926	...	232,214,500
1925	...	229,414,290	1925	...	209,326,101
1924	...	207,054,575	1924	...	271,399,173
1923	...	269,927,045	1923	...	573,675,653

By Stock Exchange Introduction.

Amount previously recorded	Amount of Capital Introduced.	Prices at which Dealings Began.	Total Cash Involved.
Aberdeen Trust Co., £200,000 5% Red. Deb. Stk., 1960, at 95½ (Nov. 26) ...	191,000	95½	191,000
Total for week ended December 13, 1930	191,000	...	191,000
Total to date, 1930	21,825,980	...	23,598,828
Total to date, 1929	31,471,788	...	43,593,529

Kenya Government 4½ per cent. Inscribed Stock, 1961-71.—Issue of £3,400,000 4½ per cent. inscribed stock, 1961-71, at £98½ per cent., of which £900,000 has already been placed in the terms of the prospectus. Trustees are authorised to invest in this stock. The principal will be repaid at par on January 1, 1971, but the Government of Kenya will have the option of redemption at par on or after January 1, 1961, on six months' notice. Half-yearly contributions to a sinking fund at the rate of 1 per cent. per annum will be commenced on or before July 1, 1934. The issue allows a flat yield of £4 11s. 5d. per cent.

Smethwick Corporation.—Issue of £750,000 4½ per cent. redeemable stock, 1955-65, at £98½ per cent. Trustees are authorised to invest in this stock. The stock will be redeemed at par on September 30, 1965, unless previously cancelled by purchase or agreement, but the Corporation will have the option of redeeming the stock in whole or part at par at any time on or after September 30, 1955, on three months' notice. The proceeds of the present issue will be applied for the purposes of housing, gas undertaking, and for redeeming existing loans. A rate of one penny in the pound produces £1.410.

British Aluminium Company.—Issue of £2,500,000 5 per cent. first mortgage debenture stock at £98½ per cent. The stock will be redeemable by means of a cumulative sinking fund of 1 per cent. per annum, commencing in 1936. Any stock not previously redeemed will be repayable at par on January 1, 1973, but power is reserved to redeem outstanding stock from January 1, 1936, up to and including January 1, 1951, at 103 per cent. and thereafter at par, on three months' notice. The present outstanding prior lien debentures and debenture stock are to be redeemed on June 30, 1931, at 105 per cent. and December 31, 1930, at 110 per cent. respectively. The company was incorporated in 1910 for the purpose

of establishing hydro-electric undertakings and producing aluminium and its alloys. Net profit for the year to December 31, 1929, totalled £420,017, covering interest on the present issue 3.4 times.

Cunard House, Limited.—Issue of £750,000 4½ per cent. first mortgage debenture stock at £90 per cent. The company reserves the right, on six months' notice, to redeem at par plus accrued interest on July 1, 1940, or at any time thereafter. Stock not previously redeemed will be repaid at par on January 1, 1934. Redemption will be affected by a cumulative sinking fund of ½ per cent. per annum operating half-yearly by drawings at par or by purchases up to par. The company was incorporated in December, 1930, with the object of acquiring a freehold site in the City for the purpose of erecting a building to be known as "Cunard House." The interest and sinking fund payments are guaranteed unconditionally by the Cunard Steamship Company.

Metropolitan Housing Corporation.—Issue of £1,000,000 5½ per cent. first mortgage debenture stock at 95½. The stock is to be redeemed by the operation of a cumulative sinking fund of 1 per cent. per annum, commencing in 1931, to be applied annually by purchase in the market below par or by drawings at par. Any stock not previously redeemed will be repaid at par on December 31, 1965, but power is reserved to repay the whole of the outstanding stock at any time after December 31, 1940, at 105 per cent. on three months' notice. The company was formed in March, 1929, to carry on business as owners of property in the Metropolitan area. Net profit for the six months to September 30, 1930, was £66,388, covering half-year's interest on sinking fund of the present issue more than twice.

Sun Electrical Company.—Issue of 60,000 7½ per cent. preference shares of £1 each at par. The company was formed in 1899 as a wholesale electrical distributing firm. Profits for the year ended April 30, 1930, amounted to £23,174, covering dividend on the preference shares, including the present issue, nearly three times.

Rugby Gas Company.—Issue by tender of £10,000 6 per cent. redeemable preference stock. Minimum price of issue par, to be redeemed at par on July 1, 1950. Net revenue after debenture interest for the year to December 31st last totalled £8,481, covering dividend on the preference stock, including the present issue, 2.8 times.

Particulars of the following have been issued "for information only" with a view to Stock Exchange introduction. **Railway and General Investment Trust.** Particulars of £500,000 5 per cent. redeemable debenture stock, series "A," 1975-85, issued at £96 per cent. **Brough Nicholson and Hall (1930).** Particulars of an issue of £150,000 6 per cent. first mortgage redeemable debenture stock at £95 per cent. repayable 1957. The company was incorporated in November to acquire the old-established silk and thread manufacturing business of Brough, Nicholson and Hall. **Metropolitan Housing Corporation.** Issued capital £1,000,000, in 350,000 7 per cent. cumulative preference shares of £1 each and 650,000 ordinary shares of £1 each.

[Other Stock Exchange information, including the latest dividend announcements, profit and loss figures, weekly traffic returns, summary of balance sheets, reports and notices, and mining output statistics will be found on page 1144 under the heading "Company News."]

OIL OUTPUTS.

BRITISH CONTROLLED OILFIELDS, LTD.—Production for the week ended December 3rd: Venezuela, 34,612 barrels; Trinidad, 21,283 barrels; total, 55,895 barrels. Production for November: Venezuela, 149,853 barrels; Trinidad, 88,077 barrels; total, 237,930 barrels. Deliveries for November: Venezuela, 144,551 barrels; Trinidad, 83,408 barrels; total, 227,959 barrels.

THE KERN RIVER OILFIELDS OF CALIFORNIA, LTD.—The total production during the month of November amounted to 107,721 barrels, or approximately 15,389 tons.

MEXICAN EAGLE OIL.—Reduction week ended November 29, 1930, was 218,000 barrels.

STEAVA ROMANA (BRITISH) LIMITED.—Production of the Steava Romana Company, Bucharest, for the month of November was 51,310 tons.

TOCUYO OILFIELDS OF VENEZUELA, LTD.—Oil produced during November, 1930, 2,459 tons.

COMPANY MEETINGS, &c.

THE BRITISH OVERSEAS BANK, LIMITED.

SATISFACTORY RESULTS IN AN ABNORMAL PERIOD.

CHANGES IN WORLD MONETARY CONDITIONS.

CAUSES OF THE DEPRESSION.

VISCOUNT CHURCHILL'S INTERESTING REVIEW.

The eleventh annual general meeting of the British Overseas Bank, Ltd., was held on Tuesday, December 9, 1930, at the bank's premises, 33 Gracechurch Street, London, E.C.,

The Right Hon. Viscount Churchill, G.C.V.O. (the chairman) presiding.

The deputy manager and secretary (Mr A. E. Thorne) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Gentlemen, the report and accounts have been circulated and I presume that, as usual, you will wish me to take them as read. (Agreed.) Now, gentlemen, in moving their adoption, I should like, first of all, to tell you how very sorry I am—and I am sure you will all join me in that—that our manager, Mr Dean, is not present here to-day. He was taken ill some weeks ago and has had a very severe operation for appendicitis. I am glad to say, however, that he is going on very well, and we are looking forward to having him back with us in due course. I know how sorry he is at being unable to be present with us to-day.

PERIOD OF ACUTE WORLD DEPRESSION.

Since our meeting last year the changes that have come over the complexion of world conditions have been great and widespread. The collapse of the New York stock market, in November of last year, was the herald of a period of acute world depression. How acute, in comparison with previous slumps, it is too soon to judge, as it would be unduly optimistic to say we are in sight of its end. Rather than prophesy, therefore, I propose to review, in general terms, the situation as it is, and to indicate the principal circumstances which have led up to it.

This collapse in Wall Street which heralded the period is regarded by many people, particularly on the other side of the Atlantic, as an important, if not the main, cause of the depression, and the influences that had been at work since the war are apt to be overlooked. What actually happened is that the preceding Wall Street boom made possible a fictitious continuance of prosperity in America at a time when trade activity had passed its peak and was definitely on the down grade.

RENEWED FALL IN PRICES.

One of the most important features of 1929 was the renewed fall in world prices. This followed a period of two or three years of comparative stability, in which we were beginning to hope that the disturbances of the first few post-war years had at last given way to settled conditions. The inflation and unbalanced budgets of the years immediately following the war had been succeeded by a phase of general reconstruction. Most of the principal countries had returned to the gold standard and had set their finances in better order; and though this process involved a certain tendency to deflation, and consequently falling prices, that was part of the cost of restoring the world's financial health.

Once that was over, we hoped for better things. However, in 1929 the fall of prices began again. In England, for instance, this fall began in March or April, while America, under the influence of the Stock Exchange boom, did not follow suit till the autumn. Practically the only country unaffected was France, where special circumstances have deferred the movement almost till the present day.

SUPPLY AND CONSUMPTION.

A fall in prices means that there has been something wrong in the adjustment of supply to demand. It is true that in some special instances production has been greatly in excess of what can be regarded as a reasonable level of consumption; this is particularly so in cases where some scheme has been set up for maintaining prices without any adequate control of production, such as, for instance, the Brazilian Coffee Defence Scheme, the Stevenson Rubber Restriction Scheme in the Malay States, or the American Copper Exporters' Association. This is a form of support to trade

that has been tried out in many countries, either by their Governments or by associations of producers, and it is difficult to think of a single instance where it has worked out satisfactorily in the long run.

Equally, consumption has been restricted by special circumstances affecting individual countries, such as Soviet Russia or China. But these particular instances do not give the whole explanation. Even before the depression came, industry was working considerably below its capacity and unemployment on a large scale was a problem in many countries. This showed a general failure to adjust supply to demand which was due in the main to certain underlying influences. I refer to the gold question and also to war debts, reparations, tariffs, taxation, and the whole of the political uncertainties and difficulties that have hampered and restricted trade ever since the War.

Under our existing monetary and credit system, the function of gold is to form the ultimate basis for credit supplies, and the ultimate means of settlement of International indebtedness. An excessive expansion of credit, for instance, in one individual country, should produce the automatic corrective of an outflow of gold and consequent restriction of credit supplies. Equally, an abnormal inflow of gold should lead to credit expansion which would in due course neutralise the tendency for further influx. Unfortunately, however, this has not been the case since the War, with the result that gold supplies are extremely badly distributed.

THE GOLD STANDARD.

This is one of the most potent factors in the post-War situation. The return to the gold standard, in itself, has been of benefit to world trade, in removing the risk of exchange fluctuations and transfer difficulties, but a gold standard subject to these abnormal impediments is not an unmixed blessing. To show the extent to which the distribution is at fault, I may mention that two countries, the U.S.A. and France, are estimated to hold about £350,000,000 or £400,000,000 of gold in excess of the actual requirements, or more than double the total amount at present held by the Bank of England: while at the same time many of the principal countries, notably Great Britain, Germany and Italy, have inadequate supplies. Moreover, there are no signs of improvement in the position as yet. The recent attempts of the U.S.A. to release part of their surplus, by a policy of cheap credit, only culminated in the disastrous stock market boom and slump of last year, while France has yet to show any signs of willingness to co-operate with the rest of the world in dealing with this problem.

The creation of the Bank for International Settlements was believed in some quarters to be a contribution towards the solution of the gold question, but the value of this contribution remains to be seen.

WAR DEBTS AND TARIFFS.

This maldistribution has been considerably aggravated by other factors, the chief of which are war debts and tariffs.

Germany is the first case in point. As the payer of reparation annuities, she has been forced to develop her export trade at any cost, with results that are strongly felt in Great Britain and other manufacturing countries. However, you cannot suddenly force a country's foreign trade to yield a heavy credit balance, and in consequence Germany has been particularly dependent on foreign capital to carry her through this period, and has been obliged to maintain high interest rates.

POSITION IN AMERICA.

In America the position is the reverse. A creditor nation since the War, the amount of her claims on foreign countries is increased by large receipts on account of war debts and reparations. This surplus can only be liquidated by increased imports of merchandise, by foreign lending, or by importing gold. Neither of the first two ways, which we can regard as the normal method of dealing with such a position, has come into operation effectively. The aspiration

has been frequently heard in America, since the war, that New York should usurp the place of London as the monetary centre of the world. The fundamental difference was, however, overlooked: that, while Great Britain of necessity received from her foreign debtors foodstuffs and raw materials in liquidation of her loans and payments of interest, the United States has put every difficulty in the way of her debtors paying their principal and interest in merchandise, by the imposition of prohibitive tariff barriers. In consequence, she has always had a tendency to import gold, to the detriment of credit conditions throughout the world.

The American tariffs are not, of course, the only ones which influence the world situation. High and indiscriminate tariff barriers have sprung up throughout the world, and their effects in impeding trade and reducing purchasing power are already sufficiently clear. Of the past year, one can only say that it has shown no improvement over its predecessors, and one wonders where the movement will stop.

INTERNATIONAL MONETARY DIFFICULTIES.

These then have been the difficulties of the international monetary situation. The inequable distribution of gold, due to economic forces not being allowed free play, and aggravated by tariffs, reparations and other such factors distorting the natural courses of trade, has led to deflation, disharmony between prices, and ultimately to a general loss of confidence and the dislocation of the entire world's trade.

Another factor which has weighed heavily on world trade is high taxation. Its effects in reducing the savings available for fresh productive investment are clear throughout the world. Political leaders of all parties seem to have lost sight of the fact that new expenditure, whether on social schemes or new development projects, must keep pace with the growth of economic strength, and the burdens on industry and trade have been multiplied to an impossible degree. One may, however, note, in the midst of this general reckless tendency to increase national expenditure, that the German Government has taken courageous and far-reaching steps to reduce expenditure, while the French budget also shows a halt after the steady increases of recent years.

POLITICAL SITUATION.

To turn to the political situation: generally speaking, the whole temper of politics in Europe has become more unsettled, largely, no doubt, through the economic crisis, which has brought to a head many long-standing enmities and grievances. There has been a tendency towards extremes, both of reaction and revolution, at the expense of the moderate elements, and in many countries there has been a complete failure of democratic principles.

International relations have been clouded by a number of developments, among which, in particular, the recent tension between France and Italy may be specially mentioned as a matter for anxiety. The success of the National Socialist Party in the German Elections has also had considerable influence on European sentiment.

POSITION AT HOME.

Finally—the situation in this country. I have already dealt with the factors influencing the world generally, and these, of course, have had a predominating effect on our own position, as on that of other countries. In fact, we have felt their effects particularly strongly since we are more dependent on foreign trade than any other country of the world, and are, consequently, particularly subject to world conditions generally. The financial and political disturbances in Asia, South America and Australia, some of our principal markets, have also added to the difficulties of our export trade. Moreover, even before the depression began, we had our own special difficulties to contend with. Many of our most important industries—wool, cotton, coal, iron and steel and shipbuilding—were in an unsatisfactory state, and unemployment has been a grave national problem since the war. In addition, we have had wage problems of the greatest difficulty. Our sheltered trades have been in a position to maintain wage levels at a time when prices and cost of living were falling, and this has naturally increased the difficulties of wage adjustments in the unsheltered trades, which depend on competition with other countries for their prosperity.

REDUCED PRODUCTION COSTS ESSENTIAL.

This is a problem that has become all the more acute with the recent fall of prices, and it is difficult to resist the conclusion that unless production costs can be drastically reduced there is little prospect of our unemployment problem being effectively dealt with. A world-trade revival should undoubtedly bring some alleviation, but the fact remains that, if we are to maintain our position as an exporter of manufactures, our production costs must be brought

into relation with those of our competitors. On the other side of the industrial picture, rationalisation and reorganisation have made some progress, to the benefit of our competitive power, but these methods will not furnish a complete solution of our problems, particularly as their immediate effect is undoubtedly towards increasing unemployment.

The renewed demand for a revision of our tariff policy is a not unexpected consequence of the depression. It is unfortunate that the practical importance of this question should have been so little appreciated by politicians and economists until it was forced upon their attention by dire necessity.

Speaking generally of our position, I do not think that enterprise is lacking, but high taxation and the absence of confidence in the present political situation is diverting new industries from this country to other more favoured ones, and is a tremendous handicap.

LONDON'S POSITION MAINTAINED.

One satisfactory feature, however, of the past year is the manner in which London has maintained and, in fact, strengthened its position as the lending centre of the world. The threat of predominance by New York, which has constantly been in people's minds since the war, seems to have definitely weakened. This is a matter for satisfaction, both in itself and in its effects on British trade, although the close connection between our trade and our financial activities is sometimes overlooked by industrialists.

During the year one has heard from time to time criticism of the banks for their failure to give adequate financial assistance to trade and industry. While in some directions there may be a certain amount of truth in these comments, it would probably be more interesting to ascertain the extent to which basic industries have been injured by injudicious banking support. A restrictive policy is never popular, and it is, therefore, necessary to be on one's guard lest uninformed clamour influences lending and turns a situation of difficulty into one of danger and disaster. Self-interest is usually sufficient inducement to guarantee the adoption of popular methods, but there are times when the self-denial imposed by a conservative policy is essential in the general interest.

BALANCE SHEET ITEMS.

I do not think it is necessary for me to refer to the figures in our balance sheet in much detail as the fluctuations are of a character which one might anticipate. Current, deposit and other accounts, show a diminution of about £600,000, whilst acceptances show a somewhat larger shrinkage. This smaller total is entirely due to the fall in the prices of commodities, only four articles out of all those for which we furnish credits showing an increased turnover during the twelve months. In this connection, it is, however, interesting to find that the number of credits issued increased by a percentage almost similar to that of the shrinkage shown in the totals. Had prices, therefore, remained at approximately the same level as they were a year ago, the increase of the total shown would probably have been substantial.

PROFIT AND ALLOCATIONS.

You will see that we have declared a profit of £140,000 as against £150,000 a year ago. The one unsatisfactory item in our profit and loss account has been the low rate of interest current during the year. While naturally this item affects everyone, our profits are peculiarly sensitive to this influence owing to our large capital in relation to our deposits. Interest on our capital directly affects our profits, and prevents the difference between the borrowing and lending rates being of the same importance to us as it is to those institutions whose deposits are higher in relation to their capital.

After paying our usual dividends and placing £5,000 in reduction of premises account, we carry forward to next year £73,576 12s. 10d., in place of £58,130 8s. This figure is, of course, arrived at after full provision has been made for all bad and doubtful debts, but we felt that in such times as we are passing through it was sounder policy to increase this figure instead of allocating any sum to our reserve fund or other accounts.

THE RESOLUTION.

Gentlemen, I think I have brought to your notice all the most important points, but I shall be pleased to hear any remarks you may wish to make or any questions you may like to ask. I now beg to move: "That the report and accounts for the year ended 31st October, 1930, as audited and certified by your auditors, now before the meeting, be approved and adopted: that the dividends recommended of 3 per cent. (final) on the 'A' ordinary shares and 6 per cent. for the year on the 'B' ordinary shares be approved, such dividends to be paid to shareholders on the register of members at the closing of the books on November 25th, 1930."

I ask Mr Hird to second that.

MR NORMAN L. HIRD'S SPEECH.

Mr Norman L. Hird (advisory director): Lord Churchill and gentlemen, I have much pleasure in seconding the adoption of the report and accounts, and, in doing so, I think it is only right that I should, on behalf of both classes of shareholders, congratulate the board, the management and the staff on the result that they have put before us. (Hear, hear.) The balance sheet speaks for itself; it is a very strong balance sheet and I need say nothing about it.

With regard to the profits, as Lord Churchill pointed out, there is a fall this year, but we are all quite satisfied that, although the present year may not be a very good one, the future has got a lot in store for the British Overseas Bank. Those of us who are closely connected with banking at home know what a difficult and anxious year it has been, and that anxiety is by no means lessened when you are dealing actively with countries all over the world. I think that in these circumstances we have to congratulate ourselves on the fact that the results are so good because we have got to remember that the British Overseas Bank has operated in what one might call an abnormal period.

GOVERNMENT INTERFERENCE.

It has not had the opportunities which the older banks have had or the good times which they have enjoyed and which we believe, in spite of the depression to-day, will come in the future. (Hear, hear.) Lord Churchill has spoken in a very comprehensive fashion about world economic conditions and there is really very little left for me to say. There are many causes of the present depression and it is difficult to know in what order to put them, but certainly I think we can say that the position is very much worse than it would have been otherwise, owing to Government interference in many ways and, not least of all, Government interference with the course of economic laws. That is not confined to one country; unfortunately it has been rather common all over the world.

Here at home, undoubtedly, apart from the very great problem to which Lord Churchill referred—that of the sheltered and unsheltered trades—some of our troubles are due to the excessive spending of elected bodies. I do not think it is realised always that a manufacturer does not like in the slightest degree having to reduce wages or to alter adversely the conditions of labour; he does those things because he is forced to do so and because he has got to face facts. In the same way, we feel that governing bodies, whether local or Parliamentary, should face the facts and not do what they would like to do but what they ought to do. I have very much pleasure in seconding the adoption of the report and accounts. (Applause.)

The Chairman: Gentlemen, I shall be very happy to hear any remarks which you may wish to make or any questions which you have in your minds. (A pause.) Well, then, gentlemen, I beg to put the resolution. Those in favour will kindly hold up their hands; to the contrary? Carried unanimously. I now ask Mr Hindley kindly to move the next resolution.

RE-ELECTION OF DIRECTORS.

Mr R. T. Hindley (advisory director): Lord Churchill and gentlemen, I have the honour to move the following resolution: "That the directors retiring by rotation, Sir James Caird, Bt., and Mr Dudley Ward, C.B.E., be re-elected." It is a great pleasure to do this. I know the careful attention that those gentlemen give to the work of this bank. Their ability and their experience are always at our service and I think that you and I, as shareholders of this bank, are deeply indebted to them—the directors and executive of the bank—for representing us as they do and for taking on their shoulders the burden and responsibility of guiding a company such as this in these days.

Sometimes I think that we do not quite realise what the burden and responsibility upon directors and executive bodies in industry really mean. They have to guide industry in conditions which are not within their own control. Lord Churchill has very graphically sketched out for us in his speech some of the difficulties.

The Chairman: Those in favour will kindly hold up their hands; to the contrary? Carried unanimously.

Sir James Caird: Gentlemen, I thank you.

Mr Dudley Ward: Thank you.

The Chairman: I now ask one of the shareholders to move the next resolution with regard to the auditors.

REAPPOINTMENT OF AUDITORS.

Mr C. J. Brand, J.P.: Lord Churchill and gentlemen, I beg to move: "That the retiring auditors, Messrs George A. Touche and Company and Messrs McClelland, Ker and Company, be reappointed as auditors of the company for the current year at the same remuneration, namely, a collective fee of seven hundred

and fifty pounds." Will another shareholder kindly second that?

Mr A. J. Thorogood: I shall be very pleased to second that motion, and I may add, from the point of view of the shareholders, that I do not think the audit could be in better hands. (Hear, hear.)

The Chairman: Those in favour kindly hold up their hands; to the contrary? Carried unanimously. That, gentlemen, concludes our business, and I thank you very much for coming here to-day.

VOTE OF THANKS TO THE CHAIRMAN, DIRECTORS AND STAFF.

Mr Frederic Hewson: Gentlemen, I do not think that we can leave this meeting without expressing our thanks to our chairman. We all know his great ability as chairman in other directions as well as this. There is no need for me to say anything in his praise in that direction. He does not need it, but I am sure you will all heartily agree in passing a hearty vote of thanks to him. (Applause.)

Mr Brand: I should like to second that, and to include in it the other directors, the management and the staff, who have had a very anxious time, I am quite certain, during the past year in carrying on our bank successfully, as they have done. (Applause.)

CHAIRMAN'S REPLY.

The Chairman: Well, gentlemen, I am extremely obliged to you for the very kind motion that you have just passed. As I have told you each year, I am pleased to say that we are a very happy family here, including the management and all the staff, who, I am quite sure, will agree with that statement. Where such unity and mutual trust exist I am quite certain that they always tend to the successful operation of any business, however difficult and however trying. Our board are the most loyal body of gentlemen that I have ever had the honour of presiding over—casting no aspersions on other boards. (Laughter.) They are always most kind to me, helping me in every possible way, and our old friend on my right, Mr Gairdner, is a sure rock on which I lean. Therefore I should like to ask him to say a word or two to endorse what I have said. (Applause.)

MR ARTHUR C. D. GAIRDNER'S ACKNOWLEDGMENT.

Mr Arthur C. D. Gairdner (deputy-chairman and managing director): Lord Churchill and gentlemen, the very kind words which Lord Churchill has used and the cordial way in which you have received them have never been more welcome than they are this year. I think that on most occasions when we have met—in fact, I do not feel I should be exaggerating if I said on every occasion—we have found that some country, with which we were in intimate banking relations, was in a state of upheaval and their finances were chaotic. On the present occasion we are confronted with a world-wide convulsion that is bringing about ruthless revelations of mistakes and inefficiency, and giving theory and sentiment a very rough time because of the primitive forces at work. For that reason, on behalf of my colleagues and myself, I thank you most heartily for the cordial support which we always find in you and which, as I have said, has never been more welcome than at the present moment. I thank you. (Applause.)

The proceedings then terminated

STATE OF BAHIA SOUTH-WESTERN RAILWAY COMPANY, LIMITED.

The twenty-first annual general meeting of the State of Bahia South-Western Railway Company, Ltd., was held, on the 9th instant at 8 Arthur Street, London.

Sir F. M. Crisp (the chairman), in moving the adoption of the report and accounts, said the directors regretted that the figures for the year were disappointing, showing substantial decreases in both gross earnings and net receipts; receipts from all classes of traffic being below those of last year. The cocoa crop was a slightly smaller one, the tonnage carried by the company being about 900 tons less. Earnings for the first seven months of the current year showed a decrease of £5,331, as compared with the corresponding period of last year; this was accounted for by the continued severe depression in trade, which had been accentuated by the exceptional conditions which have obtained during the past few months. The months of May, June and July, 1930, constituted one of the wettest periods on record, and unfortunately during the month of May serious floods occurred, causing considerable damage to the line and interruption of traffic.

This was followed by the unsettled political conditions in Brazil during the month of October, during which time all banks were closed and business generally was at a complete standstill.

It was expected that the formal inauguration of the extension to Itapira would take place before the end of the year.

The report and accounts were agreed to.

PENINSULAR AND ORIENTAL STEAM NAVIGATION COMPANY.

CAUSES OF SHIPPING DEPRESSIONS.

BENEFITS OF CONSERVATIVE POLICY.

LORD INCHEAPE ON TRADE AND TAXATION.

The ninetieth ordinary general meeting of Peninsular and Oriental Steam Navigation Company was held, on the 10th instant, at the offices, 122 Leadenhall Street, London. The Rt. Hon. the Earl of Inchcape, G.C.S.I., G.C.M.G., K.C.I.E. (the chairman of the company), presided.

A DIFFICULT YEAR.

The report and accounts having been taken as read, his lordship said that during a lengthy experience he had never known trade so bad. Disurbances in India, the condition in Australia, and the civil war in China, added to the severe fall in the sterling value of the dollar and tael, had seriously affected shipping.

The financial situation in Australia was causing the company and its allies grave inconvenience. They had a very large sum of money lying there which they could not get home except at a very heavy discount. Meantime the money was lodged with the banks at a fair rate of interest.

The latest figures available showed that on October 1st there were laid up 368 British ships with a total of 885,418 tons. The prospects ahead of shipping were far from bright and despite all efforts to economise there continued to be the greatest difficulty in making voyage results show anything except heavy losses.

THE DIVIDEND.

Thanks to their conservative policy extending over many years the board were able to recommend the payment of a final dividend of five per cent., making a total for the year of ten per cent. free of tax. He felt sure the stockholders would, in the altogether abnormal circumstances, support the board in recommending a reduction of two per cent. in the year's dividend.

INSURANCE AND DEPRECIATION.

The amount at the credit of their insurance fund at the end of September, 1929, was £3,000,000. This year it was £3,027,702 10s. 11d., and from this amount they had taken £27,702 10s. 11d. into profit and loss account. They had now decided to insure all their ships outside against total loss and to reduce their insurance fund to £1,000,000, applying £2,000,000 to the depreciation of the fleet.

MAIL SERVICES.

The mail services had been carried out with punctuality, the total tonnage landed and embarked at Marseilles and London being no less than 73,500 tons.

SUEZ CANAL DUES.

Continuing, his lordship said he was glad to report that the Suez Canal Company, in view of the depression in shipping, had made a reduction of twenty-five centimes gold in the canal dues, the rate as from December 1st last having been fixed at 6 Francs 65 centimes gold per ton. Since 1920 the dues had been gradually reduced by 1 Franc 85 centimes and on ships in ballast by 2 Francs 67½ centimes per ton. The canal transit has been much shortened. The removal of many of the awkward turnings has improved the navigation. The "Mantua," homeward bound, had made the canal passage two days ago in only ten hours.

THE YEAR'S TRAFFIC.

The P. & O. and its allies during the year under review had transported 2,041,943 passengers without the loss of a single life. He said this with all trepidation, but the board's first object was to see that the vessels were kept in perfect order so far as was humanly possible, regardless of expense. In this they had the loyal co-operation of their marine and superintending engineers, their dock and purser superintendents, and their captains, officers, engineers and agents everywhere, than whom it would be impossible to have a more loyal or efficient body of men. Although the number of ships in commission during some period of the past year slightly exceeded the number for the previous twelve months they had, as a result of the terrible trade depression, run three-quarters of a million less than in 1929, the cargo carried had dropped

in the same period by a million tons, the number of passengers had fallen by 50,000; the number of animals by 50,000. The average daily crew employed on board the ships had been slightly reduced, with a corresponding diminution in the cost of wages and victualling.

RUNNING OF THE FLEETS.

A year ago it had been his privilege to say that of the 322 ships owned by the P. & O. Company and its associates not one had been lost. In August last, however, the "Tahiti," of the Union Steam Ship Company of New Zealand, employed between New Zealand and San Francisco, after an accident to her propeller shaft, went down, and although she had 252 souls on board, all told, there was no loss of life, thanks to the skill and resource of Captain Toten, his officers and engineers, to the unflagging devotion of the crew, and to the discipline and good humour of the passengers; and thanks, above all, to Marchese Marconi's wireless, which brought to the "Tahiti" a ship to which everyone on board was safely transferred. After the public inquiry in New Zealand the Court pronounced the following verdict:—

"The loss of the 'Tahiti' was due to a peril of the sea which no reasonable human care or foresight could have avoided. The ship was staunch and well found. The cause of the loss was breakage of tail shaft, probably by a diagonal or scarf fracture, resulting in over-riding of end, this causing puncture of hull and injury to the base of the water-tight bulkhead. The Court awards the highest praise to all concerned, with special reference to the resource and cool accurate judgment of Master and courage and endurance of Engineers."

Of the steamers owned by the P. & O. Company and its associates, this was the only loss.

NEW TONNAGE.

They, the stockholders, might wonder why in the present condition of trade and shipping the board were building six steamers. The reason was that besides the "Razmak" they had during the last year sold five ships to be broken up. They had to look ahead. Some of their vessels were advancing in years, like himself, their chairman, and it was the policy of the board to bring forward new and up-to-date tonnage. The new ships would all have greater speed than the older vessels; oil fuel would give them greater cleanliness and expedition in bunkering; and more economic fuel consumption; and they would have less vibration. The passenger steamers were being arranged for the greater comfort of passengers, including the punkah-louvre arrangement to keep in the alleyways, the public rooms and the cabins, fresh air and equal temperature. Things change and would go on changing, but they were using their best judgment to anticipate the future. He, the speaker, went to India in May, 1874, in a P. & O. steamer from Suez, having crossed Egypt by land. She was 3,000 tons gross register, had close bulwarks, all her cabins were below, oil lamps, no electric light, no fans. He was in a first-class cabin with eight, and they had two wash basins. There was no music room, no writing room or lounge, no smoking room. A number of the cabins were off the dining saloon, the cabins shared one oil lamp with the saloon, and the carpenter came round at 10 o'clock and turned the lights out. A candle for a cabin was only provided on the doctor's order. A ship raced along at ten knots, and going down the Red Sea in the month of May was no joke.

THE ADEN-BOMBAY FERRY SERVICE.

The board had been able to dispense with the ferry service between Aden and Bombay, utilising the China or Australian steamers, with their improved speed, for the fortnightly service both ways, thus avoiding the transfer of mails and passengers at Aden, which was expensive and not very popular. This freed the "Razmak," the price of which would come into next year's accounts. He had felt some responsibility in suggesting to their friends, the Union Company of New Zealand, that they should purchase the "Razmak," and ten days after she was delivered in Auckland he had telegraphed to the Company:—

"Hope pleased 'Razmak'."

and was relieved to get their reply:—

"Very pleased 'Razmak' valuable attractive addition to our fleet."

CARE OF PASSENGERS' BAGGAGE.

Last year he had mentioned that, when he was in India a few years ago, he saw a remark in a newspaper there that passengers landing from P. & O. ships were constantly losing their baggage. A record kept for 1928-9 showed that 9,523 passengers from Europe had been landed from P. & O. steamers in Bombay and that of their 95,230 packages of baggage not one had been missing. Last year 9,400 passengers were landed, and of 94,000 packages of baggage only one has not been traced. This package was insured and the owner recovered its value.

They were greatly indebted to the Bombay Port Trust for their most efficient and expeditious arrangements at Ballard Pier for the landing and shipment of mails, passengers and baggage, and also to the Indian railway companies for facilities in connection with the landing and shipment of mails and passengers at Bombay, to say nothing of the excellent arrangements made by the Post Office there.

THE BURDEN OF TAXATION.

Turning to public affairs, Lord Inchcape said that while taxation was inevitable and all had to bear their share of the cost of the defence and administration of the country, the present expenditure was pressing very hardly on industry. Income tax and super tax and the death duties on the savings a man might leave behind him absorbed in many cases 50 per cent. of his estate.

This raid on the fruits of industry and thrift, this expropriation of capital which should remain as a source of reproductive trade and national wealth, was in itself a sufficient cause of regret. A worse aspect was that a large part of this reckless plunder, instead of being applied to intensive reduction of the national debt, was dispensed with too lavish a hand in the payment of doles. The insurance scheme on which it was proposed to base this expenditure had become bankrupt. There were now two-and-a-quarter millions unemployed people in this country, costing the taxpayers well over two million sterling a week. He was recently told of a case in which an unemployed man was offered a job at twenty-eight shillings a week. He declined it, saying, "Why should I take work for twenty-eight shillings when I am getting thirty for doing nothing?" Relief which approached too nearly to the wages line was, he said, morally and financially, a sin against the people.

THE MYTHIC CAPITALIST.

One heard it said, "Down with the capitalists," but who was to take their place? Were all industries to be killed? Was private enterprise to go? Were all the banks, factories, railways, steel works, coal mines, shipbuilding yards, shipping, shops and stores to be expropriated and run by Government officials? The whole thing was moonshine.

Meantime production costs remained at a level which increased the difficulties of our export trade. Overhead charges could not be escaped and were in many instances an accumulating burden.

One heard talk about thirty-six or forty hours' work a week being enough for anyone. Barring a holiday now and again, he, the speaker, had never been idle, even when on holiday, for the last sixty years. In common with many of his friends, he had worked on an average sixty hours a week and was none the worse for it to-day.

If he might venture to say so, the future of this country was, to a great extent, in the hands of the leaders of the trades unions. If they, the union leaders, did not realise the economic position of the country in the arena of international competition, the nation would come to grief, and they and all their members would share in the disaster.

THE BRITISH CHARACTER.

He believed that the adoption of a more wholesome policy would instantly prove that the heart of the people was sound. He did not believe for a moment that we should ever fall into the abyss of Communism or exchange our civilisation for such a condition as that which exists in Russia to-day.

The Chairman concluded by moving the adoption of the report and accounts.

The Hon. Alexander Shaw (one of the managing directors) seconded the resolution and it was carried unanimously.

The dividend recommendation was unanimously approved.

The Right Hon. the Earl of Cromer, P.C., G.C.I.E., G.C.V.O., and the Right Hon. Sir Robert S. Horne, P.C., G.B.E., M.P., were elected directors.

Mr G. A. T. Darby and Colonel Sir Robert Williams, Bart., were re-elected auditors, and the proceedings terminated with a cordial vote of thanks to the chairman, directors and staff for their continued successful management of the company's business.

NELSON FINANCIAL TRUST, LIMITED.

RESULTS OF A DIFFICULT YEAR.

The forty-seventh ordinary general meeting of the Nelson Financial Trust, Ltd., was held, on the 8th instant, at the Cannon Street Hotel, London.

Mr Harold Nelson (chairman and managing director) said that the balance sheet was the first disappointing one it had been his lot to submit to the stockholders. They had earned £70,161, as against £127,157 in 1929, and the net result showed a profit of £32,485. The £70,161 was equal to 5 per cent. net, or gross £6 8s. 6d., on the balance-sheet values of the company's assets, but they feared there was a possibility that their revenue from investments would be affected during the current year by the trade depression. The accounts disclosed that they had been up against very difficult conditions. There had been an ebbing tide of prosperity for the last two years, very much accelerated in the last six months, and that had left its mark on practically every industry.

WORLD CONSUMPTION AND PRODUCTION.

World conditions were of such a nature that no man, or group of men, or attempted rationalisation of industries, had been powerful enough to have any effect on the downward course of prices. The simple statement of fact was that world consumption at the present time was not equal to world production, and that applied to practically all commodities which were the basis of international trade. The most serious aspect of the position from their point of view was the inevitable depreciation which had affected all classes of investments. Their status was that of a finance company, and as such they were restricted from distributing revenue during the period that their book value of investments in the aggregate was in excess of the market value based on Stock Exchange quotations. The directors were of opinion, however, that a scheme could be drawn up which would enable the company to resume payment of dividends. Should it be the desire of the stockholders, the company could become a trust company, and, if that were done, dividends could be resumed, but, naturally, on a much lower basis. The board would consider how an equitable arrangement could be made with regard to ordinary and deferred stockholders.

The report and accounts were unanimously adopted.

STEAUA ROMANA (BRITISH), LIMITED.

QUESTION OF RESTRICTION.

The annual general meeting of Steaua Romana (British), Ltd., was held, on the 10th instant, at Winchester House, London.

Sir Albert G. Stern said that the main feature as regarded Roumania's production during the year was the exploitation of the lower horizon of the Meotie formation of the Moreni field, in which most of the Roumanian companies held concessions. Production from wells drilled into this sand had so surpassed expectations that in May the Steaua Romana took the lead in discussions for formulating a restriction scheme, with the object of ensuring that Roumania should produce only such quantity of oil as could be absorbed by her natural markets. In July a scheme of production quotas, in the preparation of which the Steaua Romana was not consulted, was presented by two of the leading companies to the other Roumanian producers, including the Steaua Romana.

This scheme contained certain obvious defects, but the Steaua Romana decided to accept the proposals in the hope of later additions and amendments being carried out. Unfortunately, even sooner than was expected, the situation arising under this scheme, accentuated by the fall in world prices, became rapidly untenable for the Steaua Romana, whose status and even existence were seriously menaced by the low production quota accorded under these regulations, and they saw no alternative but to give notice of termination as from December 1st. It was still hoped to formulate a new scheme which would operate in a more equitable manner and thus secure greater stability.

The production of the Steaua Romana Company for the year was 904,828 metric tons, as compared with 737,624 metric tons in the previous year, an increase of nearly 23 per cent. But for the five months ended November 30th last the production was only 308,068 metric tons, as compared with 388,752 metric tons, a decrease of 21 per cent., this reduction being, however, solely due to the restriction agreement.

The trading profits for the year had again been increased from £48,822 to £72,567, equal to about 49 per cent. increase. They proposed paying a dividend on the ordinary shares at the rate of 4 per cent. per annum, less tax, placing to general reserve £25,000, and to an income-tax equalisation account £16,222, and carrying forward a balance of £26,786.

The report was unanimously adopted.

ROAN ANTELOPE COPPER MINES, LIMITED.

EXCELLENT PROGRESS IN ALL DEPARTMENTS.

MR. A. CHESTER BEATTY'S REVIEW.

The third ordinary general meeting of Roan Antelope Copper Mines, Ltd., was held, on the 8th instant, at River Plate House, London.

Mr A. Chester Beatty, the chairman, stated that in view of the information given to shareholders at the extraordinary general meeting held in June last, and in the general manager's annual and quarterly reports issued since, it would only be necessary for him to make a brief statement bringing this information up to date. After commenting on the accounts, the chairman stated that the cash position was very satisfactory, there being approximately £1,200,000 in hand to-day.

The Chairman, continuing, said: Gentlemen, the drilling programme carried out during the year has continued to show very satisfactory results; the completion of Borehole No. R.E.12 at the end of September finished this work, and the contract with the Longyear Exploration Company has been terminated. As a result of the drilling campaign, the company's engineers in Northern Rhodesia estimated the ore reserves on October 1, 1930, at 108 million short tons, averaging 3.44 per cent. copper, of which 95 per cent. is in the form of sulphide.

The drilling concluded to date does not exhaust the possibilities of the property, for there still remain over 4,000 acres of undrilled ground under which the Roan series of ore-bearing rocks are known to exist. However, in view of the very long life assured by the present ore reserves, it is considered unnecessary to continue drilling operations for the time being.

BEATTY SHAFT COMPLETED.

The Beatty shaft, through which the entire initial mine production will be raised to the surface, has been completed at a depth of 1,000 ft., and the work in connection with the erection of the permanent headgear, winding engines and so forth is well advanced. It is estimated that 75,000 ft., or about 15 miles, of drives, raises and crosscuts are required to prepare the mine for its initial production of two million tons of ore per year. Of this estimated amount, 60,030 ft. have already been completed. During the months of September, October and November the average monthly rate of advance was just over 6,000 ft. This very satisfactory rate of progress ensures that the mine will be ready for production on the scale planned as soon as required by the plant.

I am also pleased to report excellent progress in construction. All workshops are completed and in operation. In the power plant the first 7,000 kw. turbo-generator started operating in August, and the second started in November. The coal plant, which will furnish pulverised fuel for both the power plant and smelter, is also in operation. The erection of the coarse crushing plant, the fine crushing plant, and the concentrator, is well advanced, and construction work on the smelter is well under way.

In order to give shareholders an idea of the progress of the plant construction, we have issued reproductions of six photographs with the directors' report. At the meeting in June last, it was stated that production was expected to commence in the autumn of 1931. Since that statement was made, such excellent progress has been made in all departments that there is every probability that operations will commence at an earlier date.

NO MORE LABOUR SHORTAGE.

During the year a Central Native Labour Association was formed to serve the rapidly-growing needs of the Northern Rhodesian copper mines. Within a very few months after the formation of this association, labour shortage practically disappeared. In view of the valuable work which has been done in regard to the efficient utilisation of native labour, we do not foresee any difficulty in obtaining sufficient native workers for all the needs of the copper industry in Northern Rhodesia.

COPPER POSITION.

With reference to the copper position, I can scarcely do better than repeat what I said at the meeting of Rhodesian Selection Trust, Ltd., on October 2nd last:—

"It is certain that over a period of years we may look forward with the greatest confidence to the normal increase in copper consumption. Over 60 per cent. of the world's copper is used in the electrical industry, and the whole world to-day is increasing its consumption of electrical energy very rapidly. In the United States, where there has been a huge expansion in the quantity of electricity consumed during the last 20 years, we find that the copper consumed per capita has increased as follows:—

"In 1912, with a population of 95 millions, there was a consumption of 8.66 pounds per person, while in 1928, with a population of 119 millions, the consumption per person was 16.49 lbs.

"In Great Britain in 1912, with a population of 45 millions, the consumption was 6.98 lbs. per person, and in 1928, with a population of 46 millions, it was 7.89 lbs. per person.

"This condition holds similarly for France and Germany, where there has been a slight increase in this particular period. However, the electrical industry is expanding rapidly in these countries to-day, and with this expansion must come an increase in the consumption of copper.

ANNUAL CONSUMPTION INCREASE.

"For the past fifty years there has been an increase of 6 per cent. per annum in the world's copper consumption. If we use this figure, we find that by 1940 the world should be consuming three million tons of copper per annum, which would mean that there is only enough copper ore proved in the world to-day to take care of the world's requirements for about twenty years. There may be times in the next ten years when too much copper will be produced, but the average consumption during that period should be sufficient to give a fair average price, and I am sure that we can look forward with great confidence to the future of Northern Rhodesia, and that there is no cause for alarm because of the present low prices."

In concluding my remarks, I should like briefly to summarise the present position of the company. We are now within measurable distance of completion of the first construction and development stage of this great mine, and I feel that the foundation for a long and prosperous life has been truly laid. The highest technical skill available has been brought to bear on every important phase of the work, from the proving of the ore by drill holes to the working out of the mining method and the designing and arrangement of the concentrating plant and smelter. In this connection, I especially wish to express our indebtedness to the American Metal Company, who have put at our disposal from the start their highly skilled and experienced staff, and also their works at Chrome, New Jersey, where a large amount of invaluable research and experimental work has been carried out.

I am confident that when the mine is in full production, our original estimate of cost of producing copper will prove to be a conservative one, and our actual costs will compare very favourably with those of any of the large low-cost producers of the world.

EXPANSION FORECAST.

Looking farther ahead, when an expansion in our operations becomes warranted—and I think this will be at no very distant date, because I believe there will be a great demand for copper in the future—there should be an even further lowering of costs.

It must be difficult for shareholders to realise the vastness of this undertaking, and I would ask you to visualise the enormous work and enterprise involved in the opening of this mine. I want particularly to stress the magnificent work which has been accomplished by the general manager, Mr D. D. Irwin, and all those concerned in the construction and underground work. The loyalty and energy which have been displayed call for our highest praise, and I am sure that shareholders will desire me to convey to the staff our warmest appreciation of their fine work. (Applause.)

In conclusion, I should like to draw your attention to certain facts. Eighteen months ago there was the greatest spirit of optimism abroad, copper was selling at the very high price of 18 cents, that is about £83 per ton, and all news was good news.

Now we are in the midst of a world depression and pessimism is rampant, and all news is bad news. Just as the previous point of view was a wrong one, so also is the present one. There is no doubt about the recovery coming, although it may be slow.

CAUSE FOR CONFIDENCE.

As shareholders in this company we must not forget that for many reasons, of which the following are the chief, we have every cause for confidence in the present position and prospects of our enterprise:—

- (1) We are in a strong cash position.
- (2) We have one of the great copper mines of the world.
- (3) We have enormous ore reserves easily and cheaply worked that present no metallurgical difficulties.
- (4) We shall produce copper at a cost which even at the present low prices prevailing should show good profits.
- (5) We have one of the finest and most up-to-date plants in the world, and,

Lastly, our property is situated in a British Colony in a healthy country with an ample supply of good labour. From all the facts we have before us, I think you will agree that without undue optimism we have very sure grounds for looking forward to a prosperous future for our enterprise. (Applause.)

The report and accounts were unanimously adopted, the retiring directors and auditors were re-elected, and the meeting closed with a vote of thanks to the chairman, directors and staff.

LUIPAARDS VLEI ESTATE AND GOLD MINING COMPANY, LIMITED.

FORTHCOMING ISSUE.

The ordinary general meeting of the Luipaards Vlei Estate and Gold Mining Company, Ltd., was held, on the 9th instant, at Winchester House, Old Broad Street, London.

Mr E. Turk (chairman of the company), who presided, said: The accounts show a profit of £37,033, making the total credit on profit and loss account £83,533. Our profits have been used for the enlargement of our treatment plant and the reorganisation of our underground operations. We have therefore transferred the sum of £75,000 to a general reserve account, and carry forward the sum of £8,533.

At the last general meeting I said that the beginning of 1930 would be a landmark in the history of the company. This prediction has been fulfilled, and I may say at once that, provided nothing untoward happens, we can to-day anticipate with confidence that the work that has been done within the last twelve months will bear fruit in 1931 in increasing outputs and profits. The success of the new system is illustrated by the fact that during the period September-October-November of this year we have been able to send to the mill nearly 93,000 tons of ore, compared with 68,600 tons during the corresponding three months of last year. Working costs have been brought down in two years by more than 2s. per ton, and we hope that a further reduction will be possible when we crush regularly still larger quantities of ore.

At the last two meetings we have explained that our programme of expansion was being financed from two sources, viz., first, from profits reinvested in the property, and, secondly, from advances obtained from our friends, the H.E. Proprietary (New), Ltd., group. It is obvious that neither of these two methods of financing can or should continue indefinitely. It is these considerations that have actuated the board in creating £150,000 7 per cent. notes, of which £100,000 will be offered to shareholders for subscription after the turn of the year. The proceeds will be sufficient to liquidate our indebtedness and to provide the money for the completion of our present capital programme. It will leave us with £50,000 notes in hand for future issue should this be required. In this way profits will become free for distribution. The notes will be convertible into shares for three years on the basis of 4s. per share, and, if our expectations regarding the future of the property are realised, the conversion rights should prove of value to holders.

The report was adopted.

BRITISH BURMAH PETROLEUM COMPANY, LIMITED.

Presiding at the meeting of the British Burmah Petroleum Company, Ltd., held on the 9th instant, at the Cannon Street Hotel, Cannon Street, London, the Hon. Lionel Holland (chairman), in moving the adoption of the report and accounts, said that when they met last December he felt justified in predicting that the results of the then current year's trading—the results they were now reviewing—would not be less satisfactory than those that were on that occasion under consideration. This forecast would have been amply fulfilled had it not been for two more recent developments that he did not foresee. Thanks to the effects of economies and process improvements and adaptations at their refinery—and in spite of lower average prices for kerosene and benzene, and a still further restricted throughput—their net revenue from the completed sales of products exceeded the sales revenue for the previous year. It was assisted during the earlier months of the financial year by a rise in the selling price of wax, which helped to offset the low price of other products, and a diminished throughput at the refinery. But this advantage failed them before the close of the financial year. The price of wax had fallen in harmony with the depressed values that prevail in all departments of the industry. This recent marked fall in prices had materially affected their revenue and profit and loss accounts, involving the stocks of refined products at the refinery, or in transit, or in the course of being marketed, being written down to their reduced current values. A gratifying and the outstanding feature of the year's work was the maintenance of their sales revenue in spite of the reduced deliveries of crude oil to the refinery and its restricted throughput. This result was largely due to the continuous economies effected at the refinery, especially in the cost of fuel.

The report was unanimously adopted.

Orders for the publication in these columns of the reports of Company Meetings should be addressed to the Reporting Manager of THE ECONOMIST, 8, Bouverie Street, Fleet Street, London, E.C.4.

Government Returns, &c.

NATIONAL ACCOUNTS.

As is shown from the Treasury Return printed below, the total ordinary revenue for the week ended Dec. 6, 1930, amounted to £10,203,100, against ordinary expenditure of £56,485,000. After allocating £632,500 to the Sinking Fund, and having allowed for an increase in Exchequer Balances of £361,100, the week's operations, as shown below, increased the National Debt by £46,553,000 to £7,734,584,000:—

(000's omitted.)

Bank of England Advances.....	+ 16,250	Road Fund	— 490
Public Dep. Advances.....	+ 6,750		
Treasury Bills	+ 18,581		
National Savings Certificates..	+ 300		
4% Treasury Bonds	+ 5,150		
Sundries	+ 12		
	+ 47,043		— 490

A complete analysis of the National Debt at the end of last quarter was printed in the *Economist* of October 4.

REVENUE.	Estimate for the year 1930-31.	Total Receipts into the Exchequer.				
		April 1, 1930, to Dec. 6, 1930.	April 1, 1929, to Dec. 7, 1929.	Week ended Dec. 6, 1930.	Week ended Dec. 7, 1929.	
ORDINARY REVENUE.	£	£	£	£	£	
Inland Revenue—						
Income Tax	260,000,000	75,441,000	71,338,000	1,282,000	1,245,000	
Sur-tax, including Arrears of Super-Tax	64,500,000	16,280,000	13,820,000	310,000	240,000	
Estate, &c., Duties	83,000,000	55,750,000	54,240,000	1,210,000	1,580,000	
Stamps	27,000,000	10,930,000	15,430,000	320,000	280,000	
Excess Profits Duty and Corporation Profits Tax	1,700,000	...	10,000	...	...	
Land Tax and Mineral Rights Duty	800,000	160,000	170,000	...	...	
Total Inland Revenue ...	437,000,000	158,561,000	155,008,000	3,122,000	3,345,000	
Customs and Excise—						
Customs	122,710,000	83,179,000	84,205,000	2,494,000	2,571,000	
Excise	129,860,000	85,900,000	88,600,000	1,700,000	1,700,000	
Total Customs and Excise	252,570,000	169,079,000	172,805,000	4,194,000	4,271,000	
Motor Vehicle Duties (Exchequer Share)	4,950,000	1,679,041	1,760,824	Dr. 74,257	23,000	
Post Office (Net Receipts).....	10,125,000	9,450,000	8,750,000	550,000	300,000	
Crown Lands	1,300,000	1,010,000	980,000	...	...	
Receipts from Sundry Loans	33,000,000	24,857,869	22,970,343	1,882,725	1,827,845	
Miscellaneous Receipts	34,500,000	20,546,466	21,607,831	524,657	174,098	
Appropriation from Rating Relief Suspense Account ...	16,000,000	16,000,000	...	...	...	
Total Ordinary Revenue	789,445,000	401,183,376	383,881,998	10,203,125	9,940,943	
SELF-BALANCING REVENUE.						
Post Office	60,275,000	38,250,000	38,550,000	750,000	1,000,000	
Motor Vehicle Duties apportioned to Road Fund	23,560,000	8,784,959	8,247,176	70,257	119,000	
Total Self-Balancing Revenue	83,835,000	47,034,959	46,797,176	820,257	1,119,000	
Total		448,218,335	430,679,174	11,023,382	11,059,943	

EXPENDITURE.	Estimate for the year 1930-31 (Including Supplementary Grants).	Total Issues out of the Exchequer to meet payments.				
		April 1, 1930, to Dec. 6, 1930.	April 1, 1929, to Dec. 7, 1929.	Week ended Dec. 6, 1930.	Week ended Dec. 7, 1929.	
ORDINARY EXPENDITURE.	£	£	£	£	£	
Interest and Management of National Debt	504,600,000	234,608,246	251,442,811	48,153,577	50,992,977	
Payments to Northern Ireland Exchequer	6,000,000	3,709,611	3,198,887	202,464	178,571	
Payments to Local Taxation Accounts	3,300,000	1,752,604	{ 7,031,026 2,221,973 }	170,001	...	
Other Consolidated Fund Services	418,933,000	284,541,467	238,377,128	7,959,000	7,493,000	
Supply Services (excluding Post Office)						
Total Ordinary Expenditure	732,833,000	524,611,928	502,271,825	56,485,042	58,664,548	
Sinking Fund.....	55,400,000	29,839,113	28,310,346	632,514	630,547	
SELF-BALANCING EXPENDITURE.						
Post Office	60,275,000	38,250,000	38,550,000	750,000	1,000,000	
Road Fund.....	23,560,000	8,784,959	8,247,176	70,257	119,000	
Total Self-Balancing Expenditure	83,835,000	47,034,959	46,797,176	820,257	1,119,000	
Total		601,486,000	577,379,347	57,937,813	60,414,095	

The aggregate revenue and expenditure to Dec. 6, 1930, is shown below:—

FINANCIAL YEAR, 1930-31, APRIL 1ST TO DECEMBER 6TH.

(000's omitted.)

Expenditure	524,611	Revenue	401,183
Sinking Fund.....	29,839	Decreases in balances	3,556
		Net Amount borrowed	149,611
	554,450		554,450

POSITION OF THE FLOATING DEBT.

Ways and Means Advances Outstanding—	Dec. 7, '29.	Mar. 31, '30.	Dec. 6, '30.	Movement week ended Dec. 6, '30.
Advances by Bank of England	£	£	£	£
Advances by Public Departments	32,080,000	48,530,000	31,100,000	+ 6,750,000
Treasury Bills outstanding	809,640,000	588,885,000	700,295,000*	+ 18,595,000
Total Floating Debt	841,720,000	637,415,000	747,645,000	+ 41,595,000

* Includes £21,000 the proceeds of which were not carried to the Exchequer within the period of the account.

TREASURY BILLS BY PUBLIC TENDER.

Tenders for £45,000,000 in Treasury Bills were opened on December 5, 1930, and the total amount applied for was £51,030,000. Tenders were accepted for bills at three months, dated Monday, at £99 9s. 2d., and Tuesday to Saturday at £99 9s. 6d., about 95 per cent., and above in full. The amount allotted was £45,000,000.

Date.	Amount Offered.	Amount Applied For.	Treasury Bills at 3 Months. Average Rate.
1930.			
Nov. 14	40,000,000	54,175,000	2 4 0-37
Nov. 21	45,000,000	61,620,000	2 3 2-31
Nov. 28	45,000,000	55,810,000	2 2 11-12
Dec. 5	45,000,000	51,030,000	2 4 3-25

The Bankers' Gazette.

BANK OF ENGLAND.

Return for Week ended Wednesday, December 10, 1930.

ISSUE DEPARTMENT.

Notes Issued—	£	Government Debt	£
In Circulation	364,473,686	Other Government Securities	233,042,812
In Banking Department	47,123,861	Other Securities	11,477,370
		Silver Coin	4,464,718
		Amount of Fiduciary Issue	260,000,000
		Gold Coin and Bullion	151,597,547
			£411,597,547

BANKING DEPARTMENT.

Proprietors' Capital	£	Government Securities	£
Reserve	14,553,000	Other Securities	54,291,247
Public Deposits	3,326,719	Discounts and Advances	22,191,289
Other Deposits	5,891,396	Securities	27,102,711
Bankers'	£72,112,383	Notes	47,123,861
Other Accounts	33,483,456	Gold and Silver Coin	851,229
7-Day and other Bills	105,595,839		
	2,094		
	£129,369,048		£129,369,048

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

Both Departments.	Amount, Dec. 10, 1930.	Inc. or Dec. on Last Week.	Inc. or Dec. on Last Year.
Note circulation	364,473,686	+ 5,254,993	— 684,402
Public deposits	5,891,396	— 1,951,843	— 2,968,124
Bankers' deposits	72,112,383	— 9,745,858	+ 14,039,821
Other deposits	33,483,456	— 743,816	— 2,915,539
Seven-day bills	2,094	+ 350	— 167
Total, outside liabilities	475,963,015	+ 7,186,194	+ 7,471,529
Capital and reserve	17,873,719	+ 34,795	— 24,787
Government debt and securities	238,349,159	— 4,674,933	— 6,548,476
Discounts and advances	4,911,422	+ 305,160	— 3,916,183
Other securities	33,668,695	+ 400,566	+ 3,255,941
Silver coin in issue department	4,464,718	— 174	— 358,898
Coin and bullion (bank's reserve)	152,446,776	— 3,182,018	+ 15,014,358
Reserve of notes and coin in banking department	47,975,090	— 8,437,011	+ 15,698,760
Proportion of reserve to outside liabilities			
(a) Banking department only ("proportion")	43%	— 2%	+ 11%
(b) Gold stocks to deposits and notes ("reserve ratio")	32 1/2%	— 1%	+ 2 1/2%

(000's omitted.)

Date.	Issue Department.	Circulation.	Notes Issued.	Banking Department.	Public Deposits.	Bankers' Deposits.	Other Deposits.	Gold in or out of Bank.	Ratio.
1930.									
Oct. 22	418,942	354,528	27,933	55,505	34,099	1,114 in	3		
Nov. 5	419,504	355,626	20,970	55,694	35,002	553 in	3		
Nov. 12	420,373	356,464	19,377	55,533	34,515	865 in	3		
Nov. 19	418,920	355,381	16,979	60,321	33,150	1,457 out	3		
Nov. 26	417,913	353,740	17,780	59,461	32,983	1,018 out	3		
Dec. 3	416,569	351,125	18,859	59,901	35,813	1,366 out	3		
Dec. 10	414,649	359,219	7,843	81,858	34,227	1,922 out	3		
Dec. 13	411,598	364,474	5,891	72,112	33,483	3,054 out	3		

(000's omitted.)

Date.	Govt. Debt and Securities.	Other Securities.	Gold Coin and Bullion and Reserve Ratio.	Govt. Securities.	Discounts & Advances.	Other Securities.	Reserve & the "Proportion."
1930.							
Oct. 22	243,908	11,627	160,126	34,361	4,797	22,969	65,598
Nov. 5	243,908	11,627	160,667	34,361	4,249	22,367	65,041
Nov. 12	243,907	11,627	161,542	34,361	4,459	22,487	65,079
Nov. 19	244,061	11,477	160,081	34,361	36,726	22,449	64,700
Nov. 26	244,061	11,476	158,966	34,361	33,431	24,864	65,225
Dec. 3	244,056	11,477	157,573	34,361	34,996	22,336	66,448
Dec. 10	244,058	11,477	156,631	32,983	34,966	22,791	66,412
Dec. 13	244,058	11,477	152,449	32,983	34,291	22,191	47,975

BANKERS' CLEARING RETURNS (000's omitted.)

	Town.	Metropolitan.	Country.	Total.
1930.				
January 1 to November 26	£ 35,607,068	£ 1,649,178	£ 2,704,103	£ 39,960,349
Week ended December 3	750,564	35,606	52,427	838,597
Week ended December 10	616,853	35,527	62,835	715,215
Total to date, 1930	36,974,485	1,720,311	2,819,365	41,514,161
Total to date, 1929	37,984,752	1,790,104	2,332,568	42,707,424
Increase or decrease in 1930	-1,010,267	-69,793	-513,203	-1,913,263
	-2.7%	-3.9%	-21.9%	-4.5%
Total for year, 1929	39,935,924	1,881,789	3,078,764	44,896,477
Do, 1928	39,311,117	1,854,190	3,039,422	44,204,729
Increase or decrease in 1929	+ 624,807	+ 27,599	+ 39,342	+ 691,751
	+ 1.6%	+ 1.5%	+ 1.3%	+ 1.6%

PROVINCIAL CLEARING RETURNS.

(000's omitted).

	Week ended Dec. 6.		Month of November.			Aggregate Weekly Totals Jan. 1 to Dec. 6.	
	1929.	1930.	1929.	1930.	Inc. or Dec.	1929.	1930.
Number of working days	£	£	26 £	25 £		£	£
BIRMINGHAM	3,619	3,403	10,960	9,662	-11.8	125,293	115,587
BRADFORD	1,074	820	5,126	3,205	-37.4	56,040	40,871
BURTON	1,301	1,150	5,020	4,520	-9.9	55,756	52,560
DUBLIN	5,493	5,633	735	557	18.2	234,628	235,065
HULL	843	735	3,700	3,000	-18.9	41,301	37,994
LEEDS	1,008	970	3,326	3,558	+15.8	47,786	44,007
LIVERPOOL	840	800	3,326	2,898	-12.8	38,345	33,777
LIVERPOOL	8,311	6,665	33,709	25,978	-22.9	337,778	266,697
MANCHESTER	14,698	11,290	53,170	40,016	-24.7	481,911	398,697
NEWCASTLE	1,714	1,330	7,017	5,972	-14.8	609,727	501,622
NOTTINGHAM	763	730	2,618	2,296	-12.2	72,909	67,211
SHEFFIELD	1,429	1,047	4,084	3,343	-18.1	50,396	28,255
						48,776	42,424
Total	41,093	34,573	133,076	104,548	-21.4	1,842,868	1,498,333

OVERSEAS BANK RETURNS.

NOTE.—The latest Return of the Bank of Egypt appeared in the *Economist* of November 15; Romania in November 22; Canada and Java in November 23; Netherlands, Norway, Bulgaria, Danzig and Japan in December 6.

BANK FOR INTERNATIONAL SETTLEMENTS.

(In Millions of Swiss Francs.)

	Aug. 31, 1930.	Sept. 30, 1930.	Oct. 31, 1930.	Nov. 30, 1930.
ASSETS.				
Cash	3.3	5.6	4.6	4.5
Bills and acceptances	107.6	68.9	28.9	71.4
Commercial bills	152.5	203.7	225.0	239.9
Treasury bills	84.5	100.8	165.5	171.8
Time funds				
Not exceeding 3 months	541.7	946.8	999.1	1,050.8
Between 3 and 6 months	441.0	154.0	156.8	134.4
Between 6 and 9 months	75.6	25.2	...	...
Sundry investments				
Maturing within 2 years	150.4	185.8	190.8	190.5
Over 2 years	1.5	1.0	1.0	0.5
Other assets	5.5	8.7	11.3	13.6
Capital paid up	102.5	102.5	102.5	102.5
Special deposits				
Annuity trust account	154.5	154.3	154.5	154.5
German Government deposit fund	76.5	79.9	80.0	80.0
French Government guarantee fund	68.3	68.7	68.7	68.7
Time deposits of Central Banks				
Between 3 and 6 months	129.1	193.2	103.6	15.6
For their own account	393.9	39.2	0.1	...
Not exceeding 3 months				
For their own account	262.4	268.9	361.6	481.8
For account of others	142.2	582.6	697.0	665.0
Other deposits	6.3	...	...	...
Sight deposits of Central Banks				
For their own account	74.5	72.5	74.8	99.7
For account of others	146.4	128.0	128.4	193.2
Other deposits	...	0.1	0.1	0.1
Undistributed proceeds of Reparations Loan	...	...	...	...
Miscellaneous items	7.6	10.5	12.7	15.0

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

	Dec. 12, 1929.	Nov. 20, 1930.	Nov. 27, 1930.	Dec. 4, 1930.	Dec. 11, 1930.
RESOURCES.					
Total gold reserve	2,964,150	3,040,980	3,024,970	3,007,490	3,005,020
Total bills discounted	768,920	205,040	233,850	250,930	257,100
Bills bought in open market	321,840	178,270	176,110	218,940	243,700
Total U.S. Govt. securities	386,930	595,770	595,630	602,190	617,000
Total bills and securities	1,491,300	985,380	1,011,940	1,078,410	1,117,900
Total resources	5,433,320	4,959,010	4,867,450	4,953,740	4,942,240
LIABILITIES.					
Federal Reserve notes in actual circulation	1,918,310	1,383,600	1,421,870	1,450,900	1,475,740
Deposits—Memberbank—reserve account	2,396,980	2,448,750	2,409,930	2,423,930	2,447,520
Total deposits	2,425,690	2,514,190	2,463,410	2,492,270	2,489,750
Capital paid in and surplus	422,750	447,390	447,400	447,530	447,240
Total liabilities	5,433,320	4,959,010	4,867,450	4,953,740	4,942,240
Ratio of total reserves to deposits and Federal Reserve note liabilities combined	71.6%	81.9%	81.4%	79.8%	79.2%

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

	Dec. 12, 1929.	Nov. 20, 1930.	Nov. 27, 1930.	Dec. 4, 1930.	Dec. 11, 1930.
RESOURCES.					
Total gold reserves	155,280	31,550	38,200	46,960	60,770
Total bills discounted	145,180	45,900	48,210	68,670	76,240
Bills bought in open market	184,840	185,440	187,370	192,370	203,500
Total bills and securities	492,390	267,140	278,040	312,250	340,700
Deposits—Memberbank—reserve account	1,012,400	1,035,840	1,033,200	1,013,240	1,047,880
Ratio of total res. to dep. and Federal Res. note liabilities combined	69.2%	87.5%	86.8%	83.4%	82.7%

SOUTH AFRICAN RESERVE BANK.—In £'s (000's omitted.)

	Nov. 15, 1929.	Oct. 17, 1930.	Oct. 24, 1930.	Oct. 31, 1930.	Nov. 7, 1930.	Nov. 14, 1930.
ASSETS.						
Gold coin and bullion	7,850	6,798	7,046	6,953	6,532	6,804
Subsidiary coin	195	192	198	192	196	203
Bills discounted	7,762	7,092	7,561	7,341	6,676	6,677
Investments	850	1,403	1,329	1,272	659	1,498
LIABILITIES.						
Capital	1,000	1,000	1,000	1,000	1,000	1,000
Reserve	600	720	720	720	720	720
Notes in circulation	8,123	7,141	6,907	8,535	7,783	7,195
Government deposits	2,096	2,137	2,492	2,102	1,587	2,495
Bankers' deposits	4,728	4,639	4,664	4,908	4,481	4,627
Ratio of cash reserves to liabilities to public	51.9%	49.2%	49.9%	46.4%	47.6%	47.6%

IMPERIAL BANK OF INDIA.—In rupees (000's omitted.)

	Nov. 15, 1929.	Oct. 17, 1930.	Oct. 24, 1930.	Oct. 31, 1930.	Nov. 7, 1930.	Nov. 14, 1930.
ASSETS.						
Total securities	32,982.23	25,207.87	26,741.15	28,222.21	28,643.34	28,819.93
Loans	16,833.37	16,833.37	16,833.37	16,30 24	16,220.05	15,865.75
Land	21,89.43	27,08.40	26,48 35	26,89.41	26,98.12	26,88.99
Inland bills	4,444.44	1,609.00	1,712.25	1,693.38	1,592.77	1,644.99
Foreign bills	29.96	29.15	34.87	39.19	36.23	37.18
Dead stock	2,846.65	2,78.39	2,78.19	2,78.67	2,78.64	2,78.90
Bal. with other banks	9.37	13.66	27.28	18.29	19.25	13.56
Cash	25,14.04	26.86.37	26,78.70	26.65 02	24,44.82	24,48.65
LIABILITIES.						
Capital paid up	5,62.50	5,62.50	5,62.50	5,62.50	5,62.50	5,62.50
Reserve	5,27.50	5,37.50	5,37.50	5,37.50	5,37.50	5,37.50
Total deposits	85,55.84	86,52.78	89,79.98	91,30.41	89,61.43	89,943.44
The above includes—						
Deposits in London	£ 985	£ 6,815	£ 6,882	£ 6,825	£ 6,927	£ 6,796
Advances in London	1,019	7,359	7,203	6,992	6,840	6,743
Cash, &c., at other	71	104	208	136	144	103

MONTHLY STATEMENT OF LONDON CLEARING BANKS.

(000's omitted.)

	Barclays Bank, Limited.	Coutts and Co.	Glyn, Mills and Co.	Lloyds Bank, Limited.	Martins Bank, Limited.	Midland Bank, Limited.	National Bank, Limited.	National Provincial Bank, Limited.	Westminster Bank, Limited.	Williams Deacons Bank, Limited.	Aggregate.
Average Weekly Balances. NOVEMBER, 1930.											
ASSETS.											
Coin, bank and currency notes and balances with the Bank of England	34,623	1,584	3,912	37,298	8,061	41,875	3,118	29,255	28,956	3,255	191,937
Balances with and cheques in course of collection on other banks in the United Kingdom	9,034	621	1,654	7,957	2,085	9,235	147	7,220	7,276	911	46,140
Items in transit	...	...	...	2,286	745	...	...	...	...	...	3,031
Money at call and short notice	23,830	2,298	6,642	29,732	7,105	22,025	3,776	16,359	24,637	2,450	138,854
Bills discounted	59,121	1,556	1,589	50,958	6,743	82,637	1,904	52,043	52,637	2,246	311,434
Investments	55,956	3,765	7,383	51,312	18,392	33,336	15,270	35,730	50,733	7,977	279,854
Advances to customers and other accounts	171,004	10,328	16,606	183,061	38,401	207,203	16,719	146,777	129,306	16,012	935,417
Liabilities of customers for acceptances, endorsements, &c.	14,113	524	2,664	40,657	5,909	23,946	11	9,498	18,376	632	116,330
Bank premises account	6,188	372	695	7,473	2,502	10,544	801	6,641	990	990	41,576
Investments in affiliated banks...	7,124	...	...	6,687	...	7,122	...	2,514	2,992	...	26,439
	380,993	21,048	41,145	417,421	89,943	437,923	41,746	306,037	320,283	34,473	2,091,012
Ratio of cash to current, deposit and other accounts	10.16	8.55	10.66	10.62	10.55	10.86	8.32	10.53	10.22	10.51	10.44
LIABILITIES.											
Capital paid up	15,858	1,000	1,060	15,810	4,160	14,248	1,500	9,479	9,320	1,875	74,310
Reserve fund	10,250	1,000	530	10,000	3,508	14,248	1,465	9,479	9,320	1,000	60,800
Current, deposit and other accounts	340,772	18,524	36,672	350,949	76,349	385,481	37,448	277,581	283,252	30,966	1,837,994
Acceptances, endorsements, &c.	14,113	524	2,664	40,657	5,909	23,946	11	9,498	18,376	632	116,330
Notes in circulation	...	...	...	5	17	...	...	...	15	...	1,359
Reduction of bank premises account	...	...	219	...	...	...	...	...	...	...	219
	380,993	21,048	41,145	417,421	89,943	437,923	41,746	306,037	320,283	34,473	2,091,012

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

	Nov. 30, 1929.	Nov. 7, 1930.	Nov. 15, 1930.	Nov. 23, 1930.	Nov. 30, 1930.
ASSETS.					
Gold	635,930	526,405	526,829	527,445	527,880
Gold exchange	4,549,212	3,442,501	3,373,389	3,360,093	3,339,789
Other foreign exchange	1,894	40,025	41,016	3,317	2,944
Bills discounted	109,211	143,430	141,204	138,178	141,656
Advances	160,355	173,814	169,345	173,084	173,489
Debt to the State	3,596,491	3,588,763	3,588,763	3,588,763	3,588,763
LIABILITIES.					
Capital paid up	400,000	400,000	400,000	400,000	400,000
Notes in circulation	5,173,184	4,971,635	4,840,971	4,897,782	4,760,615
Deposits and current accounts	1,635,450	1,704,293	1,749,035	1,782,766	1,823,120
Foreign exchange liabilities	1,885,223	673,729	662,157	668,661	676,817

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

	Nov. 30, 1929.	Oct. 31, 1930.	Nov. 10, 1930.	Nov. 20, 1930.	Nov. 30, 1930.
ASSETS.					
Gold	682,519	561,982	562,000	562,034	562,071
Of which held abroad	161,726	77,396	77,396	77,396	77,396
Foreign currencies	516,933	434,336	426,934	424,599	426,510
Bills discounted	721,017	710,705	686,266	686,802	690,890
Loans against securities	79,262	86,126	85,982	87,091	85,034
Reserve fund securities	74,721	86,401	86,396	86,396	86,396
Liability of the Treasury	25,000	...	...	...	...
LIABILITIES.					
Share capital	150,000	150,000	150,000	150,000	150,000
Reserve fund	100,000	110,000	110,000	110,000	110,000
Notes in circulation	1,366,123	1,408,440	1,311,831	1,251,287	1,332,494
Current accounts	414,247	206,168	259,755	291,256	232,579
Government accounts	75,000	...	...	...	...

* As from October 13, 1927, 8-91 zlotys equals 1 U.S. dollar.

RUSSIAN STATE BANK.—Note-Issuing Department.

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

	Dec. 1, 1929.	Oct. 16, 1930.	Nov. 1, 1930.	Nov. 16, 1930.	Dec. 1, 1930.
ASSETS.					
Gold in coin and bullion	27,643	48,349	48,389	48,372	47,407
Other precious metals	3,690	2,423	2,431	2,464	2,472
Foreign currency	8,405	4,564	4,461	4,736	4,188
Drafts in foreign currency	287	288	284	284	284
Collateral for short term loans	117,974	158,336	155,435	152,144	153,649
LIABILITIES.					
Bank notes transferred to State Bank	157,540	213,216	210,514	206,983	208,012
Balance to which notes may still be issued	460	784	486	1,017	988

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

	Position, May 30, 1914.	Nov. 30, 1929.	Nov. 15, 1930.	Nov. 22, 1930.	Nov. 29, 1930.
ASSETS.					
Gold	35,091	302,814	302,376	302,213	302,048
Balance abroad and foreign bills	90,379	623,716	1,121,868	1,041,336	1,025,265
Finland and Foreign Government securities	...	346,572	379,822	380,135	380,071
Discounts and loans	105,151	1,432,283	828,381	878,139	868,961
LIABILITIES.					
Notes in circulation	123,941	1,346,641	1,265,414	1,220,168	1,262,697
Deposits at notice	21,225	181,627	347,823	268,996	181,714

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

	Nov. 30, 1929.	Nov. 7, 1930.	Nov. 15, 1930.	Nov. 23, 1930.	Nov. 30, 1930.
ASSETS.					
Gold coin and bullion	6,373	6,552	6,552	6,540	6,541
Net foreign exchange	18,932	17,761	17,772	17,428	18,730
Subsidiary Estonian coin	441	1,579	1,653	1,505	1,611
Home bills discounted	15,205	13,893	14,155	13,904	13,905
Loans and advances	13,124	11,589	11,571	11,866	12,898*
LIABILITIES.					
Notes in circulation	35,159	32,600	32,240	34,447	33,452
Sight deposits and current accounts	15,125	15,189	16,202	14,090	15,199
Ratio of reserve to current liabilities	50.32%	50.94%	50.21%	49.38%	47.83%

* Includes Ekr. 6,027,806.24 guaranteed by the Government.

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

	Dec. 4, 1929.	Nov. 5, 1930.	Nov. 12, 1930.	Nov. 19, 1930.	Nov. 26, 1930.	Dec. 3, 1930.
ASSETS.						
Gold bullion and coins	23,915	24,062	24,061	24,061	24,061	24,064
Silver coin	3,932	6,024	6,160	6,250	6,172	6,157
Treasury notes and am. change	47,127	41,050	40,011	39,294	38,595	36,727
Short term bills	10,483	9,737	10,587	12,016	11,286	11,748
Special reserve	94,346	87,325	86,764	86,962	87,210	88,214
Loans against securities	56,477	61,191	61,450	61,389	61,339	62,186
Other assets	20,836	17,994	18,351	18,126	18,124	16,167
LIABILITIES.						
Notes in circulation	48,560	50,651	49,216	48,393	49,647	49,184
Capital paid up	17,010	18,735	18,735	18,735	18,735	18,735
Reserve	3,662	4,452	4,352	4,352	4,352	4,352
Special reserve	2,500	3,500	3,500	3,500	3,500	3,500
Deposits	14,527	19,538	19,575	19,644	19,702	19,781
Current accounts	60,772	62,440	53,527	54,068	53,936	55,372
Government accounts	92,905	81,661	87,745	87,411	85,033	85,470
Other liabilities	17,179	10,509	10,734	11,995	11,882	10,869

BANK OF LITHUANIA.—In lt. (000's omitted).

	Nov. 30, 1929.	Sept. 30, 1930.	Oct. 15, 1930.	Oct. 31, 1930.	Nov. 15, 1930.	Nov. 30, 1930.
ASSETS.						
Gold	35,044	35,312	36,895	37,113	38,377	38,379
Silver	3,768	3,542	3,300	2,985	2,933	2,893
State Treasury coins	1,670	1,507	1,479	1,453	1,425	1,425
Foreign currency	73,993	93,800	95,630	98,659	94,826	98,913
Discount and credit	87,104	94,044	93,646	97,209	97,452	100,280
LIABILITIES.						
Capital	12,000	12,000	12,000	12,000	12,000	12,000
Reserve	1,350	1,553	1,553	1,553	1,553	1,553
Banknotes in circulation	97,208	108,887	110,522	118,278	114,218	116,112
Deposits	91,387	105,858	106,581	104,672	108,544	101,751

CENTRAL BANK OF CHILE.—In \$'s (000's omitted).

	Nov. 8, 1929.	Oct. 17, 1930.	Oct. 24, 1930.	Oct. 31, 1930.	Nov. 7, 1930.
ASSETS.					
Gold at home	63,207	61,685	61,680	61,663	61,665
Gold abroad	440,355	349,604	344,246	331,800	323,255
Discounts and advances	51,275	37,245	32,451	44,058	49,247
LIABILITIES.					
Notes of the bank in circulation	333,699	295,720	298,486	301,818	301,925
Deposits	162,286	66,153	55,838	41,866	43,460
Paid-up capital	90,832	90,832	90,832	90,832	90,832

LONDON RATES.

	Dec. 4, 1930.	Dec. 5, 1930.	Dec. 6, 1930.	Dec. 8, 1930.	Dec. 9, 1930.	Dec. 10, 1930.	Dec. 11, 1930.
Bank rate (changed from 3 1/2% May 3, 1930)	3	3	3	3	3	3	3
Market rates of discount—							
60 days' bankers' drafts	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2
3 months' do.	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2
6 months' do.	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2
Discount (Treasury Bills)—							
2 months'	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2
3 months'	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2	2 1/2
Loans—Day to day	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
Short	1	1	1	1	1	1	1
Deposit allowances Bank	1	1	1	1	1	1	1
Discount houses at call	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
At notice	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2

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

Comparison with previous week—

	Short Loans.	Bank Bills.			Trade Bills.		
		3 Months.	4 Months.	6 Months.	3 Months.	4 Months.	6 Months.
1930.	%	%	%	%	%	%	%
Nov. 20	27	2 1/2 - 1	2 1/2 - 1	2 1/2 - 1	3	3 1/2	4
" 27	2	2 1/2 - 1 1/2	2 1/2 - 1 1/2	2 1/2 - 1 1/2	3	3 1/2	4
Dec. 4	1 1/2 - 2	2 1/2 - 1 1/2	2 1/2 - 1 1/2	2 1/2 - 1 1/2	3	3 1/2	3 1/2
" 11	2	2 1/2 - 1 1/2	2 1/2 - 1 1/2	2 1/2 - 1 1/2	3	3 1/2	4

RATES OF EXCHANGE.

London on		Usance.	Par.	Dec. 12, 1929.	Dec. 4, 1930.	Dec. 11, 1930.
New York.....	dollars to £1	Cable	4.86 1/2	4.88 1/2-88 1/2	4.85 1/2-85 1/2	4.85 1/2-85 1/2
Montreal.....	dollars to £1	Cable	4.86 1/2	4.88 1/2-88 1/2	4.85 1/2-85 1/2	4.85 1/2-85 1/2
Paris.....	francs to £1	T.T.	124.92	123.91-93	125.94-96	125.95-96
Berlin.....	marks to £1	T.T.	20.43	20.38-38 1/2	20.35 1/2-36 1/2	20.35 1/2-36 1/2
Amsterdam.....	gilders to £1	T.T.	12.107	12.09-09 1/2	12.05 1/2-10 1/2	12.05 1/2-10 1/2
Brussels.....	belgas to £1	T.T.	35.40	34.86-86 1/2	34.79 1/2-80	34.76 1/2-80
Milan.....	lire to £1	T.T.	92.46	93.22-22 1/2	9.65-67	92.75-77
Zurich.....	francs to £1	T.T.	25.22	25.11-11 1/2	25.06 1/2-06 1/2	25.04-04 1/2
Oslo.....	kroner to £1	T.T.	18.159	18.204-20 1/2	18.154-16	18.154-16
Stockholm.....	kroner to £1	T.T.	18.159	18.08-09 1/2	18.094-10	18.104-10
Copenhagen.....	kroner to £1	T.T.	18.159	18.184-18 1/2	18.54-4	18.54-16
Madrid.....	pesetas to £1	T.T.	25.224	35.11-13	43.65-65	43.50-50
Lisbon.....	escudos to £1	T.T.	200	108.108	108 1/2	108 1/2
Vienna.....	schillings to £1	T.T.	34.36 1/2	45.63-68	44.08 1/2	44.50-50
Prague.....	korunas to £1	T.T.	1644	1644-1644 1/2	1638 1/2	163 1/2-80
Batavia.....	dinars to £1	T.T.	25.224	275-275 1/2	274 1/2-1	274 1/2-1
Budapest.....	pengo to £1	T.T.	27.82	27.84-88	27.76-79	27.76-80
Bankarst.....	lei to £1	T.T.	813.6	817-819	817-819	817-819
Sofia.....	leva to £1	T.T.	25.224	673.678	668.673	668.673
Athens.....	drachmas to £1	T.T.	375	374 1/2-375 1/2	374 1/2-375 1/2	374 1/2-375 1/2
Constantinople.....	piastres to £1	T.T.	110	1030	1028 1/2	1027 1/2
Moscow.....	roubles to £1	T.T.	9.48	19.48-50	9.427-9.446	9.427-9.446
Warsaw.....	zloty to £1	T.T.	43.38	43.38	43.38	43.38
Hankow.....	taels to £1	T.T.	193.23	193.194	192.813	192.813
Kovno.....	lita to £1	T.T.	48.66	48.49	48.49	48.49
Beval.....	kroon to £1	T.T.	18.159	18.18-25	18.20-27	18.20-27
Riga.....	lata to £1	T.T.	25.224	25.17-27	25.18-28	25.18-28
Alexandria.....	piastres to £1	Sight	97 1/2	97 1/2	97 1/2	97 1/2
Buenos Aires.....	pence to peso	T.T.	47-62d.	46 1/2-46 1/2	46 1/2	47 1/2
Rio de Janeiro.....	pence to mils.	90 days	16	16	16	16
Montevideo.....	pence to peso	51	46 1/2	46 1/2	46 1/2	46 1/2
Valparaiso.....	pence to £1	90 days	40	39 61	39 69	39 89
Lima.....	Eng. to Per. £1	90 days	par	20 1/2 prem.	15 87 1/2	15 95
Calcutta.....	pence	T.T.	18	1.5 1/8-1.5 1/8	1.5 1/8	1.5 1/8
Bombay.....	to	T.T.	18	1.5 1/8-1.5 1/8	1.5 1/8	1.5 1/8
Madras.....	rupee	T.T.	18	1.5 1/8-1.5 1/8	1.5 1/8	1.5 1/8
Hong Kong.....	ster. to dollar	T.T.	---	2.6 1/2-1.5 1/2	1.24-1.5 1/2	1.5 1/2
Shanghai.....	ster. to dollar	T.T.	---	2.6 1/2-1.5 1/2	1.24-1.5 1/2	1.5 1/2
Singapore.....	ster. to dollar	T.T.	---	2.6 1/2-1.5 1/2	1.24-1.5 1/2	1.5 1/2
Kobe.....	ster. to yen	T.T.	24.58d.	2.0 1/2-2.0 1/2	2.0 1/2	2.0 1/2
Manila.....	ster. to peso	T.T.	24.066d.	2/8 0 1/2 d.	2/8 0 1/2	2/8 0 1/2
Mexico.....	pence to £1	T.T.	9.76	9.95-10 25	10.60-80	10.85 11.15
Siam.....	ster. to baht.	T.T.	21.818	1.10 1/8	1.10 1/8	1.10 1/8

GOLD.

Messrs Samuel Montagu and Company write on December 10, 1930, as follows:—

The Bank of England gold reserve against notes amounted to £154,648,810 on the 3rd instant (as compared with £156,568,569 on the previous Wednesday), and represents an increase of £8,688,726 since January 1st last. Bar gold from South Africa to the value of £953,000 arrived this week, but none of this was available in the open market yesterday as it had previously been sold forward to France. The feature of the week has been the resumption of demand for gold on German account and there have been some withdrawals from the Bank of England for Germany. It is interesting to note that during the last two months it is estimated that about £12,000,000 of gold has been exported from Germany to France. Hence it can be readily understood that, with the sterling exchange moving in favour of Germany, that country should take the opportunity to replenish its stocks by withdrawing gold from London. As the Reichsbank is willing to accept standard gold as delivered by the Bank of England, refining has not been necessary. The French demand for gold continues and movements at the Bank of England during the week show a net efflux of £3,054,214. Receipts totalled £81,179 and withdrawals consisted of £36,000 in sovereigns and £3,099,393 in bargold. Of the latter, about £1,150,000 was for Germany and about £1,850,000 for France after refining.

SILVER.

The market has continued to be influenced by the weakness in Shanghai which developed further during the past week. China offered to sell freely, but offerings met with very little resistance, and as a consequence the market has been easily depressed, prices showing a considerable decline from those ruling last week. The confidence in the market established during the recent steadiness has been shaken during the past two weeks; consequently there has been no disposition to buy, bear covering being practically the only source of support. America has been more disposed to sell in spite of the weaker tendency, and offerings from that quarter have been made freely on most afternoons.

The price fixed to-day for cash delivery was 15½d., equalling the lowest recorded price for that delivery quoted on June 24th last.

The following were the United Kingdom imports and exports of silver registered from mid-day on the 1st instant to mid-day on the 8th instant:—

IMPORTS.		EXPORTS.	
	£		£
British India	49,624	Hong Kong	12,420
Mexico	35,500	British India	4,380
U.S.A.	22,113	France	8,635
Other countries	5,670	Germany	9,600
		Other countries	1,504
	£112,907		£36,539

INDIAN CURRENCY RETURNS (in lacs of rupees).

	Nov. 30.	Nov. 22.	Nov. 15.
Notes in circulation	16,484	16,484	17,064
Silver coin and bullion in India	12,266	12,251	12,272
Silver coin and bullion out of India			
Gold coin and bullion in India	3,227	3,228	3,228
Gold coin and bullion out of India			
Securities (Indian Government)	867	867	1,342
Securities (British Government)	124	138	222

The stocks in Shanghai on the 6th instant consisted of about 95,300,000 ounces in sycee, 150,000,000 dollars and 2,960 silver bars, as compared with about 95,700,000 ounces in sycee, 150,000,000 dollars and 3,500 silver bars on the 29th ultimo.

GOLD AND SILVER PRICES.

	Gold		Silver—		Date.	Silver.
	Per Ounce.		Per Ounce.	Cash Forward		
1930.	s. d.	d.	d.			
Dec. 5	85 1½	15½	15½		Dec. 12, 1924	33½
" 6	85 1½	15½	15½		" 11, 1925	31½
" 8	85 1½	15½	15½		" 10, 1926	24½
" 9	85 1½	15½	15½		" 9, 1927	26½
" 10	85 1½	15½	15½		" 13, 1928	26½
" 11	85 1½	15½	15½		" 12, 1929	22½

NOTICES

The Westminster Bank have opened a new branch in London Road, Headington, Oxford.

Barclays Bank, Ltd., have opened a new branch at Longer House, Rye. Also new sub-branches at Cliff Cottage, Barton-on-Sea, and at Morfa Nevin.

Mr J. A. Swan, chairman and a managing director of Messrs Steel Brothers Co., Ltd., has joined the board of directors of the National Bank of India, Ltd.

Mr D. York Syme, junior, has been appointed a director of the National Bank of Australasia, Ltd., to fill the vacancy caused by the recent death of Mr Bowes Kelly.

The National Provincial Bank, Ltd., announce that after a service extending over 41 years, Mr A. McClelland, a joint general manager of the bank, will be retiring on pension on December 31st next.

Lloyds Bank, Ltd., announce that a sub-branch of the bank is now open at Tamworth Cattle Market.

Company News.

DIVIDEND ANNOUNCEMENTS.

Name of Company.	Rate % per Annum, except where marked % or Stated in Cash.			Dividend for Whole Years.	
	* Interim div. † Final div.			Latest Year.	Previous Year.
	Interim or Final.	Date of Pay- ment.	Method of Payment.		
RAILWAYS.					
Assam Bengal	...	...	...	% 1	% 1½
South British Insurance	...	...	...	2/8 p.s.	2/7 p.s.
TEA AND RUBBER.					
Batu Nung Rubber	2½%*	...	...	...	...
Darjeeling Consolidated Tea	10%*	Dec. 22	...	...	...
Jianzie Tea Association	2½%*	Jan. 5	...	...	...
Kolialur and Secouce Tea	3%*	...	...	...	...
Lunat Rubber	...	...	...	...	...
Makun (Assam) Tea	5%*	...	...	5	22½
Moran Tea	7½%*	Dec. 12	Tax free	...	...
Nigiri Plantations	2½%†	...	Less tax	10	15
Rajawalla Produce	...	...	...	5	20
MINING.					
Arntson Coal	7½%†	Dec. 22	Less tax	7½	5
Ayer Itam	10%†	...	Less tax	47½	60
Malayan Tin Dredging	10%†	...	...	20	40
Messina (Transvaal) Developmnt.	3d. p.s.†	...	...	3/- p.s.	3/- p.s.
Santa Gertrudis	...	...	...	30	22½
Southern Malayan Tin Dredging	2½%†	...	...	18½	30
Southern Perak Dredging	...	...	...	...	...
OTHER COMPANIES.					
Aberdeen, Edinburgh and London Trust	3%†	...	...	...	...
Aerated Bread Co.	...	...	...	5	Nil
Alton and Co.	...	...	...	35	30
Barclay Perkins	4%*	...	Less tax	7½	10
Bertams	3½%†	...	Tax free	...	...
Bituminous Compositions	...	...	...	...	...
British Goodrich Rubber	10%*	Jan. 1	...	5	4
British Maritime Trust	3%†	...	...	...	...
Brooke Bond	10%*	...	...	...	...
Cakebread, Robey	8½%*	Dec. 13	Less tax	13	13
Camperdown Trust	6½%†	...	...	10	10
Carter's Knottinsley Brewery	...	...	...	10	10
Cornbrook Brewery	5%†	...	...	3	6
Craiglands Hydro	...	...	...	7½	10
Crittall Manufacturing Co.	3%	Dec. 20	Less tax	10	10
East African Power and Lighting	...	...	...	...	...
East Kent Road Car	...	...	...	...	...
Edinburgh United Brewery	5%†	...	...	5	5
Estates and Agency	3½%†	...	...	5½	7½
Finlay and Co.	...	...	Less tax	11	10
Fremelin	6%†	...	...	10	10 p.s.
Furness Withy	5%*	Dec. 31	...	...	...
Gilford Motor	7½%†	...	...	15	33½
Grand Hotel, Eastbourne	5%†	...	Less tax	10	13
Hoare and Co.	9%*	...	...	...	...
Hyde's Bird Seeds	15%*	Dec. 31	Quarterly	...	...
James Finlay and Co.	7½%†	Dec. 31	...	...	...
Java Investment Loan and Agency	2½%*	Dec. 15	...	...	...
John Bannan and Sons	...	...	...	5	6
Joseph Nathan and Co.	...	...	...	10	Nil
Leicestershire & Yorkshire Waggon	4%*	...	...	...	...
Leeds and Wakefield Breweries	7%†	...	...	10	10
Leeds City Brewery	...	...	Less tax	10	10
London Cremation	...	...	...	10a	10
London Scottish American Trust	...	...	...	10	10
(Def.)	...	...	...	...	...
Malta and Mediterranean Gas	10%*	Dec. 15	Tax free	12½	12½
Matchless Motor Cycles	2½%*	Dec. 19	Less tax	7½	12½
Melbourne City Properties Trust	5%†	Dec. 11	Less tax	...	...
Melbourne Electric Supply	5%*	...	...	...	...
Mitcheils and Butlers	5%*	Jan. 5	Tax free	...	...
Newcastle Breweries	6%†	...	...	...	...
Officers' Brewery	...	...	...	8	8
Para Telephone	2½%*	Dec. 6	Less tax	25	20
Pimmers Hall (Austin Friars)	...	...	Less tax	11	11
Power Gas Corporation	...	...	...	6	6
R. Hood Haggie and Son	...	...	...	12½	12½
Scottish American Mortgage	5%*	...	...	...	...
Scottish Australian Investment	2½%†	Dec. 23	...	5	15
Second London Scottish American Trust	2½%*	Jan. 1	...	...	...
(Def.)	5%†	plus bonus of 2½ %	...	...	...
South West Africa Co.	...	...	...	...	...
Starkey Knight and Ford	...	...	Tax free	17	17
Sunlight Laundries	1d. p.s.†	...	Less tax	16½	16½
Tadcaster Tower Brewery	...	...	...	12½	12½
Truswell's Brewery	...	...	...	11	11
United Tobacco Coys. (South)	1/- p.s.†	plus bonus of 1/6 p.s.	...	22½	20
W. and G. Simonds	9½%†	Dec. 22	...	12½	10
W. and R. Cook	...	...	Tax free	2½	5
Waller's Bradford Brewery	...	...	...	7½	7½
Warwicks and Richardsons	5%†	...	...	14	14
Wenlock Brewery	...	...	...	10	10
Wrights' Ropes	...	...	...	8½	8½

a Plus bonus of 10 per cent. tax free.

JOSEPH NATHAN & CO., LIMITED.—We are officially informed that the company's accounts for the year ended September 30, 1930, will show a net profit, subject to audit, of £28,937 as compared with £55,377 last year. The report and accounts will be issued in March, when the annual general meeting will be held. The usual dividend on the 8 per cent. preferred ordinary shares will be recommended, and confirmed, will be paid (less income tax) immediately after the general meeting. Warrants for the half-yearly dividend on the 7 per cent. preference shares will be posted on December 31.

ANGLO-ARGENTINE RAILWAYS CO., LIMITED.—The directors regret to announce that on account both of the increased loss in exchange and the serious drop in Buenos Aires, they are unable to recommend payment of the final dividend on five-and-a-half per cent. cumulative first preference shares and the six per cent. cumulative second preference shares for the year ending December 31, 1930. Drastic economies are being exercised at home and abroad in the endeavour to meet the adverse circumstances under which the company is at present operating. The board have reduced their numbers and have also reduced their remuneration by two-thirds.

HARLAND AND WOLFF, LIMITED.—Having regard to the acute depression through which the shipping industry is passing, the Director, G. Harland and Wolff, Limited, have decided not to pay the dividend on the First Cumulative Preference Shares due on January 1, 1931.

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS.

Company.	Period Ending.	Balance from Last Account.	Net Profit After Payment of Deben- ture Interest.	Amount Available for Distri- bution.	Appropriation.					Corresponding Period Last Year.	
					Dividend.			Carried to Reserve, Deprecia- tion, &c.	Balance Forward.	Net Profit.	Divi- dend.
					Prefee.	Ordinary.					
					Amount	Amount.	Rate.				
Banks.											
Commercial of Scotland.....	Oct. 31	£ 62,552	£ 389,857	£ 452,409	£ ...	£ { 217,000 38,750 }	% A 16 B 10 }	£ 125,000	£ 71,659	£ 367,983	% A 16 B 10 }
Breweries.											
Alton and Co.....	Sep. 30	42,541	51,730	94,271	10,000	35,000	35	4,750	44,521	47,929	30
Carter's Knottingley Brewery	Sep. 30	14,032	9,494	23,526	3,000	62,001	10	...	14,326	8,053	10
Leeds and Wakefield	Sep. 30	25,998	49,319	75,317	14,500	20,000	10	13,540	27,277	48,438	10
Officers' Brewery	Sep. 30	68,135	61,288	129,423	2,400	30,000	25	25,000	72,023	54,942	20
Showells Brewery Co.	Sep. 27	14,502	39,013	53,515	13,800	18,000	22½	5,000	16,715	40,053	22½
St. Louis Breweries	Sep. 30	3,186	665	2,521	...	...	...	...	2,521	8	...
Tadcaster Tower Brewery...	Sep. 30	21,949	49,381	71,330	5,000	32,500	12½	6,000	27,830	46,891	12½
Usher's Wiltshire Brewery	Sep. 30	15,674	73,985	89,659	15,635	25,575	10	32,610	15,839	67,165	10
Waller's Bradford Brewery	June 30	13,550	40,869	54,419	30,000	18,750	7½	...	5,669	47,456	7½
Warwicks and Richardsons..	Sep. 30	27,126	80,680	107,806	15,000	42,000	14	23,000	27,806	80,086	14
Wolverhampton and Dudley	Sep. 30	101,619	213,455	315,074	5,250	125,000	25	83,000	101,824	202,195	22½
Financial Land, &c.											
Anglo-Belgian Co. of Egypt	July 31	1,157	758	1,915	...	1,729	1	...	186	4,063	1
East African Estates	Mar. 31	1,040	9,027	10,067	...	...	...	10,000	67	...	...
Hotels, Restaurants, &c.											
Aerated Bread Co.....	Sep. 27	15,550	79,328	94,878	25,594	48,437	5	...	20,847	16,242	Nil
Hotel York	Oct. 31	7,394	42,564	49,958	10,200	25,000	25	6,156	8,602	45,344	25
Iron, Coal and Steel.											
Agricultural and General											
Engineers	Mar. 31	57,483	51,381	108,864	...	...	...	...	108,864	1,038	...
Bertrams Limited	Sep. 30	2,599	7,101	9,700	...	3,375	7½†	3,500	2,825	12,920	10†
Duffield Coal Products	Sep. 30	262	35	297	...	...	...	...	297	...	...
Hill (Richard) and Co.	Sep. 30	Dr. 25,358	5,557	19,801	...	...	...	...	19,801	5,388	...
Nimmo (James) and Co. ...	Sep. 30	25,657	8,554	34,211	6,250	...	...	...	27,961	Dr. 10,014	...
Shotts Iron Co.	Sep. 30	38,290	28,378	66,668	5,274	...	...	25,000	36,394	3,382	...
Thomas (Richard) and Co.	Sep. 30	260,418	203,991	464,409	...	...	...	250,000	214,409	94,902	...
Motor and Cycle.											
Gilford Motor Co.	Sep. 30	4,710	28,428	33,138	...	15,000	15	15,180	2,958	...	...
Matchless Motor Cycles.....	Aug. 31	4,507	28,821	33,328	...	11,683	7½	10,000	11,645	41,524	12½
Smith (S.) and Sons	Aug. 2	47,368	96,547	143,915	37,500	{ 24,500 10,500 }	{ 12½ a 18½ b }	28,817	42,598	114,089	{ 17½ a 37½ b }
Nitrate.											
Santa Catalina Nitrate.....	June 30	337	115	452	...	...	...	107	345	516	...
Rubber, &c.											
Broome (Selangor) Rubber	June 30	3,233	3,324	6,557	...	...	...	3,000	3,557	10,052	5
Bukit Kajang Rubber	June 30	6,543	949	7,492	...	...	...	...	7,492	13,053	5
Castlefield (Klang) Rubber..	June 30	2,029	356	2,385	...	...	...	...	2,385	21,119	15
Kelantan Rubber Estates...	June 30	9,547	Dr. 3,548	5,999	...	...	...	...	5,999	Dr. 6,634	...
Killinghall (Rubber)	June 30	2,897	3,644	6,541	...	...	...	...	6,541	11,097	15
Lenggeng Rubber	July 31	2,337	2,369	4,706	...	...	...	728	3,978	10,127	10
Lumut Rubber Estates	Sep. 30	24,972	9,150	34,122	...	8,195	5	...	25,927	52,191	22½
Serom Rubber Estates	Sep. 30	1,860	1,644	3,504	...	...	...	...	3,504	...	...
Tikam Batu Rubber.....	June 30	817	Dr. 347	470	...	...	...	100	370	713	...
Shipping.											
Orient Steam Navigation ...	June 30	99,023	237,644	336,667	82,260	78,066	7½†	75,000	101,341	391,832	12½†
Shops and Stores.											
Finlay and Co.	Sep. 30	19,646	40,028	59,674	1,938	29,837	11	4,800	23,099	36,682	10
Tea.											
Kadur Tea and Produce	May 31	Dr. 3,621	Dr. 2,963	Dr. 6,584	...	...	...	...	Dr. 6,584	Dr. 2,852	...
Rajawalla Produce Co.....	June 30	11,758	32,556	44,314	9,450	7,750	5	19,000	8,164	71,798	20
Textiles.											
Barran (John) and Sons	Oct. 31	12,866	24,220	37,086	17,550	8,552	5	2,000	8,984	38,444	6†
Cook (W. and R.)	Oct. 31	3,820	179	3,999	...	1,375	2½*	...	2,624	2,853	5*
Fison (Wm.) and Co.	Oct. 31	1,072	Dr. 17,864	Dr. 16,792	...	...	...	Dr. 10,500	Dr. 6,292	Dr. 20,411	...
Shannon (John) and Son ...	Oct. 31	15,407	21,882	37,289	7,801	3,900	...	...	25,588	19,272	...
Slaithwaite Spinning.....	Sep. 30	Dr. 136,316	Dr. 33,142	Dr. 169,458	...	...	...	...	Dr. 169,458	Dr. 29,803	...
Tramways and Omnibuses.											
East Kent Road Car Co. ...	Sep. 30	22,441	32,153	54,594	5,432	35,000	10	1,000	13,162	37,340	10
Trust.											
Government and General	Nov. 30	...	21,648	21,648	4,362	10,640	15	6,646	...	17,185	15
London Scottish American..	Oct. 31	74,439	79,751	154,190	17,438	48,437	12½	...	88,315	81,527	12½
Other Companies.											
Allen West and Co., Brighton	July 31	48,626	54,443	103,069	...	18,000	6	10,000	75,069	29,291	...
Bristol Industries	Oct. 31	3,757	11,635	15,392	3,940	6,016	3½	...	5,436	...	...
British Benzol, &c.....	Oct. 31	Dr. 486	Dr. 2,724	Dr. 3,210	...	...	...	...	Dr. 3,210	...	...
British Goodrich Rubber Co.	Sep. 30	10,461	98,124	98,585	14,667	25,165	5	41,815	16,938	92,953	4
Carreras Limited.....	Oct. 31	1,059,165	959,131	2,018,296	20,000	686,481	50	254,655	1,057,160	1,277,792	50†
Chinese Engineering, &c...	June 30	26,438	154,850	181,288	...	176,400	9*	...	4,888	277,881	20*
Combined Pulp and Paper..	Sep. 30	Dr. 516,092	Dr. 15,593	Dr. 531,685	...	...	...	...	Dr. 531,685	Dr. 419,819	...
Crittall Manufacturing	Aug. 31	6,376	130,669	137,045	35,000	75,000	7½	18,376	8,669	148,813	10
Dumont Coffee	Dec. 31	30,403	Dr. 74,176	Dr. 43,773	...	...	...	...	Dr. 43,773	Dr. 25,560	...
Hood Haggie (R.) and Son	Oct. 31	54,017	46,620	100,637	4,000	30,000	12½	15,000	51,637	51,141	12½
Idris, Ltd.	Oct. 31	4,527	15,238	19,765	7,300	7,700	10	...	4,765	15,576	10
Mackintosh (John) and Sons	Sep. 30	50,064	86,543	136,607	70,000	...	...	...	66,607	107,228	...
McEvoy (P.) Sons &c.....	Oct. 31	55,228	188	55,416	1,800	3,000	10	...	50,616	5,564	10
Penners Hall (Austin Friars)	Sep. 30	10,806	15,116	25,922	...	16,555	11	3,000	6,367	18,381	11
Power Gas Corporation	Sep. 30	12,659	24,581	37,240	...	18,000	6	4,000	15,240	25,277	6
Sunlight Laundries	Nov. 29	3,941	34,840	38,781	13,289	12,917	16½	8,000	4,575	35,598	16½
United Africa Co.	Apr. 30	...	43,156	43,156	...	...	...	19,013	24,143	...	...
Wrights' Ropes	Sep. 30	11,218	22,484	33,702	2,500	13,125	8½	5,000	13,077	...	...

WEEKLY TRAFFIC RETURNS.

RAILWAYS OF GREAT BRITAIN AND IRELAND.

(b) Week ended Dec. 4, 1930. (c) Week ended Dec. 5, 1930.	Miles Open.	Week ended Dec. 6, 1930. (000's omitted.)					Aggregate 49 weeks, 1930. (000's omitted.)				
		Passen- gers, &c.	Merchandise, &c.	Coal and Coke.	Total Goods.	Total Receipts.	Passen- gers, &c.	Merchandise, &c.	Coal and Coke.	Total Goods.	Total Receipts.
Great Western...	3,758	190	200	131	321	521	1,157	1,032	5,798	16,100	27,671
Do. for 1929...	3,751	200	211	135	346	546	12,000	10,910	6,120	17,030	29,030
London & N. Eastern (c)	6,362	299	379	259	637	937	17,281	19,030	12,510	31,540	48,821
Do. for 1929...	6,361	309	416	281	697	1,006	17,972	20,662	13,281	33,934	51,915
London, Mid. & Scot.	6,956	415	503	323	826	1,241	25,562	25,689	12,466	38,155	63,717
Do. for 1929...	6,957	443	581	298	879	1,322	27,055	28,073	13,302	41,375	68,430
Southern	2,179	245	63	27	90	335	15,591	3,765	1,465	5,230	20,821
Do. for 1929...	2,175	256	63	26	89	345	15,962	3,844	1,395	5,439	21,401
Total of above	19,255	1,149	1,145	740	1,885	3,034	70,005	58,786	32,239	91,025	161,030
Do. for 1929...	19,244	1,208	1,271	740	2,011	3,219	72,989	63,499	34,298	97,797	170,786

* Aggregate 48 weeks.

† Includes receipts from independent omnibuses during current year.

OVERSEAS RAILWAY RECEIPTS.

Name.	Weeks.	Ending.	Present Mileage.	Gross Receipts for Week.		Total Gross Receipts.	
				1930.	+ or -	1930.	+ or -
INDIAN.							
Assam Bengal ...	45	Nov. 8	1,306	Rs. 43,000-	Rs. 55,217	Rs. 1,24,73,998-	Rs. 5,14,211
Barel Lk. Ry.	13	15	202	30,700	71,200	13,00,700	2,50,900
Bengal & N. Western	6	15	2,079	6,00,602	1,57,803	35,36,490	4,83,945
Bombay-Nagpur	32	8	3,139	14,58,000	94,227	4,89,72,131	58,84,637
Bombay, Bar., & C.I.	36	Dec. 29	3,094	23,80,000	98,000	7,03,92,000	50,31,000
Madras & S. Mahr.	46	Nov. 15	3,229	15,48,000	94,332	4,83,16,778	94,06,342
† Rohilk. & Kumaon	6	15	561	1,04,259	11,542	6,25,743	72,588
South Indian	33	15	2,407	10,95,916	1,69,367	3,96,75,028	26,52,840

† Including Lucknow-Bareilly State Railway.

CANADIAN.

Canadian National	49	Dec. 7	20,413	3,694,201	- 752,898	210,138,305	- 42,733,287
Canadian Pacific	49	7	15,470	3,974,000	+ 269,000	168,271,000	- 29,647,000

SOUTH AMERICAN.

Antofagasta (Chili and Bolivia)	49	Dec. 7	804	21,960	- 12,240	1,294,290	- 573,505
Argentine N.E.	23	Dec. 6	753	12,500	- 3,300	328,300	- 31,200
Argentine Trans. dn.	22	Nov. 29	11	5,375	- 689	77,764	- 16,639
B.A. and Pacific	23	Dec. 6	2,806	135,000	- 15,000	2,765,000	- 584,000
B.A. Central	23	7	1,342	11,108	- 2,955	11,603	- 11,603
B.A. Gt. Southern	23	6	5,009	224,000	- 16,000	4,351,000	- 732,000
B.A. Western	23	6	1,926	80,000	- 5,000	1,561,000	- 355,000
Central Argentine	23	6	3,359	222,000	- 4,000	4,525,000	- 1,052,000
Central Uruguay	23	6	273	32,591	- 3,560	705,639	+ 47,309
C. Urug. (East Ext.)	23	6	311	7,379	- 322	145,079	- 6,322
C. Urug. (N. Ext.)	23	6	185	3,866	- 420	79,579	- 6,939
C. Urug. (W. Ext.)	23	6	211	3,029	- 95	56,388	- 3,744
Cordoba Central	23	6	1,218	54,000	- 2,000	1,417,000	- 74,000
Entre Rios	23	6	804	26,600	- 6,900	561,500	- 5,200
G. West. of Brazil	48	6	1,035	15,300	- 8,600	659,100	- 242,700
Leopoldina	48	6	1,856	28,296	- 19,818	1	- 1
Leopoldina Termal.	48	6	1,856	28,296	- 19,818	1	- 1
Nitrate (monthly)	11	Nov. 30	410	15,448	- 12,217	394,082	- 366,490
San Paulo	49	Dec. 7	1,534	33,547	- 19,472	1,813,024	- 610,202
United of Havana	23	7	1,369	29,455	- 14,482	781,437	- 350,798

* Traffic interrupted by storms. † Months. ‡ No returns for five weeks ending November 1.

OTHER OVERSEAS.

Gt. Southn. of Spain	48	Nov. 29	104	85,681	- 65,904	4,692,168	- 1,191,055
Maximo Railway	22	30	483	225,600	- 76,600	4,824,800	- 399,800
Paraguay Central	23	Dec. 6	274	4,100	- 2,920	86,010	- 10,900
Salvador	23	6	100	3,426	- 910	52,905	- 30,043

TRAMWAYS WEEKLY GROSS RECEIPTS.

Anglo-Argentine	48	Dec. 2	329	78,479	- 9,597	3,921,262	- 228,746
B. Aires Lacrosse	23	7	1	12,222	- 576	257,317	- 14,438
Liverpool Corp.	48	3	124	29,248	- 1,331	1,061,534	- 2,582
Madrid Electric	11	Nov. 30	37	Rs. 36,061	- 2,516	1,009,196	- 48,062
M.O.C. Tramways	37	Dec. 9	166	80,373	- 5,598	3,000,897	- 43,127

* Including motor buses.

MONTHLY TRAFFICS.

Name.	Months.	Ending.	Des- cription.	Receipts for Month.		Receipts to Date.	
				1930.	+ or -	1930.	+ or -
North Western of Uruguay	5	Nov. 30	Gross	7,904	- 1,853	28,496	- 3,162
Uruguay Northern	5	Nov. 30	Gross	3,340	- 383	12,000	+ 213
Midland Uruguay	5	Nov. 30	Gross	23,074	- 2,245	92,351	+ 1,925
Dorados Railway (Brazil)	11	Nov. 30	Gross	11,100	- 21,000	210,400	- 201,800
Dorados (Brazil)	11	Nov. 30	Gross	3,700	- 400	39,000	- 12,200
Bilbao R. and Cantabrian	11	Nov. 30	Gross	1,141	- 2,340	27,481	- 13,349
Total Railway	5	Nov. 30	Gross	8,525	- 6,520	52,625	- 22,413
Bolivar Railway	11	Nov. 30	Gross	11,700	+ 1,150	130,150	+ 6,650

SUMMARY OF BALANCE SHEETS.

AERATED BREAD COMPANY, LIMITED.

September 27, 1930.

LIABILITIES.		ASSETS.	
Amount.	Compared with Sept. 28, 1929.	Amount.	Compared with Sept. 28, 1929.
Ord. shares £1 ...	1,250,000	Property and plant	1,538,811
6% cum. pref. £1 ...	500,000	Stocks	63,967
Mort. on freeholds and leaseholds	...	Sundry debtors	116,756
Sundry creditors	83,000	Staff pensions fund	37,000
Unclaimed divs.	38,549	Investments	336,547
Staff pension fund	39	Cash	5,978
Bank loan	54,179		
Profit and loss	53,734		
Total	2,099,059	Total	2,099,059

CARRERA, LIMITED.

October 31, 1930.

LIABILITIES.		ASSETS.	
Amount.	Compared with Oct. 31, 1929.	Amount.	Compared with Oct. 31, 1929.
Ord. shares (£) ...	240,000	Cash	231,788
"B" ord. (£1) ...	1,011,563	Debtors (less reserve)	1,001,300
6% cum. pref. (£1) ...	520,000	Due by subsidiary cos.	84,607
6% cum. "A" ...	50,000	Stock	2,038,746
pref. (£) ...	50,000	Investments in allied cos.	263,030
Unclaimed divs.	893	Other investments	431,598
Creditors (Incl. bills payable & reser. for taxes)	604,502	Properties	1,051,153
Reserve fund	16,764	Sundry payments	31,057
Development fund	972,777	Goodwill, trade marks, and patents	203,712
Properties reserve	100,000		
Premium on shrs.	42,582		
Profit and loss	672,755		
Total	5,336,990	Total	5,336,990

THE CHARTERHOUSE INVESTMENT TRUST, LIMITED.

November 11, 1930.

LIABILITIES.		ASSETS.	
Amount.	Compared with Nov. 11, 1929.	Amount.	Compared with Nov. 11, 1929.
Ord. shares £1 ...	1,000,000	Cash	59,829
Special reserve	89,454	Investments	782,664
Securities Depreciation reserve	10,467	"Subsidiary" companies	117,713
General reserve	239,533	Debtors	643,727
Creditors, including provision for taxation	60,645	Secured loans	11,503
Bankers' secured loan	200,000	Freehold property	43,250
Unclaimed divs.	386	Furniture and fittings	94,463
Profit and loss	42,366		
Total	1,642,851	Total	1,642,851

DENNIS BROTHERS, LIMITED.

September 30, 1930.

LIABILITIES.		ASSETS.	
Amount.	Compared with Sept. 30, 1929.	Amount.	Compared with Sept. 30, 1929.
Ord. shares (1/-) (fully paid)	75,124	Properties	179,242
Creditors	150,756	Stocks	310,409
General Reserve	650,000	Debtors	223,117
Profit and loss	258,113	Investments in Brit. Govt. securities at or under market values	161,118
		Invest. in White and Poppe at cost	100,748
		Dennis Contracts	800
		Cash	158,559
Total	1,133,993	Total	1,133,993

MANBRÉ AND GARTON, LIMITED.

September 30, 1930.

LIABILITIES.		ASSETS.	
Amount.	Compared with Sept. 30, 1929.	Amount.	Compared with Sept. 30, 1929.
7% cum. pref. £1 ...	500,000	Freehold properties	262,696
Ord. shares £1 ...	1,146,669	Plant and machinery	254,953
Deferred shares 2s.	150,000	Motor lorries	18,648
General reserve	1,425,000	Stocks	202,118
Reserve against investments in subsidiaries	207,697	Debtors	133,766
Creditors	52,153	Due from subsidiaries	1,325
Amount due to subsidiaries	113,134	Investments in subsidiaries at cost	2,914,540
Reserves	136,768	Investments at cost	159,645
Profit and loss	465,709	Bills receivable	2,251
		Cash	245,588
		Final dividend due from subsidiaries	61,600
Total	4,197,130	Total	4,197,130

REPORTS AND NOTICES.

Sir Henry P. Burt, K.C.I.E., C.B.E., has been elected chairman of the Bengal Doorga Railway Company, Ltd., in place of the late Mr Robert Miller.

MISCELLANEOUS.

CRITALL MANUFACTURING COMPANY.—The directors' report states that the profit for the year ended August 31st last amounted to £250,203, as against £240,651 for the previous year. With the balance brought in there is £256,580 available for appropriation. After deducting interest on loans, debenture stock and notes, dividends on preference capital, and the interim dividend on the ordinary shares, amounting to £154,208, there is a balance of £85,795 which, with the balance of share premium account transferred, £28,624, makes a total of £112,419. The directors recommend the following appropriations: Transfer to general reserve £20,000, raising that fund to £270,000; to depreciation reserve £25,000, raising the fund to £150,000; provision for dividend at the rate of 7 per cent. per annum on 500,000 preference shares for the three months to August 31st last, £8,750; and payment of a dividend at the rate of 7½ per cent. for the year on £1,000,000 ordinary share capital £75,000, less interim dividend in March £25,000, absorbing altogether £103,750, leaving a balance of £8,669 to be carried forward as against £6,376 brought in.

FREMLINS, LIMITED.—The report and accounts for the year ended September 30, 1930, shows a trading profit of £113,151 (last year £102,987). Adding interest receivable and transfer fees, £4,073, and deducting directors' fees, interest payable and special reserves, £21,611, there remains £95,613, from which is provided £26,250 for preference share dividend, £15,052 written off goodwill, £10,483 for income tax, and £14,000 for interim ordinary share dividend of 4 per cent., leaving £29,827, from which it is proposed to pay a final ordinary share dividend of 6 per cent., making 10 per cent. for the year. (The total dividend last year was 7½ per cent. actual, which represented approximately 10 per cent. per annum for the period.) Adding the amount brought forward, the amount carried forward is £26,449 (last year, £17,621). In addition to the above £15,052, a further £10,000 has been written off goodwill by transfer from reserve account. Cash has risen from £46,574 to £85,415. The report states that no dividends have been received on the shareholdings in Isherwood, Foster and Stacey, Ltd., the undistributed earnings having been carried forward by that company. Meeting: Maidstone, December 17, 1930, at 12 noon.

HUDSON'S BAY COMPANY.—The difficult conditions of trading for the current year, as foreshadowed by the Governor at the annual general meeting, on June 27, 1930, have proved to be even more severe than was anticipated. Not only has there been a continuous and serious fall in the price of furs, thereby involving the company in very heavy losses, but the prevailing depression in Canada has adversely affected the company's other activities, including the land department receipts. Unfortunately, there appears to be no immediate prospect of improvement, and the present year's working will, undoubtedly, result in a heavy loss. In these circumstances, the governor and committee much regret that they do not feel justified in declaring interim dividends on the preference and ordinary shares. The governor and committee take this opportunity of stating that the report of the special committee who are inquiring into the company's affairs has not yet been received, but they understand the report will be submitted about the end of the year.

MINING OUTPUT STATISTICS.

GOLD.

Company.	Period.	Ozs. Recovered.	Company.	Period.	Ozs. Recovered.
Ashanti Goldfields	Nov.	13,534	Lulpaard's Vlei	Nov.	7,883
Associated Gold	Nov.	5,000*	Lulri	Nov.	1,547*
Balaghat	Nov.	2,312	Marmajito	Nov.	1,000*
Blackwater	Nov.	3,450*	Mysore	Nov.	11,600
Boulder Perseverance	Nov.	7,070*	Nunddyroog	Nov.	7,049
Champion Reef	Nov.	4,969	Ooregun	Nov.	4,335
Frontino and Bolivia	Nov.	2,550*	Sons of Gwalia	Nov.	12,058*
Globe and Phoenix	Nov.	5,031	South Kalgoorlie Cons.	Nov.	8,261*
Golden Horseshoe	Nov.	33,260*	Taguash and Abosso	Nov.	

sales. In this connection, the reported withdrawal of direct representation by the Canadian pool in Europe will be welcomed by traders on this side, and implies that the marketing policy will revert to usual channels for the future. The seasonal decline in Russian shipments was accentuated last week, although the quantity is still fairly substantial, and the large number of cargoes arriving unsold are causing rapid accumulation of stocks at various British ports. New Southern Hemisphere crops now figure prominently in the international situation and pressing offers from Argentina at steadily declining prices indicate keen competition for European custom, and a desire on the part of growers to ship supplies freely when a basis of trading has been established. United States wheat is still held above world's parity, consequently export business is reduced to a minimum, and in view of the heavy statistical position, it would appear that stocks ultimately may have to be liquidated at heavy financial losses. Feeding stuffs also presented quieter features, and Plate maize tends easier owing to a falling off in demand following recent liberal purchases, time being necessary to allow for market absorption.

WHEAT.—Easier. No. 1 hard Manitoba, ex ship, 28s. 9d.; No. 1 Northern Manitoba, ex ship, 27s. 9d.-28s. 6d.; No. 2 ditto, 26s. 9d.-27s. 9d.; No. 6 Manitoba, 23s. 6d.; Barusso, 61½ lbs., 24s. 6d.; Rosafe, 63½ lbs., 26s.; Australian, 29s.; choice white Karachi, 27s.; Russian, on sample, ex ship, 23s.-25s. 6d.; landed, 22s. 9d.-24s. 9d. per 496 lbs. English, new, 6s. 3d.-6s. 8d. per 112 lbs.

FLOUR.—Quiet. London straight run, 26s. per sack for country deliveries, and 25s. London area. Of imported, Manitoba patents, 24s.-25s. 6d.; Buffalo ditto, 24s.-26s.; Australian, 22s.-22s. 6d. ex store per 280 lbs.

MAIZE.—Easier, following lower c.i.f. offers. Plate, landed, 20s. 6d.; ex ship to arrive, 18s. 6d.; December-January, 18s. 6d.; January-February, 18s. 6d.; No. 2 white flat African, landed, 20s. 6d. per 480 lbs. Yellow maize meal, £6 10s. f.o.r. London.

BARLEY.—Quiet. Californian old, landed, 30s.-35s.; new, ex ship, 30s.-41s., as to sample; Chilian brewing, landed, 30s.-35s.; Chevalier, 38s.-44s.; Australian, 32s.-42s.; Smyrna, 30s.-32s. per 448 lbs. Black Sea, ex ship, 15s. 3d.; landed, 16s. 6d. Danubian, ex ship, 15s. 3d.; landed, 16s. 6d. Persian, landed, 15s. 6d.; ex ship, 14s. 6d. per 400 lbs. English new malting, 6s. 3d.-13s. 9d.; feed, 4s. 6d.-5s. 9d. per 112 lbs.

OATS.—Dull. Plate, landed, 13s. 9d.; ex ship, 12s. 9d.; Chilian, tawny, landed, 14s. 3d.; best whites, ex ship, 19s.; landed, 20s.-20s. 6d.; mixed Canadian feed, landed, 11s. 6d.; North Russian, landed, 14s. 9d.-15s. 6d., as to sample; South Russian, ex ship to arrive, 14s. 3d. per 320 lbs. English, new, 5s. 8d.-6s. per 112 lbs.

COMPARATIVE AVERAGES OF GRAIN.

The following table gives the estimated sales of home-grown wheat during the harvest years 1930-31, 1929-30, 1928-29, 1927-28:—

	1930-1931.	1929-1930.	1928-1929.	1927-1928.
Estimated sales of home-grown wheat—				
1 week to Dec. 6	Cwts. 102,253	Cwts. 260,293	Cwts. 244,819	Cwts. 238,640
14 weeks to Dec. 6	1,941,523	3,883,038	4,175,286	5,538,244
Average price of English wheat per cwt.	s. d. 6 5	s. d. 9 4	s. d. 9 9	s. d. 9 10

The following is a statement showing the Quantities Sold and the Average Price of British Corn in the past two weeks, and for the corresponding week in each of the years from 1926 to 1929:—

Weeks ended.	QUANTITIES SOLD.			AVERAGE PRICE PER CWT.		
	Wheat.	Barley.	Oats.	Wheat.	Barley.	Oats.
1930.						
Nov. 29	Cwts. 119,674	Cwts. 427,366	Cwts. 47,544	s. d. 6 5	s. d. 8 8	s. d. 5 8
Dec. 6	102,253	324,310	34,274	6 4	8 5	5 8
Dec. 4, 1926	322,402	531,211	66,189	12 1	11 1	8 4
Dec. 3, 1927	264,574	469,255	91,489	9 10	11 2	9 2
Dec. 8, 1928	244,819	473,111	66,252	9 9	10 5	9 1
Dec. 7, 1929	260,293	389,605	48,502	9 4	8 11	7 3

AMERICAN WHEAT MARKETS.

The following table shows wheat quotations in recent weeks with comparative figures for 1929:—

WHEAT FUTURE.	Jan. 2, 1929.	Dec. 11, 1929.	Jan. 2, 1930.	Nov. 26, 1930.	Dec. 3, 1930.	Dec. 10, 1930.
Winnipeg (No. 1 Manitoba)						
—Cents per 60 lb.	122	135½	148½	61½	58½	58½
Chicago (No. 2 Winter)						
—Cents per 60 lb.	116½	120½	130½	75½	76	77½

THE COAL TRADE.

Our Sheffield correspondent writes:—There is no improvement in the South Yorkshire coal market except an increased call for house coal. Owners in this locality desire a restoration of the subsidy plan to help the export trade. There is little forward buying. The industrial demand tends to shrink. The position of blast-furnace coke has receded and lots can be bought on the open market at 11s. at ovens, or less. Consumption of this fuel has again declined. Arrangements for renewal of contracts under the sliding-scale arrangement are now in hand. The present basic price is 13s. 6d. and it is proposed to reduce it by 1s. 6d. per ton.

Our Cardiff correspondent writes:—The approach of the Christmas holidays has improved colliery stems, and for this reason the pits are working a little more regularly. Otherwise, the position on the Cardiff coal market is unchanged. Considerable uncertainty still exists concerning the wages and hours dispute in the coalfield, and both colliery owners and merchants are reluctant to enter into new contracts. At a meeting of the Joint Conciliation Board on Monday the owners offered to extend the period of the temporary terms, based on the spreadover, till the end of January, but the miners have demanded a three months' truce with a continuance of existing wage conditions, and negotiations for a permanent agreement have been deferred pending the decision of a delegate conference to be held next Saturday on the owner's offer. Prices are nominally unchanged. The following are the current approximate quotations:—Best Admiralties, 20s.; seconds, 18s. 9d. to 19s. 9d.; best dries, 18s. 6d. to 19s. 3d.; Black Veins, 18s. 3d. to 18s. 6d.; Western Valleys, 18s. to 18s. 3d.; Eastern Valleys, 17s. 6d. to 17s. 9d.; best small steams, 13s. to 13s. 6d.; coking smalls, 14s. to 15s.; cargo smalls, 12s. to 12s. 6d.; anthracite, best large, 36s. to 37s. 6d.; Red Vein, large, 22s. 6d. to 27s. 6d.; French nuts, 43s. to 46s.; machine-made cobbles, 40s. to 45s.; stove nuts, 39s. 6d. to 43s. 6d.; rubbly culm, 9s. to 9s. 6d.; foundry coke, 29s. to 35s.; patent fuel, 20s. to 21s.; pitwood, ex ship, 28s. to 28s. 6d.

IRON AND STEEL.

We extract the following from the weekly report of the London Iron and Steel Exchange:—The better conditions noticed of late in the iron and steel trades have been maintained. The volume of business has increased and there is more activity at the works than for some time; but this may be due in part to the desire to get orders completed before the Christmas holidays. Buyers are also showing more interest in forward business, as the impression prevails in most branches of the trade that prices have touched their lowest. The demand for pig iron has improved to some extent, but although the output has been considerably curtailed, production in most districts is in excess of the demand, with the result that stocks are increasing. Nevertheless, a more cheerful tone prevails in this department, and it would seem that consumption is slowly increasing. In the semi-finished steel department the pressure of foreign competition is severely felt in spite of the recent advance in the prices of Continental material. The greater part of the business transacted by British works appears to be for comparatively small orders for near delivery. On the other hand, it is understood that heavy imports of Continental semi-finished steel must be expected for some time against recent purchases. Irregular conditions still obtain in the finished steel section of the market. The home demand has improved of late, but competition from Continental sources is keen, particularly in the overseas markets.

Our Middlesbrough correspondent writes:—Business in Cleveland iron continues on a very small scale and there are hardly any signs of an early improvement. Local consumers are practically covered up to the end of the year, and only in odd cases is it found necessary to purchase further small lots to complete requirements. In view of the concessions that are being made to Scotch consumers and because of the continued competition of Continental iron, local users seem determined to hold out for a readjustment in prices. Whether local makers will be able to withstand this pressure seems doubtful, but at their Tuesday's weekly meeting they made no change and there was practically nothing doing on the market afterwards, prices remaining: No. 1, 66s.; No. 3, 63s. 6d.; No. 4 foundry, 62s. 6d.; and No. 4 forge, 62s. f.o.b. or f.o.t. The hematite trade shows signs of expansion. Orders for early delivery continue to absorb the current production on the Tees and stocks are being slowly but steadily reduced. There are some rather important inquiries on the market for forward delivery and some business is expected to result. Lower prices are not likely to rule; in fact, a little buying might easily cause an advance, as costs of raw materials are considered to have reached a minimum. Mixed numbers are at present unchanged at 71s. for delivery a few months ahead, with prompt lots available at 70s. 6d. Shipments of pig iron are making a better start this month. The clearances to 9th instant total 5,309 tons, against 3,236 tons to November 9th. In the manufactured trades new business matures slowly, but further orders are expected to be placed very shortly. Prices for home, under the rebate scheme, are unchanged, viz.: Steel plates, £8 15s.; steel joists, £8 10s.; steel angles, etc., £8 7s. 6d. Among other quotations are heavy steel rails, £8 10s.; crown iron bars, £10 15s.; 24-gauge galvanised corrugated sheets, £11 5s.; and 24-gauge black sheets, £8 12s. 6d., also for home use. The iron ore market remains very quiet, only an odd cargo or two being disposed of now and again. Best Bilbao rubio is obtainable for prompt at 16s. 6d. c.i.f., and the current freight to Middlesbrough is about 5s. For forward delivery 17s. is the minimum figure quoted. Coke is still offering for this month's delivery at 17s. delivered furnaces, but more is asked for delivery over the first quarter. The number of furnaces in blast in the district is unchanged at 25.

Our Sheffield correspondent writes:—Apart from pressure to complete orders for finished work before the stoppage, business and activity generally have declined in consequence of holiday preparations. Several large works propose to close for a fortnight at Christmas. The position is no better, there still being a dearth of inquiries and bulk orders. Small orders are numerous and demand for alloy steels is a little more active than it has been. The depression is most pronounced in the heavy and crude steel branches. Of the 119 open-hearth furnaces in Sheffield and Lincolnshire, only 33 are

operating. Several are always down for repairs, so that the average works out at nearly 35 per cent. of capacity. With such low output, works cannot be operated remuneratively. The pig-iron position is unchanged, but not worse. The tool sections report moderate home business, but quietude in the export markets. The seasonal trade in cutlery and plated goods has now ended except for small late orders.

Our Glasgow correspondent writes:—During the present week operations at the various steel plants in the Glasgow and Lanarkshire areas have been continued at the low rate of production which unfortunately has prevailed for some time. Although little new business is being done, there is a general feeling that prices are now at their lowest, and buyers are showing more interest. Makers of semis are still faced with very keen competition from the Continent. In both the black and the galvanised sheet trade the slight improvement noticeable a week ago is being maintained. Things remain quiet in the tube trade, and the extreme depression in the bar-iron industry still exists. A further order for locomotives has been placed with the North British Locomotive Company, Ltd., Springburn, for the Central African Railway. Structural engineers in the Glasgow district continue to be comfortably employed.

Our Cardiff correspondent writes:—In the iron and steel trades of South Wales conditions continue very depressed. The slight improvement last week in the tinplate market has not been maintained, and this week the prices have receded to 15s. 9d.-16s. 3d. per basis box compared with 16s. to 16s. 3d. last week, and 18s. 9d. to 19s. in the corresponding week last year. The trade is considering the proposal to establish a system of sales control, but there has been a revival this week of opinion favourable to the re-establishment of minimum prices. Galvanised sheets continue steady at from £11 5s. to £11 12s. 6d. per ton, and native and foreign sheet bars are unaltered at £5 and £4 per ton respectively. Tinplate shipments last week were slightly larger than in the previous week, and stocks have been reduced to 188,804 boxes.

OTHER METALS.

TIN.—The standard market presented dull features, and prices gave way under selling pressure and lack of support, while influenced by lower Eastern cables. Shipments from the Straits during November totalled 8,549 tons compared with 7,342 tons in the preceding month. Total supply for November 11,388 tons against 9,656 tons, total deliveries 10,147 against 10,365, visible supplies 40,513 against 39,272, and carry-over 4,971 against 5,596 tons. Dealings were recorded in standard cash at £112 5s. to £109; three months, £113 10s. to £110. Sales in the East were reported at £117 5s. to £115 5s.

COPPER in fair demand, but offerings proved excessive and a weak market resulted. Business was chiefly confined to forward dates, embracing three months at £47 10s. to £46, with cash at £46 2s. 6d.

LEAD moderately active, but with sellers to the fore, values exhibited irregularity and weakness. Good soft foreign pig, December, sold £15 12s. 6d. to £15 7s. 6d.; January, £15 10s.; February, £15 13s. 9d. to £15 7s. 6d.; March, £15 13s. 9d. to £15 10s.; April, £15 10s. ton.

SPELLER quiet but fairly steady, as sellers refrained from pressing. December sold £13 15s.; January, £13 18s. 9d. to £14 and £13 18s. 9d.; February, £14 to £14 2s. 6d. and £14 1s. 3d.; March, £14 5s. to £14 6s. 3d. and £14 5s. per ton.

ALUMINIUM maintained. Home trade, also export, £85 per ton.

ANTIMONY quiet and easier. English regulus, £38 to £45; Chinese ditto, spot £25 10s.; December-January, £22 15s. paid; Chinese crude, December-January, £14 5s. ton c.i.f.

ANTIMONY OXIDE, December-January, £24 5s. per ton c.i.f.

ANTIMONY ORE, 60 per cent. December-January, 3s.; 50 per cent. ditto, 2s. 6d. per unit c.i.f.

WOLFRAM easier. Chinese, December-January, sold 14s. 6d. per unit c.i.f.

QUICKSILVER maintained. Spot, £21 15s. to £22 per bottle.

TIN PLATES quiet. I.C. coke, prompt and forward, 15s. 9d. to 16s. per box f.o.b. Swansea.

THE COTTON TRADE.

LIVERPOOL, December 10th.

Values show a further decline on the week, and new low levels were reached yesterday. Business has again been slow—supply being in excess of demand, and few, if any, are inclined to anticipate requirements very far ahead. The Agricultural Bureau figures, published on Monday last, estimated the crop at 14,243,000 bales against its estimate of 14,438,000 bales on November 8th. Ginnings to December 1st were given as 12,835,000 bales against 12,858,000 to the same date last year and 12,562,000 in 1928. The yield per acre shows a reduction, being 150.8 against 154.2 in November, whilst the acreage harvested is given as 45,218,000 acres against 45,815,000 acres planted. The markets continue uncertain with sentiment against prices. The world's visible supply of American cotton on December 5th is stated to be 7,801,000 bales against 5,785,000 bales to the corresponding date in 1929 and 5,678,000 bales to the corresponding date in 1928. The world's spinners' takings since August 1st are 4,030,000 bales against 6,177,000 bales

to the same date last year and 6,392,000 bales to the same date in 1928. Spot sales for the week 4th to 10th (inclusive) are 17,000 bales, of which 7,270 bales are American, 500 Brazilian, 700 Argentine, 5,000 Peruvian, 1,050 Egyptian, 1,000 African, 1,000 East Indian, and 480 sundries. Imports for the same period are 84,364 bales, of which 64,149 are American, 686 Argentine, 4,061 Peru, 2,592 African, 6,371 East Indian, and 6,505 sundries. Quotations to-day are: American Middling, 5-53; Egyptian Sakel, 8-60; Uppers, 6-32; Brazil Fair, 5-73; Peru Smooth, 6-03; West African Middling, 5-63; and East African G.F., 6-63.

MANCHESTER, December 10th.

Trade throughout the market has been thoroughly disorganised by the further downward movement in raw material rates, and owing to the weakness of prices buyers have been afraid to operate. In many quarters there has been a renewal of pessimism with regard to future events, and owing to the small business done there is a tendency for spinners and manufacturers to lose ground. A falling off has been reported in cloth inquiry for India. Fewer sales have taken place for Karachi and Madras, and it is still practically impossible for anything to be done for Bombay and Calcutta. The decline in the price of silver has had a vital effect upon business for China, and operations have been practically at a standstill. Exporters to most of the minor outlets East and West have adopted a waiting policy, and very little has been done in home trade fabrics. Some uneasiness exists as to stocktakings at the end of the month in view of the further depreciation in values. Prices in American and Egyptian yarns have favoured buyers, and only a limited trade has been put through.

Statement of the Cotton Trade.

	1930.				Corresponding Date.	
	Nov. 19.	Nov. 26.	Dec. 3.	Dec. 10.	1928.	1929.
Raw Cotton—Mid. American..... per lb.	5-97	5-89	5-75	5-63	10-72	9-59
" Sakelakia Fully Good Fair						
" Egyptian..... per lb.	9-65	9-40	8-75	8-00	19-50	14-40
Yarns—32's twist..... per lb.	9½	9½	9½	9½	16½	14
" 40's twist..... per lb.	10½	10	10	9½	17	14½
" 60's twist (Egyptian)..... per lb.	18	17½	17½	16½	28	24
32-in. Printers, 116 yds., 16 by 16, 32's and 50's.....	s. d. 18 9	s. d. 18 6	s. d. 18 6	s. d. 18 3	s. d. 26 0	s. d. 23 9
36-in. Shirtings, 75 yds., 19 by 19, 32's and 40's.....	21 0	0 9	20 9	20 6	28 9	26 6
38-in. ditto, 38 yds., 18 by 18, 10 lb.	11 9	1 1	11 7	11 6	15 6	14 4½
39-in. ditto, 37½ yds., 16 by 15, 8½ lb.	10 7½	0 6	10 6	10 4½	14 0	13 0



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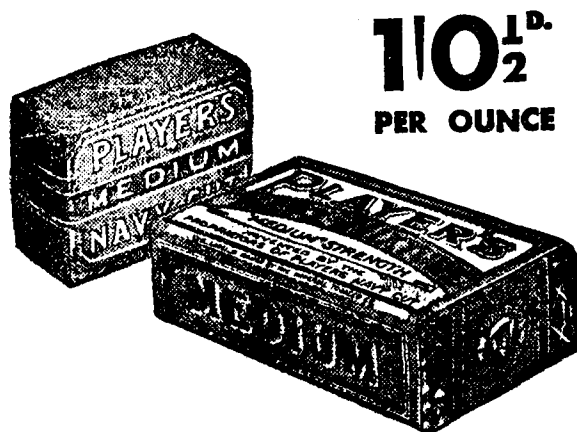
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THE WOOL TRADE.

Our Bradford correspondent writes:—Though no marked change has come about in Colonial and foreign wool this week, the situation is sound and encouraging. Demand continues steadily in all selling centres, and though undue "bearing" influences have been seen in South Africa, buyers generally have no small measure of confidence in the raw material, particularly anything of merino quality. It is believed that merino wool has now touched a point below which it is not likely to go for some considerable time. There is also very encouraging consumption of this class of raw material both at home and abroad. Wool has passed out of hand very well in London this week, everything fully maintaining the opening level of prices, except, perhaps, inferior style offerings. There appears to be quite as much of these as the trade can absorb at present, particularly in shabby clothing lots. Fog has interfered with selling this week, but the programme was revised to enable portions of the quantity of the abandoned sale to be included each day this week, and it is intended to hold a sale on Saturday. This means that selling brokers are determined to offer as much wool as the trade seems prepared to take, even if this means selling reasonably. This is a sound policy. Trade in Bradford has become quieter, and here and there it is possible to find topmakers who are willing to see merinos and fine crossbreds at fractionally less money. Financial considerations are no doubt largely responsible, but nobody at the moment is prepared to indulge in any extensive speculation in either buying or selling.

THE JUTE TRADE.

DUNDEE: December 10th.

Speculative operations in raw jute in Calcutta are the reason for a fluctuating tendency of prices, and, though occasionally an easier tone prevails, no real weakness is displayed. Despite the very large crop forecasted, the imports of the fibre into Calcutta are less than usual up to this period of the season, but against this the exports from Calcutta to other consuming countries are only about 50 per cent. of normal, while the Calcutta mills have purchased more to date than they had done last season, no doubt being attracted by the very low rates ruling. Daisie assortment rose last week to £15 10s., but there are sellers again willing to accept £15. Buyers, however, are not inclined to purchase at this limit, after having paid the higher price when the market displayed great firmness. First Marks are seldom quoted, unless in the grade or lower qualities, which rule from £17 12s. 6d., with good Lightnings quoted at £17 15s. for Red H down to £17 5s. for Triangle Jajodia and Asahi Lightnings, December-January shipment. A good business has been concluded in jute yarns, hessian and sacking qualities especially coming in for attention. The very firm rate for common 8-lb. cops is 2s. and for 8-lb. spools 2s. 1d., with many spinners refusing less than 2s. 1d. and 2s. 2d. respectively. These yarns have been bought against orders for sacking cloth, while the fact that production has been so considerably curtailed has caused manufacturers some concern over their supplies. Twist is quiet at from 3½d. to 4d. for 3-ply 8-lb., and fine yarns are also of small interest meantime. Rove is dull, and some spins of 48-lb. can be bought at the reduced rate of £23 10s., and 200-lb. is steady at £17. Carpet yarns are slow. Little business can be recorded in jute cloth, and the bulk of the orders placed are still for only small quantities. Manufacturers, however, are adhering to their prices and not less than 2½d. for 10½-oz. 40-in., and 2d. for 8-oz. can be done. Calcutta goods still fluctuate and recently prices touched lowest points this year, when 8-oz. was sold at 13s. 6d. and 10-oz. at 17s. for November-December shipment. Values are again about 9d. dearer than these limits.

HIDE, LEATHER AND ALLIED TRADES.

Several weights in ox and heifer hides changed hands at still lower figures at the auctions held in Manchester on Tuesday, although prices were inclined to be a shade more steady than those of the previous week. Cows, for instance, were unchanged, while the alterations in connection with calfskins showed only a slightly downward tendency. Although some fair sales of dry hides have taken place, business in connection with imported raw material generally is still restricted to immediate wants, with the result that although changes in values have been slight the tendency of prices still remains in favour of buyers. Frigorific hides have been a steady market, and sales of Argentine ox have been made at the equivalent of 6½d., with light ox selling at 5½d. Business in connection with dry South American hides has been poor; a few sales have been made of B. A. Americanos at 7d. Dry Capes have changed hands at 7½d. and 6½d. for first and seconds, while sales of dry-salted have been made at 6½d. and 5½d. for 20/30 lbs. The market for Australian hides is lower, with only a small amount of business being done at the reduced figures. Sales of sole leather during the past week have been of a restricted character all round, and the general opinion is that inquiry from now until the end of the year will show a gradual falling off. The repairing section has been in the market for supplies of English and wet-salted bends, but the business has not been for quantities equal to those which have been taken up during the last two or three weeks. Dry hide bends for shoe manufacturing requirements have changed hands in small parcels, presumably just sufficient to cover orders for footwear due for delivery at an early date. The position of prices, all

OVERSEAS TRADE RETURNS.

IMPORTS (Value C.I.F.).

	Month ended November 30.		11 Months ended November 30.	
	1929.	1930.	1929.	1930.
I.—Food, Drink, and Tobacco—				
A. Grain and flour	8,361,194	6,179,779	89,361,971	66,049,257
B. Feeding stuffs for animals	752,882	407,997	8,710,916	5,285,440
C. Meat	8,755,351	7,864,220	103,638,253	101,675,067
D. Animals, living, for food	2,183,246	2,134,950	14,933,729	16,934,173
E. Other food and drink, non-dutiable	19,866,088	16,546,631	195,389,270	174,568,347
F. Other food and drink, dutiable	5,808,846	5,215,428	61,769,342	52,799,241
G. Tobacco	2,796,629	2,219,874	15,911,286	13,824,841
Total, Class I.	48,524,236	40,568,879	489,714,767	431,136,366
II.—Raw Materials and Articles				
Mainly Unmanufactured—				
A. Coal	1,862	2,770	30,838	26,764
B. Other non-metallic mining and quarry products and the like	545,474	332,648	5,465,523	4,904,189
C. Iron ore and scrap	480,605	247,391	5,836,889	4,890,048
D. Non-ferrous metalliferous ores and scrap	1,217,806	811,971	15,497,417	11,439,876
E. Wood and timber	4,679,933	3,265,553	42,300,476	39,501,254
F. Raw cotton and cotton waste	8,879,410	3,948,145	68,317,327	39,668,474
G. Wool, raw and waste, and woollen rags	3,729,287	2,222,546	57,453,643	41,682,746
H. Silk, raw, knubs and noils	159,987	105,193	1,700,651	1,399,851
I. Other textile materials	1,454,539	442,070	13,444,249	8,929,741
J. Oilseeds, nuts, oils, fats, resins and gums	3,388,772	1,989,141	40,639,015	31,471,809
K. Hides and skins, undressed	1,751,410	822,846	19,048,964	14,993,702
L. Paper-making materials	1,168,085	936,051	11,641,748	10,926,640
M. Rubber	1,488,385	607,360	16,099,420	10,061,039
N. Miscellaneous, raw materials and articles mainly unmanufactured	1,080,069	784,865	10,949,303	10,307,079
Total, Class II.	30,025,624	16,518,550	308,425,463	230,203,212
III.—Articles Wholly or Mainly Manufactured—				
A. Coke and manufactured fuel	5,025	131	15,869	7,484
B. Earthenware, glass, abrasives, &c.	1,084,595	870,990	10,280,575	9,889,969
C. Iron and steel and manufactures thereof	2,161,570	1,613,136	22,486,956	21,266,801
D. Non-ferrous metals and manufactures thereof	3,164,153	1,858,162	33,287,597	27,390,195
E. Cutlery, hardware, implements, and instruments	715,950	623,141	7,678,302	7,083,987
F. Electrical goods and apparatus	736,482	593,040	5,785,911	6,363,088
G. Machinery	1,531,320	1,145,014	17,508,849	16,453,202
H. Manufactures of wood and timber	895,044	554,156	8,855,233	7,973,644
I. Cotton yarns and manufactures	993,022	777,716	9,969,301	8,966,419
J. Woollen and worsted yarns and manufactures	1,217,593	1,005,258	14,929,198	13,077,706
K. Silk and silk manufactures	894,026	769,850	12,327,588	10,485,775
L. Manufactures of other textile materials	1,395,697	1,096,945	15,836,557	14,210,177
M. Apparel	1,635,112	1,324,515	18,492,665	17,965,138
N. Chemicals, drugs, dyes, and colours	1,368,826	858,442	15,374,814	12,430,903
O. Oils, fats, and resins, manufactured	3,182,622	2,547,624	40,186,987	43,623,007
P. Leather and manufactures thereof	1,402,484	1,193,590	14,198,512	13,852,220
Q. Paper and cardboard	1,731,082	1,463,972	16,455,889	16,517,445
R. Vehicles (including locomotives, ships, and aircraft)	821,832	481,273	10,115,675	6,470,193
S. Rubber manufactures	336,227	281,030	3,461,014	3,624,081
T. Miscellaneous articles, mainly or wholly manufactured	2,888,541	2,564,151	29,356,023	26,123,023
Total, Class III.	28,161,203	21,621,136	306,603,515	283,722,457
IV.—Animals, not for food	350,238	210,146	3,258,793	3,414,788
V.—Parcel Post, non-dutiable articles	1,173,635	493,236	7,282,288	6,704,318
Total	108,234,936	79,411,947	1,115,284,826	955,181,141

EXPORTS of PRODUCE and MANUFACTURES of the UNITED KINGDOM (Value F.O.B.).

	Month ended November 30.		11 Months ended November 30.	
	1929.	1930.	1929.	1930.
I.—Food, Drink, and Tobacco—				
A. Grain and flour	410,151	309,285	4,440,903	3,977,775
B. Feeding stuffs for animals	233,158	185,437	2,872,498	1,980,141
C. Meat	173,535	158,876	1,553,794	1,355,348
D. Animals, living, for food	15,050	31,880	186,661	183,532
E. & F. Other food and drink	4,98,767	3,440,226	32,949,524	29,351,947
G. Tobacco	719,634	636,584	8,719,665	7,872,729
Total, Class I.	5,650,295	4,762,288	50,723,045	44,721,472
II.—Raw Materials and Articles				
Mainly Unmanufactured—				
A. Coal	4,466,084	3,325,032	44,478,599	42,208,794
B. Other non-metallic mining and quarry products and the like	143,453	117,286	1,802,683	1,530,577
C. Iron ore and scrap	100,365	59,254	1,420,562	518,155
D. Non-ferrous metalliferous ores and scrap	125,994	36,860	1,733,666	739,711
E. Wood and timber	20,927	14,521	344,488	263,263
F. Raw cotton and cotton waste	73,592	28,597	1,066,943	565,889
G. Wool, raw and waste and woollen rags	780,880	395,739	9,078,362	4,531,084
H. Silk, raw, knubs and noils	1,946	1,276	26,117	13,700
I. Other textile materials	36,024	10,182	398,136	252,954
J. Oilseeds, nuts, oils, fats, resins and gums	572,648	286,489	4,793,610	3,363,399
K. Hides and skins, undressed	157,838	93,787	2,448,504	1,342,267
L. Paper making materials	146,590	79,853	1,445,771	980,044
M. Rubber	20,168	12,276	256,438	161,992
N. Miscellaneous raw materials and articles mainly unmanufactured	266,294	221,417	3,579,601	2,621,754
Total, Class II.	6,912,803	4,682,569	72,873,480	59,093,583
III.—Articles Wholly or Mainly Manufactured—				
A. Coke and manufactured fuel	396,132	291,029	3,857,796	3,213,184
B. Earthenware, glass, abrasives, &c.	1,276,811	854,786	12,953,591	11,152,703
C. Iron and steel and manufactures thereof	6,211,697	3,489,249	62,689,682	48,347,546
D. Non-ferrous metals and manufactures thereof	1,808,585	926,591	17,081,088	11,297,510
E. Cutlery, hardware, implements, and instruments	865,799	555,625	8,617,556	6,833,479
F. Electrical goods and apparatus	1,252,933	842,422	12,003,327	11,085,764
G. Machinery	5,078,911	3,520,491	49,950,478	43,595,967
H. Manufactures of wood and timber	311,022	164,006	2,762,700	2,060,493
I. Cotton yarns and manufactures	10,697,838	5,138,322	125,571,504	82,582,088
J. Woollen and worsted yarns and manufactures	3,780,464	2,631,559	49,315,353	34,668,920
K. Silk and silk manufactures	199,042	99,519	1,997,373	1,459,234
L. Manufactures of other textile materials	2,382,516	1,303,359	24,879,043	18,416,618
M. Apparel	2,202,956	1,405,318	23,876,629	18,724,972
N. Chemicals, drugs, dyes, and colours	2,560,495	1,569,001	24,048,006	20,447,167
O. Oils, fats, and resins, manufactured	834,368	601,378	7,962,687	6,962,354
P. Leather and manufactures thereof	776,173	380,108	7,324,249	4,981,049
Q. Paper and cardboard	965,448	643,771	8,999,556	7,915,069
R. Vehicles (including locomotives, ships, and aircraft)	3,119,015	5,620,750	45,648,659	47,334,944
S. Rubber manufactures	281,952	220,875	3,154,556	2,644,318
T. Miscellaneous articles, mainly or wholly manufactured	3,626,423	2,490,132	36,538,027	28,389,034
Total, Class III.	48,628,580	32,748,291	529,231,860	412,112,413
IV.—Animals, not for food	154,127	90,036	1,817,782	1,345,506
V.—Parcel Post	1,778,772	1,774,122	16,478,964	14,821,476
Total	63,124,577	44,057,306	671,125,131	532,094,450

things considered, remains satisfactory. Business in connection with upper leather has been rather less this week, although box and willow calf still accounts for a fair turnover. Business in connection with footwear production shows no signs of expansion, and although some firms appear to be fairly well placed for orders, there are others who are compelled to rely upon the daily post to keep the wheels revolving.

OVERSEAS PRODUCE.

SUGAR.—The firm tone apparent of late in this market became more pronounced to-day. Prices received a further lift in all directions, and the chief feature is the reserved attitude of sellers, in face of very favourable progress of the plan to bring production more into line with consumption. Messrs Willett estimate stocks on plantations and in course of transit to Cuban ports at 871,000 tons against 297,000 same time last year. The Java Trust disposed of 45,000 tons white and brown at 8 and 7 guilders respectively, ex go-down, and further bids at these figures were not entertained. Offers of first-hand raw refining kinds almost entirely absent. Terminal sections dearer, and business proceeded on active lines regarding raw. March delivery sold 6s. 5d. to 6s. 6½d.; May, 6s. 7½d. to 6s. 8½d.; August, 6s. 10½d. to 6s. 11½d.; December, 7s. 2½d. to 6s. 3½d. Messrs Tate and Lyle's goods advanced 3d.; home-grown granulated from 1½d. to 3d. Continental beet, 88 per cent., quoted 5s. 6d. f.o.b. terms. Cuban receipts last week cabled 47,315 tons against 32,619 same time last year; exports, 75,045 against 44,668, and stocks 738,439 against 241,983. Stocks of raw sugar in the three chief ports of the United Kingdom

for week ending December 6th totalled 163,723 tons against 174,610 last year.

COFFEE.—Fair quantities submitted to auction experienced a generally unsettled market. All really fine liquoring qualities fared well, but otherwise most parcels were quite off the line compared with valuations. Brazilian grades for shipment remain dull, and trend of prices weak.

COCOA.—No change to note in the spot market. Here and there, perhaps, a trifle less money was accepted in order to clear. Forward positions steady but quiet. Accra F/F, January-March, London contract, quoted 25s. f.o.b.; and G/F to Continent, 27s. c.i.f. Terminal, December, sold 29s.; March, 27s. 10½d.; September, 29s. 3d.

TEA.—Indian auctions amounted to 51,867 packages during the week. Coloury fannings and fine teas sold steadily, but apart from these, irregularity prevailed with prices frequently ½d. to ¾d. down. Ceylon sales of 19,121 packages. Good to fine qualities sold steadily, and there was no essential change to note, though low broken favours the buyer. Java sales irregular.

RICE.—No new feature to note. Trade partakes of retail proportions, but sellers asked steady rates.

BEANS AND PEAS.—Market in beans dull for most descriptions, and quotations nominally steady. Peas quiet, though sellers adhered to previous asking prices.

POTATOES.—The market in potatoes has been quiet at unaltered prices.

SPICE.—Pepper met with fair attention, chiefly in forward positions and prices ruled firm. Lampung spot, quoted 6½d., Muntok,

COMMERCIAL TIMES—WEEKLY PRICES CURRENT.

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

LONDON, TUESDAY.		FRUIT (continued)—		WOOL—		HIDES—	
CEREALS AND MEAT.		Spanish Onions,		English Southdown, washed		Wet salted—Australian	
	s. d.	Valencia:—	s. d.	per lb.	s. d.	per lb.	s. d.
GRAIN—		case, 4s.	5 0 5 6	15		0 41 0 41	
Wheat, No. 3, N. Man. 496 lb.	nom.	case, 5s.	6 0 6 6	9 1/2		0 41 0 41	
Eng. Gas. av., per cwt.	6 4	Onions, Oporto case 0 0 0 0		23		0 41 0 41	
Barley, Eng. Gas. av.	8 5	Chestnuts, Huelsa bags 12 0 15 0		11		0 41 0 41	
Oats,	5 8	Grapes, Lisbon boxes 0 0 0 0		7		0 61 0 8	
Maize, La Plata, landed, 480 lb.	21 0	Almeria barrels 10 0 21 6		8			
Flour, Lon. stan. ex mill,	24 6 0 0	LARD—					
280 lb.	20 0 0 0	Irish bladders 70 0 80 0					
Rice, No. 2 Burma, per cwt. 8 3 0 0		American, boxes 56 lbs. 55 6 56 6					
Sago, Pearl, per cwt. 19 0		SPICES—					
Pepper, per lb.—		Pepper, per lb.—					
E.I. black, fair spot ... 17 6 0 0		Muntok, fair White..... 0 0 0 11 1/2					
Medium pearl ... 20 0 0 0		Black Lampong 0 0 0 7					
Potatoes, good English, per cwt. 5 0 6 6		Cinnamom—1st sort, per lb. 0 11 0 0					
Beef, per 8 lbs.—		Cloves—Zanzibar per lb. 0 0 1 2 1/2					
English long sides 4 8 5 4		Ginger—per cwt.—					
Argentine chilled hinds. 3 10 4 4		African 39 0 0 0					
Mutton, per 8 lbs.—		Jamaica, ord. to good ... 50 0 0 0					
English wethers 6 4 7 4		Nutmegs 65's per lb. 1 6 2 4					
N.Z. frozen 3 6 4 4		SUGAR—					
Pork, English, per 8 lbs. 3 4 8 0		(Duty, 11s 8d. per cwt.)					
BACON— OTHER FOODS.		B.W.I., crystallised ... 19 0 22 6					
Irish, per cwt. 70 0 96 0		Java, white, c. & f. India Jan-Mar. 7 8 1 0 0					
Danish 60 0 70 0		REFINED—London—					
Canadian nom.		Yellow Crystals 18 7 1/2 0 0					
Dutch 56 0 62 0		Cubes 23 0 23 6					
HAMS— Irish 0 0 0 0		Crushed 21 6 22 0					
Canadian 0 0 0 0		Granulated 19 4 20 1 1/2					
American 92 0 106 0		Home Grown (Dec.) ... 18 7 1/2 19 0					
BUTTER—		TEA—					
Irish creamery per cwt. nom.		Indian & Ceylon—per lb.					
Australian 90 0 110 0		Pekoe 0 9 2 2					
New Zealand 102 0 116 0		Broken Pekoe 0 9 2 1 1/2					
Danish 134 0 135 0		Orange Pekoe 0 10 2 10					
CHEESE—		Broken Orange 0 10 2 11 1/2					
Canadian per cwt. 74 0 78 0		TOBACCO—					
New Zealand 60 0 63 0		(Duty 8/10-11/2 per lb.,					
English Cheddars 60 0 106 0		Empire growths, 6/9 1/2					
Dutch 41 0 74 0		per lb.)					
COCOA—		Virginia leaf—					
(Duty, British grown,		Common to fine 0 10 2 6					
11s. 8d.; foreign, 14s. cwt.)		Rhodesean leaf 0 6 1 3					
Accra, f.f., per cwt. 26 0 32 0		Nyasaland leaf 0 7 1 0					
Trinidad 46 0 54 0		East Indian leaf 0 10 1 10					
Grenada 38 0 49 0		strips 0 4 0 6					
COFFEE—		strips 0 5 1 0					
(Duty, British grown,		COTTON— TEXTILES.					
11s. 8d.; foreign, 14s. cwt.)		Mid-American per lb. 5-63					
E.I., good to fine, per cwt. 100 0 145 0		Sakellaridis, f.g.f. 8-00					
Costa Rica, good to fine, 105 0 150 0		Yarns, 32's twist 9 1/2					
Cent. Amer., mid to fine 85 0 115 0		60's twist 16 1/2					
Kenya, bold sizes 70 0 115 0		FLAX—					
Colombian, mid to fine... 80 0 115 0		Livonian ZK per ton 37 0 0 0					
EGGS—		Pernau HD 33 10 0 0					
English per 120 18 0 26 0		Slanetz Medium 1st sort. 38 0 0 0					
Danish 21 0 24 0		HEMP—					
FRUIT—		Italian P.O. per ton 33 0 0 0					
Oranges, South African bxs. 0 0 0 0		Manila, Dec.-Feb. "J2" 23 15 0 0					
Oranges—		N.Z. nom.					
Deuts and Valencia		Sisal, African, Dec-Jan. 21 10 20 10					
cases 300 11 0 39 0		Mexican 0 0 23 10					
360 8 0 21 0		JUTE—					
504 7 6 16 0		Native 1st mks. per ton 16 7 6					
Lemons, Naples boxes 0 0 0 0		Dec-Jan. 16 7 6					
Sidilian boxes 7 6 16 0		Jan-Feb. 16 7 6					
cases 12 0 36 0		SILK—					
Malaga cases 420 No. 1 0 0 0		Canton per lb. 8 0 10 6					
Apples: Amer. (var.) bris. 22 0 28 6		Tusah 5 0 8 0					
(var.) boxes 9 0 11 6		Japan 10 0 13 0					
Tasmanian boxes 0 0 0 0		Italian—Raw, fr. Milan 9 6 12 0					
Australian 0 0 0 0							

11d. to 11 1/2d. as to quality. Lampong, October-December, quoted 6 1/2d.; January-March, 6 1/2d.; Muntok, white, October-December, 10 1/2d.; January-March, sold at 10 1/2d. Cloves quiet on former terms. London stocks of black 37 tons down on the week, at 486 tons, against 1,290 same time last year; white, 50 tons lower, at 288, against 1,311.

FRUIT (Dried).—Currants. Market steady, with sustained inquiries. Pyrgos, 30s. 3d.-30s. 6d. Sultanias firm, while in short supply. Greek, 56s.-75s. Raisins maintained. Valencia quarter-boxes, 36s.-45s. Evaporated Fruits.—Californian plums meet a steady sale, the quality of new crop arrivals being better than anticipated. Apricots and peaches sell slowly, but pears experienced a better movement. Almonds firm.

CANNED GOODS.—Fruit: There is no material change in this section, demand for Californian varieties being slow to expand, both spot and forward. English moved off steadily, and a moderate business transpired in Australian descriptions. Fish: Sardines in quiet request at about late rates, fine quality being scarce. Lobsters slow of sale, but crab ruled steady both spot and forward. Meat: Market steady, but demand restricted for both beef and tongues. Condensed Milk: Market generally steady. Honey: Liberal supplies moved off quietly on about former terms. Jamaica white, 40s.-45s.; Cuban, 36s.; Californian, 40s.-48s.

MEAT.—According to the Smithfield Market official report, supplies of meat during last week amounted to 10,010 tons, as compared with 9,234 tons in the corresponding week last year. Imported beef, principally Argentine, formed 81.9 per cent. of the supplies, as against 78.78 per cent. a year ago, and imported mutton, mainly New Zealand, formed 75.1 per cent. of the total supply, as against 73.5 per cent. last year. Meat prices are scarcely changed on the week.

RUBBER.—A quiet tone pervaded the market, and prices ruled fractionally easier. Standard sheet spot and December sold 4 1/2d.-4 3/4d.; January, 4 1/2d.; January-March, 4 1/2d. to 4 3/4d.; April-June, 4 1/2d. to 5d.; July-September, 5 1/2d. to 5 3/4d.; October-December,

5 1/2d. London stocks increased 207 tons on the week; landing, 1,494; deliveries, 1,287; stocks, 76,877, against 53,431 last year. Liverpool stocks 416 higher; landings, 1,199; deliveries, 783; stocks, 40,349, against 17,920.

HEMP.—Manila qualities reservedly held and with fair inquiries, a firm market resulted, but closing quieter. J.2, December-February sellers, £23 10s.; K, £23; L.2, £22 2s. 6d.; L.1, £22 10s.; M.1, £22 5s.; M.2, £21 5s. African sisal dull, and near positions weaker. No. 1 f.a.q., October-December sellers, £20 15s. c.i.f. Receipts last week, cabled 23,000 bales, against 22,000 last year, and 29,000 in 1928. Estimate for next week, 22,000, and week after 24,000. Manila shipments, last week: 5,000 to the U.K.; 7,000, Continent; 12,000, U.S.A.; 5,000, Japan; and 1,000 other countries, making stocks 104,000 bales.

VEGETABLE OILS AND OILSEEDS.—Markets on the whole are about steady, but not very active. Linseed on spot and near positions is in good demand and has developed some firmness, and is at a substantial premium over forward delivery, which is steady but neglected. Old crop Plate on spot and "near" has advanced to £12, with December shipment around £10 17s. 6d. New crop offers freely, and is quoted £10 2s. 6d., January-March. The quantity on passage to Europe is 126,000 tons, against 39,500 tons a year ago, while the estimated balance available for shipment to the end of the month is 114,000 tons, against 97,000 tons. The new demand, and business in black Egyptian has been done to Hull around £6 5s. for afloat and December-January shipment. Linseed oil has further declined in value, raw oil ex Hull mill being quoted on spot, £23 10s., and December delivery £22 10s., with later positions at a good discount. Cotton oil is easier, crude Egyptian, ex Hull, offering at £22 10s., and common edible at £25 10s. The demand for all descriptions of oil cakes is improving, and prices are steady. The market in copra continued dull, and prices moved further against the sellers. F.M.S. Straits, January, to Rotterdam, sellers, £16 5s.; Dutch E.I., ditto, also £16 5s.

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THE MONEY MARKET.

MONEY was inclined to be less plentiful on Wednesday afternoon and Thursday, and at times the rate for new money rose to 2 per cent. The clearing banks have lent a certain amount into the New Year at rates of 2 1/2 and 2 3/4 per cent. The chief development of the past week, however, has been the stiffening of discount rates. On Wednesday the market rate on three months' bank bills was given as 2 1/2 per cent., this being the highest rate

recorded since the end of July. Treasury bill rates are also higher. The rate of issue on December 12th was $2\frac{3}{4}$ per cent., as against rates in the neighbourhood of $2\frac{1}{8}$ and $2\frac{1}{16}$ per cent. during preceding weeks, and the rate for December 19th was confidently expected to be practically $2\frac{1}{2}$ per cent.

The main reason for the rise in discount rates is that the imminence of the turn of the year is making banks and bill brokers very chary of buying fresh bills. At present, the chief need of the money market is liquidity, and so the demand for bills has fallen below normal. On the other hand, the supply of bills is steadily growing, for even though trade remains at a low ebb, each week Treasury bill issues are in excess of maturities. Thus, last week £45,000,000 bills were issued, against maturities of £38,000,000; this week the corresponding figures are £45,000,000, against £40,000,000; and next week £45,000,000, against only £35,000,000. Thus, in these three weeks alone there will be a net addition of £22,000,000 to the outstanding volume of Treasury bills.

	Nov. 27, 1930.	Dec. 4, 1930.	Dec. 11, 1930.	Dec. 18, 1930.	Previous Rate and Date Changed.
Bank Rate	$\frac{3}{4}$	$\frac{3}{4}$	$\frac{3}{4}$	$\frac{3}{4}$	$\frac{3}{4}$ (May 1, '30)
Banks' Deposit Rate	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$ (May 1, '30)
Discount { Call	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{1}{2}$ (May 1, '30)
Houses { Notice	$1\frac{1}{2}$	$1\frac{1}{2}$	$1\frac{1}{2}$	$1\frac{1}{2}$	$1\frac{1}{2}$ (May 1, '30)
Market rate (3 months' bills)	$2\frac{3}{4}$	$2\frac{1}{2}$	$2\frac{1}{2}$	$2\frac{1}{2}$	...

In many ways it would not be a bad thing were the market discount rate to establish itself at $2\frac{1}{2}$ per cent. Such a rate is $\frac{1}{2}$ per cent. below Bank rate, a margin which until this year was regarded as normal. It leaves bill brokers with a more reasonable margin of profit over the rate of 2 per cent. now paid by them to the clearing banks for their weekly loans. Such a market discount rate, too, can be justified on broader grounds. Too low rates attract to London bills in excessive quantities, and their purchase in London depresses the exchanges against sterling. A slight rise in market discount rates is the natural corrective to such a development, and it is far better that the cure should be effected in that way rather than by a rise in Bank rate, with all its widespread and undesirable consequences.

France has continued to take gold at her normal rate, and there is no sign of her demands coming to an end. The Bank, however, has once more been partially able to off-set the French claims by gold acquisitions from elsewhere, including another £1,000,000 from Brazil. The flow of gold to Germany has now been arrested. The result is that, on the week, the Bank return shows a net gold loss of £1,132,549, but, owing to a further increase of £7,667,361 in the note circulation, the reserve has fallen by £8,799,910. The public's withdrawals of currency from their banks for use in Christmas shopping also explains the reduction of £7,817,445 in Bankers' deposits, which now stand at £64,294,938. From the market's point of view this last figure is large enough for comfort, but not too large.

NEW YORK.

The fourth quarter's income-tax payments, which fell due on Monday, created a temporary stringency in the money market, and call rate was advanced from 2 to $2\frac{1}{4}$ per cent. By the middle of the week conditions had once more become easy, and call rate relapsed to 2 per cent. The banks are reported to have been selling bonds heavily, and this partially explains the new record low levels of bond prices established this week. The House of Representatives Committee on Banking has decided to start immediately an inquiry into the year's 1,100 bank suspensions, and evidence will be taken not only on internal questions, but also with regard to the international relations of the New York Reserve Bank. Gold imports for November are given as \$40,159,000, and exports at \$5,008,000, or a net import of \$35,151,000. Net gold imports for the first eleven months of the year amounted to \$247,344,000.

THE STOCK MARKETS.

The stock markets were affected by American liquidations, and the price of many ordinary shares reached the lowest level for eight years. Gilt-edged stocks receded on the further loss of gold—actual and prospective—from the Bank, but Australian stocks showed a moderate recovery following the full subscription of the £28,000,000 conversion loan. Home rails were neglected and friendless. Industrials started a three weeks' "ho, ho, ho" account in depressing fashion, but became steadier before the end of the week. Dealings in tea and rubber shares remained on a small scale. The prices of leading oil shares were marked down, partly on "nerves." The mining markets were quiet, base metal shares being dull on the renewed fall in commodity prices. Rhodesian copper shares derived no appreciable benefit from the ratification of the Congo-N'Changa-Bwana fusion terms.

THE COMMODITY MARKETS.

The export and household sections of the coal trade have been more active, but the demand for industrial fuel shows no signs of an early expansion. The recent improvement in pig iron has not been maintained, and the demand for semi-finished and finished materials has slackened off. The market in Manchester which has been disorganised by the rapid decline in raw cotton values, shows no signs of an improvement, and trade with India and China has fallen off further. The last series of London wool sales met with a steady demand at the lower level of prices, and business in Bradford has been well maintained. Hides continued to fall in value, and the turnover in leather has been on a small scale. Wheat prices show a slight drop on the week.

THE FOREIGN EXCHANGES.

The Foreign Exchange market was dull, with sterling inclined to be weak, whilst several currencies fluctuated a good deal within narrow limits. New York went from 4.85 $\frac{1}{2}$ to 4.85 $\frac{1}{4}$, but Montreal was weaker at 4.86 $\frac{1}{4}$. Paris remained at last week's level of 123.60. Brussels, after improving a little early in the week, was unchanged on balance at 34.76 $\frac{1}{2}$. Milan lost a point at 92.76 after some hesitation. Madrid ran up to 48.90 on the news of the attempted revolution, but recovered later to 45.00. Amsterdam fluctuated a good deal, and was appreciably weaker at 12.06 $\frac{1}{2}$. Berlin remained unchanged on balance at 20.36, but at one time touched 20.37 $\frac{1}{2}$. Switzerland recovered fairly sharply from 25.04 $\frac{1}{2}$ to 25.02 $\frac{1}{2}$. Of the Scandinavian Exchanges, Stockholm gained a point at 18.09 $\frac{1}{2}$, Oslo was better by $\frac{1}{4}$ at 18.15 $\frac{1}{2}$, whilst Copenhagen lost $\frac{3}{4}$ at 18.16. The South American exchanges were again erratic. Rio lost $\frac{1}{4}$ d. at 433 $\frac{1}{2}$ d., Buenos Aires $\frac{1}{4}$ d. at 37 $\frac{1}{2}$ d., and Montevideo $\frac{1}{4}$ d. at 36 $\frac{1}{2}$ d. In the Far East, the rupee was firmer at 1s. 5 $\frac{1}{2}$ d., and the yen was unchanged at 2s. 0 $\frac{1}{2}$ d. Batavia gained $\frac{1}{4}$ at 12.06. In the forward market, dollars remained at $\frac{1}{2}$ cent and $\frac{1}{4}$ cent premium for the two periods; Paris was a point better at 5 and 10 centimes discount; and Brussels rather weaker at 4 and 7 centimes, also discount. Milan gained a point for one month's delivery at 24 centimos discount, but at 70 centimos discount was decidedly weaker for three months' deliveries. Madrid improved to one and 2 centesimi premium. Amsterdam was practically unchanged at $\frac{1}{4}$ and $\frac{1}{2}$ cent premium, as was Berlin at discounts of 3 $\frac{1}{2}$ and 8 $\frac{1}{4}$ pfennigs for the two periods. Silver touched new low levels during the week, and though it recovered slightly at the close, the net fall during the week was $\frac{3}{4}$ d. for cash and $\frac{1}{2}$ d. for forward. 14 $\frac{1}{2}$ d. was the price quoted Thursday for both deliveries. The China silver currencies weakened in sympathy, Hong Kong losing $\frac{1}{4}$ d. at 1s. 1 $\frac{1}{2}$ d., and Shanghai the same amount at 1s. 5 $\frac{1}{2}$ d.

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CHRISTMAS AS USUAL.

MARK TAPLEY would be in his element just now. He would assuage gloat upon the unrivalled opportunity for displaying the proper Yuletide spirit of festivity amid surroundings of universal depression and anxiety. There must be many this Christmastide who find it difficult to emulate his spirit. But for our part we feel that it is exactly in such circumstances as those of to-day, with troubles and difficulties besetting the public life of the nation and the private lives of so many, that it is more than ever helpful to step for a few hours outside the orbit of our daily work and give way to the spirit of geniality and enjoyment which is customarily in the ascendant at this Yuletide season. It is a poor heart that never rejoices, and it is as true of a nation as it is of an individual that, when the power of enjoyment has passed, its passing is a sign of lowered stamina and the beginning of a decline. Let us then take as our slogan "Christmas as usual," and live up to it as well as our various circumstances permit.

In saying this we are quite prepared to find that we have surprised many of our readers. We can understand and sympathise with the difficulty which many people must be finding in deciding the problem whether it is really right in these days of national crisis to expend both funds and energies on the object of seasonal celebration. So constantly do grim economic facts and conclusions obtrude themselves on our attention that many must feel it hard to reconcile the spirit of the week of good cheer with the teachings of the dismal science. Nor is the dilemma resolved by such conflicting advice as is contained, on the one hand, in the manifesto issued this week by Sir Robert Horne and other prominent Conservatives pleading for stern all-round economy, and, on the other hand, in the provocative letter which appears in our correspondence columns to-day—arguing that free spending and not economy is the only road to economic salvation. Let us for a moment, but only for a moment, confound the confusion further by saying that up to a point we agree with both points of view. How, asks our correspondent, could it benefit the world at large if everyone were to stop spending beyond what was necessary for the bare necessities of life? To that question we would add another—and the really important one that people are pondering this week: Does the existence of the great depression make personal economy more desirable, more of a duty than in ordinary times? Frankly, our view is that it does not.

Let us explain. Supposing everyone who has a margin of spending power above what is required for the purchase of life's necessities were to decide that all avoidable expenditure must be cut down; suppose that Mr X decided to buy no new clothes, and make his old ones last twice as long; that Lord Y postponed the repainting of his mansion; or Mrs Z reluctantly refrained from buying the usual Christmas toys for her children. What would be the result? It would in the main be two-fold. In tailoring and its supplying trades, in the decorating trade and among the toy-makers and toy-vendors a definite increase in unemployment would take place. On the other hand, an addition would be made to the pool of accumulated national savings. What we have to decide is whether it is on balance to the advantage of the nation that these twin results should be achieved. The decision would certainly be in the favour of stern economy, were there any convincing evidence of an immediate real shortage of saved capital available for the financing of industry and production. But there is no such convincing evidence to-day. It is probable that later on, when industrial activity springs again to life, a deficiency of current savings may be revealed; and it is desirable that, to be on the safe side, the accumulation of private capital should perhaps be slightly increased now, certainly not diminished. Indeed, it is almost certain that in the years to come much larger accumulations of capital must be made—either by public

or private saving—than in the recent past. But the overwhelming factor of unemployment weighs very heavily in the scale against all arguments that can be brought for a deliberate general curtailment to-day of ordinary budgets of personal expenditure.

Let us not be misunderstood or regarded as advocates of wild extravagance. At all times and in all circumstances there are some forms of expenditure which are definitely deleterious. Our argument is confined to the thesis that the depressed circumstances of the present make stern personal retrenchment, not more, but less nationally advantageous than when times are normal. Hence our slogan "Christmas as usual" for those who can observe it as usual, not with increased lavishness, but with the normal generosity in response to calls of charity, the normal purchasing and giving of gifts, and the normal enjoyment of good cheer—provided always that expenditure is confined within the limits of current income and does not involve a rash mortgaging of future resources. Neither the world economic crisis nor the disabilities of Britain will be remedied by making Tommy go without his Teddy Bear.

There is more confusion of thought, perhaps, about this question of private expenditure and retrenchment than about any other subject in the realm of economics. The real question of vital moment to the country's life to-day is not whether a family, let us say, with £5 a week is justified in going to the cinema or purchasing a gramophone, but whether the members of that family contribute £5 worth to the productivity of the nation. If they do not, then either their productivity must be raised or else the £5 of purchasing power which they receive must be reduced in its proper relation. Similarly, the important question is not whether a railway director with £10,000 a year should or should not buy a new Rolls Royce, but whether, in actual fact, he earns his £10,000 a year. If he does not, he must either work harder and with greater efficiency or else submit to an appropriate reduction in his salary.

The proper avenue of approach to the problem is from the picture of a common pool of national resources. The main question is not how the individual spends what he takes out of that pool, but whether he puts in as much as he takes out. And this is just where we part company with our correspondent, Mr Archibald Phillips. He implies that over-production must, with the progress of science, become chronic unless we all proceed to work less and retain existing rewards for our labour. The short answer to this attractively specious fallacy was, as it happens, given by Sir Arthur Salter in a recent article in the *Times*: "The paradox of impoverishment through plenty is not and cannot be permanent. . . . The notion that in the nature of things there is a fixed limit to human needs is a mere delusion and will be until the last Hottentot lives like a millionaire." Provided that there is no hitch in the working of the process of exchanging goods and services one with another, it is idle to fear, for many years to come, any danger of permanent unemployment through "saturation" of markets. The real danger is that of impoverishment by spending not absolutely "too much" but "too much" relatively to the amount of real wealth we are creating.

The question of the need for public economy is in an entirely different category. Here the crux of the matter is plain. Reproductive expenditure by the State in a time of depression can be justified by strong arguments; and we do not suggest that mere redistribution of individual spending power by means of taxation *ipso facto* impedes production. The real trouble is (1) that heavy taxation in bad times not only has a depressing psychological effect but depletes damagingly the resources of corporate institutions, and (2) that much State expenditure is apt to pass to recipients who do not put back into the national pool the value of what they receive. This is

true of extravagant or redundant Departmental staffs. It is equally true—however frankly we admit that society is bound to keep the wolf from the door of the economically defenceless—of those drawing “doles.” And in the latter case there is the additional factor that abuse of the principle of benefit may ultimately prove a real deterrent to work and the production of wealth. On these cogent grounds there can be no question of the rightness of the widespread demand for public retrenchment, to which Sir Robert Horne and Sir Walter Runciman have added their advocacy this week.

To revert to private economy, we are by no means unqualified supporters of the cry, “Spend, spend, spend until the depression is over,” nor, indeed, do we yield to any in our laudation of the virtue of balanced thrift at many times and in many circumstances. But in the peculiar conditions of the present moment we can find it well within our conscience, for psychological as well as economic reasons, to join in singing the old ballad: “Let us be merry and make good cheer, for Christmas comes but once a year.” To spend too little may be almost as bad economically as to spend too much, if purchases are forgone, not because the money to finance them has not been earned, but because the potential purchaser is “afraid to buy.” The lesson to be pondered this Yuletide, we suggest, is the vital necessity not of our spending less but of “earning”—nationally, and in the real sense—more.

REPUBLICANISM IN SPAIN.

FROM Friday of last week, when the revolt at Jaca occurred, until Wednesday evening, Spain was virtually cut off from the rest of the world. The frontiers were closed, news suppressed by a drastic military censorship, the use of the international and inter-city telephone lines forbidden, and martial law proclaimed throughout Spain. It is still too early to appreciate fully the significance of the events which have taken place, but though martial law and a strict censorship remain in force, the fact that foreign correspondents in Madrid and Barcelona were permitted to send messages to their papers on Wednesday night, and the general tenour of those messages themselves, suggest that for the time being the insurrectionary movement has been repressed.

The rising itself appears to have been badly mismanaged. The plan of the Republicans, it seems, was that zero-hour should be Thursday, December 18th, and that on that day a general strike in support of the proclamation of a republic by civilian elements should be supported by mutinies in the disaffected sections of the Army. As matters turned out, the plan went seriously wrong, either through lack of effective liaison between its civil and military leaders, or, as is by no means unlikely, because of the multiplicity of republican factions of different shades in the Spanish anti-monarchical movement. The premature explosion which gave General Berenguer sufficient warning to take counter measures occurred at Jaca, a small town at the foot of the Pyrenees. The idea had been that the garrisons of Jaca and Huesca should combine in revolt, seize the railway and advance through Lerida on Barcelona. On the eve of last Friday, however, a party of young civilians apparently belonging to the bourgeoisie and not to the working class, arrived at Jaca from Saragossa in taxicabs in the small hours of the morning. At their instigation, part of the garrison mutinied and arrested the military governor and other officers of high rank. On the other hand, the Civil Guard (which has a professional feud with the Army), the Carbineers and the Mayor of the town all refused to join the movement; and at Ayerbe—a station on the railway between Jaca and Huesca—a detachment of the Civil Guard, warned by postal officials of the doings at Jaca, pulled up the track, and thus seriously interfered with the advance on Huesca.

Meantime, though the troops at Huesca at first refused to obey orders from Madrid to march against the insurgents at Jaca, loyal forces were rushed to Huesca,

whose garrison, realising probably that the Jaca *émeute* had been premature, and impressed by the concentration of troops at the Government's disposal, returned to their allegiance. On the morning of Saturday the 13th, the mutineers from Jaca were met some ten miles distant from Huesca by a superior force which rebuffed their attempts to fraternise and opened fire with artillery. The mutineers were dispersed and many were taken prisoners; and two of the captured officers were tried by court martial and shot out of hand.

Next, there came other disconnected outbreaks on the part of some elements in the Air Force. At Barcelona a number of republican flying officers appear to have made an abortive attempt to seize the aerodrome at dead of night, but were easily frustrated. At Madrid, however, a party of civilians led by General Llano and Major Franco seized the Cuatro Vientos aerodrome, arrested three officers who resisted them, and proclaimed a republic by sending out wireless messages and scattering leaflets over Madrid from aeroplanes on which the Spanish national colours had been daubed out in red paint. The aerodrome was quickly invested by a column of troops from the Madrid garrison (which remained loyal to the Government) and was shelled. Thereupon, the military leaders of this *coup de main* made their escape by aeroplane to Portugal and the rest of the rebels capitulated. The majority of the troops in the aerodrome seem to have played a passive part from first to last.

Meantime, though the military movement was limited to these sporadic missfires, the civilian side of the republican plan was belatedly put into operation on a much wider scale, though for the most part on non-violent lines and without, so far, seriously threatening the position of the Government. Strikes were declared in most of the principal cities, excluding Madrid, and in many villages and towns throughout Spain republican proclamations are reported to have been made and republican flags hoisted. In some places, as we go to press, the strikes appear to have come to an end; in others they continue. But though here and there there have been outbreaks of disorder—telegraph lines wrecked, railway tracks pulled up, and occasional affrays with the Civil Guard—a fair estimate of the situation seems to be that, at the moment, General Berenguer has the situation “well in hand.”

The outlook, however, is by no means clear. As regards the Army, events have proved that, so far, the Government can count on finding, at short notice, a loyal majority of troops who are ready to take extreme measures with any rebellious minority of their comrades. The Army is, of course, a political force in Spain. Successive regimes which it occupies in France or in Great Britain. More-over the Army has a grievance; for the Marques de Estella, during his dictatorship, restored the principle of promotion by merit in lieu of promotion by seniority; and this is an old quarrel between the Army and the Government. The Army have always striven for the seniority principle, on the specious ground that “merit,” in Spain, means not merit but favouritism. However, the artillery, who were supposed to be the most discontented arm, have recently been conciliated by an increase in their pay, and it does not look at present as though the Army were disaffected *en masse*. The only indication that the Army as a whole may not, after all, be so loyal as appears on the surface, is given by the Government's action in summoning the Foreign Legion, post haste, from Morocco to Spain. This step, which looks like a false move made in a moment of panic, is reported to be arousing resentment in the Spanish units of the Army, and it might conceivably provoke the very disaffection against which it is intended to be a safeguard.

What of the civil population? So far as Barcelona—the obvious danger-point—is concerned, the comparative tranquillity of that city looks as though Catalan nationalism does not regard the immediate situation as a favourable opportunity for seeking to realise its aspirations. Elsewhere, strikes have been on a sufficient scale to indicate that the republican movement has behind it considerable mass support. For it is clear that so far as the Spanish working class is concerned, the demonstra-

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tions have been primarily political and not inspired by class motives on Communist lines. The influences at work have been rather those of Paris of '48 and '71 than of Moscow of 1917. In fact, we shall probably see this Spanish upheaval of December, 1930, in the truest light if we regard it as a belated example of the classical European type of revolution which, in other parts of Western Europe, is already *démodé*; a social phenomenon of the nineteenth rather than the twentieth century. We shall not be far wrong if we look for the force behind the upheaval in a straightforward fight between republicanism and monarchy—an old-fashioned issue which does not bother Englishmen or Frenchmen or Americans nowadays and which has been settled decisively, since the war, in Germany and Austria and Turkey, but which is still a live issue in certain countries; for instance, in Egypt and in Hungary.

If this diagnosis is correct, we may perhaps venture to predict that, though the present upheaval in Spain may be surmounted, the country is far from being at the end of its troubles. A very large part of the Spanish nation—far larger than the fraction which took up arms last week—does hold the present King responsible for the late Marques de Estella's *régime*. He is held responsible and he has not been forgiven; and if and when a Spanish parliament, properly elected, meets, there may be a doubt whether the King will be able to retain his throne. The ultimate choice before him may be to save his dynasty by a timely abdication or to bring in the republic by kicking against the pricks too long. This threat to the crown explains why the present Prime Minister, General Berenguer, has allowed nearly a year to pass since the demise of the Marques de Estella's directorate without holding a general election. In fact, Spain is being governed dictatorially still. She is being governed like this in the supposed interests of the King; and the longer Spain remains in this political limbo the greater the resentment against the King and the stronger the demand for a republic will be.

If General Berenguer could convince the Spanish people that the elections, due to take place next March, would not be rigged and that the Government and the monarchy were sincerely intent on “the reconstitution of Spanish politics,” the process of evolving a new constitutional *régime* without abandoning the monarchical principle in Spain would seem more capable of realisation. Otherwise, the life of the existing Government seems to depend precariously on the inability, so far, of a rising tide of discontent to produce unity of purpose and concentration of effort on the part of the various factions in the republican movement.

FRANCE AND GOLD.

The magnitude which the steady efflux of gold from London to Paris has attained since the movement was resumed on September 22nd, and the controversy which has arisen on both sides of the Channel as to the essential causes of the efflux and possible means of arresting it, lend particular interest to the following analysis of the present situation by a distinguished French economist.

THE continued influx of gold from London to Paris may fairly be said to be a matter of as much concern to the market which is receiving the metal as to that which is losing it. London may be displeased at seeing the Bank of England's reserve decline, although on December 10th the “reserve ratio” of gold stocks to deposits and notes, at over 32 per cent., was still considerably above the level of 25 per cent. to which it fell not long ago; but Paris is equally disturbed by the possibility that the movement may involve the danger of a rise in the French level of prices.

Fears on the latter score may well seem somewhat exaggerated. Calculated on the basis of francs of pre-war purchasing power, the present volume of notes in circulation in France is little higher than the corresponding figure in 1912 (15 milliards against 12 milliards). Moreover, even if the existing circulation is responsible for the rise in prices—a thesis which is by no means proved despite the continued increase in the retail index number—it is thereby contributing towards moderating the effects of the crisis which is every day becoming more clearly visible in French industry and commerce. This in itself is a substantial point to the good. Indeed, the maintenance of the existing level of prices, or even a slight increase in it, would be the most efficacious means of influencing the trade balance in the direction of larger imports, and so changing the course of the present unwelcome flux of gold.

It would be a mistake to suppose that in this matter considerations of self-interest are uppermost in French minds. Paris derives no sort of satisfaction from seeing the London market in difficulties. Such an idea is far from the truth, and could only be entertained by those who are ignorant of the intimate connections which link the two markets. It is, in fact, the very intimacy of the connection between London and Paris which is giving rise to the present difficulties, while equally the closeness of the ties affords ground for hoping that the difficulties may be transient.

In the first place, it should be borne in mind that London has never displayed the capacity shown by Berlin or Paris to retain gold. During the period of enormous Transvaal production between 1895 and 1910 the stock of gold coin and bullion in the Bank of England not only did not increase; it actually fell. During the

same period the Bank of France augmented its stock of gold by 1,200 million francs; the Reichsbank's gold holdings rose by 200 million marks; and the stocks held by other European central banks doubled or trebled. Thus, whether the explanation is to be found in the economic structure of the various countries, or in the mechanism of their money markets, or more particularly perhaps in the organisation of their foreign lending, the fact must be recognised that some special characteristic renders the task of building up gold reserves in London relatively more difficult. It is not a question of a recent development but of a long-standing phenomenon.

It is true that current movements of gold have been on an unusually large scale. This, however, is the result of the combination of a variety of circumstances superimposed one on the other, but all exercising an influence in the same direction. It is because of this coincidence of so many factors that one may hope that the present disturbance is transitory and will disappear with the disappearance of the circumstances which have occasioned it. For the essential cause of the gold influx has been beyond dispute the stock market and banking crisis which burst upon Paris two months ago. The crisis was not serious of itself, but nevertheless it produced among depositors and customers of the banks—particularly after the suspension of the Banque Adam—feelings of anxiety out of all proportion to the original cause. In fact, this incident illustrates the extent to which nervousness still prevails among a public in whose minds the memory of the monetary and financial troubles of 1926 is still fresh. Moreover, lack of confidence was intensified by apprehension—equally exaggerated, it may be, but none the less widespread—aroused by the results of the German elections and by various bellicose utterances whose martial ring echoed loudly enough through Europe. Thus it happened that withdrawals of deposits assumed such dimensions that the commercial banks in France had to use all the means at their disposal to increase their cash balances. A reflection of these movements is to be found in the unusual increase of 3.5 milliards between the month of August and now in the private deposits of the Bank of France. The growth of deposits* in the central bank is the normal but significant counterpart of withdrawals of deposits from the other banks. Moreover, the note circulation, which a year ago fell by one milliard after the settlement at the end of November, this year remained almost stationary between November 28th and December 5th, despite a reduction of 1.5 milliards in the Bank of France's holding of bills. This holding, notwithstanding the stagnation of business, stood at the end of November at a figure of 400 millions higher than at the corresponding date in 1929—a further proof of the remarkable strength of the demand for bank cash.

It is well known, however, that recourse to the Bank of France is not the only means available to the commercial banks of increasing their liquidity. The custom, almost universal before the war, of placing a considerable part of their liquid assets on short-term investment in London and Berlin, but particularly in London, was resumed on a large scale by the banks immediately following the stabilisation of the franc. This habitual policy is itself a result of the remarkable facilities for short-term investment offered by the London market, and it has contributed greatly to supporting sterling exchange in Paris. On the other hand, the other side of the picture for the borrowing market is the ease with which funds so placed can be withdrawn. And, as has been the case in all previous crises, balances in London have served during the past two months as a "first line of reserve" on which the French banks could call to increase their cash balances. This is a phenomenon which has recurred with perfect regularity ever since the beginning of the nineteenth century, and of which every crisis has afforded evidence. On this occasion the magnitude of the movement of funds was the greater in that open-market discount rate in London has not been higher than the outside discount rate in Paris,

and has been lower than the rediscount rate of the Bank of France. Hence it was more advantageous for the French banks to repatriate their balances from abroad than to rediscount bills with the central institution.

It is possible, too, that these repatriations have been slightly accelerated by the uncertainty felt in the Paris market as to the franc's really effective gold point in London. Since deliveries by the Bank of England have been limited to standard bars, which have to be refined before acceptance by the Bank of France, the market no longer knows exactly how far the cost of importing gold is going to be increased through the loss of interest consequent on delays in having the metal refined. Nor is it aware at what point the Bank of France may decide at any moment to intervene and buy foreign exchange so as to prevent further depreciation of sterling. To put an end to this state of uncertainty would, however, be as easy as it would be desirable. For example, if it be admitted that the instability of the gold point is an important factor in inducing a sense of insecurity, the Bank of France could decide to purchase bars, irrespective of their degree of fineness, at the price of fine gold less the cost of refining, and to carry out the necessary refining itself. It is hard to believe that a small matter of difficulty which could so easily be smoothed out by common accord can long play an appreciable part in the monetary relations between France and England. Nevertheless, this question of standard gold and the gold point has contributed in the course of the past few weeks to precipitating the withdrawals of foreign balances to which the Paris banking crisis gave rise.

That crisis itself, be it noted, was a complication superimposed on a steady tendency towards repatriation of capital due to the decline which has proceeded without interruption for more than a year in the Paris Bourse, where a large bull position had long been kept open in defiance of all the omens. Capital has had to be repatriated to meet settlement differences; while still further repatriations of French capital have been caused by the slump in the stock markets abroad, with the result that sellers of sterling in Paris have predominated.

In so far as the present influx of gold arises from this coincidence of exceptional circumstances—a coincidence which can be summed up in the one word "crisis"—there is no doubt that it will cease with the end of the crisis itself. Moreover, the severity of that crisis should be lessened by the arrivals of gold into France, since these will do something to dispel the exaggerated nervousness which has been the motive for the withdrawals of deposits from the banks. As soon as the tide of sentiment changes, a small differential between discount rates in London and Paris—be it an increase in the London rate or a reduction in that of Paris—will be sufficient to change the course of the gold tide as well. There are substantial reasons, one knows, why London should hesitate to raise its discount rate at present. Equally serious considerations make it difficult for Paris to have a rate lower than 2½ per cent., and indeed this rate is so low that it is questionable whether a further reduction would be of any advantage. Nevertheless it remains true that a difference between rates of discount is the only really effective method of attracting back to any particular market balances which have been removed elsewhere. The remedy for the present situation—as soon, that is to say, as the temporary spasm of "nerves" on the part of French depositors has been allayed—is there for the authorities in the two markets to apply when they wish. Its application, sooner or later, will be a matter of necessity.

On the other hand, there is a permanent factor in the situation of the two countries to which attention may usefully be directed and which presents a problem less easy to solve—the diametrically different courses pursued by the balance of payments in France and Great Britain since the stabilisation of their respective currencies. In the case of Great Britain, the official returns indicate that the balance of "current items," visible and invisible, is much less "favourable" than before the war, since exports continue to be much below their pre-war level.

* Calculated in terms of gold francs the present figure of private deposits in the Bank of France, 9 milliards, is treble the average figure of 1912.

Against this, London has resumed with its old activity its traditional rôle of international lender of capital both on short and long term. In Paris, however, market developments have run on exactly opposite lines. The foreign trade balance has become as "favourable," if not more so, than before the war, thanks partly to the great increase in tourist traffic. But the export of long-term capital, which before 1914 was a distinctive feature of the Paris market, has by no means regained its pre-war level, for the reason either that the domestic market, following the stabilisation of the franc, has made heavy calls upon national savings, or, it may be, because many of the Governments which used to figure as borrowers in the Paris market have to-day vanished from the scene and have not yet been replaced by new clients. As matters stand, the political and economic status of many potential new borrowers is insufficiently known in Paris, or, if known, makes insufficient appeal for issues on their behalf to be practicable.

If the present situation were to be prolonged, it would clearly result in two equally undesirable consequences. On the one hand, the gold reserves of the Bank of England, even under normal conditions, would not grow fast enough for London to be able to face substantial withdrawals of funds in times of crisis abroad without disquietude. On the other hand, the glut of liquid assets in the Paris market could not find any outlet except in short-term investment in foreign markets, whose currency would thereby be rendered more vulnerable on the least hint of alarm.

It would appear, then, that the fundamental cause of current events lies in more or less permanent disequilibrium in the balance of payments of France and Great Britain. To restore equilibrium purely monetary expedients are inadequate. What is necessary is to devise in each case sound lines of economic policy. For Great Britain, if a French observer may be permitted to express a friendly view, the appropriate remedy would be a policy having for its chief objective a reduction in industrial costs of production; for France, what is wanted is a rational policy of augmented lending abroad. In this latter connection, however, it should be borne in mind that though foreign borrowing in the Paris market will be encouraged by the low discount rate in France, the full potentialities cannot be realised unless the prospect of world peace seems sufficiently assured to make the investor in France feel disposed to risk once more placing his money abroad. In the present position of Europe politics and economics are more closely linked together than ever before. Their inter-connection might well be brought to the notice of all those who see in the central banks the authors of each and every crisis with which the world is troubled, and who attribute to the same quarters the magical power of putting an end to each and every crisis at will. There could be no more dangerous illusion than this; for if we are to have economic stability and material well-being, the first essential task is to establish and consolidate peace.

BRITAIN'S BREAD.

MUCH has been heard in recent months of the import board as a means of protecting British agriculture, or rather that very small proportion of British agriculture which is devoted to the production of wheat. In its origin, however, the idea of an import board was a device for protecting, not the producer, but the consumer of wheat, and in that capacity its adoption was urged in a pamphlet* which appeared some months ago, and which deserves serious examination, less on its merits than because it is typical of a line of criticism which relies very largely upon a misrepresentation of the facts of the grain trade.

Mr Hurst's thesis is that the British consumer no longer enjoys either the stability or the low level of bread prices

* "The Bread of Britain." By A. H. Hurst. Oxford University Press. 2s. 6d.

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which obtained before the war, owing to the fact that combinations among overseas wheat growers on the one hand and British millers on the other hand have reduced the grain merchant to a mere economic survival, without effective influence on the trade. Thus there no longer exists the reserve supply of grain which the merchants used to hold in the natural course of business, and which acted as a buffer against sudden rises in price, while the elimination of the regular hedging operations has made prices liable to more violent fluctuations and thereby raised the ultimate cost to the consumer by the amount necessary to cover insurance against the increased risks carried by the millers. Further, the immense growth of speculation has so increased the turnover on the wheat markets of the world that British imports, once a very weighty factor in the market, have become a very small proportion indeed.

Since, in Mr Hurst's view, no private interests can take over the functions of the grain merchant—and in this he seems to have unduly minimised the hedging habitually carried on by millers in the normal course of business—he advocates the intervention of the British Government to set up a board which should be responsible for the discharge of those functions. He goes into very little detail as to the proposed activities of such a board, and one of the first questions which suggests itself to the reader is how, if the evils of which Mr Hurst complains are largely attributable to the fact that the immense speculative developments of the international market have dwarfed the British share to an almost insignificant proportion, a mere change in the method of making British purchases is going to help the situation? The more nearly Mr Hurst is right in visualising the wheat market as dominated by giant combines and at the mercy of political manoeuvres, the less likely does it seem that the British consumer can protect himself merely by making his purchases through a government agency.

Whether Mr Hurst's picture does fairly represent the facts is, however, another question. A more recent writer has challenged the alarmist figures which have been bandied about, purporting to show the proportion of the wheat supply of the principal exporting countries which is controlled by pools, and the extent of combination in the British milling trade; and some of these challenged figures correspond to those put forward by Mr Hurst. Mr Moelwyn-Hughes states, for example, that the three milling combines control only 38 per cent. (not 62 per cent., as suggested by Mr Hurst) of the flour output in this country, that there is keen competition between them, and that the limit of concentration has probably been reached. He dismisses the idea that pools or large firms exercise any effective control of wheat exports from Australia and the Argentine, and illustrates with a brief recapitulation of the activities of the Canadian Wheat Pools and the Federal Farm Board his contention that "they have in no wise prevented the grain trade from exercising its normal and efficient function, nor endangered Great Britain's supply of wheat."

Pools, in short, are dismissed as almost innocuous, unless there were to arise either a degree of international combination among exporting countries which is scarcely conceivable in present conditions or else a world shortage.

† "Cheap Bread." By R. Moelwyn-Hughes. Ernest Benn. 2s. 6d.

How unlikely a shortage of wheat is may be judged from the following table:—

WORLD WHEAT PRODUCTION.
(In million cwt.)

Average.	
1890-99	1,328.5
1900-09	1,626.5
1910-19	1,536.5
1920-29	2,065.5

With many European importing countries aiming at a greater degree of independence of foreign supplies, it seems hardly likely that world demand can outrun supply within measurable distance of time, though whether Mr Moelwyn-Hughes is right in assuming that because the pools cannot hope to succeed in their object they do not cause any considerable disturbance to the grain trade is perhaps debatable.

In flat contradiction to the allegation that the grain merchant has been to all intents and purposes eliminated, Mr Moelwyn-Hughes asserts that he still handles two-thirds of the wheat imported into this country. That he handles it efficiently, *prima facie* evidence is to be found in the fact that whereas the average price of wheat imported in the years 1909-13 was 8s. 5d. per cwt., in 1922-30 it fluctuated between 10s. and 14s. If allowance be made, by means of a wholesale price index number, for changes in the purchasing power of money, the cost of wheat was actually reduced, in 1922-30, from a pre-war average of 11s. 1d. to a range between 8s. 1d. in 1923-24 and 10s. 7d. in 1925-26, while the mean for 1929-30 was 9s. 6d. Mr Moelwyn-Hughes takes an optimistic view of the extent to which cheapness of wheat is reflected in the price of bread, but that the British consumer has little cause for complaint as compared with consumers in other countries is shown by the following table taken from his book:—

BREAD PRICES PER 4 LB. LOAF.

	1914.	August, 1930.
	s. d.	s. d.
London	0 5½	0 8
Liverpool	0 5	0 7
Hamburg	0 10½	1 4
Paris	0 7½	0 9
Antwerp	0 6½	0 6
Stockholm	1 2	1 6
Rome	0 8	1 2
United States (average)	...	1 5½
Canada (average)	...	1 3
Australia (average)	...	1 11

Only in Belgium is it possible to obtain bread as cheaply as in this country, and there, Mr Moelwyn-Hughes argues, the quality is so poor that it partly invalidates comparison.

One may disagree with Mr Moelwyn-Hughes on certain points, but it is difficult to deny that he has made out a very strong defence of his position that, as far as the interests of the British consumer of bread are concerned, there is no need for any supersession of the present machinery of the grain trade. When he turns to the discussion of the specific proposal that the activities of the grain merchant should be carried on by an import board, he has an even more devastating battery of arguments. Not least of these is the contention that control of the grain trade would inevitably lead to control of milling, baking and trade in all kinds of stock and poultry feed. The economies which would be effected are, in Mr Moelwyn-Hughes's opinion, negligible, while speculation would not be checked but would merely, owing to the publicity of every move made by a Government purchasing board, be more unfavourable to the British consumer than before. The certainty of political pressure on the board opens out a dreary vista of "slogans, and election pledges, and still further doses." The experience of Continental countries which have tried similar schemes is anything but encouraging. Perhaps one of the most deterrent arguments is that which points to the high degree of international ill-will which would inevitably attend the negotiation of big wheat contracts by a body representing the British Government. If Canada "took it personally" when British merchants,

following the ordinary principles which guide every good housewife, bought Argentine wheat last year because it was the best bargain, how would feeling run if the British Government did the same? In Mr Moelwyn-Hughes's words: "The harmless bargaining of merchants is to be lifted to the plane of international relations and conducted at the temperature of national feelings." In short, proponents of the import board plan have yet to convince us that such a mechanism is required to meet any obvious need, or that, if established, it would work well.

THE DRAFT DISARMAMENT CONVENTION.

(BY OUR LEAGUE CORRESPONDENT.)

THE Preparatory Disarmament Commission having finished its work and concluded a draft convention, it now remains for the Council of the League to fix the date of the Conference. It is doubtful whether it will take a decision at the next session in January, and the chances are that it will be more likely to proceed first to a general consultation of the Governments. There is clearly much to be done by way of conversations before the Council will be in a position to name a date, and it will be surprising if the important preliminaries are completed in time for a conference before 1932.

The Commission seems to have been moderately well satisfied with what it has achieved, and there are certainly features of its convention which are not negligible. At the same time nothing is of greater disservice than to exaggerate the achievement, and Mr. Gibson's warning in this direction was wise. Even on some of the points of greater importance, decisions were by majority, and there are numerous reservations. How far they will remain obstacles it is early yet to say, but in view of all the circumstances it seems fairly clear that the Commission could not have gone further with any hope of bringing with it those states on whom rests the biggest responsibility to act. The draft convention is inadequate and disappointing, but it is something—if only the Conference itself fills in even moderately reasonable figures. That will be an extraordinarily difficult undertaking, and everything will depend on political relations, but the Governments at the Conference will scarcely be able to enact the farce which is sometimes prophesied.

That is one of the valuable features of at least having guiding principles down on paper. If the majority decisions are finally accepted, and an honest attempt made to take action on them, the armaments situation can be improved and the road opened to further progress later. It will not satisfy Germany, but it is useless to expect that at this stage there could be a levelling of European armaments, as Count Bernstorff claims; and Germany has some obligation to dispel any suspicion that pressure to do all at once may be prompted rather by a desire to arm herself than to persuade others gradually to reduce armaments. That suspicion is not widespread, but it exists, and the strong feeling of all Germans on the fundamental question should not be allowed to be exploited by the Nationalists. Action has certainly been delayed long enough, but it is idle not to recognise the realities. There will be no such quick revolution in political thought as to make a levelling of armaments possible next year or the year after. Count Bernstorff declares that the draft convention enables countries to increase their armaments. We shall see. That would be a sorry business, and a very dangerous situation would arise if Governments were to attempt such a deception of Germany and of a vast number of people all the world over. But why emphasise that possibility, if possibility it is? There are some states who have declared their existing armaments to be insufficient, particularly in relation to naval and air armaments, but the estimate of that insufficiency will to a large degree depend on what others do. Nevertheless, no one could pretend that the situation is not critical, and what is necessary between now and the Conference is a great deal of thinking and of energetic action by Governments who want results and Governments who are under strong moral obligations—at least—to contribute to results.

What are the main provisions of the draft convention? The average daily effectives in land, sea and air forces and formations organised on a military basis are to be limited. Trained reserves are excluded, and there is to be no limitation of annual contingents; but there is to be a limitation of the period of service in conscript armies. The annual expenditure on the upkeep, purchase and manufacture of war material for land armaments is to be limited; to this the Americans make a reservation, as they (with the Germans and some other states) prefer direct limitation. For naval armaments, in addition to direct limitation, there is to be a limitation of expenditure as well, but the Americans, French and Japanese made reservations, and the British and Italians explained that their acceptance depended on the attitude finally adopted by other maritime powers. An attempt to get budgetary limitation on air material failed, despite a determined effort by Lord Cecil, who said that without it, the air arm, potentially the most destructive, would be the most free for competitive international development.

With regard to naval armaments, provision is made for limitation by global tonnage, and each state is to show in which way it intends to distribute the global tonnage between the different categories. There is to be direct limitation of the number and size of capital ships, aircraft carriers and submarines, and of armaments. There are provisions for transfers from one category to another, on condition that before a ship is laid down for construction due notice should be given. Account must be taken of the special circumstances of each Power and of the classes of ships involved in the transfer. Powers whose total tonnage does not exceed 100,000 tons (this figure is given as an indication of the size of smaller navies) will have full freedom of transfer as regards surface ships, and as regards other Powers the amount of transfer is to be variable in inverse ratio to the amount of their total tonnage. The Italian delegation made a general reservation to the effect that they could not finally agree to any specific method before all the Powers had agreed on the proportions and the levels of maximum tonnage.

Air armaments are to be limited as follows: the number and total horse power of aeroplanes capable of use in war, in commission and in immediate reserve, is to be limited, and also the number and horse power and volume of dirigibles. States are to refrain from embodying military features in civil aviation, and they agree to encourage economic agreements between civil aviation undertakings in the different countries. The Germans made a reservation on the ground that reduction and limitation do not apply to the aggregate of war material, including material in reserve, thus leaving the countries free to increase their stocks of aircraft not yet put together. There are several other provisions aimed at preventing civil aviation from being used for the development of air armaments.

The total annual expenditure on land, sea and air forces, and organisations on a military basis, is to be limited, and a Committee of Budgetary Experts is to report on the conditions in which it shall be carried out. Conditions are laid down for exchange of information, and while this is a matter of publicity and not of limitation, it provides for the publication of a great deal of essential material. There is to be publicity also for civil aeroplanes and dirigibles and for the amounts expended by Governments and local authorities.

In addition, one of the most valuable features of the convention is the establishment of a Permanent Disarmament Commission, whose members are to be appointed by Governments, but are not to be representatives of Governments. There is a complete system for the lodging of complaints with regard to the application of the convention, for wide liberty in obtaining further information, and for publication of the Commission's reports on any complaints, and the contracting parties undertake promptly to advise as to the conclusion of the report. This is significant. The Commission is to receive all information supplied to the Secretary-General, is to meet at least once a year, and is to make a report on the information submitted, and on any other information that

may reach it from responsible sources of the situation with regard to the fulfilment of the convention. It may also meet in extraordinary session on the application of any contracting party.

In the final chapter one point of note is an article which states that if any dispute arises between the contracting parties which cannot be settled directly or by some other method of friendly settlement, the parties will, at the request of any one of them, submit the dispute to a decision of the permanent court, or to an arbitral tribunal chosen by them. In some respects the reservations, not all of which have been indicated, might go a long way to nullify some of the provisions, but on the assumption that there will be a reasonable attitude in the discussions which must ensue before the Conference meets, and that the states at the Conference are not altogether devoid of statesmanship, it is fair to say that the armaments situation can be greatly improved even within the framework of the draft convention.

HUNGARY.

THE world crisis in agriculture has naturally had far-reaching results in a predominantly agrarian country like Hungary. Nevertheless, the general picture of economic conditions given in a special Supplement,* which we publish this week, is not by any means discouraging under all the circumstances. Post-war Hungary, with a population of eight and a half millions, has recovered from the more immediate consequences of the war, the dislocations caused by the Treaty settlement, and several years of inflation, while the plan of financial stabilisation, carried through under the auspices of the League of Nations, compares very favourably in its results with many other experiments in European reconstruction. Moreover, the settlement of Eastern Reparations, arrived at earlier this year at The Hague and at Paris, has finally removed one of the most uncertain features which so long retarded economic progress in this part of the world.

The chief credit for the stability which Hungary has achieved must be assigned to Count Bethlen, whose ten years of office as Chief Minister is easily a record in these days of rapidly changing administrations in Europe. Freedom from political change and uncertainty is itself a great asset, and considering the storms through which he has steered the ship—navigating successfully the years of inflation, the periods of acute tension with neighbouring countries, the long negotiations over the Optants question (now happily settled), and many other troubles—Count Bethlen's administration must be counted one of the influences which has contributed in an important degree to the pacification of Europe. Such a record tends to become a tradition, but, as is the case with other régimes, its testing time must come again in periods of economic depression. Credit must also be assigned to the work of the Financial Section of the League of Nations under Sir Arthur Salter's energetic direction and to the wise and tactful behaviour of Mr Jeremiah Smith during the years in which he represented the League in Hungary.

At the present moment the low level of cereal prices dominates the Hungarian situation. It has made itself felt in a fall in Government revenue; it has had the most marked effect on the returns of foreign trade; and it has intensified the problem of agricultural credits. Stabilisation was effected in 1924. During the succeeding five years public revenue expanded steadily; receipts exceeded ordinary expenditure; and this enabled the Government to proceed with its investment policy and thus help forward the general economic recovery of the country. In the financial year 1929-30, however, ordinary revenue fell short of ordinary expenditure and the Budget was balanced with the help of extraordinary resources which

* This is the fourth Supplement of the *Economist* devoted to Danubian Europe. Czechoslovakia was described in our issue of December 8, 1928; Bulgaria on May 4, 1929; and Roumania on July 20, 1929.

happened to be available during the year in question. The investment programme could not be continued under such circumstances and, at the moment, every effort is being made to curtail expenditure. It is fortunate that the debt charges are relatively small, amounting in all to about one-tenth of total expenditure. No attempt has been made, in Hungary, to valorise the holdings of pre-war and wartime Government loans in the possession of Hungarian nationals.

The foreign trade position has undergone a marked transformation during the past eighteen months. After the currency was stabilised, the way was open for the influx of funds from abroad; foreign borrowings assumed considerable proportions in 1927 and 1928; and this enabled Hungary to increase her imports considerably. The change in world conditions last year, however, brought this movement to an end, and Hungarian imports fell off in consequence. On the other hand, in spite of the heavy fall in the value of cereal exports, total exports remained fairly constant, thanks more specially to a very marked increase in the export of livestock. As a result of these changes, Hungary has a favourable balance of trade this year for the first time since the war. This bears witness to a remarkable power of economic adaptation, though, so far as the export of cattle is concerned, it may have been achieved in part at the expense of the capital equipment of the country. The reduction in the available supply of foreign capital and short-term foreign credits, which set in last year, led to a fall in the gold and foreign exchange holdings of the National Bank which had been built up in the years of greater prosperity immediately preceding. The Bank's commitments, however, were also reduced, and the statutory ratio of assets to liabilities has remained at over 50 per cent. The situation now appears to be stabilised on the new basis.

The agricultural crisis, however, has certainly led to a reduction in the standard of living of the rural population. Taxation remains relatively high, though prices are very low. Any improvement in agricultural production is limited by the possibility of obtaining credits. Such short-term facilities as are available for the agricultural community are very expensive, and the whole organisation is in many ways unsatisfactory. Long-term credits, on the other hand, are practically unobtainable. It is hard to see how this situation is to be remedied without recourse being had to fresh borrowing abroad. If and when this proves possible, however, it is important that the funds made available should be used to increase the productive efficiency of the country, and for no other purpose. There is ground for thinking that some, at least, of the expenditure incurred in the years when foreign funds were easy to obtain was on too ambitious a scale for the present needs of the country and care must be taken to profit from the lessons of the past, in this respect.

These considerations have a very direct bearing on tariff policy. In the years immediately before the war, every effort was being made to encourage the industrial development of the old kingdom by active Government intervention. This policy remained as part of the inheritance of post-war Hungary. Leading bankers and industrialists—and the two are very closely associated in Central Europe—were greatly influenced by the ideal of economic self-sufficiency, which had its adherents in all the surrounding States as well. A high protective system restricted the import of industrial goods into Hungary and made the export of Hungarian agricultural products to the more industrialised neighbour States, such as Austria and Czechoslovakia, much more difficult. Industrial development proceeded to some extent in Hungary, but Czech and Austrian agriculturists became steadily more influential in the political sphere, and at last succeeded in introducing protective duties on foodstuffs in their respective countries. This was at once felt by Hungarian exporters of foodstuffs, who are coming to feel more and more that their interests have been sacrificed to those of the industrialists. Yet Hungary is, and must long remain a predominantly agricultural State.

The ideal of self-sufficiency, as the World Economic Conference pointed out, is one which very few States in the world can hope to attain. The greater States of Europe are gradually being forced by circumstances to recognise this, and if large and populous States must accept as inevitable the interdependence of nations, it is clearly absurd for smaller nations, such as those of Central and South-Eastern Europe, to aim at economic self-sufficiency unless they are prepared to acquiesce in a low and unprogressive standard of living. Hungary claims, and with some justice, to have made serious efforts to moderate the excessive tariffs of Central Europe by means of commercial conventions with her neighbours. But the process has not gone very far, and bad times do not make the problem any easier; for though they bring home very forcibly the need for the greater industries in each country to find markets, and produce phenomena like that of the Agrarian States of Europe seeking to co-operate for their mutual benefit as exporters, at the same time they stiffen the demand of importing industries for more protection. The need, however, for a wiser policy is pressing. It is certain that the introduction of high tariff barriers, with a view to multiplying industrial undertakings in the various countries of the Danube basin—and this at a time when capital resources had been sadly depleted and new capital was hard to obtain—is one of the causes of the reduction in the standard of living of the agricultural community. In a time of crisis like the present this particular problem stands out in greater relief than ever.

Hungary, in common with the rest of the world, is now passing through a period of some difficulty. The fact, however, that the Government was recently able to place Treasury Bills to the amount of £3,150,000 in London, New York, Amsterdam and other European centres, is a sign that Hungarian credit stands high on the international money market. This is confirmed by the 7½ per cent. League of Nations Reconstruction Loan, which was issued in 1924 at 88 and now stands at 102. The most immediate need is that Government expenditure, which has risen steadily each year since stabilisation was achieved, should be systematically curtailed. In this connection certain observations were made by Mr Jeremiah Smith two years ago. "Hungary," he said, "is now in a satisfactory condition, and it ought to remain so, provided that the Government pursues a sound and conservative policy in the light of its permanent expenditure, which cannot be reduced in times of difficulty; and secondly, that the country does not borrow too much money abroad." This advice is still worthy of the most serious consideration.

Notes of the Week.

Facing the Issues at the Indian Conference.—There has been much activity in the Committees of the Round Table Conference during the past week, and a number of reports have been drawn up. The large volume of work to be got through—even if all goes smoothly—is illustrated by the fact that the Conference is still busy appointing new sub-committees. Those which are only just getting to work include those reporting on the Franchise, on the North-West Frontier, and on Minorities. As regards the first of these, the Conference has received a memorandum from an influential committee making proposals for ensuring the adequate representation of women in the new legislative bodies, and the two women delegates to the Conference have now been added both to the Franchise and to the Minorities Committees. The latter is one of the focal parts of the Conference, and its appointment was, in fact, postponed until this week in order to give the utmost opportunity to reach an agreement outside the Conference—the last effort in this direction being an attempt by the Prime Minister himself to mediate. His week-end party at Chequers, however, failed to resolve the deadlock, the Moslem representatives, stiffened by pressure from their constituents in India, refusing to

make any concession from their minimum demands, the chief of which are separate electorates, representation in Bengal and the Punjab in proportion to population, "weightage" in the provinces in which they are in a minority, a full provincial constitution for the North-West Province, and the separation of Sind. The first and second of these are the crucial points. In other matters there has been considerable progress. The Federal Structure Sub-Committee has put forward a provisional list of "federal subjects," and has recommended a two-chamber legislature, which will deal not only with these matters, but also with topics that cannot at present be either entirely federalised or entirely provincialised. This will create an anomalous position in regard to which further explanations are needed; but the committee hold that it is preferable, as a temporary expedient, to any possible alternative—such, for example, as setting up another central legislative for British India. So far we must accept this as a negative conclusion rather than a positive contribution to constitution building. The committee has not dealt with subjects such as Defence and External Affairs, which depend upon the relations to be established between the Crown and British India. The Provincial Sub-Committee has reported very much along the lines of the Simon Commission's recommendations—unitary cabinets, abolition of the official bloc, enlargement of legislatures elected for five years, etc. It has, however, rejected (with two dissentients) the proposal that the Governor should be free to appoint a service member; it illustrates forcibly the special characteristics of the Indian problem by a proposal which at once differentiates the new Constitution from Western practice by the proposal that minorities should be included in the Cabinet; it leaves the question of the police to the Services Committee, but reserves very important powers to the Governor—not merely to refer matters back to the Legislature, etc., but to safeguard minorities, to ensure the safety and tranquillity of the province, and to carry on in the event of a breakdown. About a third of the members of the committee drawn from the British Indian delegation dissent from the reservation of these powers. This must be classed with such problems as the minorities question, the relation of the Crown to India in regard to reserved subjects, and, above all, the responsibility of the Central Executive to the Indian Federal Legislature, as among the major problems yet to be resolved. There is a growing feeling that they cannot be settled separately, and that until the attitude of the British representatives is made known, with some indication of how far the Government is prepared to go on the last of these key questions, the others cannot be resolved. The time is fast approaching when the Government must show its hand.

Monsieur Steeg's Cabinet.—For the moment, France has a Government again—formed last Saturday by Monsieur Steeg. There is no certainty that the new Prime Minister will have a very long tenure of office. Yet Monsieur Steeg's achievement in forming a Cabinet at all deserves respectful notice, however short an incident in French history it may prove to be. The personnel of the new French Ministry is distinguished enough. It contains no less than five Senators and six quondam Premiers. Monsieur Steeg himself is a Senator who has been both Governor-General of Algeria and Resident-General in Morocco; and it is natural that he should take, as he has done, the portfolio for the Colonies in addition to the Presidency of the Council. He has persuaded Monsieur Briand to remain at the Ministry of Foreign Affairs, Monsieur Chéron at the Ministry of Justice, and Monsieur Germain-Martin at the Ministry of Finance. With Monsieur Leygues as Minister of the Interior; Monsieur Barthou, War; Monsieur Sarraut, Marine; Monsieur Loucheur, Commerce, and Monsieur Painlevé, Air—the new Government can display an imposing catalogue of talents on paper. But Monsieur Steeg will stand or fall by the number of votes on which he can count in the Chamber and the Senate. From this point of view, it is to be noted that, while eleven out of his eighteen Cabinet Ministers are members of his

own Socialist-Radical Party, four are members of Monsieur Tardieu's Party of the Republican Left, while as many as six in all have been Monsieur Tardieu's supporters under the late régime. On paper this, again, looks like a valuable political asset. The crucial point, however, is that these gentlemen bring Monsieur Steeg their personal support only. They have joined his Government in opposition to the policy of the group or groups to which they belong; and it is conceivable that their action, so far from securing support for Monsieur Steeg in the Chamber, may actually stimulate opposition. In any case, the Conservative groups, to the right of the Republican Left, who supported Monsieur Tardieu, will be definitely hostile to Monsieur Steeg. In these circumstances, can his Government stand unless it receives Socialist support? And is it likely that this support will be given? It is one of the cardinal principles of the French Socialist Party's policy not to co-operate with any bourgeois groups, and the party discipline is strict. Moreover, even if the Socialist vote were thrown into the scales in Monsieur Steeg's favour, would he not be saving his political life in one way only to lose it in another? For part of the support which has enabled him to form his Ministry has been given to him on the understanding that he does not rely on support from the Socialist side. Our comments resolve themselves into a string of questions, many of which may have received their answers before they appear in print. One thing, however, can be said for certain, here and now. If our British parliamentary practice happened to prevail in France, there would have been a dissolution and a general election now, if not a year ago. Indeed, we see no other possible issue out of the impasse. If the present Chamber, as at present constituted, is really to drag out its existence until 1932, France seems doomed to go without a stable Government for another two years. That would be a misfortune not only for France herself but for Europe.

The East Africa Debate.—Native policy in East Africa was again the subject of a debate in the House of Commons on the Tuesday of last week. The ostensible points at issue were trivial. Lord Winterton alleged that the phraseology employed by the Government in the recent White Paper was offensive; Mr Ormsby-Gore, in a more statesmanlike speech, suggested that all this pother had arisen because another White Paper, published simultaneously, had been erroneously supposed to apply to Northern Rhodesia, whereas, in fact, it does not. The Government speakers easily disposed of Lord Winterton's points. They reminded him that the two phrases to which he took chief exception had made their entry into the vocabulary of Downing Street in a State Paper published under a Conservative Administration. ("His Majesty's Government think it necessary definitely to record their opinion that the interests of the African races must be paramount, and that if, and when, these interests and the interests of immigrant races should conflict, the former should prevail."—White Paper of 1923.) Nor did they find it difficult to show that the phraseology of the memorandum which was submitted in the name of the white settlers in Northern Rhodesia, and was published in the White Paper itself, were offensive in a very different manner and degree from anything ever published by the Government in Whitehall, under any Administration. But the chief interest of the debate lay in the occasional glimpses which it gave of certain underlying considerations. Shall the white settlers seek support in resisting the native policy of His Majesty's Government at Westminster by throwing themselves into the arms of His Majesty's Government at Pretoria? (Lord Winterton suggested that they might petition the League of Nations as well!) And, on the other side, shall white capital in Tropical Africa be allowed, in the name of "responsible government," to have absolute political rights over black labour? These are issues in which the whole future of British East and Central Africa is involved. The usual battlefield is Kenya Colony; but, at the moment, the scene of action has shifted to Northern Rhodesia—a terri-

tory which passed from a chartered company *régime* to a Crown Colony *régime* half-a-dozen years ago, and which is now undergoing a rapid industrial development owing to its richness in minerals. Those settlers and their supporters here who play with the idea of "secession" have certainly drawn attention to a remarkable historical parallel. The overrunning of East and Central Africa by a sprinkling of white settlers in this country does curiously resemble the occupation of the cotton belt in the Mississippi Basin by other white settlers a century ago. But does not the last chapter in that American story give Lord Winterton cause to think furiously? If one embarks on those deep waters of comparative history, one should keep an open eye for the reefs ahead.

The Dyestuffs Dilemma.—On November 19th the Government's decision to allow the Dyestuffs (Import Regulation) Act to lapse on January 15th was announced. On December 4th the House of Commons confirmed this policy by a majority of 30, after resisting a Conservative motion to prolong the Act for five years. But on Tuesday of this week the House of Lords, by way of reminding the country once more of their active functioning as a revising Chamber, added the Act to the list of measures covered by the Expiring Laws Continuance Bill—an omnibus Bill prolonging for one year the term of a conglomeration of Acts of Parliament. On Wednesday the Commons, by the narrow majority of six, rejected the Lords' decision, and on Thursday the Lords, in their turn reaffirmed it. The Government therefore was faced by a dilemma. They could not drop the Expiring Laws Continuance Bill, for, if they did, the Rents Restriction Act and other important legislation would lapse forthwith. Moreover, in view of the narrowness of their majority on Wednesday, when a number of Labour members abstained from voting and the Liberals divided themselves almost equally between the two lobbies, the Government were not in a very strong position to challenge the Lords' decision that a further year should be allowed for investigation into the dyestuffs question. The Commons, having received the usual "message" from the Upper House, Mr Graham, with as good grace as might be, announced that the Government would not insist on their disagreement with the Lords. So, for a year, the Dyestuffs Act is reprieved.

The Death Penalty.—The Select Committee on Capital Punishment appointed a year ago has reported, but it may be doubted whether their report* will either cause any profound effect on public opinion or lead to legislation. Actual recommendations fall into two parts: "conditional" and "definite." The first presupposes the maintenance of the death penalty, and in that case recommends that the insanity rules be revised, that no distinction should be made between the sexes, that no citizen under the age of twenty-one should be condemned to death, and that there should be a larger exercise of the Royal prerogative of mercy. The "definite" recommendations are as follows: (1) The abolition of the death penalty for an experimental period of five years; (2) meanwhile, pending the passing of necessary legislation, the Royal prerogative of mercy should be exercised in every case; and (3) that the substituted penalty should be that which now applies in cases where the death penalty is commuted. On the way to reaching these conclusions the Committee survey all the familiar arguments and produce a wealth of quotation (even Robert Burns, Shakespeare and Victor Hugo figure), and review the experience of other countries where capital punishment has been abolished. But, as Omar would say, we "came out by that same door wherein we went." No new or conclusive answer is provided to the agelong questions of the moral right of the State to take life and of the deterrent effect of the fear of death. We will content ourselves with three comments. First the report carries

the less weight because some of the members withdrew from the Committee at an early stage in its deliberations. Secondly, if any change is to be made, we agree that initially, abolition should be for an experimental period. Finally, it is probably better that any decision on this matter of the death penalty should await a thorough review and reconsideration of the British penal code as a whole.

British Salesmanship.—At a dinner of the Sales Managers' Association at the Guildhall on Tuesday, the Prince of Wales, who is shortly leaving for Buenos Aires, where he will open the British Empire Trade Exhibition, delivered an outspoken address on salesmanship. The main theme of his speech was a frank appeal to exporters to engage overseas representatives of a higher calibre, to offer better remuneration in order to secure a better class of man, and to ensure that these better representatives were more scientifically trained for their job. "The employers," said the Prince, "engaged in the struggle for world trade must recognise the need for employing a more adequate and a more appropriately educated staff if British trade is to live and grow, not wither and die. And they must make it clear beyond a doubt that for such staff they are prepared to pay an attractive price and give them in their work abroad adequate financial backing, so that they may have a standing as well as an efficiency worthy of their country. They must, moreover, courageously and steadfastly back them up by policy based on the needs of to-day rather than on the traditions of former years, and wholly different times." This cogent plea for greater efficiency and adaptability comes with force from one of the most observant and extensive of British travellers.

Hours in the Coal Mines.—The difficulty over the "spread-over" of miners' hours has not yet been finally resolved. On Wednesday the Executive of the Miners' Federation met, as arranged, to consider the replies of the districts and to decide whether its approval, in virtue of its powers under the Act, should be given to the "spread-over" principle. The result of the district voting was not disclosed, but it appears that Northumberland, Durham and Yorkshire have not abated their opposition to any modification in the rigid 7½-hour day, and the Executive of the miners' national body were glad to accede to the request of Lancashire that a final decision should be deferred until the National Wages Board has heard that district's case in the light of the colliery owners' latest wage proposals on "spread-over" terms. If, as a result of the National Board's finding, the Lancashire miners accept "spread" hours, there may be a sufficient majority in favour of the principle to warrant the Executive lifting its veto. Otherwise an awkward *impasse*, very discouraging in its bearing on the wider problems next July, will have been reached.

Iron and Steel Production in November.—Low as were the figures of production of iron and steel reported for October, there was a further fall in November. The number of furnaces in operation declined by 4 during the month to 92, and production of pig iron fell from 415,000 tons to 384,100 tons, while imports of pig iron amounted to 25,000 tons. Last year's production of pig iron averaged 631,600 tons, and imports 9,700 tons per month. Steel production also registered a substantial decline from 512,500 tons in October to 433,700 tons in November, and now amounts to little more than 50 per cent. of the output prevailing a year ago. Unfortunately, writes a correspondent, there is as yet no indication when the curve of production will turn upwards. Even the low prices at which Continental material has been offered have not stimulated demand. This is illustrated by the import figures which, in November, amounted to only 209,800 tons, though these comparatively low imports were slightly in excess of the exports, which amounted to only 203,900 tons. This is the second month this year in which imports have exceeded exports, although the margin

is not so great as in September when imports were 223,800 tons compared with exports at 200,300 tons. While the production of steel has fallen by 47 per cent., imports of steel and steel products have fallen by only 22 per cent., so that whereas last year imported material represented 22.6 per cent. of the total steel demand, imports in November represented 30 per cent. The price index for iron and steel products fell from 111.0 in October (1913 = 100) to 109.9 in November. The percentage unemployed in the pig iron industry on October 27th was 34.6 per cent., compared with 12.0 at the end of January, and in steel melting, rolling, etc. 41.4 per cent. compared with 23.7 per cent. in January.

Employment and the Cost of Living in November.—Unemployment continued to increase during November. According to the *Ministry of Labour Gazette*, among the workpeople insured against unemployment in Great Britain and Northern Ireland, the percentage unemployed at November 24th had risen to 19.1, as compared with 18.7 per cent. at October 27th and 10.9 per cent. a year ago. It is estimated that at November 24th there were approximately 9,501,200 insured persons in employment in Great Britain. This was 32,000 less than a month before and 718,200 less than at the corresponding date last year. The actual number of those registered as wholly unemployed at the end of November was 1,659,867, and compares with 1,551,095 a month ago and 947,817 a year ago. Those temporarily stopped numbered 521,305, which showed a decline of 60,309 as compared with October but an increase of 260,430 over the corresponding date last year. The registers showed that at November 24th 105,288 of those usually in casual employment were without work, against 105,784 on October 27th and 133,810 at the end of November, 1929. At the end of the first week of December the number of registered unemployed had increased to 2,306,962, which included 1,694,046 wholly unemployed, 509,086 temporarily stopped and 103,830 normally in casual employment. With regard to the cost of living, the index number of the Ministry of Labour stood on December 1st at 55 per cent. above the level of July, 1914, as compared with 57 per cent. at November 1st and 67 per cent. a year ago. For food alone the corresponding percentages were 41, 44 and 59 respectively.

End of Sugar Conference.—All the European countries which were represented at the Sugar Conference, except Germany, have agreed to the plan proposed to them by the Javan and Cuban delegations. The exports of the European countries are to be reduced from 1,445,000 to 1,229,000 tons and the quotas which formed the basis of discussion during most of the session were:—Czechoslovakia 590,000 tons, Poland 319,000 tons, Hungary 85,000 tons, Belgium 35,000 tons and Germany 200,000 tons. Germany stood out for 350,000 tons with an extra 100,000 tons in the first year and, failing to obtain it, her delegates left the Conference. When an agreement was on the point of signature between the remaining European delegates, the Polish and Hungarian representatives suddenly demanded an addition of 1,000 and 5,000 tons respectively to their quotas. The Polish demand and half that of Hungary were ultimately satisfied at the expense of Belgium, whose quota is reduced to 31,500 tons, and on that basis a protocol has been signed. The quota of 200,000 tons has been reserved for Germany, but whether Mr Chadbourne, the head of the Cuban-American delegation, will be able in private negotiation to persuade the German producers to accept it seems extremely doubtful.

The Oustric Affair.—Our Paris correspondent writes:—The scandals arising from the Oustric group's Bourse operations are daily growing in volume. The special committee presided over by M. Louis Marin is apparently doing its work very thoroughly, as shown by its handling

of the Raoul Péret matter. M. René Besnard, former Ambassador to Italy, and since then another of M. Oustric's many legal advisers, is now undergoing examination as to the circumstances attending the admission to quotation here of Snia Viscosa shares, the Italian artificial silk issue. Inquiries are being made into the question of how the text of a confidential (and unfavourable) report sent to the Quai d'Orsay by the French commercial attaché in Rome, concerning the Snia Viscosa company, became known to emissaries of the parties interested in the admission of the shares to quotation here. Last night the commission probed into the question of several mysterious accounts at the Banque Oustric, under the headings of initials only, and began to identify the holders. Another account which is exciting attention is one alleged to stand in the name of an official of the Bank of France, which carried out a discount operation for £1,000,000 for the Oustric Bank, in connection with Oustric Group issues. In view of the whole atmosphere in the political and banking world at present, the commission last week decided to make public the official shorthand notes of the proceedings, voluminous verbatim extracts from which are now being published by the newspapers. This is regarded as likely to render impossible any interment, under political pressure, of the work of the commission.

The Australian Loan Success.—The announcement that the Australian internal loan of £28,000,000 has been fully subscribed and that there have been no less than 100,000 individual subscriptions is among the best news that has come from the Dominion for a long time. It is true that the success of the loan will not directly ease either the exchange position or the state of the national accounts, for the whole of the money is required to redeem maturing debt. Yet on the narrowest grounds it is easy to envisage the difficulties that would have arisen had the loan proved a failure or even a partial success; and on wider grounds the success of the loan is a notable testimony to the faith of the Australian investor in his own country. The result will undoubtedly enhance Australia's credit in the eyes of the world. Last but not least, the loan's success is a well-merited tribute to those Australian Ministers—and in particular to Mr. Lyons, the Acting Treasurer—who valiantly stood up against the impossible demands of the Labour caucus a short two months ago. National credit may be an intangible asset, but it is a very real asset, and there is no doubt that the success of the loan will be of immense assistance to the saner Australian elements in their task of reconstituting the Dominion's finances, both internal and external, upon a sound and durable basis. Many of Australia's broader problems remain, and her recovery depends ultimately upon the revival of the world demand for commodities such as wheat and wool, in which her fortunes are intimately bound up. Still, the success of the loan means that she has taken one more of the preliminary steps necessary before she can be in a position to participate fully in the trade revival, whenever it comes.

South American Banking.—This year Mr Beaumont Pease, in his address to the shareholders of the Bank of London and South America, had an unusually interesting, if somewhat difficult, period to cover. He responded by giving his audience an extremely comprehensive and frank review of the situation in the countries served by the bank. Beginning with Argentina, he stated that the disappointments of the year as a whole had been partially redeemed by the fairer promise of its final months. According to a recent cable, harvesting operations were being conducted under favourable conditions, and the rust damage to the wheat crop was proving to be not very considerable. Unfortunately, grain prices were some 40 to 43 per cent. below the level of last year. Mr Pease paid a tribute to the new Argentine Government, and alluded to the help given to it by the banks, both native and

foreign. He described the inconveniences caused by the closing of the Conversion Office a year ago, and testified to the faith he had in the efforts now being made by the statesmen and economists in Argentina to stabilise the currency once more. Their task would be made all the easier by the ample gold reserves, amounting to 76½ per cent. of the note circulation. Turning to Brazil, there too he had to tell a tale of a change of government, and of a heavy fall in the price of the country's staple product, in this case coffee. As regards the coffee outlook, he could not speak with any great certainty, but he called attention to the issue of the 1930 7 per cent. Coffee Realisation Loan, and also to the progress being made in establishing other industries, such as fruit-growing. The financial situation is still a little obscure, as he observed that the moratorium has just been extended for a further 60 days. Obviously, the Brazilian position is not yet so clear-cut as that of Argentina. During the remainder of his speech, Mr Pease touched upon such matters as the consolidation of the Chilean nitrate industry, the over-production of base metals, the flourishing state of the Uruguayan cattle industry, and proposed oil legislation in Colombia. On balance, his clear and interesting survey of the South American Continent during a critical year of its history reflects a tempered optimism which seems well founded.

Barclays Bank (D.C.O.).—When due allowance is made for the world-wide character of this institution's business and for the way in which stagnant trade tends to shift the earning assets of banks out of advances into discounts and investments, it is apparent from a comparison of the accounts of Barclays Bank (Dominion, Colonial and Overseas) during the past three years that it has displayed remarkable powers of resistance to the trade depression. The relevant details are given below:—

	Sept. 30, 1928.	Sept. 30, 1929.	Sept. 30, 1930.
Deposits	59,675,657	61,043,263	62,690,265
Notes	942,550	968,017	918,520
Acceptances	4,687,223	4,561,855	3,974,620
Cash	10,771,837	11,649,107	11,844,753
Bills discounted	17,415,119	12,564,919	14,081,480
Investments	9,249,647	9,200,778	12,970,040
Advances	23,305,538	28,690,100	25,090,490
Net profit for preceding year..	494,823	516,594	465,070

In interpreting the trend of both discounts and advances, it must be remembered that there is a seasonal inter-play between these two items, which may occur either before or after the date of the balance sheet, according to the progress made by crops. Thus it is unwise to generalise too dogmatically from changes from one year to the next in either of these items. Still, it is permissible to deduce that Barclays Bank (D.C.O.) is continuing its progress even under the present adverse conditions. Deposits have once more risen by about £1½ millions, and as investments have only risen by about £3½ millions and discounts by £1½ millions, there is no evidence of any pronounced shifting of the bank's earning assets into these items. Moreover, advances, though £3½ millions lower than last year, are still above their 1928 level, though here the caveat mentioned above must be borne in mind. The least favourable features of this year's accounts are the contraction in acceptances and the reduction in net profits. The former is the most direct evidence that the balance sheet contains of the influence of the trade depression. The decline in net earnings need occasion little surprise, particularly in view of the low rates obtainable this year upon bills. Moreover, the figure of net profits is very little less than that of two years ago, and the directors have shown their confident view of the bank's position by reducing the allocation to reserve by £50,000, whereas the interim dividend upon the "A" and "B" shares has been raised from 4 to 4½ per cent.

Overseas Correspondence.

FRANCE.

New Cabinet — Fraud Charges — Capital Issues — Production — Prices.

(FROM OUR CORRESPONDENT.)

PARIS, December 17.

UNDAUNTED by the successive failures of M. Barthou and M. Laval to form a Cabinet that should represent the whole of the Centre parties and command a stable majority, M. Théodore Steeg accepted the mission to form a new Ministry. M. Steeg is one of the leaders of the Radical Socialist Party, a former Governor of Algeria and Resident-General in Morocco, a Protestant (like M. Doumergue) and one of the most skilful politicians in the country. He was faced with the capital difficulty that rendered the two previous efforts abortive—the flat refusal of the Radicals to accept any Cabinet in which M. Tardieu himself, or any representative of the Marin Nationalist Party, was included. M. Steeg got over the difficulty by inducing his Party not to accompany their acceptance of his request for their co-operation with any declaration of "exclusivity" against M. Tardieu or anybody else. On his own side he refrained from requesting the co-operation of M. Tardieu or of any member of the Marin group. At 3 a.m. on Saturday M. Steeg was able to announce that his Cabinet was complete, and it was on Sunday formally recognised by Presidential decree.

For all practical purposes the new Ministry marks a revival of the Cartel des Gauches, against which the country returned a majority at the elections of 1928. Seven of the 18 Ministerial portfolios and four of the Under-Secretaryships are held by Radical Socialists. M. Briand, by common consent (except that of the Marin Party, perhaps) remains at the Quai d'Orsay, and M. Chéron at the Ministry of Justice, as in the Tardieu Cabinet. M. Germain-Martin, hitherto Minister for the Budget, has become Minister of Finance, and is replaced by M. Palmade, one of the Radical financial experts (and a former *Rapporteur*), as Budget Minister. The only other recruits from parties supporting M. Tardieu are MM. Georges Leygues, Grinda and Thoumyre (the two latter specialists in national insurance matters), and two under-secretaries belonging to the Republicains de Gauche group. M. Leygues, a former Premier and several times Minister for the Navy, was dropped from that post when M. Tardieu re-formed his Ministry last February. His appointment to the Ministry for the Interior, whose tenure by M. Tardieu has been the main cause of Radical ire against M. Tardieu, is typical of M. Steeg's skill as a Cabinet-maker. Two of the new under-secretaries, belonging to "Tardieu groups," who were offered posts in the early hours of Saturday morning and accepted on being told that their groups had agreed to support the new Ministry, have since resigned on the ground that this was untrue.

The new Ministry is to appear before the Chamber to-morrow, but what its reception will be it is still impossible to forecast. Practically the whole of the old Tardieu majority groups have already pledged themselves to withhold their support, but whether they will vote against the new Cabinet, or, as a matter of tactics, merely abstain, will not be decided till to-morrow. In any case, if the Steeg Cabinet escapes an overthrow on its first appearance, similar to that which befell the Chautemps combination last February, it must necessarily be dependent on the Socialists for a majority; and it is not clear how it can command Socialist support unless it is prepared to go very much further towards the Left, both as regards foreign policy and expenditure, than its predecessors were prepared to do. The situation of M. Palmade, the new Budget Minister, will be especially difficult. Less than a month ago he was fighting for the

expenditure on economic development to be fixed at 35,000 millions, against the 17,500 millions asked by M. Tardieu. The fate of the Budget is again in the balance, and its adoption before the new financial year is once more felt to be doubtful. The unfortunate serious illness of M. Poincaré, whom all sections of opinion regard as the sole leader capable of eventually forming a really broad Centrist Ministry and thus overcoming the present deadlock, has gravely complicated the whole political outlook.

Under the heading "For the Protection of Thrift," the Ministry of Justice yesterday issued an official communiqué stating that "at the present moment" 181 bankers or financiers are under inculpation in Paris (*anglicé*: undergoing judicial examination on charges of fraud), and that 35 of these are detained in custody. The vast majority of these men may be described as "small fry" bankers, in the general French sense of the term; which is to say that they are not bankers at all, in the English acceptance of the word, but persons whose chief business is connected with stock exchange operations. The majority of the charges relate to fraudulent pledging of securities, belonging to their customers, as cover for advances for speculative Bourse operations. Many of the rest concern fraudulent share-pushing operations.

The index figure for November, representing quotations of 300 French issues of variable yield (1913 = 100) is returned as 378, or a drop of 48 points (roughly, just over 11 per cent.) since the end of September, immediately before the Oustric and Devilder troubles became acute. Bedrock was apparently touched at the end of November, for the figure returned for the first week in December shows a recovery of two points, to 380. All factors suggest that the market has to a great extent, if not entirely, recovered from the recent trouble, and that it has undergone a distinctly beneficial purge of its worst ills. The mid-monthly settlement in the official market on Monday revealed perfectly sound general conditions, the only adverse factors being the still unsettled domestic political situation and the unsatisfactory situation in Wall Street and other foreign centres, which has again resulted in upsetting conditions here, through causing a substantial volume of selling in Paris on foreign account.

New bond issues in November were 953,000,000 francs, as against 3,142,000,000 francs in October (this swollen total being due largely to the 2,200,000,000 francs Crédit Foncier conversion issue), 1,118 millions in September, 1,835 millions in June, and monthly averages of 567,000,000 francs in 1929 and 298,000,000 francs in 1928 (all these totals being exclusive of railway bond issues, the November total of which is not yet announced). The average yield offered by new bond issues in November was 4.80 per cent. (the same as in October, 1929), against 4.35 per cent. in October (which was the lowest touched for some years), and of 5.36 per cent. in 1929 and 6.03 per cent. in 1928. The average yield at present prices from issues of variable return in November was 3.95 per cent. (against 3.69 per cent. in October, 3.31 per cent. in June, and a mean of 2.70 per cent. in 1929 and 2.72 per cent. in 1928). The average return from these descriptions in November for the first time surpassed issues of fixed yield, which averaged 3.90 per cent. (against 3.87 per cent. in October, and means of 4.89 per cent. in 1929 and 5.33 per cent. in 1928). Money for carrying-over purposes was again abundant for last Monday's settlement at ½ per cent., at which level it has stood for several recent fortnightly liquidations.

Industrial production continues at a remarkably high level. The general index figure representing the output of the nine principal industries in October is 136 (1913 = 100), or a point lower than in September, three points lower than the mean for 1929, and nine points higher than the mean in 1928. The figure for textiles shows a rise of three points on the month, to 83; and that for the rubber industry of 28 points, following one of nine in August. Engineering is returned at 152, against a mean of 157 in 1929; metallurgy remains unchanged at

120 (against 129 throughout 1929, and 127 in 1928), and building at 134, against a mean of 122 in 1929 and 97 in 1928.

The index figure for wholesale prices at the end of November is 504 (July, 1914 = 100), against 519 in September, 544 for the opening months of the year, a mean of 623 in 1929 and of 634 in 1928. The index of wholesale prices of French products is 565 for October, and that for prices of imported goods 395 (against 635 and 602 respectively in 1929). The Paris retail prices figure for October is 647, or a rise of ten points on the month.

GERMANY.

Government Success — Foreign Policy — Price Reduction Difficulties — Waldenburg Failures.

(FROM OUR CORRESPONDENT.)

BERLIN, December 16.

THE parliamentary success of the Brüning Cabinet, which began with the rejection of all motions demanding a rescission of the new emergency decree, has been completed by the fact that the attacks by the Right on the foreign policy of the Cabinet have come to nothing. The Reichstag decided to forgo the debate on foreign policy, which, in the opinion of the Cabinet, would have served no useful purpose, and adjourned until the beginning of February without discussing the motions on this subject, including the vote of no-confidence in Dr. Curtius, which had been proposed.

The Government will, of course, have to give an account of its proceedings after the League of Nations Assembly in January, and it will certainly be eager to do so without waiting to be urged, but not until then will it be possible to see whether all hopes of disarmament are finally doomed, and whether there is any means of modifying the Polish reign of terror over minorities and especially over the German minority. That is the point upon which the decision of the Reichstag in respect of foreign policy will principally depend.

The reduction of iron prices has for some time been a subject of dispute in Germany. In November, Dr. Ernst Poensgen, the leader of the German steel industry, announced a "radical step" of price reduction, but since then the iron industry has been manifestly less inclined to undertake a generous measure of reduction. Peter Klöckner has just defended the thesis, at a general meeting at his works, that not even a very sharp cut in prices would lead to a substantial improvement in the market, and intimated that no very considerable cut would be forthcoming. Whereas after Dr. Poensgen's speech a fall of 15-18 marks per ton was fairly generally counted upon, it is now assumed that if prices are lowered at all it will only be by 5 marks per ton at most.

At the same time, the iron industry is laying great stress on the necessity that the coalmining wages award, which is expected at the end of the month, shall substantially reduce labour costs. The November reduction in Ruhr coal prices did not bring any relief to the large concerns which raise their own coal, but it is hardly possible for the Government now to reduce wages in the coal industry, through the arbitration award, if the industry insists on maintaining at its present level the price of iron, in which it is particularly important that a diminution in the cost of coal should be reflected. The price of iron, as one of the most important basic materials of industry, plays an exceptionally important part in the reduction of the general price level. Still more important is the psychological aspect of the question: if the closely organised iron industry opposes the reduction movement resistance in other industries to the moral pressure of the Government and public opinion will be strengthened. As the Government has very little means of bringing actual pressure to bear, and this principally on moral suasion, the

failure of this weapon in a particularly conspicuous case might easily seal the fate of the price reduction campaign. The linking together of the reduction of prices and wages began in the iron industry when the arbitration award of Bad Oeynhausen reduced the wages of the most highly-paid workpeople, and the industry reduced prices to an extent which even exceeded the saving in wages. If the reverse happens now and the industry responds feebly or not at all to a further modification in costs it will lose the favourable public opinion which its previous magnanimity gained for it. The unfavourable conclusions which the Committee of Inquiry have reached as to the profitability of the iron industry scarcely afford a foundation for its attitude in this matter, for the more unsatisfactory the net profits, the more urgent becomes a better utilisation of plant, and this can only be achieved by lowering prices.

The Institut für Konjunkturforschung has attempted, in its latest quarterly report, an estimate of capital expenditure in the years 1924-28. It estimates new investments, not counting the replacement of obsolete or worn-out plant, at a total of Rm. 27 milliards. Of this, 3.7 milliards were for industry proper, 2.6 milliards for electricity, gas and water supply, 4.3 milliards for transport, 2.4 milliards for agriculture, 5.4 milliards for housing, and 5.7 milliards for public administration. This 27 milliards is a relatively small sum when it is considered that the total income from German economy in this four years has been fully 250-300 milliards, and, further, that a substantial part of the plant was built with the aid of foreign credits. Though the estimate may contain serious sources of error, it, at any rate, affords no evidence that German economy has, on the whole, developed its productive capacity to a greater extent than was economically justified.

The Waldenburg Nitrogen Company in Lower Silesia and, in conjunction with it, the Waldenburg Mining Company, have asked their creditors for a moratorium. Both companies belong to the Pless concern, and both are involved in debts to the amount of some 20 million marks. The announcement has attracted great attention in Germany, as the Princes of Pless were, before the war, among Germany's richest magnates, and, in addition to the ownership of immense agricultural estates, played a leading part in the industry of Silesia. The Pless property was among the victims of the partition of Upper Silesia. Large properties round Kattowitz were separated and placed under the separate administration of a son of the Prince, who became a Polish citizen. That did not, however, save the Pless family from persecution by the Polish authorities, as the young prince was openly active in the defence of the German minority in Polish Upper Silesia, and retained the German employees in his works in positions of responsibility. Excessive taxation and other difficulties subjected the Pless property to very heavy financial losses, the consequences of which were felt with fatal effect when the economic crisis in Germany hit the possessions of the Pless family in Lower Silesia as well.

It is said, however, that as far as the nitrogen works are concerned it was not the unfavourable state of the market but technical and financial mistakes in construction which were responsible for the losses, for the works have only just been completed and therefore have not yet entered the market. Of the 20 million debt, about half is bank debt and the other half is due to the contractors who built the works.

The Waldenburg Mining Company presents, if possible, a still more difficult problem, for the Waldenburg coalfield is working under such hopeless conditions that the Government, in spite of heavy subsidies, is considering closing several mines for social-political reasons. Negotiations with the creditors are to be conducted with the aid of the Reichskreditgesellschaft, and the creditors are to be induced to make some reduction in their claims. This is the first big industrial failure which the present crisis has brought about.

SWEDEN.

Stock Exchange Optimism — Unemployment — Industrial Output — Foreign Trade — Balance of Payments.

(FROM OUR CORRESPONDENT.)

STOCKHOLM, December 6.

SINCE the end of October the opinion has been gaining strength here that the international depression has touched, or is about to touch bottom, and this hope has determined the recent tone of the Stock Exchange, which is usually first to herald such movements. But even if this is true of international conditions, there are no signs that the depression has touched bottom in Sweden. The most recent figures of unemployment show that the number of persons making application for each hundred vacancies has risen from an average of 146 in September to 175 in October. Only part of this increase is seasonal, and not since 1926 has the October figure been so high. Whereas the number of unemployed applying to the Unemployment Commission for assistance a year ago was about 5,000, it was 8,600 this year and 6,300 a month earlier. Finally, the Social Board's figure for employment in the country sank in the third quarter to 2.94 from 3.22 in the second quarter and 3.51 in the third quarter of last year. Such a low figure for the third quarter has not occurred since 1922.

It may be that these figures represent past conditions, but all the signs point to a deterioration of the position since. Restriction of output is of daily occurrence; the S.K.F. and the Grangesberg Company curtailed output at the turn of the month, and there has been a cutting down in the sulphate and sawmill industries which will show serious effects next year. Behind these measures there lies a reduced consumption in some of the most important markets, the end of which is not yet in sight.

That Sweden has, however, felt the effects of the depression comparatively lightly appears most clearly in the volume of production of the leading industries. Until May it was surprisingly great. In June came a serious setback and since then activity has been remarkably unequal, with a falling tendency in the main. The latest available statistics are for October, when *Svensk Finanstidningen's* index number fell from 127 to 126 (1923-24=100), whereas last year it rose from 131 to 134 as a normal seasonal improvement. But clearly as this figure indicates a progressive depression, it is yet very moderate. In the period June-October the figure stood at 125, against 131 a year ago. For the first ten months the figure of last year was maintained, thanks to good employment during January-May. The average for January-October was 136, compared with 135 for the same period last year. The unusually large stock of orders with which Sweden entered the depression is clearly reflected in these figures. Now that this stock has run down, the volume of production has only been maintained because Swedish industry is little concerned with luxury trade and because it has been able to reduce its prices. The effect will be seen in the profit and loss accounts, but industry has succeeded in preserving its markets.

In foreign trade the situation is similar. From 86 per cent. of last year's exports in July the figure fell to 77 per cent. in September and October. In the latter month pulp shipments were down 23 per cent. and paper 16 per cent., while for timber the decline was 36 per cent. and for iron ore 35 per cent. In the quality industries ball bearings fell 19 per cent., motors 16 per cent., separators 22 per cent. and telephones 35 per cent. The electrical industry is in a class by itself. Exports increased by 18 per cent. in September and 30 per cent. in October.

There was an excess of imports of Kr. 15 millions, while the normal for October of recent years has been an export surplus of Kr. 8.9 millions. Whereas the period from June to October last year showed an active balance of Kr. 107 millions, this year in the same period,

the best shipping months, there was a passive balance of Kr. 7 millions. It is remarkable that as yet these developments have affected the balance of payment very little. Even during October Sweden's net claims abroad were increased, though only slightly. They amounted to Kr. 580 millions, that is to say they exceeded by about Kr. 20 millions the corresponding figure in 1929. Since the beginning of the year, the reduction has been only Kr. 4 million. The principal explanation is to be found in the fact that exports of capital have considerably declined. Thus in the third quarter there was an import surplus of Kr. 8 millions as compared with an equal export surplus a year ago. In October there was a net export of Kr. 5 millions due to a repatriation of German capital.

An interesting change has taken place in the placing of these bank claims. The share of the Riksbank has increased from Kr. 232 millions to Kr. 398 millions at the end of October, and that of the commercial banks has declined Kr. 327 millions to Kr. 181 millions. There we have in a nutshell the state of the money market, which is still characterised by abundant money in the commercial banks and consequent independence of the Riksbank. Rediscounting is still on an abnormally low level. The Swedish krona has, in consequence of realisations, as a rule been firm. This was accentuated at the end of November when the Riksbank for the fourth time this year was compelled to buy pounds at 18.09 and to take up all offers in order not to risk an import of gold.

DENMARK.

Bacon and Butter — Wholesale Prices — Exports.

(FROM OUR CORRESPONDENT.)

COPENHAGEN, December 8.

ATTENTION is focussed just now upon the agricultural problem. The decline in the prices of butter and bacon has been very marked and opinion is rather pessimistic as to the probable consequences. Last week the butter quotation was unchanged at Kr. 210 per 100 kilos., and it is reported from the English market that consumption has lately increased as a consequence of the low prices (the price in the corresponding week of 1929 was Kr. 300 per 100 kilos.). It is therefore possible that a certain balance is about to be reached in the English market, in spite of considerable imports of colonial butter. But for bacon the position is more uncertain. In the course of a year the Copenhagen quotation has declined from Kr. 152 to Kr. 90, and it fell from Kr. 100 to Kr. 90 last week. In its last report, however, the Agricultural Council states that demand will probably be stimulated when the reduction is fully reflected in retail prices in the United Kingdom. Meanwhile there are already signs of increased consumption on the home market.

The *Berlingske Tidende* announces that wholesale prices are still falling, but it is pointed out that the decline has been less pronounced in November than in the last few months. The total index figure (1913 = 100) is only one point lower, 122 against 123 for October. The decline has particularly affected vegetable foods, which dropped from 89 to 86, cattle food, which declined from 160 to 154. The remaining groups have only declined slightly or not at all, and animal food produce even shows a rise from 120 to 121. As a consequence of the rise in animal foods the entire group of export prices has risen one point to 118, while import prices have declined from 118 to 117 and prices of goods for the home market from 129 to 126.

Compared with the index for the autumn of 1929, the total index has dropped from 150 to 122, or nearly 20 per cent. Within the separate groups the decline has been very uneven. It has been most pronounced for cattle food, which is about 35 per cent. lower, while vegetable food produce has declined 27 per cent. and animal food produce 24 per cent. Generally speaking, raw materials and semi-manufactured articles have declined most, the

entire group being about 23 per cent. lower than last autumn, while articles of consumption have declined about 16 per cent. Within the two groups foodstuffs have declined far more than other goods. For export goods the decline has been 24 per cent., while import goods have dropped 20 per cent. and home market goods 18 per cent.

In the course of the year the most noteworthy increase in the volume of exports has been for bacon. Butter exports have amounted to 155,000,000 kilos., or 7 per cent. more than last year. The export of eggs exceeds last year's quantity by 10 per cent., but the increase in bacon exports is as much as 22 per cent., to 274,000,000 kilos.

ROUMANIA.

Budget — Failure of Petroleum Convention — Agricultural Situation.

(FROM OUR CORRESPONDENT.)

BUCHAREST, December 11.

THE Budget proposals for the year 1931 have been laid before Parliament by the Minister of Finance. The Treasury returns, published monthly during the current year, had made it abundantly clear that the estimates of the last budget would not be realised. It seems, indeed, hardly likely, to judge by the figures so far available, that revenue for the present year will exceed 32,000 million lei. In view of the fact that the nation is undoubtedly becoming gradually poorer, and that consumption is decreasing owing to the severe economic crisis which shows no signs of abating yet, it appears highly improbable that even the much reduced revenue of this year will be obtained in the course of 1931. Economy has already been exercised, and the expenses have necessarily been kept much below last year's estimates, but it has become obvious that the need for further efforts in this direction is imperative. In addition, the new law of public accountancy, which was introduced with the stabilisation, and which came into effect at the beginning of this year, makes it necessary to confine the budget to the twelve months of the year and not to take into account certain receipts and expenditure of the following six months as had been done heretofore. All these considerations make the budget proposals an exceedingly interesting document.

The total revenue for 1931 is estimated at 32,472 million lei, against an expenditure of 35,889 millions. The deficit of 3,417 millions is to be covered by a reduction of from 10 per cent. to 22 per cent. in the salaries of the civil servants. The revenue and expenditure statement is somewhat obscured by an item of about 3,000 millions for payments remaining unsettled from the year 1930, this amount being covered by a similar sum called "remainders from the year 1930." Although the Minister of Finance, in his budget speech, endeavours to explain that this amount is of no importance, it seems that it represents a disguised deficit which is carried over to the next year. It is, indeed, looked upon as important enough to give rise to a rumour of the impending resignation of Monsieur Auboin, who, first as assistant to Monsieur Rist, and then as his successor, is supervising the Roumanian State finances on behalf of the foreign group which assisted Roumania in the stabilisation of its currency.

It is hardly possible to regard the various items of the revenue estimates otherwise than as over-optimistic in the light of the conditions prevailing at present in this country. Thus, direct taxation is made responsible for 9,310 millions, which is practically the amount which may be expected in the current year; no account has been taken of the decrease under this heading which the depression may entail. The same may be said of the customs receipts which figure in the budget at 4,775 million lei. Taxes on articles of consumption are estimated at 2,882 millions. Up to the end of October of this year, 1,800 millions were received from this source. It is not likely that more than 500 millions will be obtained in the remaining two months. The estimate for 1931, therefore, shows an increase of about 500 millions. The figures speak for

themselves. The tax on business turnover and the stamp taxes are estimated at 2,000 millions and 4,150 millions respectively, corresponding to the expected receipts for this year. It is, however, improbable that these figures will be realised in the next twelve months. The Minister of Finance has, in fact, based his estimates on the revenue received this year, whereas it would have been advisable, on account of the general economic depression, to make careful provision for the possibility of a reduced yield of taxation. Courage seems to have been lacking to effect the drastic economies which the finances of the country required.

A very interesting announcement was made by the Minister of Finance in his budget speech to the effect that the group of banks which launched the stabilisation loan had made an offer of a second issue of this loan. It will be remembered that this stabilisation loan was issued by the Roumanian Monopoly Institute and guaranteed by the State. The Monopoly Institute is doing good business, and is easily able to cover interest and redemption of the existing issue and also contribute to the State a considerable surplus. (The revenue from the Monopoly Institute and the public commercial regies is estimated in the budget proposals for 1931 at 5,578 millions.) If a second issue of the loan is made this surplus will of necessity be reduced, and the State finances will suffer accordingly.

Consternation was caused by the news that the Steua Romana Company had decided to withdraw from the convention for the conservation of crude oil which was concluded in July last. This convention had fixed the maximum total production for Roumania at 1,350 wagons per day, which amount was apportioned amongst the producers in accordance with their relative capacity. The Steua Romana considered that the share allotted to it was too small considering the importance of the company as one of the leading companies in the country and its capacity as shown by its monthly output. Continuous negotiations have been going on during the whole month of November, unhappily without result. At the last meeting of the producers other resignations were presented and there were a number of unsavoury accusations that certain companies had produced more than their quota. The consequence is that the accord has come to an end and free competition among the petroleum producers is recommencing. The failure to come to an agreement can only be deplored by those who have the interest of the petroleum industry of Roumania really at heart, and it is possible that the effect will not be confined within the limits of this country. Hopes of an ultimate accord being reached are, however, not abandoned as the interest of self-preservation is expected to force producers eventually to come to an agreement. It is reported even that the large petroleum trusts have taken an immediate interest in the matter and will meet representatives of the Roumanian industry in Paris for the purpose of devising a scheme for the restriction of the production in this country. Other negotiations are to take place also in Paris for the organisation of the petroleum export to France.

Prices of cereals have shown a slight improvement lately. It is, however, not expected that they will reach a level which would leave a satisfactory profit to the producer. As has been pointed out before in these columns, the fall in the world price of cereals which occurred last summer threatens to undermine the whole economic structure of Roumania. Various plans have been suggested for the relief of the farmers, who are hopelessly in debt, but so far nothing useful has been done. The only proposal which has been definitely made is that of the Acceptance Bank of Paris, which has offered to accept bills drawn by Roumanian banks secured against cereals and forwarded through the intermediary of the National Bank. These bills could be discounted in Paris at the current rate, which would allow the Roumanian banks to make advances at 9 per cent. for the purpose of financing the export. The proposal touches merely the fringe of the problem in so far as it assists only part of the export.

Much wider and more permanent facilities are needed to relieve the situation, and the negotiations which have been going on for such a long time to obtain foreign assistance have, so far, had no tangible result. For the moment

a tendency to a slow decrease in prices of certain articles of consumption is noticeable. If this is maintained and becomes more general so as to produce a decided effect on the cost of living, if credit is organised so as to provide cheap facilities for the producers, a gradual improvement of agricultural conditions may be achieved. But it is hardly to be hoped that the ultimate result will be obtained without serious sacrifice, and as is general in economic readjustments, only the fittest will survive.

CANADA.

**Business Conditions — Woollen Industry's Prosperity —
Tariff — Bank Clearings — Railway Statistics —
Wheat Pools — Federal Revenues.**

(FROM OUR CORRESPONDENT.)

OTTAWA, December 2.

In his annual address to the shareholders of the Bank of Montreal, delivered on December 1st, Sir Charles Gordon, the President, offered the opinion that forces were at work for the improvement of business conditions whose present depression he attributed solely to the decline in the purchasing power of the rural community as the result of the extreme lowness of the price of their staple products. But he also said that he could not foretell whether the upward pull to revived prosperity would be long or short, and informed opinion in Canada does not look for any substantial improvement in the business situation until midsummer or perhaps the autumn of next year.

The Bureau of Statistics, in a survey recently published, estimates that the physical volume of Canadian business had at the end of last August suffered a decline of more than 25 per cent. from the peak point it had reached in October, 1929. For that month it gave the index figure (1919-24 = 100) as 196.9, and it placed the index for August at 144.8. Since August there has been a further setback, and the contraction from the peak is now probably almost one-third. The agricultural depression in the West, which has approached the dimensions of a widespread calamity, is the most serious factor in the slump, but is by no means the only one. The newsprint industry is still beset with difficulties, the weakness of the lumber market is forcing the lumber operators to curtail their winter cut to the lowest level for many years, and mining production shows a serious decline. The fishing season on the Atlantic coast has not yielded satisfactory results, and the fruit farmers are complaining about the poorness of prices. There has also been a general curtailment of industrial activity except in the textile mills, which are reported to be enjoying better times than they have experienced for years.

At the annual meeting of the Canadian Woollen and Knit Goods Association, held in Toronto on November 28th, various speakers emphasised the improved outlook for every section of the woollen industry as the result of the increased tariff duties. Mr D. C. Dick, the President, stated that British capital was now being attracted to the Canadian woollen industry, and there is said to be some apprehension in woollen circles lest a number of British woollen firms establish plants in Canada—one Yorkshire firm has already acquired a factory in Perth County, Ontario—and try to secure a share of the local protectionist preserves.

While the new textile duties are very gratifying to the manufacturers, they are not exactly popular with the public at large, which finds that the price of clothing has already been raised for many lines. It is also being argued that in the end it will not do the textile manufacturers of Eastern Canada much good to have the inflow of British textile imports curtailed if the purchasing power of the Western farmer remains at half its former volume as the result of Canada's inability to market her wheat at profitable prices. Meanwhile the protectionist forces are in the ascendant, and it is freely rumoured in Ottawa that the more extensive revision of the tariff which Mr Bennett forecast for the regular parliamentary session will be

largely in an upward direction. Any further moves towards higher protectionism will certainly arouse violent opposition in the West, which is already in a mood of angry exasperation. At a convention of the United Farmers of Manitoba Mr Hoey, who is Minister of Education in the Manitoba Government, elicited enthusiastic applause for a suggestion that the West should unite in demanding that Churchill, the tidewater port of the Hudson Bay Railway, should be made a free port through which the West could carry on its trade with the outside world without the interfering barrier of the protectionist tariff now imposed in the interests of Eastern Canada. If the tariff is pushed upward next session, more will be heard of this demand; Eastern Canada would, of course, refuse to listen to it, and the West could only carry it to success by a movement for outright secession.

There has been virtually no change in the general business situation during the past fortnight except that the advent of really cold weather has stimulated the sale of winter goods. The carloading figure for the week ending November 22nd, at 60,608 cars, shows a gain of 2,472 cars over the figure for the previous week, but is 3,970 cars below the figure for the corresponding week in 1929. Bank clearings continue to fall, and for the month of November they reveal a very heavy decline compared with the figures for the corresponding period of 1929. The following are the comparative figures for three of the leading Canadian cities:—

	1929.	1930.
	\$	\$
Montreal	824,660,681	532,743,207
Winnipeg	335,179,707	220,936,508
Vancouver	102,195,408	76,236,866

Equally unsatisfactory are the earnings of the railway companies. For the month of October the net earnings of the Canadian Pacific Railway, despite the drastic cut of \$2,283,635 in operating expenses as compared with October, 1929, were \$6,554,092, as compared with \$7,309,836 in October, 1929—a drop of three-quarters of a million dollars. For the ten-month period ending October 30th, the net earnings of the company were \$29,165,526, a decline of over six million dollars from the total of \$35,441,626 earned in the parallel period of 1929. The figures of the Canadian National are relatively much more unsatisfactory, for the net revenue for the system for October was only \$3,858,786, as compared with \$5,990,382 for October, 1929. Papers like the *Montreal Star* have been directing considerable criticism against the management of the Canadian National Railway and arguing that its finances are in an unwholesome condition, and that a curb should be placed upon the heavy capital expenditures to which it is committed.

The grain marketing situation has shown very little improvement during the past week, and with a continued weakness in export demand prices have been sagging on the Winnipeg Grain Exchange. The Bureau of Statistics placed the volume of Canadian wheat in store in the Dominion and the United States on November 21st at 199,585,855 bushels, which was a gain of 8 million bushels as compared with the figure for November 14th, but was 22 million bushels less than the total stocks held in storage the corresponding date of 1929. Mr John MacFarland, of Calgary, has been formally appointed manager of the Central Selling Agency of the Wheat Pools, and his appointment is interpreted as an indication that the fortunes of the pools are now in the hands of the banks and various interested governments. A report published by the pool, covering the last crop year up to August 31st, reveals the fact that on its operations over a twelve-month period an actual loss of nearly 12 million dollars has been incurred on wheat already sold. It also shows that on August 31st there was still a small carry-over from the crop of 1928 and a larger carry-over from the crop of 1929. For most of this wheat an initial payment of \$1 was made, and it is estimated that the pools have incurred a further loss of at least 8 million dollars on this old wheat, which means that their total loss is not less than 20 million dollars.

The Federal revenues continue to show an ominous shrinkage. For the first seven months of the present fiscal

year they are placed at \$239,888,820, as compared with \$287,366,016 for the parallel period of the previous fiscal year. The worst shrinkage is in customs duties, which have fallen from 114 to 84 millions, and the excise taxes have declined from 34 to 21 millions. Indeed, the only gain is in the income tax, whose returns have risen from 63½ to 66 millions. Meanwhile, in the seven-month period the expenditure, at \$210,857,276, shows an increase of 12 million dollars over the parallel figure for the previous year, and it is plain that a very substantial deficit is inevitable at the end of the present fiscal year. The total net debt on October 31st was placed at \$2,137,134,993, as compared with \$2,148,732,414 on October 31, 1929.

INDIA.

**Falling Prices — Government Policy — Foreign Trade —
Exchange.**

(FROM OUR CORRESPONDENT.)

BOMBAY, November 28.

THE fall in prices has affected India seriously, as, indeed, it has all countries exporting agricultural products. The wholesale index number for Bombay in September, 1930, was 119, as compared with 124 in August, 1930 (1914 = 100). The September level was actually 26 points below the yearly average of 1929, and the prices of raw cotton, raw jute, wheat, rice, and certain oilseeds are lower than the pre-war level. Cotton manufactures have fallen as compared with last year's prices, but still remain above the index number of general prices. Recently, with the improvement in the political horizon, the cotton mills in Bombay city and island have been finding business better than hitherto. The mills of Ahmedabad continue to find a good market for their goods, and since 1929 about a dozen new mills have been constructed or are in course of erection. The new tariffs have been very effective, especially in grey goods from Japan, and it is only in bleached goods that one hears complaints in some quarters regarding Japanese competition. The fall in prices, however, is bound to have its repercussions on general purchasing power, especially on the part of the cultivator. The mills of Bombay find their prices at a lower level than they have been for fifteen years, and imports of piece-goods in the first six months of the current financial year are 40 per cent. below the imports in the corresponding period of last year.

The Government have been asked to help in regard to raw cotton and raw jute. The Indian Cotton Committee put forward a scheme that the Government of India should fix a reasonable basic figure, and that they should be ready with a scheme to help the grower if the price falls below that level. Even if a reasonable basic figure could be fixed, the major problem, the formulation of a satisfactory scheme for giving assistance to the cultivator, would still remain. The Committee considered and rejected a scheme by which Government should purchase and take off the market, for whatever period might be necessary, a considerable quantity of cotton, and the Government of India entirely endorsed the Committee's judgment. The lesson of the United States, Egypt, and Brazil in this direction is well known. The Committee, however, suggested that Government assistance should be given in financing the cotton crop. The Government came to the conclusion that, apart from the difficulty of ensuring that the benefits derived by middlemen should be passed on to the cultivator, and apart from difficulties of providing large storage facilities up-country, if the scheme were to be effective in holding up stocks of cotton there was the fundamental objection to the fixation of a minimum price, viz., that it might prove to be out of relation with world prices. The Government believe that the danger of encouraging cultivators and merchants to engage in speculative operations is just as great as that of engaging in speculative operations themselves, and that the risk of financing the accumulation of stocks by cultivators and merchants, who would not be in a position to face heavy losses, is very nearly as great as the risk of direct purchase. The decision, all things considered, is wise.

The seaborne trade returns for the first six months of the present financial year (April to September) are now available, and reflect the world-wide trade depression. Exports of Indian merchandise were Rs. 123 crores, against Rs. 157 crores for the corresponding period of last year, a fall of 22 per cent. Imports of merchandise were Rs. 87 crores, as against Rs. 120 crores in the same period of 1929, a fall of 28 per cent. The imports of foreign goods have fallen considerably, except raw cotton, timber, dyes and oils. The imports of cotton piece-goods from Lancashire have in the six months fallen by 39 per cent. in quantity and 46 per cent. in value as compared with 29 per cent. and 48 per cent. in the case of imports from Japan. There has been an increase since the new tariffs came into operation of 140 per cent. in quantity and 79 per cent. in value in white bleached goods from Japan. The total visible balance of trade, merchandise and treasure, is Rs. 1,993 lakhs for the six months ended September in favour of India, as against Rs. 2,755 lakhs in the corresponding period of 1929 and Rs. 2,593 lakhs in that of 1928.

Money has been cheap, but with the onset of the busy season the Imperial Bank of India rate was raised to 6 per cent. on November 20th. There has been some weakness in exchange during the last few weeks. On November 21st the cross rate for telegraphic transfers was 1s. 5½d., as against 1s. 5¼d. on the same date last year. The Government has last week taken steps to strengthen the exchange by contracting the currency by five crores as well as by raising the Imperial bank rate from 5 to 6 per cent. The weakness in exchange is really due to a feeling of uncertainty regarding the Round Table Conference and what the Conference will bring about. Lack of confidence leads to uncertainty, and those in favour of the 1s. 4d. ratio begin to think, despite all that the Finance Member, Sir George Schuster, has said, that a reversion from 1s. 6d. to 1s. 4d. may be practical politics. It is certain, however, from what one sees and hears in Simla that 1s. 6d. must and will remain.

What India wants more than anything else is a strong Central Bank to carry out the functions of controlling both currency and credit. The silver market has recently been steady, but following easy China advices it has recently declined. The stock of silver has been increased by deliveries from the Bombay Mint. The gold market has been strong, following quieter advices of sterling. There has been a very considerable increase in the imports of gold and silver during the first six months of the present financial year. Gold has been imported to the extent of Rs. 1,152 lakhs, or 56 per cent. more than in the corresponding period of last year. Silver imports have been 58 million standard ounces, valued at Rs. 726 lakhs, an increase of 38 per cent. in quantity and 20 per cent. in value. A striking feature of the bullion imports into India is that the share of Bombay in the first half of the current financial year is Rs. 13 crores out of an all-India total of Rs. 19 crores.

Letters to the Editor.

FALLACIES IN "ECONOMY."

TO THE EDITOR OF THE ECONOMIST.

SIR,—Is it not possible that this world-wide preaching of economy may be entirely wrong, and only result in driving us back to the hut days? While I am quite prepared to admit that the policy of economising while everybody else is living what we call extravagantly must result in the accumulation of wealth by the individual, I fail to see how it would benefit the world at large if everyone were to stop spending beyond what was necessary for the bare necessities of life. Why should it be considered an extravagance if by mass production gramophones, wireless sets, etc., become accessible to all, instead of only to those more fortunate people who are blessed with more money than their neighbours? When we look back to the periods which we call "boom years," we find that everyone not only spent money, but benefited by the

luxuries which abounded, sharing the products of each other's labour—whether this were devoted to the production of food or gramophones. Surely at such times the world is a happier place to live in.

With the introduction of science the world is able to produce greater results in a shorter time; consequently, if we continue working the same number of hours we must expect these periods of over-production to occur.

In my opinion the reduction of wages is not going to help matters, but will only intensify unemployment by further diminishing the circulation of money, and will encourage Bolshevik tendencies.

The solution surely lies in this: that as science enables us to produce more, we must work less, or extend our activities more and more beyond the bare necessities of life; otherwise we must expect to have unemployment and the dole always with us.

The isolation of nations by tariff walls and the advocacy by all nations of rigid economy are, to my mind, both fallacies; and I think that these are subjects which should be seriously considered by the League of Nations before it is too late.—Yours truly,

The White House, The Drive,
Rickmansworth, Herts.
December 12, 1930.

ARCHIBALD PHILLIPS.

[We refer to this letter in the first leading article in this issue.—Ed., Econ.]

GOLD: PRICES: WAGES.

TO THE EDITOR OF THE ECONOMIST.

SIR,—Sir Charles Harris regards prices as "painfully but inevitably falling away from the inflated standard of the war," and asks why they should "remain permanently at scarcity levels."

The answer is that to finance the war (for which lenders of money were ultimately responsible) loans were raised at high rates of interest and at an average price-level of about double that of 1913. By returning to gold at pre-war parity, in order to satisfy the financial pride of the City, we set the example to the world of forcing down the level of prices, thereby doubling the weight of our debt—all the gold accumulated by the United States should depreciate and Europe remain unsafe for their financiers.

The proper remedy is not to attempt to force our sheltered prices down to the present unnatural world level, but to restore our unsheltered prices to the level reached immediately before the resumption of bullion payments, when our costs and prices were roughly in adjustment. This can be effected by raising the bank price for gold.

In 1921 Professor Cassel and others warned the world against the policy of deflation, and in 1922 the Genoa experts on currency deprecated the "simultaneous and competitive efforts of a number of countries to secure metallic reserves." The monetary authorities have paid no attention to this advice, and the fall in prices which has already lasted six years—and which will continue indefinitely unless we take energetic steps to check it—is the result of their ineptitude.—Yours, etc.,

Liscard, Shortlands.
December 13th.

GEOFFREY BIDDULPH.

THE ALTERNATIVE VOTE.

TO THE EDITOR OF THE ECONOMIST.

SIR,—You speak of the alternative vote as a "second best," and say that as such it merits acceptance "however unenthusiastic."

But is it a "second best"? I believe on the contrary that it would be worse than the present system.

The alternative vote is only another name for the Second Ballot—a system which has failed wherever it has been tried. And it has failed not for any curable defect, but because it is based on the unsound principle that large bodies of voters are not to be allowed representation by the man of their choice, but are to say which of two opponents they dislike most. The vote of the minority on the alternative vote system is a vote *against* and not a vote *for*. This is a violation of the whole principle of representation—the principle that a man is sent to Parliament by those who agree generally with his views—and is incurable.

If the Conservatives know their business, they will follow the lead once given them by men like Lord Balfour, Lord Milner and Lord Birkenhead, and will learn from the experience of Conservatives in the European countries, and will meet the alternative vote with a proposal for proportional representation.

If Liberalism, having no present prospect of office, is not to stand for justice, what is it to stand for? If the answer is the cynical answer, that it is to stand for its own party interests, then it is pertinent to observe that the alternative vote, so far from helping Liberalism, will promote its destruction. For Liberal M.P.s will be returned—some by the help of Conservatives, some by a purely Liberal vote, and some by the help of Labour. The party will be a chameleon—or rather a sort of pantomimic animal—with a Tory head, a Liberal middle and a Labour tail. It will be more than ever divided against itself, and will fail to stand accordingly.—Yours, etc.,

Oxford.
December 15th.
JOHN FISCHER WILLIAMS.

Books and Publications.

INSTALMENT BUYING.

DETAILED and practical information on the finance of the hire-purchase system has not hitherto been easily obtainable. The publication is, therefore, very welcome of a clearly and competently written book* which deals with all the important aspects of the subject, the legal bearing of the contract of hire-purchase, the systematic record of transactions in the trader's book, the calculation of profits, the hiring company's balance sheet, valuations of hire-purchase instalments payable, methods of financing such transactions, and also the treatment of profit for income-tax purposes.

Incidentally, an easily applied and useful rule is given for approximating to the effective rate of interest charged. An interesting table sets out the terms of hire-purchase agreements and the effective rate of interest in 14 cases compiled from representative advertisements. The variation in the effective rates of interest charged is very instructive.

In discussing the calculation of profit, the author dismisses, perhaps too curtly, the conservative plan of ascertaining profit and auditing it in the accounts only when the transaction is completed. His reasons would, by many directors of public companies, be considered good, as enabling profits to be declared at an earlier date, and as assisting them in a forward dividend policy. The case for prudence appears rather incidentally later in the book in the discussions of bad debts. Reference is made to the accounts of a company engaged in financing this class of trade. Profits had been declared out of which dividends had been paid over a period of five consecutive years, exceeding in total 50 per cent. of the relative capital. Nemesis came in the sixth year, when the conditions of business changed so vitally that the directors did not feel justified in regarding any portion of the receipts from this source as distributable revenue, and further stated that it would be two or three years before the value of the debts for outstanding instalments could be reasonably valued. It is, perhaps, permissible to contrast the financial position of our railway companies with that of our banks and insurance institutions, as probably indicating that strength, stability and power to meet adverse circumstances are oftener attained by long-continued caution than by regard for early and regular dividends.

The author is to be congratulated on producing an excellent textbook upon this class of accounts, one worthy of attention by all persons interested, if only indirectly, in this growing department of business.

* "Hire Purchase Accounts and Finance." By C. W. Aston. Gee and Co. 10s.

BOOKS RECEIVED.

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

(It would be a convenience to our readers if publishers would make a point of notifying us of the prices of books sent for inclusion in this column.)

Interpretations of American Foreign Policy. Edited by Quincy Wright. (London) Cambridge University Press, Fetter Lane. 13s. 6d. net.

A series of lectures on the foreign policy of the United States from the point of view of Canada, Europe, Latin America and the Far East respectively.

Survey of American Foreign Relations, 1930. By Charles P. Howland. (London) Oxford University Press, Warwick Square. 24s. net.

In accordance with the usual policy of this series, particular attention is given to the provision of a general background for the study of the relations of the United States with one particular part of the world. This year the particular study is devoted to China.

The Industrial Efficiency of India. By Rajane Kanta Das. (London) P. S. King and Son, Ltd., Orchard House, Westminster. 8s. 6d.

An interesting study which owes its origin to the author's conviction that the primary cause of the poverty of the Indian people is their inability to make the best use of India's productive resources.

The Essentials of Federal Finance. By Gyan Chand. (London) Oxford University Press, Warwick Square. 11s. 6d. net.

A most painstaking piece of work, packed with information, and generously furnished with statistical tables. Unfortunately it was prepared for the press in April, so that the author was not able to include the Simon Report in the mass of material which went to the preparation of his work. We would suggest to the publishers that in future editions more attention be paid to paragraphing and general layout; at present the appearance of the pages is a serious deterrent to the study which this very competent book deserves.

The Economic Journal. December, 1930. (London) Macmillan and Co., Ltd., St. Martin's Street. 6s. net.

Includes Professor Gregory's address on "Rationalisation and Technological Unemployment," an article by Sir Josiah Stamp, on "Inheritance: a Sample Inquiry," and articles on American retail trade, American manufacturing efficiency, and the Australian problem.

Statistical Abstract of the United States, 1930. (London) Office of the Commercial Attaché, Bush House. \$1.00.

The most indispensable work of reference on the United States. It contains a remarkably full collection of official statistics of all kinds.

The Manufacturing Industries of the British Empire Overseas. Part I, Canada. (London) Erlangers, Ltd., 4, Moorgate.

A statistical analysis, illustrated by elaborate diagrams, of the manufacturing industries of Canada, including the relevant import and export figures. The statistics include the number of factories, the number of employees and the value of the output of each branch of manufacture.

1st Arbeitslosigkeit unvermeidlich. By L. Albert Hahn. (Berlin) Magazin der Wirtschaft., Kurfürstenstrasse. 131.

A German discussion of the unemployment problem.

Die Schäden der deutschen Milchwirtschaft. By Prof. Dr. Karl Brandt. (Berlin) Magazin der Wirtschaft, Kurfürstenstrasse, 131.

A booklet on the possibility of rationalising the German milk industry.

La Guerre d'agression comme problème de Droit International. By Prof. Uden.

L'Espagne, l'Homme et le Peuple. By Prof. Vossler.

Démocratie française et Démocratie allemande. By Prof. Vermeil. (Paris) Publications de la Conciliation Internationale, 173, Boulevard Saint-Germain. 4 fr.

Reprint of three lectures.

OFFICIAL PUBLICATIONS RECEIVED.

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

Special Report from the Select Committee on Shop Assistants, 1930. 7s. net.

Report from the Select Committee on Capital Punishment, 1930. 1s. 6d. net.

Imperial Conference, 1930: Appendices to the Summary of Proceedings. Cmd. 3,718. 4s. net.

Department of Overseas Trade: Economic Conditions in China. August, 1930. 2s. 6d. net.

Further Correspondence relating to the Position of the Sugar Industry in Certain West Indian Colonies and British Guiana. Cmd. 3745. 4d. net.

The Stock Exchange.

ENGINEERING COMPANY SHARES.

THE instinct of the British investor, in the last few years, has been to choose for special attention the shares of companies in certain specialised branches of the engineering industry—such as electrical equipment or motor-vehicle manufacturing—but to give general engineering shares, on the whole, a wide berth. In some cases, the finance of the industry has been inextricably bound up with that of the "heavier" trades, but, broadly speaking, it may be said that post-war depression has been less intense in engineering than in iron and steel, and that, before the onset of the present "cyclical" setback to trade, the process of recovery had been more rapid. A few years ago, the industry had an unemployment percentage much higher than that for all British industry, but at the end of last year its figure had actually fallen below the average.

The British Engineers' Association has recently published an informative summary of the financial results of a large number of engineering and allied concerns in their last three financial years. These are given below:—

SUMMARY OF THE FINANCIAL RESULTS OF SIXTY-TWO REPRESENTATIVE ENGINEERING AND ALLIED FIRMS FOR FINANCIAL YEARS 1927, 1928 and 1929.

	Financial Years.*		
	1927.	1928.	1929.
	(In £000's.)		
Total amount of:—			
Ordinary capital	91,097	92,878	92,136
Preference capital	48,058	48,240	46,059
Total paid-up capital	139,155	141,118	138,195
Debentures outstanding	55,338	55,038	43,510
Earned profits	5,673	5,882	7,211
Ordinary dividend	3,796	3,930	4,289
Preference dividend	2,056	2,243	2,360
Total amount distributed in dividends	5,852	6,173	6,641
Appropriation to reserve	512	989	1,051
Carried forward	1,788	768	1,875
Ratio of:—	%	%	%
Debentures outstanding, to paid-up capital	39.8	39.0	31.5
Earned profits, to paid-up capital	4.1	4.2	5.2
Amount distributed in dividends, to paid-up capital	4.2	4.4	4.8
Amount distributed in dividends, to earned profits	103.2	105.0	92.1
Amount placed to reserve, to paid-up capital	0.4	0.7	0.8
Amount carried forward, to paid-up capital	1.3	0.5	1.3

* The financial year of a company ending at any date after December 31st, and before or on March 31st following, is taken as for the previous calendar year, i.e., a report for the year ended March 31, 1929, is taken as for 1928.

Though the sixty-two companies include a number of concerns with large iron and steel as well as engineering interests, the figures are reasonably representative. They show clearly that the year 1929 (which preceded the current depression) was a progressive one, during which the sixty-two engineering companies reduced their debenture charges, increased their earnings on the average by 22½ per cent., and, for the first time for some years, paid out in dividends less than they earned. Even so, the average distribution on all capital—preference and ordinary taken together—was by no means princely, the sixty-two companies paying out 4.8 per cent., against 5.2 per cent. earned.

These average figures, however, cover wide differences between individual companies. The engineering trade is distinguished, technically, by the large number of specialised industrial groups coming within its scope, and,

financially, by the existence, side by side, of numerous large and small concerns. In this industry size is not, at the present time, synonymous in every case with financial strength. The North British Locomotive Company, which is the largest locomotive-building concern in Europe, has earned less than 1 per cent. on its ordinary capital during the last few years. The Agricultural and General Engineers, a post-war combine of some seventeen concerns, found it necessary to reduce its paid-up capital from £3,753,852 to £2,511,036 in 1924, and has not subsequently paid any dividend either on its preference or ordinary shares. The large textile machinery concern of Howard and Bullough has shown a decline in its ordinary share earnings in the last five years from 10.3 per cent. to nil. One of the biggest of all British engineering concerns, Sir W. G. Armstrong Whitworth (which also has large steel and armament interests), has necessitated one of the most difficult reconstructions of modern times, and Vickers, another giant concern with widespread interests (whose recent results were discussed in the *Economist* of November 22nd last, page 963), was in a position to resume payments on its ordinary shares only after heavy writing-down in 1925.

Some idea of the contrasted experience of different engineering concerns may be obtained from a study of the annexed table. All the concerns shown are of moderately large size. Babcock and Wilcox are water-tube steam boiler manufacturers; Mather and Platt, textile, electrical and hydraulic engineers; the North British Locomotive Company do a large international business; while Ruston and Hornsby specialise on agricultural machinery:—

Company, and Date of Balance Sheet.	Babcock and Wilcox. (Dec. 31.)	Mather and Platt. (Dec. 31.)	North British Locomotive. (Dec. 31.)	Ruston and Hornsby. (Mar. 31.)
Present Ordinary Capital	£ 4,299,656	£ 1,363,660	£ 1,250,000	£ 2,050,000
Net Profit—				
1924.....	1,055,736	229,011	Dr. 13,038	85,810
1928.....	956,691	198,610	Dr. 2,305	141,857
1929.....	865,031	228,398	Dr. 21,676	150,980
1930.....	...	...	...	98,640
Ordinary Share Earnings and Dividends—				
1924.....	Earned. 16.8 Paid. 12.0	Earned. 15.3 Paid. 15.0	Earned. 13.1 Paid. 15.0	Earned. 13.7 Paid. 15.0
1928.....	Earned. 15.2 Paid. 15.0	Earned. 13.1 Paid. 15.0	Earned. 13.1 Paid. 15.0	Earned. 13.7 Paid. 15.0
1929.....	Earned. 15.2 Paid. 15.0	Earned. 13.1 Paid. 15.0	Earned. 13.1 Paid. 15.0	Earned. 13.7 Paid. 15.0
1930.....	...	...	...	...
Ordinary Share Prices—				
Highest, 1924... 50/7½		55/6	28/9	8/9
Highest, 1928-29 75/6		53/9	20/-	11/3
Highest, 1930... 63/-		46/10½	10/-	7/9
Present Price... 48/9		36/3	6/3	3/6
Yield at Present Price (%) ... 5.857		7.742	8.000	NU

* Free of tax.

Babcock and Wilcox have important American connections. The company has for years past been one of the most prosperous concerns in the whole of the engineering trades, but, as will be seen, its profits have recently shown an appreciable downward tendency. Mather and Platt, unlike most textile engineering concerns, has succeeded in maintaining its earnings in recent years, but prevailing conditions of acute competition at home and abroad do not promise any early increase in profits. The North British Locomotive Company has been recently unable to earn anything on its ordinary capital, the meagre 2½ per cent. dividends of late years having been paid entirely out of past profits. In the case of Ruston and Hornsby, ordinary earnings have been at scarcely less depressed levels.

It is, however, characteristic of contemporary conditions in the engineering industry that the smaller concerns are

able not merely to make a living, but occasionally to show results comparing very favourably with those of their larger competitors. Such companies frequently enjoy a limited and specialised, but highly remunerative market, and have avoided the reefs of over-capitalisation on which many larger companies broke their backs in the post-war boom. The recent results of four such concerns are shown below:—

Company, and Date of Balance Sheet.	W. and T. Avery. (Mar. 31.)	Greenwood and Batley. (Mar. 31.)	Petterson. (Mar. 31.)	Tweedales and Smalley. (April 30.)
Present Ordinary Capital	£ 676,458	£ 348,390	£ 112,500	£ 450,000
Net Profit—				
1924.....	76,060	24,237	15,181	61,460
1928.....	95,535	24,511	23,134	77,330
1929.....	113,359	22,385	30,390	70,179
1930.....	119,482	33,271	38,418	55,631
Ordinary Share Earnings and Dividends—				
1924.....	Earned. 18.5 Paid. 15.0	Earned. 4.9 Paid. 5.0	Earned. 8.81 Paid. 7.0	Earned. 13.6 Paid. 15.0
1928.....	Earned. 17.4 Paid. 15.0	Earned. 5.0 Paid. 5.0	Earned. 13.9 Paid. 6.0	Earned. 17.7 Paid. 15.0
1929.....	Earned. 18.7 Paid. 15.0	Earned. 4.4 Paid. 5.0	Earned. 24.0 Paid. 6.0	Earned. 15.7 Paid. 15.0
1930.....	Earned. 19.4 Paid. 15.0	Earned. 5.8 Paid. 5.0	Earned. 37.1 Paid. 7.0	Earned. 13.0 Paid. 10.0
Ordinary Share Prices—				
Highest, 1924... 51/6½		13/9	8/-	28/3
Highest, 1928-29 85/6		13/-	21/-	21/7½
Highest, 1930... 59/-		11/4½	22/7½	8/3½
Present Price... 52/6		10/-	21/3	8/3
Yield at Present Price (%) ... 5.581		8.889	6.588	6.060

* Together with capital bonus of 50 per cent. † 1925. ‡ Neglecting preferential dividend arrears. § Present price.

All these concerns are old-established businesses. W. and T. Avery are weighing-machine manufacturers, established in 1891. Greenwood and Batley are makers of machine tools, oil mill machinery and steam turbines, and took over an established business in 1888. Petterson also took over a going concern in 1910, and to-day specialise in the production of semi-Diesel oil engines and aircraft. Tweedales and Smalley took over, in 1920, a textile machinery manufacturing business carried on under a similar title. The last-named, which does a considerable export trade, is clearly feeling the depression common to all textile engineers. Greenwood and Batley is an example of an unspectacular type of company, whose earnings vary little in good times and bad. The remaining two concerns, however, have both adopted a "forward" policy in recent years. Their capital requirements have been financed mainly from inside their respective businesses, and both are still distributing each year considerably less than their full earnings.

The engineering industry has, naturally, been unfavourably affected by this year's world depression. It disposes of approximately 70 per cent. of its annual output in the home market and 30 per cent. in the export market. For the first eleven months of 1930, exports of machinery show a falling off of 14 per cent. in tonnage and 12½ per cent. in value as compared with the corresponding period of last year, the branches most seriously affected being the makers of machine tools, "prime movers," marine engines, grain-milling machinery, and, within the last few weeks, of agricultural machinery. Exports of locomotives and wagons, on the other hand, have been greater this year than last and shipments of boilers, boiler-house plant and cranes have similarly shown a slight expansion.

Shareholders must be prepared, therefore, for a reduction of earnings this year in numerous cases. Broadly speaking, while only a minority of concerns in which the investor is interested are likely to require elaborate financial reconstruction in the next few years, earnings in the industry as a whole afford only a moderate return on the capital employed, and in many branches there is considerable scope for future "rationalisation." Investors, in the meantime, may be well advised to confine their attention to those companies which have proved their ability to earn stable profits in the last few years, and in particular to those specialised concerns which have combined progressively increasing earnings with a conservative dividend policy.

THE WEEK IN THE MARKETS.

THE LONDON STOCK EXCHANGE.

SETTLING DAYS.

TICKET. ACCOUNT.
January 6. January 8.

The beginning of the three-weeks' account bore out the view that the technical position of London had for some time been sounder than that of certain foreign centres. Liquidation from New York, following the failure of the Bank of United States, was reflected in the widest downward movement of British prices for four months. Quotations, consequently, reached the lowest level since the 1929-30 slump began, industrial shares as a whole being no higher, in fact, than in the autumn of 1922. The foreign bond market, in its turn, was affected by a default on a Rio State loan. Gilt-edged securities remained under the unfavourable influence of the continuing gold-drain, of which no early interruption was foreseen. The effect of the better tone of New York in mid-week, however, was evident here on Thursday, though the initial recovery in prices was not fully held. The immediate outlook for share prices, therefore—apart from customary holiday influences, which this year will be somewhat intensified—hinges largely on the question whether America has exhausted her store of unpleasant surprises and eliminated all sources of weakness in her present situation.

Gilt-edged stocks attracted noticeably less interest than in previous weeks, and a moderate amount of selling was sufficient to depress prices, though firmer conditions ruled on Thursday. Funding Loan came on offer (partly from American quarters), and Conversion issues were dull, though War Loan ruled steady. Australian stocks showed a slight recovery following the complete subscription of the £28,000,000 Conversion Loan, though the market was somewhat at a loss to explain the rapid increase in applications during the last few days. Home corporation loans were quiet. Last week's Smethwick issue was left as to 71½ per cent. with underwriters, dealings opening at 1 discount.

The Foreign Bond market was afflicted not only by American liquidation, but by the announcement that the coupon on Rio State Sevens of 1927 would not be paid. On this news (which is discussed in a Note on page 1180), the stock became a nominal market, and significant declines were marked in numerous Brazilian issues. Other South American loans were weaker. Among Europeans, there was further selling, from external sources, of the Young Loan. Chinese issues were quiet, though the Shanghai-Nanking Loan was firm on the announcement of the payment of the December coupon, the Chinese Ministry of Railways having advanced £66,700 for the purpose.

Little or no interest was taken in Home Railways, prices easing slightly on an almost infinitesimal business. The week's traffic figures showed approximately "average" decreases, except on the North-Eastern, where the decline below last year was smaller than those of recent weeks. Argentine railways again lost ground heavily. A further break occurred in the exchange value of the peso, and news was received that the harvest in some areas was being retarded by rain. The Central Argentine, however, reported the first comparative increase in traffic receipts for fourteen months, San Paulo broke sharply on Wednesday, and Leopoldinas were lower. Canadian Pacifics were sold in fairly large quantities, the splitting of the stock, designed to increase its market appeal, resulting in this instance in a more extensive marking down, *pro rata*, than might have been expected on the old basis.

A three weeks' "holiday" account, in the Industrial markets, started with the added disadvantage of weak conditions in New York. All international issues were marked down, but showed a measurable recovery on Thursday, on better Transatlantic reports. The worst sufferers among domestic stocks were Turner and Newall, and Pinchin Johnson, which were both affected by weakness in the provinces, together with Imperial Chemical, though the latter enjoyed a modest recovery on the House of Lords' proposal to extend the Dyestuffs Act. Manchester was a

(Continued on page 1178.)

NEW ISSUE PRICES.

Stock or Share.	Issue price.	Amt. paid.	Price, Dec. 11, 1930.	Price, Dec. 18, 1930.
Assam Ry. & Trading 5½% deb.	97½	17½	par-1 pm	1½ dis-1 pm
Bermuda Development 5½% deb.	97½	25	1-1½ pm	1-1½ pm
British Aluminium 5% deb.	98½	25	1-1½ pm	2½-1½ dis
Cape Town 5% 1961	101	21	1-1½ pm	1-1½ pm
Central Electricity Board 4½% stock	95½	15½	1-1½ pm	1-1½ pm
Central London Ry. 5% deb.	99½	35	4-4½ pm	4-4½ pm
Cunard House 4½% deb.	91½	41½	2½-2½ pm	2½-2½ pm
Gas Light and Coke 4½% deb.	98	65	3½-3½ pm	2½-3½ pm
General Electric 5% deb.	98	65	3½-3½ pm	2½-3½ pm
Grovenor House (Park Lane) 7½% cum. pref. £1	par	17-18/-	17-18/-	16/6-17/6
India 6% 1935-37	100	30	2-2½ pm	2½-2½ pm
London Electric Railway 5% deb.	99½	77½	4-4½ pm	4-4½ pm
London and North Eastern Railway 4½% deb.	90	45	1-1 pm	1-1 pm
Metropolitan Housing 5½% deb.	95½	25	1-1 pm	1-1 pm
Myatt (Frank) 5½% deb.	95½	25	1-1 pm	1-1 pm
Second British Steamship Trust New £10	£10	£2	10/-5/- dis	10/-5/- dis
Smethwick 4½% deb.	98½	5	1½-1½ dis	1½-1½ dis
Yorks Electric Power.	98½	...	104-105	104-105

(Continued from page 1175.)

seller of textiles, particularly of J. and P. Coats. Little interest was taken in iron and steel shares, and motor shares sagged further. Among electrical manufacturing concerns, Associated Electric and General Electric were both within the zone of American liquidation. A duller tendency prevailed among electric supply shares. Despite the excellent results of British American Tobacco (set out on page 1181), a recovery in tobacco shares was not fully maintained, and breweries tended to recede. Unilever was again subject to selling from Amsterdam. Bank shares were irregular, and a fair amount of selling caused recession in insurance share prices.

The easier tendency of rubber—the commodity—following the receipt of depressing American consumption figures for November, produced a few declines in rubber shares, though little selling was encountered. Some slight amount of stock was on offer in the tea share market, but the declining tendency of prices was partially checked in mid-week, the Finlay group, in particular, being firmer. The oil market was nervous of American developments, and prices were marked down on a narrow range of dealings. The Continent, however, refrained from selling on any large scale. A better tone obtained on Thursday, but the prices of leading stocks had, in the meantime, suffered a fairly extensive decline.

Mining shares were dull on the renewed fall in metal prices and the unfavourable tone of the "House" generally. Kaffirs were a quiet market, Paris and Johannesburg filling the rôle of uninterested spectators. "Johnnies" were marked down on the passing of the interim dividend. Sub Nigel showed a slight improvement. Rhodesians were flat, Congo Borders declining further, despite the majority obtained for the fusion scheme at Wednesday's meeting (which is dealt with in a Note on page 1182). Tin shares receded on a fresh slump in the metal (discussed on page 1182), while Rio Tinto and Burma Corporation were adversely affected by a decline in the price of copper and silver respectively.

"FINANCIAL NEWS" DAILY BARGAIN INDEX.

(Approximate number of Bargains recorded in Stock Exchange Lists.)

	Dec. 11, 1930.	Dec. 12, 1930.	Dec. 15, 1930.	Dec. 16, 1930.	Dec. 17, 1930.	Dec. 18, 1930.
Government and Municipal Loans.....	1,168	1,403	1,584	1,244	1,149	1,123
Transport, Communications, and Public Utilities	813	1,014	1,106	867	879	905
Commercial and Industrial* Banks, Insurance and Financial	1,635	1,924	2,129	1,729	1,632	1,530
Mines (including Nitrates)	505	626	744	503	528	475
Oil	422	495	520	414	430	361
Rubber, Tea and Coffee	94	124	173	110	152	132
.....	83	103	128	110	104	110
Total	4,720	5,689	6,384	4,977	4,874	4,636

* Including iron and steel and breweries.

"FINANCIAL NEWS" DAILY AVERAGE OF 30 INDUSTRIAL ORDINARY STOCKS. (1928 = 100.)

Highest of 1930. (Apr. 17).	Lowest of 1930. (Dec. 17).	Dec. 11, 1930.	Dec. 12, 1930.	Dec. 15, 1930.	Dec. 16, 1930.	Dec. 17, 1930.	Dec. 18, 1930.
90.6	70.0	72.3	71.6	70.5	70.6	70.0	70.3

FOREIGN STOCK EXCHANGES.

NEW YORK.

The closing of the Bank of United States produced considerable liquidation, partly of a forced character. Idle talk of a repetition of 1907, however, was quickly falsified, the rediscounting facilities freely asked for and given by the Federal Reserve Bank—non-existent in 1907—being of invaluable service. On the early days of this week markets usually opened with a steadier tendency, but developed weakness in the last hour or two. On Wednesday, however, this sequence was reversed, a wave of short-covering and bargain-buying, attracted by low prices on the reaction, giving the market a more reassuring appearance by the end of the day. Some issues, in which the short interest was especially large, showed advances ranging from 2 points in Warner Brothers, 2½ in General Electric and 2½ in Anaconda, to 6½ in Baltimore and Ohio and 10½ in J. I. Case. The rise reflected a belief, in some quarters, that the bulk of the forced liquidation overhanging the market had been completed and that several weak situations in the financial district had been taken care of. Call money, which had previously been raised to 2½ per cent., fell back to 2 per cent. Meanwhile, trade indicators show no signs of an early revival. Steel operations have fallen to 37 per cent. of capacity, and building permits last month were down by 12 per cent. as compared with October. General Motors' sales in November were 41,575 units, against 57,757 in October and 68,893 in November last year. Car loadings, however, are making a slightly better showing. The November figures for rubber and copper, however, were worse than had been anticipated. Much interest has been taken in the position of the Transamerica Corporation.

	Dec. 11, 1930.	Dec. 12, 1930.	Dec. 15, 1930.	Dec. 16, 1930.	Dec. 17, 1930.	Dec. 18, 1930.
U.S. 3½% T. Bds.	106½	106½	106½	106½	106½	106½
Do. 4½% T. Bds.	113½	112½	112½	112½	112½	112½
Lib. L'n. 3½% '32-47	101½	101½	101½	101½	101½	101½
Do. 4½% '32-47	102½	102½	102½	102½	102½	102½
Do. 4½% '33-38	103½	103½	103½	103½	103½	103½
Atchafalpa	183½	176½	177	177	177	177
Ches. & Ohio	41½	38	38	38	38	38
Erie	28½	23	26	26	26	26
Illinois Central	80½	74	67	67	67	67
N.Y. Central	126½	118	114	114	114	114
Pennsylvania	59½	55	56	56	56	56
Southern Pacific	99	95½	92½	92½	92½	92½
Southern Ry.	63	57	53	53	53	53
Union Pacific	184½	177½	173	173	173	173
Am. Can.	115½	111	111½	111½	111½	111½
Amer. Smelting	51½	47½	41	41	41	41
Anaconda	35½	32½	25½	25½	25½	25½
Bethlehem Steel	61½	57½	53½	53½	53½	53½
Chrysler Motor	17½	16½	15½	15½	15½	15½
Corn Producers Rf.	78	75½	70½	70½	70½	70½
Eastman Kodak	162	153	151½	151½	151½	151½
Gen. Motors (New)	47½	43½	45½	45½	45½	45½
Gen. Motors	34½	33½	33½	33½	33½	33½
Int. Harvester	58½	53	50½	50½	50½	50½
Montg. Ward	21	18½	18½	18½	18½	18½
Natl. Biscuit	78½	75	77	77	77	77
Phelps Dodge	25	23	20	20	20	20
Pullman	59½	55½	53½	53½	53½	53½
Sears-Roebuck	52½	50½	49½	49½	49½	49½
Studebaker	22½	21½	21½	21½	21½	21½
Un. Fruit	66½	56½	54½	54½	54½	54½
U.S. Leather	51	4	3	3	3	3
U.S. Rubber	14	13½	13½	13½	13½	13½
U.S. Steel	144½	139½	139½	139½	139½	139½
Westinghouse	98½	93	94½	94½	94½	94½
Woolworth	60½	56½	56	56	56	56
Worthington Pump	77	65½	60	60	60	60
Am. Tel. & Tlg.	184½	182	180½	180½	180½	180½
Int. Tel. Toleg.	26½	23	23	23	23	23
Radio Corp.	15½	13½	13½	13½	13½	13½
Utilities P. & L.	25½	23½	23½	23½	23½	23½
W. Union Tlg.	135½	129½	125½	125½	125½	125½
Associated Gas "A"	18½	17½	15½	15½	15½	15½
Pan Amer. B.	43	38	33	33	33	33
Sinclair Oil	12½	11½	10½	10½	10½	10½
Std. California	49	47	45½	45½	45½	45½
Do. N.J.	53	51½	46½	46½	46½	46½

By courtesy of the Standard Statistics Company, Inc., of New York and 13, Cophall Avenue, London, we print the following index figures of American values calculated on closing prices (1926 = 100):—

	1928.		1929.		1930.	
	Lowest.	Highest.	Lowest.	Highest.	Beginning of Year.	Dec. 17.
335 Industrials ..	132.5	186.4	134.5	218.9	146.0	98.2
33 Rails	120.5	159.7	127.8	173.5	134.3	89.1
34 Utilities	128.3	180.6	177.6	330.4	202.2	153.7
Total, 402 Stocks ..	130.3	178.9	140.3	228.1	153.0	105.5
Average yield of 50 Industrial Common Stocks..	3.32%	4.42%	3.10%	5.23%	4.83%	5.94%

DAILY AVERAGE OF 50 INDUSTRIAL COMMON STOCKS (1926 = 100.)

Highest of 1930. (Apr. 10.)	Lowest of 1930. (Dec. 16.)	Dec. 10, 1930.	Dec. 11, 1930.	Dec. 12, 1930.	Dec. 13, 1930.	Dec. 15, 1930.	Dec. 16, 1930.	Dec. 17, 1930.	Dec. 18, 1930.
202.4	112.9	123.4	122.1	120.8	117.4	117.0	112.9	118.2	118.2

TOTAL DEALINGS IN NEW YORK.

	Dec. 11, 1930.	Dec. 12, 1930.	Dec. 13, 1930.	Dec. 15, 1930.	Dec. 16, 1930.	Dec. 17, 1930.	Dec. 18, 1930.
Stock Exchange—Shares (Thous.)	2,883	2,017	1,957	3,426	4,145	4,994	3,283
Bonds (Value Thous. \$)	12,553	12,040	6,929	13,097	14,065	11,813	12,505
Curb—Shares (Thous.)	754	539	425	770	1,000	1,348	763

* 2-hour session.

AMSTERDAM.

The Amsterdam Stock Exchange has been extremely dull during the last few weeks. Quotations were well maintained at first, one of the reasons for this being Sir Henry Deterding's encouraging remarks at the last meeting of the Royal Dutch, under the influence of which the shares registered an advance of 20 per cent. in the course of a single week. The sugar restriction negotiations, which have yielded satisfactory results at Amsterdam, gave rise to a firm tendency for sugar shares. The VISP, it is stated, have not been accepting any more bids on their last asking prices. The improved tendency disappeared entirely a few days ago, however, under the influence of the bank difficulties in America, and the weak tendency on foreign stock markets generally. Leading shares suffered severe losses here, particularly Margarine Unies, which dropped 10 per cent. and more at a time. Other prominent shares, such as Philips Lamp Works and Royal Dutch were also subjected to severe selling pressure, and prices gave way in consequence. Royal Dutch lost practically all the ground they had gained at first. The turnover in tobaccos, rubbers and shipping shares was again very limited indeed, with prices practically unchanged. A better tendency was maintained for tea shares, on account of advancing prices of the commodity. A continuation of the present restriction of the tea crop has been decided upon by the association of Dutch East Indies tea planters. Consent to this measure has yet to be given by the interests involved, but is not likely to be withheld. The increase in the German import duties on tobacco failed to find much reflection in the prices of tobacco shares, although these increased duties mean a severe setback to the interests of the tobacco plantations in the Dutch East Indies and the tobacco trade in Holland. The increase proposed in the first place was from 80 marks to 250 marks. This was modified by the Reichsrat to 200 marks, and finally the Reichstag passed an increase in the duty to 180 marks.

INVESTMENT NOTES.

American Markets.—All things considered, the American share markets have withstood the shock of the largest bank failure in New York's history in moderately reassuring fashion. There were "runs" on certain banks last week-end, at some of their branches operating in those parts of New York City where foreign elements predominate in the population. Resort was had to the rediscounting facilities of the Federal Reserve Bank, loans were called in from the interior, call money was raised from 2 to 2½ per cent., and the resulting liquidation of a forced character reduced Stock Exchange prices generally to the lowest points of the year. The index number of fifty industrial common stocks, compiled by the Standard Statistics Company (1926 = 100), declined from 131 on December 3rd to 123 on Wednesday of last week, on the eve of the Bank of United States failure. The index on succeeding days was as follows: Friday, December 12th, 121; Saturday, 117½; Monday, 117; Tuesday, 113; Wednesday, 118. The situation undoubtedly induced a certain amount of professional short selling. On Tuesday, as many as twenty-six issues were lent at premiums at the close of the market, the process being

comparable to the payment of "backwardation" in the London market. Special market efforts were, however, made to limit the immediate effect of selling, the directors of the Transamerica Corporation, for instance, announcing that a \$20 millions pool had been formed to support the company's stock, any further decline of which might have led to an impairment of confidence in some of the concerns controlled by the corporation, including the Bank of America, of California. By mid-week there were definite indications that the stream of selling was slackening, and before the close on Wednesday a measurable recovery had been initiated in many of the leading stocks. Prices generally, however, have touched their lowest points since the beginning of the great bear market in the autumn of last year, as is shown by the following table, based on figures supplied by the Standard Statistics Company:—

(1926 AVERAGE = 100.)

	Highest, 1929.	Lowest, 1929.	Apr. 10, 1930.	June 25, 1930.	July 23, 1930.	Oct. 22, 1930.	Dec. 10, 1930.	Dec. 17, 1930.
Group indices:								
335 Industrials	218.9	134.5	174.1	130.6	144.2	109.9	103.6	98.2
33 Rails	173.5	127.8	144.3	117.2	126.6	106.4	93.8	89.1
34 Utilities	330.4	177.6	267.4	202.8	220.8	175.1	157.7	153.7
Total, 402 stocks	228.1	140.3	184.2	139.8	153.5	119.6	110.5	105.5

Prices generally are now back, to all intents and purposes, at the levels of 1926, after having risen, during the boom of 1928 and 1929, to 228 per cent. of that level. The bear market of 1930 has been interrupted only by a somewhat extensive recovery which terminated early in April, and a more short-lived upward movement in June and July. Whether the situation can be "straightened out" without further losses to security holders will be revealed during the next few weeks.

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

CAPITAL Authorised and Subscribed	£10,000,000
CAPITAL PAID UP	£2,500,000
RESERVE FUND	£3,164,170
CAPITAL UNCALLED	£7,500,000
	£13,164,170

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Rio State Default.—Somewhat undue significance may have been attached, in London, to the postponement of this week's interest payment on the 7 per cent. Rio de Janeiro sterling loan of 1927. It is pointed out, in private quarters, that since the recent revolution the governments of the various States of Brazil have changed hands, and the new Treasurer of the State of Rio de Janeiro has only had a short time in which to make himself acquainted with the affairs of his State. The City of Rio de Janeiro, the capital of Brazil, is not, however, the capital of the State of Rio de Janeiro, which is at Nictheroy, a suburb of the Federal city. The State, which is the country surrounding the city, is one of the poorest in the Republic. The recent revolution, accompanied by the fortnight's "holiday," held up arrangements for the payment of the interest on the Rio State 7 per cent. loan. The Treasurer of the State found that arrangements had not been made, and so has had little time in which to complete the transaction. He has, however, promised payment at the end of the month, and we understand that it is more than probable that this promise will be fulfilled. Meanwhile, the prices of Brazilian stocks have shown a further decline this week:—

	Dec. 12.	Dec. 15.	Dec. 17.	Fall since Dec. 12.
Brazil 4½%, 1888	50	49½	49½	— ½
Brazil 5%, 1895	51½	50	50	— 1½
Brazil 4% Rescn.	50½	50½	49	— 1½
Brazil 5%, 1903	70½	69½	69½	— 1
Brazil 5%, 1908	90½	90½	90½	...
Brazil 4%, 1910	39½	38½	38½	— 1
Brazil 4%, 1911	60½	57½	52½	— 8
Brazil 5%, 1913	50½	49½	48½	— 2
Brazil 5%, 1914	68½	66½	66½	— 2
Brazil 6½%	68½	66½	64	— 4½
Rio State 7%	78½	75	70	— 8½
San Paulo 7½%	72½	70½	69	— 3½
San Paulo 7%	75½	73	71½	— 4
San Paulo 6%	54	54	52½	— 1½
Leopoldina Railway..	23	21½	20	— 3
San Paulo Railway...	145	140½	132½	— 12½
Brazil Traction	23	21½	21	— 2

The pre-revolution Federal Government authorised the temporary issue of, backed by gold, 300,000 contos (£1,500,000) in currency notes to be made by the Caixa de Estabilisação, the stabilisation office which was formed in 1927. When the new Government took office it found that 100,000 contos had been issued, and ordered the issue of the remainder to be stopped. The issue, which was for six years, has, however, since been authorised by the present administration. It has been decreed that these notes will not be convertible into gold until six years have elapsed, and the Caixa has been closed, all its gold and business being taken over by the Bank of Brazil. When the bills are reconverted, in six years' time, the operation will be effected by sight drafts drawn on London by the Bank of Brazil. The Government may only use gold to pay external debts, hence the receipt by the Bank of England of sovereigns on Wednesday last from Brazil. This shipment has been placed to the credit of the Delegation of the National Treasury of Brazil. On November 19th last 300,000 contos were issued in 7 per cent. Treasury Bills, one-half redeemable in one year, and one-half redeemable in two years. Bond-holders will note with satisfaction that the primary consideration of the Government is to maintain Brazil's credit abroad.

Hungarian Bonds.—The investor in Hungarian bonds will be interested in the Supplement which we publish this week on Hungary and its economic development. It is well known that Hungary has enjoyed relatively good credit among Central European countries. The issue of the Hungarian Government 7½ per cent. loan in 1924 in London, New York and other centres, through the auspices of the League of Nations Financial Commission—the second of the League of Nations' reconstruction loans—did much to restore Hungary's credit in the London capital market. This loan was issued at 88 in July, 1924, in London—on an 8½ per cent. yield basis—

and was amply secured by a first charge on Customs, the sugar tax, and the tobacco and salt monopolies, the financial arrangements coming under the supervision of a League of Nations Commissioner. Several provincial Hungarian loans have subsequently been floated in London on a considerably lower yield basis than that of the League of Nations loan. For example, Counties of Hungary 7½ per cent. twenty years' sterling bonds were issued at 98 in July, 1926, and the 6 per cent. sterling bonds (Series "B") of the same issue at 92 in July, 1927, the flat yields being 7.65 per cent. and 6.52 per cent. respectively. The New York market, however, demanded better terms. The Hungarian Consolidated Municipal 7½ per cent. dollar bonds, for example, were issued in New York in July, 1925, at 89, to yield 8.43 per cent. and the 7 per cent. dollar bonds in July, 1926, at 98½, to yield 7.48 per cent. A joint issue was that of the Hungarian Land Mortgage Institute 7½ per cent. sterling bonds, which were placed both in London and New York, the bonds being issued in respect of loans made by the Mortgage Bank secured by mortgages on agricultural land or freehold urban property up to 50 per cent. of their appraised value. The prices at which these loans are now quoted in London and New York are shown in the following table:—

	Re-dem.	London.				New York.			
		High. Price, 1930.	Present Price.	Flat Yield.	Red. Yield.	High. Price, 1930.	Present Price.	Flat Yield.	Red. Yield.
Hungarian 7½% Loan (1924)	1944	103½	102½	7.35	7.25	104½	99½	7.51	7.53
Counties of Hungary 7½% (1st series, 1926)	1946	103½	98	7.65	7.75	...	...	...	...
Counties of Hungary 6% (2nd series, 1927)	1946	90½	87	6.90	7.5	...	...	...	...
Hungarian Land Mortgage 7½% (1926)	1961	99½	94	8.00	8.05	100	86*	8.72	8.82
Hungarian Cons. Municipal Loan 7½%	1944	...	...	...	...	98½	84*	8.93	9.70

* And interest.

It will be seen that there is a considerable disparity in the credit which Hungary enjoys in the London and New York market, but the higher yields obtainable on the dollar loans are partly attributable to the recent heavy liquidations of foreign bonds as a whole in New York. It is also understood that "placing" of certain Hungarian issues in New York was less firm and substantial than that of most London issues. British holders of Hungarian bonds may be interested in the recent movements of the leading Hungarian securities on the Budapest Stock Exchange:—

LEADING BUDAPEST STOCK EXCHANGE SECURITIES.				
Stocks.	Quotation at the end of			
	1928.	1929.	1930.*	(In pengő).
National Bank of Hungary	224.9	227.3	217	
Hungarian General Credit Bank	83.7	75.3	64.5	
Commercial Bank of Pest	118.0	107.0	101	
First National Savings Bank	218.0	190.0	169	
Totis Colliery	808.0	604.0	438.5	
Salgó Coal Mines	63.3	43.6	31.9	
Ganz & Co., Ltd.	148.5	86.0	60	
Rima Iron Works	92.6	79.0	50.5	
Hungarian Sugar	151.0	111.0	82.5	
First Hungarian Brewery	151.5	117.5	98	
Incandescent Lamp	102.5	105.5	112	
Electric Trust	151.2	112	102	

* Dec. 15.

It will be seen that Hungarian security values, in general, have declined this year, though to a moderate extent, by comparison with the recession in prices on other Stock Exchanges, such as New York and London. On the whole, it will be seen that Hungary has maintained the relatively good credit which she secured in the London market as a result of her financial reconstruction under League of Nations' supervision.

British American Tobacco.—The accounts of this prosperous company (which operates in the overseas markets) show few signs of prevailing world depression. Net profits for the year to September 30th last amounted to £6,501,560, compared with £6,357,772 in 1929 and £6,563,500 in the previous year. Following the issue of 6,000,000 £1 6 per cent. preference shares in October, 1929, preference dividends now require an additional £330,000, representing eleven months' dividend on the new shares. The increase of capital has not yet been fully reflected in profits, ordinary earnings having consequently declined slightly. The dividend is maintained at 25 per cent., tax free.

	Year to September 30th,		
	1928.	1929.	1930.
Net profit	£ 6,563,560	£ 6,357,772	£ 6,501,560
Brought forward	2,318,486	1,608,218	1,748,764
Preference dividend	225,000	225,000	555,000
No. of times covered ...	29.1	28.2	11.7
Ordinary capital:			
Earned £	6,338,560	6,132,772	5,946,560
Paid £	5,882,558	5,892,217	5,895,180
Earned %	26.9	26.0	25.2
Paid %	25	25	25
Other allocations	1,166,270	100,000	...
Carried forward	1,608,218	1,748,772	1,800,144

Whether the increase in net profits can be attributed to partial utilisation of the new block of Preference capital for an expansion of production and turnover, or whether, as is believed in some quarters, it is due rather to internal economies and reduced prices for raw leaf, is not clear, the report observing the taciturn traditions of its predecessors. Accompanying the report is a notice convening an extraordinary meeting at which it is proposed to recommend the conversion of all classes of the company's shares into stock, transferable in multiples of £1, in order to obviate the inconvenience and expense entailed by the provision that each share must bear a distinctive number. The ordinary £1 shares rose on the dividend declaration from 4½ to 5½, at which price they give a yield of about £5 per cent., allowing for a final dividend of 1s. 8d. per share.

Hudson's Bay Company.—The market was prepared for an adverse report from the Hudson's Bay Company, but scarcely for the serious statement which has just been issued by the directors. According to the directors' circular, not only has there been a continuous and serious fall in the price of furs, involving the company in very heavy losses, but the prevailing depression in Canada has adversely affected the company's other activities, including the land department. Unfortunately there appears to be no immediate prospect of improvement, and the present year's working (up to May 31st) will undoubtedly result in a heavy loss. In these circumstances the directors do not feel justified in declaring the interim dividends on the preference and ordinary shares. It has been common knowledge that the company has been feeling severely the depression in Canada. The chairman warned the shareholders at the annual meeting on June 27th that the company must prepare for a difficult period. The land sales for the six months to July 31st have shown a considerable fall as compared with the corresponding period of the previous year, the figures being as follows:—

	6 months to July, 1929.	6 months to July, 1930.
Farm lands	£ 291,500	£ 76,200
Town lots	227,300	124,700
	518,800	200,900

Apart from the land department, the company's departmental stores must have suffered a considerable decline in revenue as a result of the depression among the farming community. In addition, the fur trade has had to meet a further heavy fall in prices. In June last the chairman stated that the average price of furs was then 45 per cent. below the level of September, 1929, and further declines of

20 per cent. or more have subsequently been recorded in the prices of certain varieties at the autumn sales. Past experience has shown that the trade of the Hudson's Bay Company has always proved vulnerable in periods of trade depression in Canada. For example, the earnings on its ordinary share capital dropped from £420,454 in 1921-22 to £181,519 in 1922-23. While a substantial recovery was shown in 1926 and maintained up to 1929, when the earnings on the ordinary shares amounted to £665,512, or 33.2 per cent., another severe decline in profits to £161,766 occurred in the year ending May, 1930, when trade was adversely affected by the drought in Canada and the fall in fur prices. As shareholders had already expressed dissatisfaction with the company's results last year, the directors allowed a committee of shareholders to examine the company's position in detail. The report of this special committee will be submitted about the end of this year. Hudson's Bay £1 ordinary shares have now fallen from a high level of 4½ this year to 25s., and the £5 preference shares from 5½ to £3.

Dorman, Long Meeting.—At the annual general meeting of this prominent iron and steel company, which took place on Tuesday last, Sir Hugh Bell gave an informative survey of the past and present activities of the company, which recently presented its first accounts since the fusion with Bolckow, Vaughan and Company. Sir Hugh wisely devoted a portion of his address to an elucidation of the new balance sheet, in the course of which he pointed out that, whereas in last year's balance sheet "subsidiary companies at cost" stood at only £113,000, compared with the present amount of £1,288,389, the increase was due to the fact that among the subsidiary companies in which Bolckow, Vaughan had a controlling interest was the important constructional business of Redpath, Brown and Company. After tracing the progress of rationalisation on the North-East Coast, in so far as it affected the interests of the two merger companies, Sir Hugh said that it would be surprising if, during the next few years, the industry were not centred more and more in one control. Whereas a century ago Great Britain had taken the lead as an iron-producing country, and for some time had easily held first place, so that in 1857 she made more than half the pig iron of the world, by 1887 her percentage had fallen to 33 per cent., and by 1913 to 13 per cent. Throughout this period of changing ratios, the North-East Coast had maintained its position as the chief centre of the iron trade in Great Britain, thanks to certain natural advantages, and had continued to produce about one-third of the total. What was true of the North-East Coast was true of their joint undertaking also, and in general the results of the merger were satisfactory. While the outlook for the future was of necessity obscure, and depended on certain incalculable

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factors which were outside their control, of the present it was true to say that rationalisation had given them a much larger output to market, and while in some very important articles their position had sensibly improved, in none was there any serious falling off.

Chosen Corporation Affairs.—Shareholders in the Chosen Corporation have been informed, by a circular signed by three of their directors (Messrs C. Bourke-Borrowes, M. Casenave and L. Rondon), that "acute differences" have arisen between the members of the board. The circular declares that Mr M. C. Harman became chairman and managing director in December, 1927, Mr B. Fairfax Conigrave, who had been associated with Mr Harman on other companies, having been co-opted to the board a few months previously. Before May, 1929, certain of the Chosen Corporation's funds were, under arrangement with Mr Harman, lent to the Rock Investment Company and other companies in the "Harman group" on the security of shares in that group. In May, 1929, the latter securities were returned to the borrowing companies and the loans were transferred to a fixed deposit account with a banking company, of which Mr Harman was chairman and Mr Conigrave a director. The "independent" directors of the Chosen Corporation now allege that difficulty has been experienced in obtaining from this banking company the normal amounts necessary for the corporation's running expenses. In June, 1930, Mr Harman is declared to have agreed to the appointment of a controlling committee of the principle creditors of the bank, but it is alleged that the committee has not been able to exercise real control over operations. The directors now declare that the bank is, in fact, unable to meet its liabilities, and also allege that Mr Harman has extended a loan of some of the Chosen Corporation's funds to a certain firm in contravention of a resolution passed by the board, and that he has given notice of his intention to propose the names of two new directors at the forthcoming meeting. To these charges Mr Harman has replied in general terms, declaring that the matters dealt with in the circular, whose issue he considers "unfortunate," will be dealt with at the meeting. Mr Bourke-Borrowes has issued a second circular dealing with a personal point raised by Mr Harman. The result of the voting at the meeting, fixed for Friday, December 19th, was not available as we went to press.

Combined Pulp and Paper.—The affairs of the Combined Pulp and Paper Mills, Limited (which were last dealt with in the *Economist* of November 29, 1930, page 1020), came up once more at the company's ordinary general meeting, held on Tuesday last. The chairman, Mr Henry D. Drysdale, declared that the long-threatened foreclosure on the company's German investments had now taken place, and that, as a result of certain "complicated arrangements," a company introduced by Mr Bruno Philipp (a former director) was claiming £125,000, plus costs and expenses, from the Combined Pulp Company. Though Mr Drysdale declared that the latter company was prepared to submit itself to the judgment of the English courts in this matter, he made it quite clear that the company's properties were gone and its assets had almost entirely disappeared. Liquidation, it would appear, can scarcely be avoided, but in view of the fact that legal proceedings have been instituted against all the original directors and the late auditors of the company, the concern is to be kept alive until outstanding legal actions have been decided. This is a sorry position for a company whose £1 ordinary shares were run up to 78s. 9d. and its 1s. deferred shares to 16s. 3d. in 1928.

Further Decline in Tin.—The new decline in tin to a level but little above £100 per ton has followed one of the severest breaks even seen in this metal, which a year ago stood in the neighbourhood of £180. For

months past, writes a trade correspondent, production has been much in excess of demand—an evil which the two months' "holiday" combated, but did not cure. The rate of increase in visible supplies slowed down, it is true, and warehouse stocks in this country have been drawn upon. The statistical position, however, remains unsatisfactory, and the prospect of further deterioration has compelled the latest reaction, after a recovery from £107 had appeared to indicate that price as the turning point in the fortunes of the metal. Stocks normally held in Batavia by the Government of the Dutch East Indies are to be drawn upon, and instead of this reserve being subject to bids from London, a parcel of 3,000 tons is to be shipped to Amsterdam on consignment—a development which has further revealed the unreliability of "visible supply" figures as a barometer of the real situation. The announcement has acted as a damper on the Metal Exchange, but one must seek elsewhere for the real factors for the present low price level. First and foremost is a recent outspoken pronouncement on schemes of artificial output restriction, which has shown that such schemes are not palatable to certain producers, who do not intend to support them. This knocks away the prop upon which bull interests in the tin market have been leaning, but must make for a healthier situation in the long run. Consumption has not so far responded to the spur of an exceptionally low price. America's call for tin is much below normal, and although buying is seen on every fresh fall, continuity is lacking. It would now appear that tin may fall below £100, and that a sensational recovery is unlikely. The early months of 1931 may, however, see the beginning of a gradual improvement.

The Rhodesian Fusion.—At Wednesday's meeting of the Rhodesian Congo Border the reasons for opposition to the proposals for amalgamation with the Bwana M'Kubwa were given almost as much prominence as those in favour of the scheme. The former, briefly, were that the Congo N'Changa properties contained the largest and richest copper ore-body known in Northern Rhodesia; that no additional funds were at present required; that an independent report on the N'Kana mine was lacking, and that the proposed method of finance was undesirable. On the other side it was emphasised that the fusion would ensure collaboration, avoid competition in production, save capital outlay, strengthen the position of the undertaking generally, and—above all—facilitate financing. The Bwana is already burdened with a heavy share and debenture capital, and the independent raising of several millions more, which will be necessary to bring the N'Kana mine to the production stage would be difficult, if not impossible. Under the scheme the powerful financial backing will be secured of Messrs. Rothschild and Messrs Morgan. Recognising the strength of the supporters of the scheme, Sir Henry Strakosch—who, with Mr McConnell (the latter representing American interests) was the leader of the opposition—announced that he would loyally support the verdict of the meeting; and Mr McConnell expressed his acquiescence. On a poll being taken, the resolutions were carried by 607,700 votes to 257,100. At the meeting of the Bwana Company there was only one dissident. It was made clear that the Congo Border Company acquires all the assets of the Bwana Company, apart from debts and cash in hand.

Wiluna.—Our mining correspondent writes:—The rather belated report now issued—the accounts are made up to March 31st—is the last before the commencement of production. By this time next year crushing should have been under way six months or more. During the period covered no development was carried out with the express purpose of increasing the ore reserves; nevertheless the work performed permitted the inclusion in the estimate of a considerable further tonnage, chiefly of "probable" ore. The total of the latter is now placed at 358,000 tons, averaging 38s. 6d. per ton, and the "positive" at 10,217,400 tons, worth 39s. 1d. Work-

ing costs, when operations are at full capacity, are estimated not to exceed 19s. per ton; while allowing for contingencies the milling value is placed at 35s., with an extraction of 83 per cent. These figures give a profit of 10s. per ton. The initial basis of production is to be 40,000 tons monthly. Extension of the scale of operations and modifications in the treatment plant have entailed an outlay far exceeding that originally budgeted for. An issue of £300,000 seven-year notes was made under guarantee of the Commonwealth Government, and an offer is now to be made of a like amount of 10 per cent. seven-year bonds. The first issue is repayable by half-yearly instalments of £25,000, commencing June, 1932; the second is redeemable at 20 per cent. premium on December 31, 1937, subject to conversion into shares at par until December 31, 1935. It will be seen that the terms in respect of the second note issue are exceedingly generous. The explanation is that they were arranged prior to the latest developments in connection with the gold bonus. Moreover, the shareholders will be entitled not only to subscribe for the new bonds but to participate in the underwriting on the basis of a commission of 5 per cent. It is also obvious that, especially in the earlier years of production, the company will have to meet heavy prior charges. As a partial counter-balance may be placed the benefits of the projected bonus of £1 per oz., although exactly how this will work out cannot yet be gauged with any degree of accuracy.

Camp Bird Group.—The annual reports have been issued, and the meetings held of the Santa Gertrudis, the Mexican Corporation and the Camp Bird. The first-named company, of course, holds about a quarter of a million shares in the second, while the third is largely interested in both. Thanks to the receipt of an increased income from miscellaneous sources, the Santa Gertrudis earned £18,200 more than in 1928-29. The effects of what the manager describes as the "disastrous fall in silver" were offset by the ability of the company to treat higher-grade ore and by reduction in costs. Accordingly, no difficulty was experienced in maintaining the dividend at 3s. per share per annum; while an interim distribution of 1s. 6d. is payable early in January. Once again £50,000 is placed to reserve, raising that fund to £250,000; income tax reserve gets £20,000 in place of £5,000. The ore reserves represent about eighteen months' supply for the mill. There are indications that the veins for some time past opened up in the Don Carlos property do not further extend in depth, but an interesting discovery has been made by diamond drilling on the north-eastern boundary. The Mexican Corporation, which owns a 50 per cent. interest in the Fresnillo company, and in the Tezintlan mixed-metal property, last year entered the dividend list with an interim payment of 1s. per share. Since then, owing to the fall in metal prices, the earnings of the Fresnillo have fallen off very seriously, while operations at the Tezintlan have resulted in loss. At the meeting, Mr F. W. Baker (the Chairman) stated that between June 30, 1929, and December 1, 1930, lead had depreciated 30 per cent., zinc 44 per cent., copper 35 per cent., and silver 32 per cent. He saw little prospect of any amelioration during the current financial year, and could hold out no hope of dividend payments for at least twelve months. It may be mentioned that since December 1st zinc has been cheaper than for over half a century, while silver has set up a low record. The company's position has been improved by the extinction of the £380,000 notes, the outstanding balance of £10,000 being repayable shortly. The Camp Bird earned £134,700, as against £99,570. The preference interest and other charges absorbed £117,000, and £100,000 was placed to reserve against depreciation, leaving £73,300 to go forward as compared with £150,000 brought in. At the meeting, the Chairman gave a frank warning that last year's results were not likely to be equalled in 1930-31. When metal prices recover, the company's predominant interest in the Lake George mine, New South Wales, will assume importance.

Trepca.—This company's meeting was awaited with interest in the hope that some light would be thrown upon the financial results of production. It will be recalled that the treatment plant started in the middle of August, and the output for November showed considerable expansion upon that for October, which in turn was better than for September. The accounts, which are made up to September 30th, show receipts from concentrates £25,400, with operating expenditure £21,300. Obviously these results afford no criterion of what may be expected under normal conditions. In one quarter the suggestion has been put forward that the company is now earning £20,000 per month. This appears ultra-optimistic; such a surplus would represent two-fifths the gross value of the products. At the meeting the chairman was rather indefinite on the point. He stated that the grade of ore at present being mined was above the average of the reserves, and this would largely compensate for low metal prices. The results, however, "not only showed a very good profit, but showed that satisfactory profits could be earned when mining to a grade equivalent to the average of the reserves."

Company Meetings of the Week.—On later pages of this issue will be found the reports of the following companies:—Bank of London and South America, Ionian Bank, National Bank of Scotland, Agar Cross and Company, Crittall Manufacturing, Panama Corporation, Chinese Engineering and Mining, Richard Thomas and Company, Rhodesian Congo Border Concessions, Bwana M'Kubwa Copper Mining, Wiluna Gold Corporation, Camp Bird, Santa Gertrudis, Messina (Transvaal) Development, Showells Brewery, Ind Coope, and Hall's Oxford Brewery. Presiding at the annual meeting of Agar Cross and Company, the chairman declared that the Argentine had suffered heavily from widespread harvest failure and a severe and prolonged drought, which brought disaster to the farming and pastoral industries. Discussing the proposed Rhodesian copper merger, Sir Edmund Davis told shareholders at the annual meeting of Bwana M'Kubwa that, so far as copper mining was concerned, there could be no doubt that there would be ample room in the world's market for the Northern Rhodesian supplies, provided the position were handled with care, and by amalgamating the three companies they were satisfied that they were going a long way towards protecting the position. At the annual meeting of the Ionian Bank, the chairman pointed out that for thirty years Greece had rigidly honoured her obligations, while the Government had provided a very large sinking fund—over 12 per cent. of the total budget of the country—for redemption of debt. The Rhodesian Congo Border meeting is discussed in an Investment Note on page 1182.

CAPITAL ISSUES.

The new capital market has been comparatively quiet this week. Only three issues made their appearance, high-grade borrowers being involved in each case. The *Liverpool Loan* is mainly a conversion operation, arrangements having been made for any unconverted stock to be taken up privately. No cash applications for the new issue are, therefore, invited. The *City of Auckland* debentures are not a trustee issue, and give, in fact, a yield which is somewhat higher than that on recent trustee offers—namely, £5 1s. per cent. flat and £5 2s. allowing for redemption in 1951. The issue, however, is a sound stock, and a direct obligation of the City of Auckland, secured by a special rate of 1½d. in the pound on all rateable property. The London and Home Counties Joint Electricity Authority is issuing £1,000,000 in 4½ per cent. stock, 1955-1975, at a price of 95½ per cent.

ISSUES OF THE WEEK.

By Prospectus or Offer for Sale.

Net total recorded, January 1 to December 13, 1930, £248,377,305.
Total, including conversion recorded, January 1 to December 13, 1930, £430,304,936.

National Savings Certificates.
Net sales, week ended December 13, 1930, £250,000.
Total receipts, April 1, 1930, to December 13, 1930, £6,250,000.

	Nominal Capital.	Conversions or Repayments.	New Money Cash Subscriptions.	First Payment.	Further Liability.
To the Public.					
4% Treasury Bonds, 1934-36...	4,000,000	4,000,000	19,000,000	1,900,000	171,000,000
Liverpool Corporation	198,600	196,614	...	...	...
City of Auckland	1,000,000	...	955,000	50,000	905,000
London and Home Counties Electricity					

Total issued to the public, week ended December 20, 1930, 5,198,600 4,196,614 19,955,000 1,950,000 180,050,000

	Jan. 1 to date—	1930	1929	1928	1927	1926	1925	1924	1923
To Shareholders only.									
Java Produce, £12,234 Conv.	12,234	...	12,234	1,223	11,011	...	...	...	...
7% Deb. Stk. at par	100,000	...	100,000	100,000	...	...	...	...	...
Sussex Brick Co. 2,000,000 New	...	...	...	...	...	...	...	...	...
Deferred 1s. shares at par	...	...	...	...	...	...	...	...	...
Woking Electric Supply, 25,000	...	...	...	...	...	...	...	...	...
7% "B" Cum. Pref. £1 at	25,000	...	29,375	4,375	25,000	...	...	...	...
23s. 6d.	...	...	...	...	...	...	...	...	...
25,000 10% "C" Cum. Pref.	25,000	...	40,625	15,625	25,000	...	...	...	...
£1 at 32s. 6d.	...	...	...	...	...	...	...	...	...

Total issued to shareholders only, week ended December 20, 1930, 162,234 ... 182,234 121,223 61,011

	Jan. 1 to date—	1930	1929	1928	1927	1926	1925	1924	1923
Total Offered for Subscription									
Including Conversions.	451,888,784	268,764,539	488,764,940	285,239,400	1928	...	...	...	...
Excluding Conversions.	486,111,244	281,635,644	693,100,056	289,058,073	1927	...	...	...	...
Whole year	542,634,256	368,253,273	...	365,165,970	1926	...	...	...	...
1927	...	353,939,312	...	230,782,600	1925	...	...	...	...
1926	...	230,732,601	...	232,214,500	1924	...	...	...	...
1925	...	231,914,268	...	209,326,101	1923	...	...	...	...
1924	...	209,326,101	...	271,399,173	1922	...	...	...	...
1923	...	271,399,173	...	573,675,653	...	...	...	...	...

By Stock Exchange Introduction.

	Amount of Capital Introduced.	Prices at which Dealings Began.	Total Cash Involved.
Amount previously recorded	21,825,980	...	23,598,828
Metropolitan Housing Corporation, 350,000 7% Cum. Pref. £1 at 19s.	332,500	19/9	345,625
Total for week ended December 20, 1930	332,500	...	345,625
Total to date, 1930	22,158,480	...	23,944,453
Total to date, 1929	31,519,934	...	43,644,082

Liverpool Corporation 4½ per cent. Stock, 1951-71.—Offer of £4,000,000 stock in exchange for holdings of Liverpool Corporation 6 per cent. stock, 1930-50, due for repayment on April 16, 1931, the exchange to be at the rate of £100 of the 4½ per cent. stock for each £100 stock surrendered. Arrangements have been made whereby any part of the £4,000,000 4½ per cent. stock for which applications are not received, will be taken up for cash at £100 per cent. Liverpool Corporation 6 per cent. stock not converted under this offer will be repaid at par on April 16, 1931. If not previously redeemed, the 4½ per cent. stock will be repaid at par on April 16, 1971, but the Corporation reserve the right, on three months' notice, to redeem the stock at par at any time on or after April 16, 1951. The rateable value of the city is £6,437,637, and a rate of one penny will produce £24,200.

City of Auckland 5 per cent. 1951 Loan.—Issue of £198,600 in debentures to bearer of £100 each, at 95½ per cent., to be applied to repay a similar amount of Auckland City Consolidated 4 per cent. loan, 1909, of £310,200, due on January 1, 1931, the whole of which will be redeemed. The issue is a direct obligation of the City, and is also secured by a special rate of 1½d. in the £, which at present would produce approximately £18,500 per annum. The principal will be repaid in London at par on January 1, 1951.

London and Home Counties Joint Electricity Authority.—Issue of £1,000,000 4½ per cent. Stock, 1955-75, at 95½ per cent. The proceeds of the issue will be applied towards the purchase, on terms approved and sanctioned by the Electricity Commissioners, of electricity undertakings of Callenders, Twickenham and Teddington Electric, Leatherhead and District Electric and Edmundson's Electricity, including generating stations, main transmission lines, distribution systems and other properties of the said undertakings.

Particulars of the following have been issued "for information only," with a view to Stock Exchange introduction. **Vereeniging Estates.** Particulars of an issue of £650,000 6 per cent. mortgage debentures. The company was registered in August, 1897, and owns about 130,000 acres of land in the Transvaal and Orange Free State. **Francois Cementation Company.** Issued capital £310,000 in 250,000 8 per cent. £1 cumulative preference shares and 1,200,000 ordinary shares of 1s. each. Particulars of an issue of £120,000 8 per cent. debenture stock.

DIVIDEND ANNOUNCEMENTS.

Name of Company.	Rate % per Annum, except where marked % or Stated in Cash.			Dividend for Whole Years.	
	Interim or Final.	Date of Payment.	Method of Payment.	Latest Year.	Previous Year.
RAILWAYS.					
Bengal and North Western	7%†	plus bon	us of 3%	19	19
Rio Claro Railway & Investment	6%†	...	...	10	10
Rohilkund and Kumaon Railway	6%†	plus bon	us of 5%	18	18
BANKS.					
National Bank of Scotland	...	...	...	16	16
INSURANCE.					
Eagle Star & Brit. Dominions Ins.	5%†	Dec. 31	Quarterly	20	20
TEA AND RUBBER.					
Badulpar Tea	5%*	Dec. 19	...	...	...
Duckwari Tea and Rubber	10%*	Jan. 17	Less tax	...	...
Malay Rubber Planters	7½%*	Dec. 31	...	...	...
Ragalla Tea Estates	...	...	...	...	...
United Temiang (F.M.S.)	...	...	...	...	...
MINING.					
Apex Mines	5%*	Feb. 7	...	...	...
Ariston Coal	...	...	...	...	...
Burma Corporation	2 annas*	plus bon	us of 1 anna	7½	5
Cam and Motor Gold	7½%*	...	...	...	...
Clydesdale (Transvaal) Collieries	7½%*	...	...	...	...
Geduld Proprietary Mines	16½%†	...	...	32½	31½
Gopeng Consolidated	4d. p.s.*	Jan. 7	...	...	...
Malayan Tin Dredging	5%*	Dec. 18	...	...	...
Modderfontein Deep	65%†	...	...	...	...
Natal Navigation Collieries	3½%*	...	...	130	135
San Francisco Mines of Mexico...	5%*	...	...	...	...
Southern Malayan Tin Dredging	5%*	Dec. 18	...	10	37½
Southern Perak Dredging	2½%*	Dec. 18	...	...	...
Van Ryn Gold	...	Jan. 21	Tax free	2½	...
OTHER COMPANIES.					
A. and R. Thwaites	...	...	Less tax	5	7
Aberdeen, Edinburgh & London	...	...	...	...	...
Trust	...	...	...	...	...
Army & Navy Investment Trust (Def.)	14%†	...	Less tax	17	17
Ashby's Staines Brewery	4%*	Jan. 1	...	15	15
Associated Breweries	15†	...	...	8	7½
Associated Hotels	6½%*	...	...	10	12½
Bell and Co.	24%*	Jan. 1	Quarterly	...	...
Benn Bros.	5/- p.s.*	Dec. 23	...	...	...
Boots' Pure Drug	1%*	Dec. 31	Tax free	...	...
British American Land "A"	12½%†	...	...	20	20
Buteley Cafés	24†	...	Tax free	5	5
Cadens Cafés	3½%†	...	Tax free	7½	12½
Ceará Tramway Light and Power	5%*	Jan. 5	...	6	6
Central Portland Cement	...	...	...	15	15
Cleveland Bridge & Engineering	...	...	...	10	12½
Components	...	...	...	15	15
Coronet Brick	...	...	...	10	12½
Cow and Gate	...	...	...	10	12½
De Vere Hotels	...	...	...	10	12½
East India Distilleries and Sugar	...	...	...	10	13½
Factories	5%†	...	...	10	...
Factories Lower Cement	5%*	Dec. 31	Less tax	...	...
Edinburgh and Dundee Investment	...	...	Tax free	7	7 a
Fairley Aviation	...	...	...	5	10
Farmer and Co.	9%†	...	...	23	22
Fortnum and Mason	2½%*	Jan. 1	...	...	...
Great Northern Investment Trust	6%*	...	...	...	...
Great Yarmouth Waterworks	9%†	...	...	...	...
Greene, King and Sons	12½%*	...	...	...	...
Hardy's Crown Brewery	9½%†	...	Less tax	12½	10
Hemel Hempstead Patent Brick	8½%†	...	...	12½	12½
H. & G. Simmonds	...	...	...	3	7½
J. W. Cameron and Company	4½%†	...	...	8	8
John Haslam	3%*	Jan. 1	...	...	...
John Gardner (London)	...	...	...	...	...
Kelly's Directories	1/- p.s.*	...	...	...	...
Langston Monotype (Def.)	4½%†	...	...	12½	12½
Lewis and Burrows	3%*	Jan. 1	...	...	...
Lisbon Electric Tramways	...	...	...	8	6
Metropolitan Railway Country	9½%†	...	Less tax	...	...
Mid-Gloucester Water	2½%*	Dec. 31	...	...	...
Milner's Safe	6%†	...	...	8	8
Newcastle Breweries	3%*	Dec. 24	...	...	...
North British Cold Storage and	3%*	Jan. 7	Less tax	...	...
Ice	...	...	...	...	...
Ohlsson's Cape Breweries	8%*	...	...	...	...
Plymouth and Stonehouse Gas	2½%*	Jan. 20	...	...	...
Light and Coke	9d. p.s.*	Jan. 1	Quarterly	...	...
Rees and Sons	4%†	...	Tax free	16½	22
Reckitt and Sons	...	...	Less tax	15	...
Redpath Brown	...	...	...	20	17½
Rosleigh	...	...	...	...	...
Ridgways	8%*	...	...	...	...
Sawers	2½%*	Dec. 24	...	...	...
Sanders Bros. (Stores)	2½%*	...	...	...	...
Scottish Australian Investment	2½%*	...	...	5	15
Scottish Allied Investors	2%†	...	...	4	4
Scottish Consolidated Trust	3%†	...	...	6	6
Scottish Farmers' Corporation	6d. p.s.*	...	Less tax	...	...
Scottish International Trust	2½%†	...	...	5	5
Second Great Northern Invest-	4†	...	...	...	...
ment Trust	2½%*	Dec. 31	...	...	...
South British Investment Trust	20%†	...	...	30	27½
Stretton's Derby Brewery	12½%*	...	...	...	...
Third Scottish American Trust	2½%*	Jan. 14	Less tax	...	...
Telephone Rentals	10%*	Dec. 23	...	...	...
Thornton-Smith	...	...	...	...	...
United Automobile Services	10%*	Jan. 1	Less tax	5	5
United Dominions Trust	7½%†	Dec. 11	Tax free	...	...
Viking Whaling	2%*	Jan. 1	...	...	...
W. and T. Avery	5%*	...	...	...	...
Webb's Crystal Glass	4%†	...	Tax free	8	10
Whitehead Iron and Steel	7½%†	Jan. 1	Less tax	15	15
Workop and Retford Brewery	10%†	...	...	...	...
Wyman and Sons	...	...	...	...	...
Yeast Vite (Def.)	...	...	...	...	...

a Less tax.

a Plus bonus of 6 per cent.

AFRICAN AND EASTERN TRADE CORPORATION, LTD.—The African and Eastern Trade Corporation, Ltd., officially announce that payment will be made, on January 1, 1931, of the half-yearly dividend to December 31, 1930, on the 6 per cent. cumulative "A" preference shares, less income tax at 4s. 6d. in the £.

COMPANY MEETINGS, &c.

BANK OF LONDON AND SOUTH AMERICA, LIMITED.

RESULTS OF A DIFFICULT YEAR.

MR BEAUMONT PEASE'S REVIEW OF CONDITIONS IN LATIN-AMERICA.

The sixty-eighth ordinary meeting of the Bank of London and South America, Ltd., was held, on the 16th instant, at the head office of the bank, 6, 7 and 8 Tokenhouse Yard, London.

Mr J. W. Beaumont Pease (the chairman) said in the course of his speech: Your directors have decided, in view of the general depression which exists all over the world and which has not failed to react upon business in South America, that a conservative and precautionary policy is eminently desirable. In view also of the inevitable dislocation arising out of the political disturbances on that continent, this decision of your directors will commend itself to you. While our faith in the ultimate prospects of South America remains undiminished, we are convinced that you will support us in the attitude we are adopting.

After making full provision for all bad and doubtful debts and after charging all normal bad debts to profit and loss account, the gross profits stand at £1,754,000, which is £61,000 less than last year. The charges for head office and branches stand at £16,000 less than last year, with the result that the net profit this year is shown at £390,472, as against £435,144 last year. It is proposed to pay a final dividend of 5 per cent., making a total distribution of 9 per cent., as against 11 per cent. for the previous year.

CONDITIONS IN ARGENTINA.

Were it not for the fairer promise of its final months an account of the past year in Argentina would be far from cheerful hearing. The harvests, which largely form the basis of her wealth, were meagre, and the correspondingly small return from them was further diminished by the world-wide fall in the value of cereals. With the Conversion Office closed, the already difficult commercial situation was augmented by falling exchange rates caused by the result of the growing adverse trade balance, which became heavier than usual. The ill effects of this to the country are clear; firstly, the service of all foreign debts costs the country 20 per cent. more; secondly, the necessary goods imported into the country also cost 20 per cent. more, and sends up the cost of living, and, as the lower exchange also reduces the profits of the foreign utility companies, such as railways, banks, and mortgage companies, &c., depressing their share values, so it affects the country's credit and makes future loans, &c., harder to negotiate even at a lower issue price.

It is, therefore, comforting to know that the prevailing uneasiness in this respect is fully appreciated by those in power, who recognise that a monetary régime providing for greater elasticity and making for a permanently stable "peso" at 11·45 to the pound, is greatly desirable for the good of the country, and its uninterrupted progress. So many are the factors linked with exchange in a producing country that the means to the desired end will doubtless require profound study and mature consideration, but I feel that we can rely upon the distinguished statesmen and economists of Argentina to bring this vital question to a successful issue at no distant date, and in their efforts to do so I am sure they have many friends in the London financial circles ready to come forward with any help and advice that it may be in their power to give them. In any scheme which may be engaging their attention they have a good basis to work upon, as the gold in the Conversion Office amounting to £84,479,000 guarantees the notes in circulation to the extent of 78½ per cent.

To the monetary inconveniences of the nation was added political trouble, resulting in the almost bloodless revolution of September 6th, a sharp and unmistakable protest against the old régime. The new régime, formed of well-known and experienced men imbued with a sense of their responsibilities, and with the avowed intention of working for the good of the Republic, has been welcomed, not with mere wordy sympathy, but with practical assistance, and by full recognition of all foreign Powers, and a feeling of relief has been engendered and confidence restored. The banks, both Argentine and foreign, established in Buenos Aires, have placed at the disposal of the new Government the assistance necessary for the temporary needs of the situation, and the renewal of a fairly large foreign loan was arranged, on more favourable terms than the original.

FAVOURABLE CROP PROSPECTS.

Bearing in mind that any forecast of a harvest is unfortunately liable to eleventh-hour betrayal by weather or pest, we can record that sowing was realised under ideal conditions, and aided by opportune rains the immediate prospect for all crops is favourable. Weather conditions over the whole republic have been of a satis-

factory character; pasturage throughout the country is remarkably good, and well able to carry the 88,000,000 odd head of stock which the cattle census of last July reveals as the country's total of cattle, sheep, horses, and pigs. The estimated area sown to cereals is some 4 per cent. greater than in 1929.

There is no hiding the fact that Argentina is passing through a period of commercial depression, a condition of affairs which is universal. However, there is no cause for undue pessimism, as with peace and economy the country should, when the tide turns, quickly recover in view of its manifold resources.

BRAZIL.

Probably the most important happening in Brazil during the last year has been the recent revolution, which, although it occurred since the closing of the bank's year, has been casting its shadow over the country since the Presidential election of March last, which resulted in the naming of Dr. Julio Prestes as President-elect to take office on November 15th last.

Dissatisfaction with the fairness of this election culminated on October 3rd with a simultaneous rising in the States of Rio Grande do Sul, Paraná, Santa Catharina, Minas Geraes, and the north, and the fighting which took place in many parts of the great republic terminated with the success of the revolutionary party in Rio de Janeiro on October 24th. The Provisional Government then set up has nominated Dr. Getulio Vargas, the defeated candidate in the Presidential election of March, to hold that post. This gentleman has chosen for his ministers well-known men of standing, ability and confidence. Much is hoped from this Government, whose programme is both sound and economical, and most of the foreign governments have already recognised it.

The commercial and financial situation has been very black throughout the past year, and failures have again been very heavy, and most factories have been either working on short time or have been closed altogether.

The failure of the Coffee Defence Scheme, which had kept up prices at an artificial level for some years, resulting in October, 1929, in a fall of about 50 per cent. in the market value of coffee, required prompt action on the part of the authorities, and a new loan was issued in London, New York and on the Continent by the Government of the State of Sao Paulo, called the Coffee Realisation Loan of 1930, 7 per cent., redeemable in ten years, in accordance with which the very large stocks which had accumulated during the bounteous harvests of recent years were to be marketed under schedule. The terms and conditions governing this issue have been faithfully adhered to, but the coffee position cannot be considered as settled, for much must depend on the future crops. Owing, however, to the fall in prices and the efforts of the Government to raise the standard of quality, many of the old trees are being destroyed and other products are taking their place. This must ultimately prove beneficial to the country.

The Provisional Government have decreed an issue of Treasury Bonds up to 300,000 contos, interest not to exceed 7 per cent. per annum, tax free, and redeemable half in one year and balance in two years from date of issue. Further details are not yet to hand.

The Budget for 1929 resulted in a surplus of over £4,000,000, and, although a less satisfactory return must be expected this year, prospects for the future would appear more encouraging in view of the policy of retrenchment and economy which forms a prominent part of the new Government's programme.

Our recent information is that the Caixa has now been abolished, and the balance of gold, having been transferred to the Bank of Brazil, is now in course of shipment to the Brazilian Treasury delegates in London. When exchange of gold notes, still in circulation, is again allowed, this is to be effected by a sight draft of the Bank of Brazil on London bankers.

CHILE.

Chile, which is a country dependent on her exports for her upkeep, was naturally adversely affected by the world conditions ruling, but was more fortunate than some of her neighbours, inasmuch as no internal dissensions disturbed her wellbeing.

difficulties would not seem to arise from any diminution in her own products or industry, but are directly attributable to the decreased purchasing power of the rest of the world, and, with the one exception of meat, the low prices of her chief products in the world's markets. Uruguayan exchange rates have had a tendency of late years to follow the trend of those of her neighbour, Argentina, even when economic factors hardly seem to justify the movement, and the reduced purchasing power of the Uruguayan peso, the value of which had fallen *pari passu* with that of the sister Republic, has had a limiting effect on imports, which in turn has reduced the national revenue through a shrinkage in Customs dues. After six successive years of surplus of income over expenditure, a shortage is anticipated in the national accounts corresponding to the fiscal year ending June 30th next. The Government is coping with the unexpected situation, and has adopted a necessary policy of economy, new expenditure which had been proposed in the Budget has been postponed until times may be more propitious, and expenses generally are being curtailed when not absolutely justified.

COLOMBIA AND PARAGUAY.

The commercial depression in Colombia, which was referred to last year, continued throughout the year under review. The decline in coffee prices was severely felt, and an unduly prolonged summer adversely affected the agricultural situation, which, until the recent rains brought a change for the better, had become grave. All classes have felt the pinch of the resultant trade restriction, especially the working class, among whom there has been much unemployment. Various relief works have been undertaken, but the rigid economies which are being effected throughout all branches of the national administration make it difficult for the Government to palliate labour's emergency more than slightly.

The year 1930 has been a fortunate one for Paraguay: the world-wide depression, and especially the conditions ruling in the sister Republic and principal customer, Argentina, precluded any great forward strides, but the menace of war with Bolivia which had overshadowed her during the previous year, had vanished, and she is now able to turn her whole attention to her home affairs. Much of the capital transferred abroad when international trouble was imminent has returned, and the finances of the country, which are ably and economically administered, are satisfactory.

The report and accounts were unanimously adopted.

THE NATIONAL BANK OF SCOTLAND, LIMITED.

SATISFACTORY RESULTS IN A DIFFICULT YEAR.

The 105th annual general meeting of the proprietors of the National Bank of Scotland, Ltd., was held in the bank's head office, Edinburgh, on the 18th instant, the Most Honourable the Marquess of Zetland, P.C., G.C.S.I., G.C.I.E., the Governor of the Bank, presiding.

The Lord Marquess, in moving the adoption of the report and accounts, having dealt with industrial and financial conditions, said:—The profits show a slight decrease compared with the previous twelve months. After deduction of dividend, at the same rate as formerly, namely 16 per cent., absorbing less tax £136,400, and the application of £50,000 to contingent fund, £35,000 to heritable property account, £50,000 to the bank officers' pension scheme, and £5,000 to the staff widows' fund, the carry-forward is slightly increased at the figure of £74,293. The deposits stand at the substantial figure of £32,266,000, exhibiting a small increase over those of a year ago. The progress made in establishing the small deposit account system has been very gratifying, and further progress is looked for in this direction. The note circulation shows a small decrease, accounted for by the general diminution in trading and industrial requirements. The acceptances by the bank, which stand at higher figures than a year ago, vary from time to time; on the other hand, there is shown a reduction in endorsements, guarantees and other obligations. Turning to the assets side of the balance sheet, the liquid position, as you will observe, is well maintained; while, in addition, further strength is represented by a substantial holding of Treasury Bills, which are included under bills discounted. British Government securities exhibit an increase of, roughly, £800,000. The bank has taken an interest in the Bankers' Industrial Development Company, Ltd., formed recently under the auspices of the Bank of England with a view to furthering the cause of rationalisation in industry. Loans and advances show a contraction of about £500,000, indicative of the reduced requirements of business. The heritable property account is well written down, and is further strengthened by the allocation of £35,000 from this year's profits. In brief, I would say that the bank is in a strong position, not only to continue its support to trade and industry, but to meet the needs of the business community when the hoped-for recovery in trade comes about.

The resolution was carried unanimously.

IONIAN BANK, LIMITED.

HIGH STANDING OF GREEK CREDIT.

The ninety-first annual ordinary general meeting of the Ionian Bank, Ltd., was held on the 16th instant, at the offices of the company, 25-31 Moorgate, London, Sir John Stavridi, chairman of the company, presiding.

The secretary (Mr R. H. Fry) having read the notice convening the meeting and the report of the auditors,

The Chairman said: At our last meeting I referred to the year as having been one of the most abnormal periods since the termination of the war. Unfortunately, the world has had to face during 1929-30 even worse conditions than previously. The world-wide slump in the price of commodities has dealt a heavy blow to agriculture, trade, industry and finance, and not a single country can claim to have escaped the consequences. In Greece, the bulk of the exports consists of tobacco, currants, dried figs, olive oil and wine. Fortunately, the fall in value of tobacco and currants has not been by any means as heavy as that of the staple products of the world, but Greece has suffered severely through the serious fall in value of olive oil and the closing of the French market against her wines.

FAVOURABLE FACTORS.

The balance of trade is still strongly against Greece, but the one bright spot during the past year is that the reduction of imports is substantially greater than the reduction of exports. Moreover, we must bear in mind the remittances of emigrants, which had been materially reduced for some years, but which during the past year have exceeded the sum of £7,000,000, and so helped to redress the balance of accounts. Another point of importance is that during the last few years a large increase has taken place in the area devoted to the growing of wheat. When it is remembered that Greece imports annually over half a million tons of wheat, this increase of production must in time materially assist the balance of trade.

As I have on numerous occasions pointed out to you, Greece has for over 30 years rigidly honoured her obligations. Moreover, the Government has provided for each new loan issued a very large sinking fund for redemption of debt—over 12 per cent. of the total Budget of the country. No other State to my knowledge has dealt with amortisation of national debt at this rate. No wonder, then, that the credit of Greece, as shown by the prices of her securities on the foreign Stock Exchange, should stand so high. The country's finances are on a satisfactory basis, the last three Budgets having shown actual surpluses, thanks to the steps taken three years ago by the League of Nations for the financial regeneration of Greece by the establishment of the Bank of Greece and the issue of the Tripartite Loan.

The political problems facing Egypt still occupy the field in that centre, and until these are out of the way there is little likelihood of a recovery in the prosperity of the country. Our results there have not maintained the improvement shown last year. In Cyprus the conditions in regard to agriculture and trade have been similar to those in Greece, but the cost of living is very low there, and justice is up to the required standard. I am glad to be able to say that after four years' working in the island we have earned the full confidence of the public.

When we met on December 23rd last I informed you that your directors were not content to wait on events, and had taken steps to reduce expenditure to the lowest margin commensurate with efficiency and safety, and I think that you will agree from an examination of the figures that they have kept their promise. Unfortunately, however, the results of our efforts towards economy have been nullified by the high deposit rates which have been current in Greece throughout the year, caused by the fierce competition for deposits by the banks.

BANK'S POSITION.

The investments of the bank now stand on the books at prices below the current value without taking into consideration the investment reserve of £50,000. As regards the balance sheet, you will observe that all those accounts which represent what I might term the strength of the bank are either unchanged or show improvement. The result of the year's trading is a net profit of £39,530, as against £48,048 last year, and although the ample carry-forward would have permitted the maintenance of the dividend at the rate of 7 per cent. for the full year, your directors feel that it is in the interests of the shareholders that, at any rate until such time as the present conditions—which, unfortunately, are world-wide—continue, the resources of the bank should be preserved, and they therefore recommend that the final dividend to be paid this year should be at the rate of 3 per cent., making a total of 6 per cent. for the full year.

The report and accounts were unanimously adopted.

AGAR, CROSS AND COMPANY, LIMITED.

CONDITIONS IN THE ARGENTINE.

EFFECTS OF CROP FAILURE ON COMPANY'S BUSINESS.

INCREASE OF CAPITAL APPROVED.

The twenty-fourth ordinary general meeting of Agar, Cross and Company, Ltd., was held, on the 15th instant, at the Hotel Victoria, Northumberland Avenue, London, W.C.

Mr Thos. F. Agar (the chairman) presided.

The Secretary (Mr Frank H. Gibson) read the notice calling the meeting and the auditors' report to the shareholders.

The Chairman said: Ladies and gentlemen,—As usual I will, with your permission, take the directors' report and the company's accounts for the year to June 30th last as read. These have been in your hands for the unusually long period this year of three weeks, this having been necessitated by the fact that one of the resolutions to be proposed at to-day's meeting deals with the adoption of new articles of association, which resolution requires three weeks' notice to make it legal.

CONDITIONS IN ARGENTINA.

In presenting to you the accounts and directors' report for last year, the directors regret that they so markedly reflect the results of last season's harvest failure and the heavy depreciation in the rate of exchange brought about through that cause and the closure of the Caja de Conversion in December, 1929. Apart, however, from the actual loss consequent on the depreciation in the rate of exchange, your directors feel that, in the circumstances, the results are not in fact entirely unsatisfactory. (Hear, hear.)

During the year ending June 30th last, world-wide trading conditions were, and still continue to be, abnormal, and all commodity prices have fallen to extraordinary low levels, and the Argentine Republic has been no exception to the conditions ruling elsewhere. In addition, the Argentine was peculiarly hard hit by widespread harvest failure and a severe and prolonged drought which brought disaster to the farming and pastoral industries, and its prosperity, which is almost entirely dependent on the export of its crops and meat, thus suffered very badly.

EFFECTS ON COMPANY'S BUSINESS.

Our business consists largely in filling the wants of the farmer and the breeder and fattener of livestock, and when, from climatic deficiencies, these interests are severely hit we feel the effect almost immediately. Thus, due to the loss of the wheat and linseed harvests last year, our sales of harvesting machinery were extremely low in comparison with normal years, and, after the harvest, for ploughing and seeding the demand for all classes of implements was very meagre, as all possible buyers, having been so severely hit, had to economise in every way and only purchase when absolutely unavoidable.

There is another way in which a harvest failure adversely affects our results—namely, this: in order efficiently to cover the very wide territory we have to cover, we have to start our sales force to work about August 1st for the purpose of selling machinery for the harvests expected in the following November, December, and January. If that harvest is a failure, we do not get the sales and we have incurred those heavy expenses. The past year—that is, the year ending June 30, 1930—was particularly disappointing for us, as where drought had spared the crops hail, rust, or other causes came along and completed the disaster. The result was therefore, that we had incurred considerable expense for which we eventually got no benefit.

With regard to the current year in the Argentine, ploughing and sowing were carried out under favourable conditions, though a spell of exceptionally mild weather and abundant rainfalls at one time tended to bring on the growing crops too quickly. Since then the weather conditions have been favourable, and in the ordinary course of events nothing should now prevent good yields of both linseed and wheat.

LOW WHEAT PRICES.

The depressing factor of the situation is the exceptionally low prices to which cereals have fallen, and especially wheat. Recent quotations have been the lowest touched for very many years, and this notwithstanding the comparatively small total of last year's local production. Good harvests obtained elsewhere have contributed amongst other factors to world depression experienced in prices of wheat, and what is causing some preoccupation locally in the Argentine is as to whether this state of affairs is likely to continue when the new crop is harvested or if a change for the better will materialise.

Generally, with regard to wheat prices, the situation should not be regarded with too much optimism, but on the other hand there seems no reason to be pessimistic.

We understand that a representative committee in the Argentine has been formed to watch the situation, and if possible intervene, when necessary, to protect Argentine interests. It is also interesting to note that we understand the Banco de la Nacion has authorised its branches to give special credits to farmers for financing the harvesting expenses.

CATTLE INDUSTRY.

Pasture camps, due to suitable conditions ruling in the autumn and early winter, are generally in excellent condition with, possibly, the exception of the Pampa, which, however, we hear is improving. In consequence, the condition of the cattle industry is very good, the market for the same having proved one of the bright features in the prevailing economic depression, and prices on the whole have been satisfactory to the producers. Owing to the excellent condition of pastures many breeders have held back their cattle and others have been active purchasers of cattle for winter fattening, with the result that frigorificos at times had some difficulty in filling their requirements.

The much-needed live stock census was taken on July 1st last. The resultant figures were:—

Cattle.—31,973,802, against 25,866,763 in the year 1914.

Sheep.—43,083,909, against 43,225,452 in the year 1914.

Pigs.—3,763,693, against 2,900,585 in the year 1914.

Horses.—9,839,463, against 8,323,815 in the year 1914.

WOOL AND COTTON.

The quality of the country's wool this year has been generally poor and prices obtained extremely low compared with those ruling in previous seasons. Stocks, we understand, are low. With regard to the quality of the next crop, it is felt that it will be of better quality than last season's, owing to the ample rains which have fallen and the existence of good pasturages.

As a result of increased area sown with cotton for season 1929-30, assisted by favourable climatic conditions, a correspondingly larger production has been obtained. The total area sown was 134,480 hectares, compared with 103,710 in 1928-29. An estimate of the total crop of raw cotton gives this as 150,000 tons, which has produced approximately 40,000 tons of fibre, and, after allowing for local consumption, some 33,000 tons will be available for export. All these figures show a very considerable increase on the previous season. While the prices obtained by producers were not very remunerative, owing to continued fluctuations, on the other hand they have been compensated by abundant crops, which, due to good rainfalls and lack of frosts, prolonged the cotton harvest by nearly two months, thus giving growers an exuberant production and splendid yields, in addition to which the quality of the cotton has been satisfactory.

WINE AND SUGAR.

In this industry, on the other hand, the situation continues unsatisfactory. Notwithstanding the reduced production this year—approximately 1,500,000 hectolitres less than last year—stocks are heavy and prices low. The depression in commerce generally throughout the country has seriously affected the demand, but it is expected that a good grain harvest will lead to a replenishing of wine stocks by camp stores, &c., which are at present very low, and a tendency to better prices being paid for the product.

Notwithstanding the somewhat unfavourable outlook early in the season with regard to this year's sugar crop, the results obtained have been satisfactory, due to late rains and the absence of severe frosts.

It is estimated that this season's production of sugar will be some 25,000 tons less than the previous season, which amounted to 345,000 tons. Local stocks at the beginning of the current year were approximately 340,000 tons, and, as the domestic consumption will probably not exceed 360,000 tons, with the new production stocks will be considerably in excess of requirements. The exports of sugar during the first eight months of this year were very limited—namely, 750 tons, compared with 6,557 tons during the same period last year.

EXPORTS AND IMPORTS.

The following statistics relative to the country's exports during the first 10 months of the current year are of interest.

The value of exports during that period shows a decrease of approximately \$312,000,000 gold, or, say, 37.1 per cent., compared with the same period last year, the respective totals being \$528,315,174 gold for 1930, as against \$840,185,959 gold for 1929. This decrease in value is due to smaller tonnage of shipments, as, whilst this year the exports reached, say, 9,053,312 tons, last year 14,799,675 tons were exported, which represents a decrease of 5,746,363 tons, or, say, 38.8 per cent.

With regard to imports, on the other hand, we have found it impossible to get accurate or reliable information regarding these for the same period—that is, the ten months past—and, unless one has reliable information of both exports and imports, one can hardly form reliable judgment of the effect on the country's position.

An analysis of the most important export figures for the first 10½ months of 1930—namely, those corresponding to cereals and linseed—shows a very unfavourable balance compared with the same period in 1929, as: Wheat fell from 6,301,788 to 2,075,254 tons; linseed fell from 1,577,267 to 1,095,623 tons; oats rose from 391,617 to 407,548 tons; maize fell from 4,544,494 to 3,987,091 tons.

The tons referred to are 1,000 kilos.

Meat exports during the first ten months of this year totalled 529,572 tons, as compared with 591,867 tons in 1929, the respective values for the two periods being \$109,092,357 gold and \$114,801,945 gold, the prices obtained this year being more favourable. The shipments of the principal cereals and linseed as at this date thus show a considerable decrease compared with the same period of 1929.

The gold in the Caja de Conversion at October 27, 1930, amounted to \$443,259,757.62. The gold reserve is approximately 77 per cent. of the paper money in circulation, which amounts to \$1,300,426,770.34.

THE RAILWAYS.

The railway companies generally show a considerable falling off in receipts owing to the great decrease in cargo transported as a result of small cereal harvest and bad weather, which latter has seriously affected the harvesting and transporting of maize to ports. This reduction in receipts will doubtless have its effect on immediate new constructions of importance, but a number of the companies, and particularly the private ones, have maintained a considerable activity in the prosecution of new works and some new lines have recently been opened to traffic.

LABOUR SITUATION.

During the year under review the labour situation has been anything but satisfactory and strikes have occurred affecting the interests not only of private concerns but also those of public services. The ports of the capital, Rosario and Santa Fé, have for a long period been in a state of unrest, thereby seriously prejudicing commerce. Conflicts between rival labour groups, whereby importers and exporters were subjected to boycott by certain syndicates on account of employing personnel affiliated to others or free labour, have conduced to increased expenditure and great inconvenience to commerce in general.

Lastly, there were the political disturbances which took place in the Argentine in September last. Our advices show that the country, and business interests in especial, are more than satisfied with the new provisional Government, which is composed of leading citizens pledged to run the government of the country on economical lines, and the latest advices which we have are that they have been energetically looking into the position of the national finances with a view to putting them on a sound basis. They have pledged themselves to hold a general election as soon as possible and it is fully expected that the change of Government will make for great improvement commercially.

There is one other matter to which I would make special reference—namely, this: The staff in the Argentine during this past year have come through a very trying time indeed and your directors feel that, while the staff all over has so well and so willingly assisted in the conduct of the business, a special vote of thanks ought to be accorded to those members in the Argentine who had to bear the special strain of the extremely worrying times through which they came last year and during the political disturbance of this year.

MR H. S. F. ALEXANDER'S STATEMENTS.

Mr Henry S. F. Alexander then dealt with the balance sheet and accounts, comparing the figures with those of the previous year and giving an explanation with regard to any items which showed notable changes. In particular, he referred to the stock of merchandise on hand at date of balance. He explained that, as the shareholders should be aware, the business of the company was

largely a seasonal one, and that it was necessary for them to have in the Argentine, ready for sale at the appropriate season, the necessary quantity of machines. These machines were bought by the company in the United States or Great Britain and had to be ordered months before they were required in order that there would be sufficient time to permit the makers to manufacture them and the company to ship them, erect them in the Argentine, and distribute them to the necessary centres ready for sale. This meant that the company had to anticipate their requirements by months at a time, and, should the harvest in any year happen to fail, the result, of necessity, was that the company were left with stocks purchased in one year and not sold, which they had to carry over and sell in the succeeding harvest season. The date at which the company balanced their accounts—namely, June 30th—was midway between the time when the orders had to be placed and shipped and the date on which they would probably be sold, and, as the harvest in 1929 had been a very bad one, the stock at June 30, 1930, which represented goods not sold during the previous harvest, was of necessity large. The stock, however, was undoubtedly thoroughly good and saleable and very conservatively valued.

FINANCIAL POSITION.

Mr Alexander also commented on the sundry debtors and the company's position with regard to exchange, and, in particular, showed that the raising of additional fixed capital at this time meant a saving to the company of a very large sum of money—namely, some £70,000 sterling—which, to a large extent, could be treated as an off-set against the £100,000 which the directors had transferred to depreciation of reserve account at June 30th last.

He explained that before arriving at the profits the company made very ample provision for depreciation, not only on buildings but especially on their plant, machinery, motor-vehicles, &c., and also very careful and full provision against bad debts.

The Chairman then moved: "That the directors' report and audited statement of accounts for the financial year ended June 30, 1930, as presented to this meeting, be received and adopted and that a dividend of 11 per cent. per annum, free of income tax, under deduction of the interim dividend paid June 1, 1930, be paid this date on the ordinary share capital of the company to the shareholders on the register as at December 1, 1930."

Mr William A. Agar seconded the resolution, and, after questions had been answered, it was put to the meeting and carried unanimously.

On the motion of the Chairman, seconded by Mr Stuart C. Sheppard, the retiring director, Mr Henry S. F. Alexander, was unanimously re-elected.

The auditors, Messrs Rattray Brothers, France and Doran, were re-appointed on the proposition of Mr H. M. Brodie, seconded by Mr L. Marston.

NEW ARTICLES OF ASSOCIATION.

Mr Alexander then proposed as a special resolution under the Companies Act, 1929, "that the regulations contained in the printed document submitted to this meeting, and for the purpose of identification subscribed by the Chairman thereof, be and the same are hereby approved, and that such regulations be and they are hereby adopted as the articles of the company in substitution for and to the exclusion of all existing articles thereof."

He explained that the directors had felt it was desirable that the company's articles of association should be brought up to date and made to conform with the requirements of the new Companies Act, 1929, and modern practice, and that the principal changes proposed had been pointed out in the special circular which had been issued to the shareholders along with the notice calling the meeting.

Sir William Coats Cross, Bt., seconded the resolution, and, on being put to the meeting by the chairman, it was unanimously carried.

INCREASE OF CAPITAL.

Mr Alexander proposed the following as an ordinary resolution, namely, "That the capital of the company be and it is hereby increased to £1,550,000 by the creation of 50,000 ordinary shares of £1 each." In presenting this resolution he gave the following explanation: The printed balance sheet shows that the unissued shares amount to 175,000, and, as the directors propose to issue £225,000 in new ordinary shares, it was necessary to increase the capital by £50,000 in order to make up this amount.

Mr Thomas F. Agar, junior, seconded the proposal, and, on being put to the meeting by the chairman, it was unanimously carried.

On the motion of Mr W. T. Henderson, a cordial vote of thanks to the chairman was carried with acclamation and the proceedings then terminated.

CAMP BIRD, LIMITED.

YEAR'S PROFITS INCREASED.

LAKE GEORGE MINE DEVELOPMENTS.

The twenty-ninth ordinary general meeting of Camp Bird, Limited, was held on the 12th instant, at River Plate House, Finsbury Circus, London.

Mr F. W. Baker (chairman of the company) presided.

The secretary (Mr E. E. Leaman) having read the notice convening the meeting and the report of the auditors,

The Chairman, in dealing with the accounts, said:—The company's income has increased during the past year from £113,411 to £146,790, representing an increase approximately of £33,380. The net profit for the year consequently shows a total of £134,719, as against £99,571 for the year ended June 30, 1929. The charges against net profits were, however, greater during the past year than they were in the previous year. The charges relate almost exclusively to the reorganisation of the company's capital which occurred in 1926. After making the appropriations from the current year's profits there remains a balance of £23,293 carried to the balance sheet, as against £27,111, which was the corresponding figure last year.

METAL PRICES AND EARNINGS.

I regret again that we cannot indicate a dividend on the ordinary shares for the year under review. This position would have been entirely possible had not the fall in metal prices affected our earnings. As I explained to the shareholders of the Mexican Corporation this morning, had silver prices remained at the level as at June, 1929, with zinc, lead, and copper at the same rates, the company would have been in the position to maintain steady and increasing dividends. Santa Gertrudis would also have been in a position to distribute more, and this would have reflected additional earnings to our company of something like £65,000, arising from an increased dividend in Santa Gertrudis and an additional dividend on our Mexican Corporation holding. These additional earnings would have increased the net amount of the year's profit from £23,000 up to £88,000, out of which a satisfactory dividend payment could have been made.

The result of the decrease in earnings from Fresnillo and Teziutlan, affecting earnings of the Mexican Corporation, which holds a 50 per cent. interest in both of those mines, compelled that company to suspend dividend payments.

The salient features with regard to Santa Gertrudis are, notwithstanding the heavy fall in the price of silver, that the gross profit for the period under review is £328,000 odd, or £18,000 in excess of the previous year.

MEXICAN CORPORATION.

Turning to the Mexican Corporation, this company retains a substantial interest in Mexican Corporation. I have pointed out to you how the earnings of this company have been affected by the fall in the price of silver, lead, zinc, and copper. Had this fall in metals not taken place the Fresnillo Company could have paid from 30 to 40 cents per quarter, and the Mexican Corporation, through its holding, instead of paying only a dividend of 1s., could have paid about 3s. or more. The Teziutlan Mine could also have contributed quite substantially to the earnings of the Mexican Corporation.

I now come to one of the most important interests which we hold—namely, the Lake George Mine; and Mr Agnew, who is known to you as a man of the highest standing in the mining world, has kindly consented to give you his views on this interesting and important property, and in asking him to second the resolution for the adoption of the directors' report I will ask him also to deal with the Lake George position.

The Durango Timber Company, Limited, is another of our most important assets, and in this case I am glad to be able to tell you that the result of the last year's operations have been very satisfactory and show a substantial improvement in production, sales, and profit. Costs have been reduced and markets extended. The total of timber cut during 12 months to June 30th last is 56½ million board feet, and the sales for the same period amounted to nearly 66 million board feet, existing stocks having been drawn on to complete deliveries. The gross operating profit of the local companies controlled by Durango Timber Company amounted to \$659,900, as against \$372,000 for the previous year. The reserves of timber still uncut on the basis of a 50 million board feet annual cut should give this company a life of over 30 years.

CREOLE PETROLEUM CORPORATION.

The Creole Petroleum Corporation, in which we have quite a substantial holding, is a subsidiary of, and is controlled and managed by, the Standard Oil Company of New Jersey. It has an enormous holding of oil lands in Venezuela and is developing in Eastern Venezuela a new oilfield of considerable potential value, which has

now reached not only the production stage but the marketing stage through its own pipelines and loading facilities.

The average production of the Creole Company in Western Venezuela during the first nine months of this year has been 15,500 barrels daily, and during the same period additional wells have been completed in Eastern Venezuela, where the present daily production is approximately 8,000 barrels. We are advised that the production for 1931 should show a considerable increase over that for the year ended December 31 last, when this corporation made a net profit of \$2,434,000, as against \$611,000 for 1928.

It has been necessary for the Creole Company to finance its subsidiaries during last year to the extent approximately of \$3,600,000 for the purposes of carrying on operations of an exploratory nature, and further to determine the value of their properties. For this purpose the Creole Company is about to make a new issue of 1,000,000 shares of no par value at the price of \$4.25 per share. The Standard Oil Company of New Jersey has agreed to take such number of shares of the proposed new stock as it, as a stockholder, may be entitled to receive, and, further, has agreed to purchase at the subscription price the new shares which may not be subscribed for by the stockholders entitled to them.

VENEZUELAN CONSOLIDATED OILFIELDS.

Our holding in the Venezuelan Consolidated Oilfields has been exchanged into shares of the Siparia Trinidad Oilfields. This company is a subsidiary of the Trinidad Leasehold Company, is amply provided with working capital and is being operated under that management, and has important oil interests in the island of Trinidad. I look for quite a successful outcome of its operations.

I wish I could feel optimistic as to the current year's operations. Under normal conditions we should have been doing very well, but do not be disappointed if this year's results fall short of the earnings disclosed by the accounts under review.

The chairman concluded by moving the adoption of the report and accounts.

MR J. A. AGNEW'S STATEMENT.

Mr J. A. Agnew seconded the motion, and, in dealing with the Lake George Metal Corporation, Ltd., said that the Lake George mine was discovered in 1860 and was closed down in 1899 with large sulphide ore bodies left virtually intact. It was not reopened until the present operations commenced in March, 1925. The mine was situated at Captains Flat, New South Wales, 22 miles from Canberra and 183 miles from Sydney. The railway between Sydney and Canberra passed within 21 miles of the mine.

The main lode channel was 5,000 ft. long, and in this there were three main ore shoots. In the Elliotts section, the most northern, the shoot had been proved for a length of about 1,000 ft., the width ranging from 10 ft. to 30 ft., and the tonnage developed to date approximated 1,000,000. In the central section the ore shoot had been proved for a length of about 650 ft., the width varying from 5 ft. to 15 ft., and the ore so far exposed amounted to about 200,000 tons. In Keatings section the ore shoot had been proved over a length of 900 ft., the width of the lode varying from 5 ft. to 30 ft., and so far there had been proved to exist in this section 800,000 tons.

There were thus shown as developed about 2,000,000 tons, the average value of which was: Lead, 7.5 per cent.; zinc, 12.9 per cent.; copper, 0.75 per cent.; silver, 2.2 oz.; gold, 1.28 dwt. A further 880,000 tons of probable ore was indicated by diamond drilling.

It was estimated that with a plant operating on the scale of 500 tons of ore treated daily the working costs, including development, could be taken at 23s. per ton, while on a basis of treating 1,000 tons daily these costs could safely be taken at 21s. per ton.

RECOVERY OF THE METAL.

In order to indicate exactly the lines on which a metallurgical plant should be built and to determine whatever problem there might exist in recovering the metal from the ore, a pilot plant having a capacity of 30 tons daily was erected and had been in operation for the last twelve months. The work in this plant had determined definitely that a highly satisfactory recovery of both lead and zinc can be made from Lake George ore.

It was felt by the board of the Lake George Company that, viewed entirely from the outlook for metal prices, the present was the proper time to be pushing on with the construction of treatment works. The company would thus be in a position to take the fullest advantage of a rise in prices, which it was felt must occur.

To sum up, the Lake George property had every appearance of turning out to be a most valuable asset to the Camp Bird Company. The chairman having replied to questions, the report and accounts were adopted.

SANTA GERTRUDIS COMPANY, LIMITED.

INCREASED GROSS PROFITS.

MR F. W. BAKER ON RECENT DEVELOPMENTS.

The twenty-second ordinary general meeting of the Santa Gertrudis Company, Ltd., was held, on the 12th instant, at River Plate House, London.

Mr F. W. Baker (the chairman) said, in the course of his speech: The assets side of the balance sheet shows under the heading of "Investments at cost," "Loan partly secured," "War Loan and Conversion Loan at cost," and "Cash at bankers," a total of £636,000. In addition, our associated companies in Mexico have a cash balance of over £150,000, making a total of more than £780,000. After making due allowance for depreciation in investments and other items there remains a very substantial sum at our disposal.

These large reserves had been created over past years to meet a position which your directors have realised would have to be faced—namely, the possible exhaustion of our existing mines; and your directors, after consultation with some of the larger shareholders, have before them a policy of meeting any diminution in the Santa Gertrudis earnings by the investment of such an amount as may be necessary of these reserves in the acquisition of some other mining property that will enable us to continue and live as a dividend-earning organisation. It is for this purpose that we acquired an interest in the Lake George Mine, and instructions have been given to Mr Rose to endeavour to secure for us, through his large mining connections, an opportunity of carrying out the policy which I have just referred to, and, having regard to our very fine technical organisation in Mexico, I have little fear that if any recommendations are made to us on the lines indicated we shall be running no risk by acting upon them.

YEAR'S PROFITS.

The gross profits of the company amounted during the year under review to £328,783, which was, approximately, £18,230 in excess of the previous year's profit. This was mainly accounted for by an increased income having been received from miscellaneous investments.

The dividends declared by the Cia. Beneficiadora de Pachuca, S.A., amounted to £300,000, which is exactly the same figure as the dividends declared by that company in the previous year.

Owing to the depreciation in the price of silver and other metals it is unlikely that the profits for the present year will equal those in the accounts before you. You will see by the appropriation from the net profits that £50,000 has been transferred to reserve, a sum of £20,000 has been reserved for income tax, two dividends of 1s. 6d. per share each have been declared, absorbing a further £233,010, and after adding the balance brought forward from the previous year there remains a credit balance to profit and loss of £39,063 to be carried forward.

SATISFACTORY LEVEL OF REVENUE.

In spite of the unprecedentedly low price of silver during the period under review, the company's revenue remains at a satisfactory level. The average price quoted for silver on the New York market during the past year was 46c. U.S. currency per fine ounce, as against 56c. for the previous year. Since the end of the company's financial year silver has dropped to lower levels, but earnings have been, and it is estimated will continue to be, maintained at a substantial rate.

I may here add a word of comfort in these depressed times—that in consequence of the higher values now being secured as a result of the development work recently carried out and still continuing at the newly discovered Mariposa vein, as well as the developments in the western end of the Dos Carlos vein, which show so substantial an increase in values, the decrease in silver prices can be offset to some extent by the treatment of the higher grade ore which the mine is now disclosing. I do not mean in making these remarks to suggest that we are, for the purpose of maintaining a substantial earning, intending to pick the eyes of the mine. The general effect of the development of these higher values is to increase considerably the general average grade of the ore available for milling, and, as I have just stated, there is some crumb of comfort in this reflection.

Continuing the intensive exploratory programme inaugurated in 1928, a total of 43,354 ft. of development was accomplished during the year, of which 36,315 ft. were driven in the Dos Carlos territory. As a guide to this work, 10,770 ft. of diamond drilling was done. The total cost of this very large exploratory programme has been charged up as a part of our working costs before arriving at the sum shown as realised profits.

ORE RESERVES.

The ore reserves are only 78,000 tons less than the previous year's estimates, notwithstanding the fact that we have extracted and milled during the year 506,000 tons of ore. The new development during the past years and the possibilities of the properties point to the fact that we should have every reasonable expectation of continuing to operate for a much longer period than indicated by the amount of the ore reserves as at June 30th last, and I certainly feel that we may look for very satisfactory results being secured by development which will be approximately as good from the point of view of tonnage as the results secured in the past year.

The disastrous fall in the price of silver has constituted the outstanding adverse factor of the company's business during the past year. The market price of this metal at June 30, 1930, showed a depreciation of 37 per cent., as compared with the price at the same date a year previous. However, owing to the higher assay value of the present reserves, a valuation as at the two dates mentioned shows a depreciation of only 18 per cent. in the gross value of the ore reserves as at June 30 last. Furthermore, the fall in gross value is, to a considerable extent, being offset by a substantial reduction in working costs effected by the local management.

A POSSIBLY IMPORTANT DEVELOPMENT.

Advices from Mexico recently received point to the possibility of a development which may have an important bearing on the future of the mine. One of our close neighbours is an American company known as Real Del Monte. They have been working a vein of good widths and values up to within 300 ft. of the Western Dos Carlos borderline. There probably may be some connection between our No. 2 vein in the Dos Carlos and the vein now being operated by the Real Del Monte Company. If this should prove to be the case, and development work indicates commercial values, we should have available for development in this portion of the property over a kilometre of unexplored territory.

I have not made a reference to this matter to raise any buoyant hopes, but our past history in the development of the Dos Carlos has been so full of agreeable surprises that it is within the range of possibility that the opening up of this ground may be fruitful of further pleasant surprises.

MEXICAN CORPORATION INTEREST.

The Mexican Corporation's interests have suffered very severely from the fall in metal prices, not only silver, but also lead and zinc, and to a smaller extent copper.

The Fresnillo Mine has shown excellent developments in the sulphide section during the year, new veins have been discovered, and three new levels are being opened up on existing veins. The sulphide ore reserves have been considerably increased, and an active programme of development is still being carried on with excellent results.

As regards the oxide ore body of the Fresnillo Mine, the reserves here have been diminished during the year, and very little new development has been done to make up for the loss. The reason for this is that the oxide ore is relatively unimportant under present conditions, and the existing low prices of silver make the treatment of this class of ore unprofitable. However, both the mill and the mine at Fresnillo are in excellent condition to take advantage of any increase in metal prices.

Altogether, the Mexican Corporation's interests, while being in first-class condition as regards developments, organisation, and costs, have fallen on evil times purely on account of the very low prices of silver and base metals, so much so, that it appears unlikely that the Mexican Corporation will be in a position to make any distribution to its shareholders during the next twelve months.

THE LAKE GEORGE MINE.

I will now refer to the Lake George Mine. Work for the period under review was largely confined to preparing the property for production. A limited amount of underground development and diamond drilling was done with satisfactory results.

While everything is in readiness for the equipment of the property, the board has decided, in view of the very low price of base metals, not to proceed with it for the present, and to shut down the mine with the exception of a small amount of development still to be done in the central section. Prior to the shut-down the estimate of ore reserves was: 2,000,000 tons, averaging 1.28 dwt. gold, 2.2 oz. silver, 7.5 per cent. lead, 12.9 per cent. zinc, and 0.75 per cent. copper.

The consulting engineer reports that on the evidence obtained from diamond drilling, coupled with the persistence of the ore bodies and the geological evidence, it is justifiable to add a further 880,000 tons to the above figure. He further states that the tonnage possibilities are exceptionally good.

The report and accounts were unanimously adopted.

BWANA M'KUBWA COPPER MINING COMPANY, LIMITED.

AMALGAMATION SCHEME APPROVED.

An extraordinary general meeting of the Bwana M'Kubwa Copper Mining Company, Ltd., was held, on the 17th instant, at the Cannon Street Hotel, London, to consider a resolution approving an agreement with the Rhodesian Congo Border Concession, Ltd.

Sir Edmund Davis (chairman and managing director) said in the course of his speech: This meeting has been called to consider our recommendation to enter into an agreement with the Rhodesian Congo Border Concession, Ltd., in terms of the draft which is being submitted. The policy of bringing under one control our properties, those of the Rhodesian Congo Border Concession, Ltd., and those of the N'Changa Copper Mines, Ltd., has been under consideration for some time past, and after lengthy negotiations your directors have unanimously come to the conclusion that we should recommend your acceptance of the scheme we are submitting to-day.

If the suggested amalgamation is approved of by the shareholders of the companies I think we may take it for granted that there will be dealt with in the N'Kana plant between 5,000 and 7,000 tons of N'Kana ore per day and about 2,000 tons of richer ore from the Rhodesian Congo Border Concession and/or the N'Changa properties. The production from this tonnage should be sufficient in the early days of the amalgamated venture to give very satisfactory profits with a normal copper market.

PRODUCTION AND CONSUMPTION.

You are all conversant with the difficult times which have prevailed for more than a year in the marketing of copper and all other base metals, and so that there should be no further trouble at a later date it is necessary that we should take all possible steps when bringing the Northern Rhodesian copper mines into production to prevent over-production.

So far as copper production is concerned, there can be no doubt that there should be ample room in the world's market for the Northern Rhodesian supplies, provided the position is handled with care, and by amalgamating the three companies we are satisfied that we are going a long way towards protecting the position. As the other Northern Rhodesian copper mines are under the control of the Selection Trust group, there will in future be only two groups to be considered in the production, and between them there should be no difficulty in arriving at an arrangement for all practical purposes, so that production should not outrun consumption.

"A DOMINATING POSITION."

Of course, it would have been better to have amalgamated the whole of the known Northern Rhodesian copper undertakings, but at the moment it is impossible even to give consideration to the idea. This being so, we must do all we can to place the combined three properties into a dominating position, and make it one of the most important copper mining propositions within the Empire, and one of the greatest copper producers in the world. In such a position the company would carry weight in any negotiations which might eventually have to be entered into on the subject of production.

Under the scheme we are submitting, after the issue of 550,000 shares in the Rhodesian Congo Border Concession to us, and any shares which may be issued in exchange for the N'Changa Copper Company shares, the Rhodesian Congo Border Concession, Ltd., will create £6,000,000 of 7 per cent. debentures, of which £4,500,000 will be issued. These will be redeemable at any time before 1940 at a premium of 20 per cent., or at any time thereafter at par, or by purchase in the market. They will carry certain conversion rights, which are set out in the circular. The issue will be underwritten by the Rhodesian Anglo American, Ltd., and Messrs. J. C. Im Thurn and Sons, Ltd., at a commission of 3 per cent.

When this issue is made we shall be entitled, as the holders of 550,000 Rhodesian Congo Border Concession shares, to apply for about £1,735,000 debentures; the exact amount cannot be settled until the number of N'Changa shares exchanged has been ascertained. We will then arrange for the shareholders in this company to be given an opportunity to subscribe on the same terms as the issue will be made to all, that is, of course, less the underwriting commission, in proportion to their respective holdings in the Bwana Company. From discussion we have had with some of our largest shareholders we are already satisfied that a very large proportion of the issue will be so taken up, which is further evidence, if it were at all required, of the approval of the scheme we are submitting.

I think you will take it for granted that we, on this Board, as well as the holders of millions of our shares, are sufficiently satisfied that the development results which have taken place on these properties warrant our recommending the amalgamation scheme.

The resolution was agreed to.

WILUNA GOLD CORPORATION, LIMITED.

MAGNITUDE OF THE ENTERPRISE.

REGULARITY OF VALUES DISCLOSED.

EFFECTS OF THE AUSTRALIAN GOLD BONUS.

The ordinary general meeting of the Wiluna Gold Corporation, Ltd., was held, on the 15th instant, at River Plate House, London.

Mr Frederic H. Hamilton, the chairman of the company, who presided, in the course of his remarks, said: It is impossible not to be struck with the magnitude of this enterprise, and the regularity of the values which we have encountered. It is estimated that above the 820-foot horizon reached by the main shaft, and over the relatively limited longitudinal area of the property so far developed in the Southern Leases, some seven years' supply of ore should be available on the basis of treating approximately half a million tons annually.

You will observe that the working profit is estimated at 10s. per ton. The consulting engineer, Mr Vail, indicates that he hopes this will be exceeded. This, of course, is on a gold basis irrespective of any exchange premiums or bonus benefits. Both he and the general manager, Mr Prior, expect to start production some time during March next, and, naturally, for the first few months normal production and profits cannot be looked for, but by the early summer the normal production should be reached. We should then be treating 40,000 tons per month, producing a working profit of £240,000 a year.

As you know, the Wiluna property extends for some two miles along the strike of the lodes, and work at the southern end has been limited to approximately 1,500 feet, or about one-sixth of the whole. The evidence that large tonnages of average grade ore should be eventually obtained from the Northern Leases is very strong.

THE FINANCING SCHEME.

The scheme for raising the necessary capital, which we are submitting to you, involves the creation of £350,000 in notes, and a like number of ordinary shares in order to provide for conversion into ordinary shares at par at any time before December 31, 1935, if they have not previously been redeemed. The whole issue has been underwritten by the Consolidated Gold Fields and the Transvaal Agency.

Another factor of immense importance to this and all other Australian gold-mining companies is the bonus of £1 per ounce on all gold produced in excess of the output of 1930, which has just been sanctioned by the Commonwealth Legislature. It would be a great mistake to imagine that a bonus on gold is a mere extension of the old protection policy. It is rather a corrective, and, in the circumstances in which Australia finds itself to-day, an economical and statesmanlike measure. It must be remembered that the gold-mining industry was the foundation of Western and, indeed, of Australian, prosperity, but for over twenty years it had languished owing largely to artificially induced conditions.

ADDITIONAL ORE IN THE PAY LIMIT.

According to the Commonwealth Year Book, the industry employed at the beginning of the century over 70,000 men. To-day, when unemployment is widespread, it employs under 7,000. There is more than one promising new field which remains undeveloped, and in the older fields there are many millions of tons already opened up, which were below the pay limit, but which the bonus now granted should render productive. The cost to the Government will be relatively small. It will be roughly proportioned to the extent to which it gives fresh employment and creates fresh wealth in the form in which the world just now most needs it.

In our own case not only will it bring large fresh quantities of ore within the pay limit, but one result will in all probability be to encourage us to proceed with the development of our Northern areas much sooner than would otherwise have been possible.

Upon the basis of our estimated tonnage and yield this bonus would work out in the case of the Wiluna at approximately an additional 2s. 6d. per ton. If, subsequently, the output of Australia reached 800,000 ounces, the bonus payable would be £400,000, equivalent to 10s. per ounce, and upon the same basis the additional profit to Wiluna would be increased to 3s. 9d. per ton.

Obviously, the effects upon the position of this company should be far reaching, and I venture to think that the results upon Australian prosperity generally, within the long run, will be hardly less important and beneficial.

In conclusion, the chairman moved the adoption of the report and accounts.

Mr John A. Agnew seconded the motion, which was unanimously adopted, and a resolution to increase the capital of the corporation from £1,000,000 to £1,350,000 by the creation of 350,000 new shares of £1 each, ranking in all respects equally with the existing shares, was unanimously approved.

RHODESIAN CONGO BORDER CONCESSION LIMITED.

KEEPING CONTROL IN BRITISH' HANDS.
RICHNESS OF THE FIELD.
MONEY SECURED FOR DEVELOPMENT.
AMALGAMATION APPROVED.

The eighth annual general meeting of the Rhodesian Congo Border Concession, Ltd., was held, on the 17th instant, at Winchester House, London, E.C., Mr Francis L. Gibbs (chairman of the company) presiding.

The report and accounts were unanimously adopted; the retiring directors were re-elected, and the auditors were reappointed.

Sir Auckland C. Geddes then moved the special resolutions in connection with the draft agreement with the Bwana M'Kubwa Copper Mining Company, Ltd., and in the course of his speech said:—

Let me begin by recalling those days about two years ago when a strenuous effort was necessary to prevent the N'Changa mine and the very rich deposits since discovered in our ground just outside the N'Changa Concession from passing into the control of an American corporation. Speaking at the meeting of the Rio Tinto Company on April 14th of this year, I defined my position at that earlier time in these words:—

"I am not prepared to take up an anti-American attitude in this matter, but I am prepared to take what action is possible to prevent dominance by any one national interest in an industry which must serve a world need"; and then a little later in that speech I said: "And now I believe no one nation can dominate the Rhodesian field, but that its development is in the hands of companies representing, through their shareholding, practically all the world, American as well as European. This, I am satisfied, is the best arrangement possible." So much for April 14, 1930.

I had hardly finished speaking when the price of copper broke. As time went on the effects of this collapse began to accumulate and I became anxious about the future control of this company. There was a great deal of exaggerated talk about copper being in superabundant supply and about the certainty of low prices for the metal for many years, and quite a number of people quite naturally took up the attitude, "Well, we have a good profit on our R.C.B.C. holdings. Let us realise it," and quite a number did, and many of their shares passed into American hands, although many also passed into ours, for we have been steadily increasing our holding and propose still further to increase it, provided this consolidation goes through.

FINANCIAL DISCUSSIONS.

A little later, in May-June of this year, to be precise, I raised in the technical committee the question of our coming financial needs, because I foresaw some difficulty in finding the money required to finance Rhodesian copper developments, as a whole, in sufficient volume in London to maintain British interest in the proportion which was established at the time when we prevented the control of N'Changa and a large slice of our most valuable territory from passing into non-British hands. Indeed, London has already failed to maintain its proportion, for the two large American holdings, and several smaller ones which are opposed to the proposals before us to-day, were built up to their present proportions after the struggle of two years ago. I have reason to believe—in fact, I know—that other and quite different American interests hoped, perhaps would still hope if these resolutions could be defeated, to obtain large blocks of shares in this company. I believe I am betraying no confidence when I tell you that when I was in New York I heard the view expressed that some of the British holdings were too weak to support their share of the further finance required, that they would have to diminish their proportionate holding and that American interests would buy.

Please do not misunderstand me. I am far from taking up any anti-American attitude; on the contrary, I am in favour of American participation in these great enterprises, as I am of French and Dutch and German and any other national participation, but I do not think anyone, least of all the wiser and more far-sighted American, wants to see the whole Northern Rhodesian copper-field in the hands of the American copper companies. And so I ask you to remember that at the back of all the proposals which I bring before you to-day is a very real problem, namely, that of financing the development of the Northern Rhodesian copper-field—a vast undertaking.

WORLD COPPER POSITION.

As the world economic position worsened, my belief in the wisdom of achieving the largest possible consolidation of the Northern Rhodesian copper mines strengthened, and I set out in some private notes, written to clarify my own thought, ten reasons which I subsequently used at a meeting of your board as the basis of my recommendations in favour of the course proposed to you to-day:—

1. That copper is in danger of under-consumption, which will be called over-production for a time to be measured in years.
2. That the best way of meeting such a situation in relation to the copper world as it exists to-day is for the coming production of Rhodesia to be in as few and as strong hands as possible.
3. That the best chance of securing a proper share of the world's supply of copper for the Rhodesian mines is for them to be equipped to meet something more than their probable share of the supply and for that equipment to be under the control of organisations self-contained and assured of adequate financial resources.
4. That large units would be advantageous in dealing with the Northern Rhodesian Government as well as conceivably with the British Government.
5. That the Chartered Company wields great power in Rhodesia, and that it will be immeasurably advantageous to be in a position of partner with, rather than tenant of, the Chartered Company. This would in effect be the position under the consolidation before us to-day as a result of the Chartered Company's very large shareholding in the Rhodesian Anglo-American, Ltd., the largest single holder of R.C.B.C. shares.

BENEFITS OF CONSOLIDATION.

6. That consolidation would make it possible, if such a course were considered advisable or were forced on the company by world conditions, to secure any given reasonable profit per existing share of R.C.B.C. and Bwana M'Kubwa in combination with a smaller capital outlay than would be required to secure the same profit for the existing shares of R.C.B.C. and Bwana M'Kubwa if the companies remain separate. As the two companies must draw fresh capital from the same general sources this has advantages for both. Further, this may legitimately be regarded as a saving of capital expenditure from the shareholder's view-point as well as from the point of view of copper production, though to a much greater extent in the case of the former than in that of the latter, the ratio being in this respect of the order of 3:1.

7. Consolidation would save expenses throughout the life of the mines.

8. Consolidation will not damage any of the company's powers to produce cheaply or diminish their ore reserves, and it will have little, if any, detrimental effect in the case of R.C.B.C. upon the actual proportion of the equity in R.C.B.C. adhering to any one existing share.

9. The present organisation of the R.C.B.C. Company is clumsy and cumbersome. Under consolidation it should be not only possible but relatively easy to secure simplification and much greater efficiency of management.

10. The Consolidated Company will secure the powerful financial backing of Messrs. Rothschilds and Messrs. Morgans as leaders. This alone appears to me to have great value in connection with the need of financing new mines in the present position of world markets. I return to this at length later.

These were and are my views expressed briefly for my own mental clarification, but I should like to read to you Sir Ernest Oppenheimer's views on the same subject. He wrote these for my information in August of this year.

"I have been considering the possible future of the Bwana, R.C.B.C. and N'Changa Companies, and I have very definitely formed the opinion that it would be of the greatest benefit to those companies, and hardly less so to the Northern Rhodesian copper industry as a whole and the country itself, if an operating company"—(this suggestion has not been proceeded with for reasons which seem to be conclusive)—"could be formed which could acquire the undertakings of the three companies mentioned."

AVERTING COMPETITION.

Among the many reasons which have led me to this opinion, the following appeal to me particularly:—

1. The establishment of such a company would ensure collaboration and avoid competition with regard to production.
2. The formation of one large company would greatly strengthen the position *vis-à-vis* legislation and the Government authorities generally.
3. For purposes of finance. This is certainly as important as either of the previous reasons.

N'CHANGA POSITION.

This completes what I have to say on the general policy of consolidation. There remain certain special considerations in so far as the property of the N'Changa Copper Mines, Ltd., is concerned. It seems to us, who came in later, a pity that the N'Changa Company was ever formed as a separate entity. No doubt it seemed wise at the time, but subsequent discoveries have shown that the concession area just missed a very rich ore-body—in fact it is just in the wrong place.

In my view, consolidation will pay the shareholders of R.C.B.C. both in ultimate share values and in earlier dividends, provided that the terms of the purchase and of the exchange of shares are fair.

We take over the disposable properties of the Bwana M'Kubwa Company as a going concern as at September 1st; all debts accrued due at that date being paid by Bwana. We do not take over the company or any of its debts or debentures or any liability it may have for income tax.

We have had the N'Kana mine under continuing observation. So far as I personally am concerned, the most important fact is that it has been seen and visited not only by the managing director of the Rio Tinto Company, but by that company's technical director and also by its chief geologist.

A WELL-DISCUSSED PROPOSITION.

Remember we have lived with this thought of consolidation, tested it, examined it, studied it for fourteen months, and that outside a very small and limited circle of those whose interest is exclusively or overwhelmingly in this company, not a word was said to anyone until August of this year; since then we have been negotiating, discussing, arguing, with the result that ten of your directors are in favour of consolidation on these terms, and two are not. There is associated with the latter in this opposition at least one large shareholder, Mr Congden, whose name is well known in the American copper world, and who feels, I understand, as they do, but even more strongly. There are some smaller American shareholders who have also expressed opposition to the scheme. This one can only deplore, but I should be failing in my duty did I not tell you that seven out of the eight groups which hastily came together two years ago to save the eyes and heart of your property, as well as the N'Changa Mine from passing into non-British hands, are in favour of this amalgamation, and one, and only one, is against it. The seven are:

The British South Africa Company.
The Rio Tinto Company.
Messrs. Rothschild.
The Rhodesian Anglo-American.
The Anglo-Metal Company.
Selection Trust.
Minerals Separation, Ltd.

The one opposing is the Union Corporation, whose representative on the board is Sir Henry Strakosch. Apart from him, I know of only one other British shareholder opposed to this scheme either on the general question of consolidation, or on the terms to be offered to the Bwana M'Kubwa Copper Mines, Ltd.

With regard to the second resolution—the offer to be made to the N'Changa shareholders—I know of no opposition having been expressed or urged anywhere. The terms seem to be quite reasonable to us, and anyhow the N'Changa shareholders can take them or leave them as they will, provided you approve of the offer being made.

With the third resolution we return to the main question: Is it wise to absorb the Bwana M'Kubwa assets from our point of view, as shareholders in R.C.B.C.? Let us see what would happen if we did not.

First, we should have either to float a company to do the mining, or get the terms of our grant from the Chartered Company changed, or, alternatively, we might sell our rich ore to N'Changa for shares in that company. That, indeed, was the first idea we explored, but in fact it is hopeless. There is no salvation that way. Let us suppose that we had got our concession altered, and that we now

had to proceed to finance this company to bring our property to production.

For ourselves, by ourselves, we should need not less than £5,000,000, and it would be, say, five years before any adequate revenue could be expected. In such a case debentures would be out of the question. The money would have to be raised by the issue of a large number of new shares, with the inevitable result that existing shareholders would have to find their proportion of the new money or suffer for all time a diminution of their share of the equity.

ATTITUDE OF DIRECTORS.

As you know, your board was divided in the proportion of ten to two on the questions before us. Let me state the point of view of the minority in their own words. I have here a statement drafted by them which I shall read to you.

"Sir Henry Strakosch and Mr McConnell were against the amalgamation. They understand, however, that in spite of the objections they have raised, shareholders holding a majority of the total issued capital of your company are prepared to vote in favour of the resolution, and in these circumstances Sir Henry Strakosch and Mr McConnell feel that no useful purpose would be served by placing before you, in full, their case against the scheme. They think it only proper, however, that I should inform you in general terms of the principal reasons for their dissent. They are against the scheme because they are of the opinion:—

"(1) That the ore-body already disclosed by boring on your property is by far the richest and widest in Northern Rhodesia, and that its ultimate value is likely to be far greater than that assumed in arriving at the basis of amalgamation.

"(2) That your company has sufficient funds in hand to continue its programme of development and exploration for at least a year, and that it has no need, for its own account, to raise further funds in this time of acute financial depression, while by acquiring the Bwana assets your company will take upon itself an immediate and onerous financial commitment.

"(3) That those opposed to the amalgamation handed to your board certain technical reports, including one from an eminent firm of consulting engineers, who were responsible for bringing three of the largest copper mines in the world into production, which reports were to the effect that either amalgamation is undesirable or the terms inequitable to this company.

"(4) That the proposed method of finance is not a desirable one, involving, as it does, burdening your company with a debenture issue at a time when the shares of the company stand at a very high premium and when the company has not yet reached a profit-earning stage."

That is the end of Sir Henry Strakosch's and Mr McConnell's statement. Clearly, their view is different from mine, but I do not wish you to think that your board is going to be torn by internecine strife. It was a real pleasure to me earlier in this meeting to propose the re-election of our American colleague, Mr McConnell to the board, and if Sir Henry Strakosch had been a candidate at this time I certainly should have asked him to allow me to propose or at least to second his election.

A QUESTION OF POLICY.

I am altogether in favour of big non-British interests participating in these great enterprises, and we welcome the representation of the big American interest for which Mr McConnell speaks, even though on this occasion he, like Sir Henry Strakosch, does not see eye to eye with the rest of the board.

And now let me say this: My mind has never been obsessed by this question of ratio, which I have necessarily dealt with at length to-day. Provided that no glaring injustice be done to any of the three companies concerned, I am indifferent as to a difference of 5 or even 10 per cent. In my view, the question is one of policy.

What we are doing to-day is to create a company with funds secure, big enough, strong enough to bring to full production a great part of the unbelievably rich copper field of Northern Rhodesia, to enable us to build up a great refining industry in this country, and to secure for the Empire a worthy share of the copper industries of the world.

SIR HENRY STRAKOSCH'S REMARKS.

Sir Henry Strakosch, addressing the meeting, said: Mr Chairman, ladies and gentlemen,—Sir Auckland Geddes has informed you, in general terms, of the principal reasons why Mr McConnell and I are opposed to the scheme of amalgamation which is before you. Nothing I can add would serve any useful purpose or alter the course which the proceedings of this meeting are likely to take, for I have been assured that the majority of the shareholders of your company are in favour of the scheme, and will cast their votes accordingly. If they do—and I have no reason to doubt that they

will—there is nothing to stand in the way of the scheme being consummated.

I have been asked by a number of people what, in the circumstances, my further course of action will be. It is only right that I should make my position clear. Whatever I may think or feel regarding the propriety of carrying through a transaction of this magnitude in the face of the considered opinion of a substantial minority, I am quite clear in my own mind what is the right thing for me to do when this meeting has given its decision in favour of the scheme. It is to accept the verdict of this meeting ungrudgingly, and to co-operate loyally with my colleagues with a view to making the greatest possible success of the scheme.

This is the line of conduct I propose to pursue, and I should like to add, if I may, that my views of the exceptional merits of our property encourage me to think that a very prosperous future lies in front of it. I am supported in this view by a careful investigation of the available data by a firm of mining engineers of the very highest standing in copper mining. The success they have achieved in developing, equipping, and bringing to the producing stage three of the greatest copper mines of the world—involving problems not dissimilar to those with which we shall have to deal—lends exceptional weight to their opinion. Without it I should not have ventured to express a view which might lay me open to the charge of excessive optimism. The ore body which has been disclosed in our company's property west of N'Changa is unique. Its extent, its width, and its copper contents, as so far indicated, are such as to justify the belief that the exploitation of this ore body alone will ultimately make your company one of the biggest and cheapest copper producers in the world.

The resolutions were carried.

MESSINA (TRANSVAAL) DEVELOPMENT COMPANY, LIMITED.

ENCOURAGING DEVELOPMENT AND LOW COSTS.

The annual general meeting of the Messina (Transvaal) Development Company, Ltd., was held, on the 17th instant, at the Cannon Street Hotel, London.

Lt.-Col. John P. Grenfell (the chairman) said that the working profit amounted to £148,920, as compared with £150,549 in 1929. It was proposed to pay a final dividend of 5 per cent., making 20 per cent. for the year, to place £50,000 to reserve fund and £35,584 to taxation reserve, bringing the total reserves up to £285,584, and to carry forward £45,742.

While they were satisfied with the financial position, they were glad to say that further development of the Messina and Harper mines had been productive of good and important results. Increased outputs had been obtained during the five months of the current year.

He informed the shareholders a year ago that costs were above normal, because they had taken advantage of high prices of copper to increase development. This policy of expansion had been continued, and as a result there was an increase to 1,155,132 tons in the ore reserves. The necessary corollary of costs of production being above the normal had also followed, and it gave them the opportunity, when the heavy fall in the price of copper took place in April, of making somewhat drastic curtailment of development, without affecting, either now or in the future, the productive capacity of the mines, and in consequence to-day their costs were low. Some few years ago he stated that their costs were in the neighbourhood of £42 per ton all in, which included as much development as was necessary to cover their ore-production tonnage. The same facts applied to-day, although they were working a grade of ore which was 4 per cent. copper lower than they did at that time. Indeed, they were doing better, and actually for November their total costs were £37 per ton electrolytic copper.

Mr W. T. Anderson, C.B.E., M.Inst.M.M., said that the Harper Mine during the year had shown great improvement in depth, and was establishing itself as a valuable high-grade proposition. The knowledge that there were large reserves of ore within reasonable distance of attack from the old levels placed the Messina Mine in a very satisfactory and solid position.

The report and accounts were unanimously adopted.

OFFER TO NEW READERS.

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CRITTALL MANUFACTURING COMPANY, LIMITED.

CONTINUED PROGRESS.

Presiding at the ordinary general meeting of the Crittall Manufacturing Company, Ltd., held on the 17th instant, at River Plate House, London, Sir Valentine Crittall, J.P. (chairman and managing director), in moving the adoption of the report and accounts, said that before dealing with the business of the meeting he wished to refer to the retirement of Mr F. H. Crittall, his father, from the position of chairman of the company. Having now reached the age of seventy, he felt that he was entitled to some relaxation from his lifetime labours on behalf of the metal window industry. All the same, the company would continue to enjoy the full benefit of his experience and guidance, and they would be pleased to know that at the present time he was on a world tour of inspection of their overseas interests.

THE YEAR'S WORK.

Dealing with the year's work, he stated they would note with satisfaction that the profits amounted to £250,203 for the past year, an amount which he felt sure they would regard as highly satisfactory. Their company was originally established for the purpose of converting users of wooden windows to that of metal, and early in its history they realised that it was necessary to create manufacturing units and distributing organisations with a view to putting their specialties on the market by an economic and profitable basis. Since 1924, therefore, they had been engaged in carrying out this object. He ventured to say that in their factories at Braintree, Witham, Maldon, and Silver End, they possessed manufacturing units which compared favourably with any plants either in this or any other country. In building up an organisation, it was impossible to obtain during the period of construction the results which they ultimately aimed at. They had now reached the stage when he could definitely say their present plants were complete, and the organisation was functioning in a manner which accorded with their highest expectations.

From the point of view of the present-day value of their assets, he assured them that as a result of the additional improvements which had been effected the balance-sheet figures representing them were arrived at on a conservative basis, and when trading conditions again became normal the results they looked to obtain from them would satisfactorily establish that fact. Although they had introduced every conceivable labour-saving device and were using three times the amount of mechanical power per employee they had now more than double the men employed as compared with 1924. This was an achievement which he thought they might be justly proud of. In their overseas business they had during the past year experienced considerable difficulties, but they were satisfied the acquisition of manufacturing plants in the United States and Germany justified their expectations and would enable them to take full advantage when the long-hoped-for recovery in world trade came about.

THE SILVER END FACTORY.

In regard to Silver End, he pointed out that in 1925 more than one-third of their employees were cycling daily distances which constituted serious inroad on their working efficiency. They had exhausted local supplies of labour and available housing accommodation, and further progress demanded more labour. The necessary ground was therefore acquired to make good this deficiency. In addition to the houses and complementary buildings, there was established there the factory which made the most expensive parts for their windows. Every week half a million small parts, mostly brass work, were produced outright in this, one of their most complete factories; in fact, it was from the efficiency of their Silver End factory that much of their success was achieved. The whole of their transport system was centralised there, and the importance of Silver End to their organisation could be gauged from the fact that by far the larger part of their output was moved by road. The volume of stock they carried represented real liquid assets which were turned over several times during each year and was annually subjected to rigid valuation.

They had paid particular attention to their sales organisation, and they were proud of the fact that through its development they had over a long period of years built up an enterprise which stood for service in every sense of the word. Through it they were able to maintain personal contact with their customers throughout the world.

Every year saw a definite move in their productive efficiency, and despite adverse conditions their sales and sales prospects warranted them in looking forward to the future with the utmost confidence.

The report and accounts were unanimously adopted, and the proceedings closed with a vote of thanks to the chairman, directors and staff.

RICHARD THOMAS AND COMPANY, LIMITED.

CONDITIONS IN THE TIN PLATE INDUSTRY.

The eighty-first ordinary general meeting of Richard Thomas and Company, Ltd., was held on the 18th instant, at the Cannon Street Hotel, London, E.C., Mr Henry Bond (the chairman) presiding.

The Chairman said that the results of the past year showed a gross profit of £391,000, and a net profit, after providing for interest on debentures and loans, and providing £57,000 for depreciation, of £204,000. A steady demand for tinplates was maintained up to the end of August. Although the world-wide depression had affected demand in almost every other branch of the iron and steel industry all over the world, tinplates held their own for longer than they could have reasonably expected. At the same time South Wales and every other country producing tinplates worked during the latter period of the year substantially below their full capacity, and it was due to domestic and international arrangements that prices were kept on a profitable level, while at the same time they were able to maintain their share of the world business.

If the trading results of the year could be maintained, they should rapidly reduce their floating indebtedness. Until the floating indebtedness could be reduced by a substantial sum or a substantial portion of it could be funded by an issue of debentures, it was not sound even if it were practical to distribute any substantial part of the profits among the shareholders. At the last meeting he held out the hope that they might pay some dividend this year. That hope was justified by the profits which had been made, but conditions which he could not have foreseen and their inability to raise fresh money compelled them to use all the profits in reducing their floating indebtedness.

CURRENT YEAR'S PROSPECTS.

In regard to the prospects of the current year, they could not expect him, having regard to trade conditions all over the world, to speak with any confidence. Since August last there had been a substantial falling off in the demand for tinplates, and the trade in South Wales to-day was only working to about 50 per cent. of its capacity as compared with an average of over 75 per cent. during the twelve months ending September 30th last.

The falling off in the demand for tinplates and sheets had restricted the demand for steel. That restriction had been further accentuated by the increased imports of steel from the Continent which had been sold into this country of recent months regardless of cost.

At their Redbourn Works in Lincolnshire they had been producing 3,000 tons of steel per week, one-half of which had been sent to their own works in South Wales in the Newport district and one-half had been disposed of to sheet makers in different parts of the country.

He emphatically denied statements which had been made by prominent men in the House of Commons and outside, that the Welsh tinplate industry owed anything to imported steel. During the last two years the industry had consumed nearly 1,000,000 tons of steel per annum. Possibly 150,000 to 200,000 tons of that steel had been imported with some benefit to those tinplate makers who had purchased it, but that import had never increased the demand for tinplates by a single ton. On the other hand, it had had a demoralising influence on the selling price of their product, and conditions in the tinplate industry would not be so difficult to-day if those imports were not coming into the country at such low prices.

DOMINION PREFERENCE.

Referring to Dominion preference, he said that we were importing canned goods to the value of £20,000,000 per annum, mostly canned fruits, fish and vegetables; much, if not all of this, could be produced within the Empire. A policy which would admit canned goods into this country produced within the Empire on special terms if packed in Welsh tinplates would be of permanent benefit to the Empire and to the Welsh tinplate industry. He was alive to the fact that India and some of the Dominions had established their own iron and steel industry, but an agreement with them by our own manufacturers under which they worked together so that those young industries in the Dominions should have their share of the business which they could economically do and we take the rest should be possible.

Of the total output of tinplates in South Wales last year, 27½ per cent. was consumed at home, 21 per cent. was exported to the British Empire, and 51½ per cent. to other countries. There should be no reason why the exports to the British Empire should not be increased. Some years ago, at the instigation of Welsh tinplate manufacturers, an active campaign was started to establish increased canning in this country; that campaign continued to show important results, and they could look for a substantial increase in the home demand for tinplates in the next few years.

The report and accounts were unanimously adopted.

PANAMA CORPORATION LIMITED.

PHENOMENAL VALUES.

The fourth ordinary annual general meeting of Panama Corporation Ltd., was held, on the 17th instant, at River Plate House, London.

Mr Duncan Elliott Alves, J.P., the chairman of the Corporation, presided, and in the course of his remarks said: "The Corporation's operations in Panama have been repeatedly referred to in different organs of the American press and the local press of Panama; it is voiced that the gravest suspicions have been engendered in certain quarters in the United States in connection with the company's operations in relation to the Panama Canal."

After thorough investigations locally by a special mission sent from Washington it was officially announced that they were satisfied as to the *bona fides* of this British enterprise and its operations in Panama.

It is well that it should be appreciated that, so far, no incident has occurred in connection with our operations in Panama to which the slightest objection could be taken with regard to our relationship with the Panamanian Administration. Our relationship with that Government is most harmonious. The Government of Panama have only in view one objective, and that is the opening up and development of the resources of their country, looking ultimately to the prosperity and many advantages that will accrue to the nation; in this connection they have done everything in their power to assist and support us in our strenuous endeavours to that end.

MR HUGH F. MARRIOTT'S SPEECH.

Mr Hugh F. Marriott: I have extreme confidence that your properties in Panama contain within their boundaries the next coming goldfield of the world.

The upper levels were about 29 shillings to the ton. Later examination of the lower levels has disclosed that the gold-bearing portion of the lode was lying in mineralised country on one side or the other of the tunnels.

In one place on the 4th level from 1,850 feet onwards the later development exposed ore over a distance of 130 feet, 36 inches wide, assaying from a few shillings up to 588 shillings a ton.

At 1,882 feet a sampling result over a further 22 inches of lode matter, in the wall, assayed no less than £636 to the ton.

This section of the lode was then risen on and a bulk sample 8 feet above gave a result of 76 shillings to the ton.

A winze below this point gave over 32 feet, 63 shillings a ton over 53 inches. Further samples taken at 50 feet gave 46 shillings over 72 inches.

The whole of these results show, without the inclusion of the very rich sample, ore of double the value of that disclosed in the upper levels, and of considerably greater width for mining purposes.

Near the vertical shaft, 1,667 feet north a total distance of 415 feet assayed 52 shillings a ton over 31 inches. This included ore of 97 shillings a ton over 40 inches for 115 feet.

In the northern workings on the fifth level a crosscut 300 feet north of the shaft exposed ore of 44 shillings a ton over 60 inches. At 607 feet from the shaft richer ore was encountered of the value of £22 a ton. Driving was continued in this rich ore and has opened up to date no less than 71 feet of distance averaging £17 to the ton over a width of 29 inches. One sample which first gave a return of £60 a ton on being checked assayed gave £160 a ton.

The estimated profit at Remance of 13 shillings a ton as a separate concern can easily be increased, when the mine is a component part of the workings of the whole Panama Corporation, to a profit of £7 a ton.

In the Sabalo river, we have already proved as you know several million cubic yards of alluvial valued at 18 cents. or 9d. a cubic yard.

The third property getting ready for early production of gold is at El Mineral on the north side of Veraguas.

The larger proportion of the gold consists of nuggets with a small proportion of fine gold. Rich concentrations of gold will be found as extraction operations proceed.

Results are up to £10 and £20 per cubic yard, and the output as a whole may be counted on to give up to 6 shillings a cubic yard. Another property that is ready for the first unit of equipment is Mina Blanca Mine in the Hatillos district.

I anticipate that the profit from these four properties, when operating on their full equipment, will be between £350,000 and £400,000 annually.

On the Chiriqui Line, west of Mina Blanca and Remance, we have found over 40 miles at least a dozen exposures of similar outcrops.

The report and accounts were unanimously adopted.

A full report of this meeting may be had on application to the Secretary, 14 Waterloo Place, London, England.

THE CHINESE ENGINEERING AND MINING COMPANY, LIMITED.

MINING PROFITS MAINTAINED. EFFECT OF ADVERSE EXCHANGE.

The eighteenth annual ordinary general meeting of the Chinese Engineering and Mining Company, Ltd., was held on December 18, 1930, at Winchester House, Old Broad Street, London, E.C.

Mr W. F. Turner (chairman of the company) presided.

The Secretary (Mr Alfred W. Berry) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Gentlemen,—The outstanding feature of the report and accounts for the year ended on June 30, 1930, is that whilst the business and profits of the Kailan Mining Administration have been satisfactorily maintained compared with the preceding year, and our share in dollars is almost exactly the same, the heavy fall in exchange has seriously reduced its value in sterling. Consequently the net profit of the year is £263,953 against £361,297 in the preceding year, before providing for income tax, which necessitates a reduction in the dividend. We recommend the payment of a balance dividend of 4 per cent., making 9 per cent. for the year free of tax, on the increased share capital of £1,960,000.

The gross profit of the Kailan Mining Administration for the year amounted to \$9,548,715. After providing for interest on the 6 per cent. Kailan bonds, £48,240, redemption of bonds for the year, £24,000, reserve for depreciation, \$1,432,307, the proportion of profit to which the Chihli Provincial Government is entitled, \$259,571, and other items, there remains a net profit of \$5,655,044.

PROFIT AND LOSS ACCOUNT.

The proportion of this profit brought to credit of our profit and loss account, together with interest in China, is £267,563, the conversion being at the rate of 1s. 4½d. per dollar, compared with 1s. 10½d. in the preceding year. Interest amounted to £33,514, and minor items bring up the total credit of the account to £307,381. Administration and expenses of all kinds in Europe amount to £20,816, which is about the same as before. The directors' percentage of £1,477, under article 83 of the articles of association, is about one-fifth of the figure for 1928-29. You will see at the foot of page 8 of the profit and loss account a note relating to directors' remuneration, which is required to be stated by clause 128 of the Companies Act, 1929. The larger item therein mentioned was explained in the directors' report submitted at the last general meeting; it does not relate to the past year. There is a debit of £21,134 on exchange account, after transferring £9,787 from reserve account. This represents the loss in exchange on the portion of the profits of 1928-29 remitted in the following year, and on the portion of the profits of 1929-30 remitted since June 30th last.

The net profit for the year as I have already said, is £263,953, compared with £361,297 for the preceding year. The balance brought forward from the previous year's account was £26,438, making a total credit of £290,391. On the other side we have income tax £109,103, an enormous proportion, over forty per cent. of our profit for the year, and an increase of £25,687 over the preceding year. The explanation is that the liability is based on the larger profits of the preceding two years. The balance to be carried to the balance sheet is £181,288. The interim dividend of five per cent., free of tax, paid on May 30th last, amounted to £98,000, which leaves available the sum of £83,288.

The further dividend of four per cent., free of tax, to be declared to-day, takes £78,400, leaving a balance of £4,888 to be carried forward.

STRONG FINANCIAL POSITION.

The balance sheet shows a strong financial position, and but for the fall in exchange would have been stronger still. The liabilities amounted to £66,263, consisting mainly of dividends and interest outstanding as usual at the date of our balance sheet. Reserve for income tax is £24,444, and for the half-year's interest on debentures to June 30, 1930, £23,760. The 6 per cent. first mortgage debentures stood at £792,000 after providing for the annual reduction by drawing of £24,000. The reserve account, after carrying through the scheme which was adopted a year ago for creating a bonus issue of capital and providing the expenses connected with it, stands at £92,235. On the other side there are cash £867,700, bills receivable

£21,196 and debtors £5,623, together £694,519. There is, therefore, a surplus of cash assets over liabilities of over £580,000.

The property account, described as "Property, rights and undertaking acquired under agreement dated 28th June, 1912, including the Kaiping collieries and mining rights, buildings, plant and equipment; land, harbour works and other property at the port of Chinwangtao; depots at various ports in China and other assets, at cost," is unchanged at £1,836,163. The note appended to this item is made in order to comply as closely as possible with section 124 of the Companies Act, 1929, as was explained in detail last year.

The next three items in the balance sheet consist of our accounts with the Kailan Mining Administration. The first is working capital account, £352,519, which shows a slight increase. The loan account, £50,143, is unchanged. The item, current accounts £26,339, explains itself. The shares and debentures in the Chinese Dredger Company, Ltd., £25,158, replace the amount which appeared as advances to that company last year.

KAILAN MINING ADMINISTRATION.

The next paragraph of the report deals with the business of the Kailan Mining Administration for the past year and the prospects of the year now current. We drew your attention at the last meeting to the fact that serious military troubles existed at that time. These continued during a great part of the year. It is therefore satisfactory to find that, despite all difficulties and fluctuations during the year, the sales reached four and three-quarter million tons, an increase of 342,000 tons over the preceding year, while the net working profit of the administration was only slightly below that of the preceding year. The military troubles appear to have died out, and the political situation looks more stable than it has done for a long time past. The sales for the five months July to November inclusive show an increase of 380,000 tons over the same period of the preceding year. At present all indications seem to be favourable for active business in Kaiping coal. Unfortunately, the rate of exchange has fallen further during the current year. We cannot attempt to forecast the course of exchange for the remainder of the year, but the present rate is extremely low and we may derive some encouragement from the fact that rates during the past five months have shown a certain steadiness, fluctuations having been within comparatively narrow limits. You will see therefore that our concern as to the results of the year lies in the question of exchange rather than in the earnings of the business of the Kailan Mining Administration.

MECHANICAL HANDLING PLANT.

The mechanical handling plant at Shanghai to which I referred a year ago is just coming into operation. The electrification of the first section of the railway at the port of Chinwangtao is proceeding, and the second section is about to be undertaken, while electrification of transport is proceeding as rapidly as possible at two of the principal mines. A new agreement has been entered into between the Kailan Mining Administration and the Peiping-Liaoning Railway extending existing arrangements as regards rolling stock and providing for the supply by the administration of six new locomotives to help to cope with the coal traffic. The development of the mines continues to be kept well ahead and the reserves are sufficient for all contingencies. Given a continuation of the present peaceful conditions and adequate means of transport, there is ample room for the expansion of the Kailan Mining Administration's business.

I move, "That the directors' report and accounts to 30th June, 1930, be and they are hereby received and adopted, and that a final dividend be declared of 4 per cent., free of income tax, making 9 per cent. for the year, free of income tax, payable on 19th December, 1930."

The Rt. Hon. Lord Southborough, G.C.B., seconded the resolution, and, after the chairman had replied to questions, it was put to the meeting and adopted.

The retiring directors, Mr Félicien Cattier, Colonel H. A. Micklem, C.B., C.M.G., D.S.O., and Major W. S. Nathan, C.M.G., were re-elected, and the auditors, Messrs Annan, Dexter and Company, were re-appointed.

The proceedings then terminated.

SHOWELLS BREWERY COMPANY, LIMITED.

BOARD'S SOUND POLICY.

The forty-fourth annual meeting of the shareholders of Showells Brewery Company, Ltd., was held on the 17th instant, at Winchester House, Old Broad Street, London. Mr. James Davenport, chairman, presiding.

The Chairman, in moving the adoption of the report and accounts, said:—When we met exactly a year ago I used these words: Financially, industrially, and politically the country has gone, and is going, through a testing time. We, as a company, are proceeding quietly and methodically with the improvement of our properties as and when opportunity offers, and as the financial conditions justify. But these are not times for spectacular policies, and our first consideration has been and will remain the maintenance of a strong financial position, so that if storms do come, we may meet them with equanimity.

The policy I then outlined has been followed persistently and without deviation, and the results are before you to-day. My remarks are going to be very brief, for the accounts speak for themselves. Our liabilities are a mere bagatelle—the amount of £143,114 for sundry creditors, including provision for taxation and contingencies, looks rather imposing, but, as I have told you on previous occasions, and I repeat to-day, the greater part of this item consists of internal reserves. Our liquid position is as strong as ever, with cash at the bank of over £34,000, Government securities standing in the balance sheet at approximately £102,000, and worth to-day considerably more, and other investments £36,000 (including over £48,000 of the company's own debentures), and worth in the aggregate a great deal more than the balance sheet figure.

The volume of our business has been well maintained, due firstly to the continued uniform excellence of our beers which our friends, Samuel Allsopp and Sons, Ltd., have maintained at the high standard to which the consumer has now become accustomed, and secondly to the efficient and loyal service we have had from Mr. Holland, our general manager, and the contented and faithful officials he has gathered round him. We tender our sincere thanks to them.

Conditions are still unsettled and disturbing. But our policy is well defined, and with the strong financial position we have and shall keep, we can look forward with hope to brighter times.

The resolution was carried unanimously.

HALL'S OXFORD BREWERY, LIMITED.

SIR RHYS WILLIAMS ON TRADE CONDITIONS.

The thirty-fourth ordinary annual meeting of the shareholders of Hall's Oxford Brewery, Limited, was held on the 17th instant, at Winchester House, Old Broad Street, London.

Lieut.-Colonel Sir Rhys Williams, Bart., K.C., D.S.O., chairman, presided, and there were present Messrs. J. J. Calder, James Davenport, and E. C. Quilter, directors.

Mr C. Robinson, secretary, read the notice convening the meeting.

The Chairman, in moving the adoption of the report and accounts, said: This is the thirty-fourth annual meeting of the company.

During the year which ended on September 30th last the trade, in spite of adverse conditions, has been maintained, and the profits are slightly in excess of the previous year.

The company has continued its policy of generous expenditure on repairs and improvements of its hotels and public houses, and on the provision of further plant in the bottling department to meet the very satisfactory increase in the demand for our bottled ales and stout.

The directors propose to declare the same dividend as last year, namely, 22 per cent. free of tax, and to carry forward the sum of £59,316 3s. 1d.

I would like to take this opportunity of thanking the members of our staff for their good work and loyalty to the company. They deserve full praise.

I beg to move that the directors' report and statement of accounts for the year ended September 30, 1930, submitted to this meeting be seconded and adopted, and that a dividend on the ordinary shares of 12 per cent. free of tax (making with the interim dividend of 10 per cent. already paid, 22 per cent. for the year free of tax) be and it is hereby declared.

Mr. James Davenport seconded the adoption of the report and accounts, which was carried.

Mr J. J. Calder said he had much pleasure in proposing the re-election of Lieut.-Colonel Sir Rhys Williams, Bart., K.C., D.S.O., as a director of the company.

Mr Eustace C. Quilter seconded, and it was adopted. Mrs. Mackenzie moved that Messrs. Harrison, West, Ledsam and Company be reappointed auditors for the ensuing year.

Mr Bailey seconded the resolution, which was carried.

The meeting closed with a vote of thanks to Sir Rhys Williams for presiding.

IND, COOPE AND COMPANY, LIMITED.

INCREASED TRADING PROFIT.

The eighteenth ordinary general meeting of Ind, Coope and Company, Ltd., was held, on the 15th instant, at the Great Eastern Hotel, Liverpool Street, London.

Mr Louis E. Walker (the chairman) said that the past year, so far as this company was concerned, had been a quiet one, inasmuch as nothing of outstanding importance had occurred. Since the closing of the accounts under review, however, the board had entered into a provisional contract to acquire a controlling interest in the old-established firm of Messrs Budden and Biggs, of Strood, Kent. It was hoped that the licensed houses at present controlled by that firm would later on form suitable markets for the sale of the company's Romford product.

From a trade point of view the year had been an exceptionally quiet one, due, partly, to the deplorable state of trade, more particularly in the Midlands and the North. While he instanced the Midlands and North as being especially affected, he was sorry to say that the depression was now showing itself in the more Southern districts, which up to six months ago did not appear to have been materially affected. A secondary cause of quiet sales was the very wet summer experienced last year. Shareholders might wonder, having regard to the two factors just mentioned, why the company was able to show such satisfactory results. The answer was that they were deriving great advantage from the various businesses which had been acquired during recent years, the results of which had come up to their best expectations. Had trade generally in the country been anything like normal, their sales would have been considerably higher. He was glad to be able to say that the beers brewed at Burton, Romford, and at their small brewery in Liverpool had all been of excellent quality, and that the company had been able to maintain its connection throughout the country. The demand for beers in bottle continued to increase.

The trading profit for the year showed an improvement of £46,600, while the interest on trade and other investments showed a decrease of approximately £12,500. If the recommendations of the board were approved, the reserve for public-house improvements and the general reserve would be increased by £50,000 each, bringing those reserves up to £150,000 and £750,000 respectively.

The report was unanimously adopted.

Government Returns, &c.

NATIONAL ACCOUNTS.

As is shown from the Treasury Return printed below, the total ordinary revenue for the week ended December 13, 1930, amounted to £8,540,000, against ordinary expenditure of £14,344,800. After allocating £490,000 to the Sinking Fund, and having allowed for an increase in Exchequer Balances of £118,200, the week's operations, as shown below, increased the National Debt by £6,413,000 to £7,740,997,000:—

(000's omitted.)					
Treasury Bills	+	6,123	Bank of England Advances ...	-	3,000
National Savings Certificates..	+	250	Road Fund	-	1,160
4% Treasury Bonds	+	4,600	P.O. and Telegraph Money ...	-	400
	+	10,973		-	4,560

164 Branches in Finland

CAPITAL AND RESERVES:
Fmk. 426,000,000.
TOTAL ASSETS (30/6/30):
Fmk. 3,065,966,000.

KANSALLIS-OSAKE-PANKKI

(National Joint Stock Bank)

HEAD OFFICE: HELSINKI
(HELSINGFORS), FINLAND

Established 1839.

33 per cent., and above in full. The amount allotted was £45,000,000.

Date.	Amount Offered.	Amount Applied For.	Treasury Bills at 3 Months. Average Rate.
1930.			
Nov. 21	£ 45,000,000	£ 61,620,000	£ s. d. 2 3 2-31
Nov. 28	45,000,000	56,810,000	2 2 11-12
Dec. 5	45,000,000	51,030,000	2 4 3-25
Dec. 12	45,000,000	51,340,000	2 7 1-82

Return for Week ended Wednesday, December 17, 1930.

Notes Issued—		\$		\$
In Circulation	372,141,047		Government Debt	11,015,100
In Banking Department	38,439,710		Other Government Securities .	233,043,495
			Other Securities	11,477,964
			Silver Coin	4,463,441
			Amount of Fiduciary Issue ..	260,000,000
			Gold Coin and Bullion	150,580,757
				\$410,580,757
		\$410,580,757		

Proprietors' Capital	\$ 14,553,000	Government Securities	\$ 53,886,247
Res.	3,332,695	Other Securities—	
Public Deposits	6,523,997	Discounts and	
Other Deposits		Advances.....	\$5,341,121
Bankers	\$64,294,938	Securities.....	23,783,280
Other Accounts	33,479,420		
		Notes	29,124,401
7-Day and other Bills	97,774,358	Gold and silver Coin	38,439,710
	1,778		735,470
	\$122,185,828		
			\$122,185,828

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

Dividend Accounts.			
Both Departments.	Amount, Dec. 17, 1930.	Inc. or Dec. on Last Week.	Inc. or Dec. on Last Year.
	£		£
Note circulation	372,141,047	+ 7,667,361	+ 442,915
Public deposits	6,523,997	+ 632,601	+ 3,335,358
Bankers' deposits	64,294,938	+ 7,817,445	+ 2,229,578
Other deposits	33,479,420	— 4,036	+ 2,037,687
Seven-day bills	—	— 316	— 96
Total, outside liabilities	476,441,180	+ 478,165	+ 2,700,846
Capital and rest	17,885,695	+ 5,976	+ 45,487
Government debt and securities ...	297,944,842	— 404,317	— 11,447,305
Discounts and advances	5,341,121	+ 429,699	+ 5,288,611
Other securities	35,261,244	+ 1,592,585	+ 3,766,355
Coin and bullion (bank's reserve) ...	4,463,441	+ 1,277	+ 358,660
Reserve of notes and coin in banking department	151,316,227	— 1,132,549	+ 10,581,884
Proportion of reserve to outside li- abilities	39,175,180	— 8,799,910	+ 10,138,965
(a) Banking department only ("proportion")	37½%	— 5½%	+ 10½%
(b) Gold stocks to deposits and notes ("reserve ratio") ...	31½%	— ½%	+ 2½%

(000's omitted.)

(000's omitted.)							
Date.	Issue Department.		Banking Department.			Gold in or out of Bank.	Bull. & Coins.
	Notes Issued.	Circulation.	Public Deposits.	Bankers' Deposits.	Other Deposits		
	\$	\$	\$	\$	\$	\$	%
Oct. 30	419,504	355,626	20,970	55,694	35,002	553 in	3
Nov. 5	420,373	356,464	19,377	55,533	34,515	856 in	3
12	418,920	355,381	16,979	60,321	33,150	1,457 out	3
19	417,913	353,740	17,780	59,461	32,983	1,018 out	3
26	416,569	351,125	18,869	55,901	36,813	1,366 out	3
Dec. 3	414,649	359,219	7,843	61,658	34,227	1,922 out	3
10	411,598	364,474	5,891	72,112	33,483	3,054 out	3
17	410,581	372,141	6,524	64,295	33,479	1,045 out	3

(000's omitted.)											
Date.	Issue Department.		Both Depts.			Banking Department.					
	Govt. Debt and Securities.	Other Securities.	Gold Coin and Bullion and Reserve Ratio.			Govt. Securities.	Discounts & Advances.	Other Securities.	Reserve & the "Proportion."		
1930.	£	£	£	£	%	£	£	£	£	£	£
Oct. 29	24,530	11,627	160,667	37,666		4,249	22,367	65,041	58		
Nov. 5	24,507	11,627	161,542	34,031		4,459	22,487	65,079	58		
12	24,060	11,477	160,081	36,726		4,489	22,449	64,700	58		
19	24,061	11,476	158,966	34,431		4,398	22,484	65,225	59		
26	24,056	11,477	157,973	34,496		6,081	22,236	66,448	59		
Dec 3	24,058	11,477	155,531	58,966		4,606	21,791	56,412	45		
10	24,058	11,477	152,449	54,291		4,911	22,191	47,975	43		
17	24,059	11,478	151,316	53,686		5,341	23,783	39,175	37		

Tenders for \$45,000,000 in Treasury Bills were opened on December 12, 1930, and the total amount applied for was \$51,110,000. Tenders were accepted for bills at three months, dated Monday at \$99 8s. 5d., and Tuesday to Saturday at \$99 8s. 3d., about

Barclays Bank, Ltd., announce the opening of a new branch at 190-192 Infirmary Road, Sheffield, and at 62 Wolverhampton Street, Willenhall, Staffs. Also a new sub-branch at 401 Gloucester Road, Horfield, Bristol.

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	Metropolitan.	County.	Total.
1930.	£	£	£
January 1 to December 3	36,357,632	1,684,784	2,756,530
Week ended December 10	616,853	35,527	62,835
Week ended December 17	537,303	32,589	56,797
Total to date, 1930	37,571,794	1,752,900	2,876,162
Total to date, 1929	38,733,496	1,826,306	2,992,740
Increase or decrease in 1930	-1,161,702	- 73,406	-115,578
	= 2.9%	= 4.0%	= 3.9%
Total for year, 1929	39,335,924	1,881,789	3,078,764
Do, 1928	39,311,117	1,854,190	3,039,422
Increase or decrease in 1929	+ 624,807	+ 27,599	+ 39,342
	= 1.6%	= 1.5%	= 1.3%

(000's omitted).

	Week ended Dec. 13.		Month of November.			Aggregate Weekly Totals Jan. 1 to Dec. 13.	
	1929.	1930.	1929.	1930.	Inc. or Dec.	1929.	1930.
Number of working days	£	£	26	25	£	£	£
BIRMINGHAM	2,386	2,272	10,960	9,662	-11.8	127,679	117,859
BRADFORD	960	670	5,126	3,205	-37.4	57,001	41,542
BRISTOL	1,159	1,034	5,020	4,520	-9.9	57,057	53,813
DUBLIN	4,978	4,829			-2.3	236,099	240,094
HULL	779	666	3,700	3,000	-18.9	42,164	38,646
LEEDS	884	704	4,346	3,658	-15.8	48,565	44,668
LIVERPOOL	863	871	3,326	2,898	-12.8	39,208	34,649
MANCHESTER			33,709	25,978	-22.9	488,731	304,487
NEWCASTLE	12,094	8,855	53,170	40,016	-24.7	621,411	468,358
NOTTINGHAM	1,314	1,145	7,017	5,972	-14.8	74,223	68,387
SHEFFIELD	604	563	2,618	2,296	-12.2	31,001	28,815
	784	661	4,084	3,343	-18.1	49,560	43,087
Total	26,805	22,270	133,076	104,548	-21.4	1,875,616	1,526,495

NOTE.—The latest Return of the Bank of Canada appeared in the *Economist* of November 29; Danzig in December 6; Bank for International Settlements, Vienna, Chile, Switzerland, Italy, and Denmark in December 13.

	Dec. 19, 1929	Nov. 27, 1930	Dec. 4, 1930	Dec. 11, 1930	Dec. 18, 1930
RESOURCES.					
Total gold reserve	2,882,810	3,024,970	3,007,490	3,005,080	2,958,848
Total bills discounted	737,040	233,850	250,930	257,100	331,330
Bills bought in open market	309,410	176,110	218,940	243,700	251,550
Total U. S. Govt. securities	533,270	595,630	602,190	617,000	692,430
Total bills and securities	1,589,470	1,011,940	1,078,410	1,117,900	1,282,880
Total resources	5,624,460	4,867,450	4,985,740	4,942,240	5,265,730
LIABILITIES.					
Federal Reserve notes in actual circulation	1,926,020	1,421,870	1,450,900	1,475,740	1,596,170
Deposits—Member banks	2,408,220	2,409,930	2,423,930	2,447,520	2,454,970
—Treasury account	2,439,130	2,463,410	2,492,270	2,489,750	2,483,550
Total deposits	424,540	447,400	447,530	447,240	447,240
Capital paid in and surplus	5,624,460	4,867,450	4,953,740	4,942,240	5,265,730
Total liabilities					
Ratio of total reserves to deposits and Federal Reserve note liabilities	69-3%	81-4%	79-8%	79-2%	75-8%

	Dec. 19, 1929.	Nov. 27, 1930.	Dec. 4, 1930.	Dec. 11, 1930.	Dec. 18, 1930.
Total gold reserves		1,039,690	1,054,770	1,085,460	1,039,890
Total bills discounted	176,170	38,220	46,960	60,770	77,740
Bills bought in open market	118,030	37,360	76,670	76,670	76,670
Total U.S. Gov't securities	27,360	187,370	192,370	203,500	283,350
Total bills and securities	536,080	278,040	312,250	340,700	442,990
Deposits—Memberbank— reserve account	1,007,380	1,033,200	1,013,240	1,047,880	1,052,120
Ratio of total res. to dep. and Federal Res. note liabil- ities combined	65.5%	86.8%	83.4%	82.7%	76.0%

	Nov. 22, 1929.	Oct. 24, 1930.	Oct. 31, 1930.	Nov. 7, 1930.	Nov. 14, 1930.	Nov. 21, 1930.
ASSETS.						
Gold coin and bullion	7,878	7,046	6,953	6,532	6,804	7,020
Subsidiary coin	96	138	192	196	203	163
Bills discounted	7,548	7,561	7,341	6,676	6,677	6,323
Investments	850	1,329	1,272	659	1,498	1,532
LIABILITIES.						
Capital	1,000	1,000	1,000	1,000	1,000	1,000
Reserve	600	720	720	720	720	720
Notes in circulation	7,848	6,907	8,535	7,763	7,186	6,914
Government deposits	2,163	2,492	2,102	1,587	2,495	2,312
Bankers' deposits	4,776	4,664	4,908	4,451	4,627	4,452
Ratio of cash reserves to liabilities to public	52.4%	49.9%	46.4%	47.5%	47.6%	50.7%

	Nov. 22, 1929.	Oct. 24, 1930.	Oct. 31, 1930.	Nov. 7, 1930.	Nov. 14, 1930.	Nov. 21, 1930.
ASSETS.						
Total securities	33,001.01	26,655.50	28,222.21	26,624.34	28,819.93	28,846.66
Loans	7,501.99	16,433.37	16,302.24	16,282.05	15,867.75	15,777.54
Cash credits	21,895.59	26,468.35	26,899.41	26,982.12	26,441.16	26,237.78
Inland bills	4,603.32	1,771.25	1,699.38	1,597.27	1,689.99	1,730.08
Foreign bills	26.48	34.87	39.19	36.23	37.18	34.00
Dead stock	2,844.55	2,784.49	2,787.67	2,786.64	2,789.90	2,788.99
Bal. with other banks	13.75	27.28	18.29	19.25	13.56	59.45
Cash	26,319.98	26,780.70	26,655.02	24,444.82	24,866.55	20,747.40
LIABILITIES.						
Capital paid up	5,625.50	5,625.50	5,625.50	5,625.50	5,625.50	5,625.50
Reserve	5,274.50	5,377.50	5,377.50	5,377.50	5,377.50	5,377.50
Total deposits	84,752.23	89,795.98	91,304.41	89,614.93	89,943.94	84,864.34
The above includes	£	£	£	£	£	£
Deposits in London	977	6,882	6,825	6,927	6,796	6,886
Advances in London	966	7,203	6,992	6,840	6,743	6,690
Cash, &c., at other banks in London	99	208	136	144	103	298

	Dec. 31, 1928	Nov. 21, 1930	Nov. 28, 1930	Dec. 5, 1930	Dec. 12, 1930
ASSETS.					
Gold	41,248,434	51,709,874	51,966,915	52,351,980	52,900,460
Foreign assets—					
Sight deposits	7,190,720	6,551,405	6,760,385	6,912,167	6,376,146
Bills discounted	18,792,856	19,166,935	19,163,303	19,156,531	19,421,370
Commercial bills dis- counted at home—	7,793,129	7,367,051	8,721,399	7,058,559	7,000,192
Advances against sec- urities to the State—	8,811,552	8,504,399	8,504,399	8,504,399	8,504,399
Other advances	2,629,440	2,847,793	2,867,572	3,000,147	2,972,852
Other assets (exclud- ing forward exch.)	2,683,313	3,226,117	3,515,928	3,808,577	3,631,465
LIABILITIES.					
Notes in circulation ..	66,904,038	74,148,423	75,950,678	75,838,195	75,298,513
Public deposits	12,980,825	13,739,293	13,553,293	13,074,568	13,667,358
Private deposits	6,944,038	6,944,038	6,944,038	6,944,038	6,944,038
Other liabilities	2,616,201	2,734,820	2,840,004	2,915,438	2,747,219

	Dec. 14, 1929.	Nov. 29, 1930.	Dec. 6, 1930.	Dec. 15, 1930.
ASSETS.				
Reichsbank shares not yet issued.....	177,212	177,212	177,212	177,212
Gold and bullion	2,247,145	2,179,592	2,199,792	2,215,702
Reserve in foreign currencies.....	347,788	222,017	222,017	222,017
Reserve in foreign currencies.....	390,781	524,800	536,922	530,686
Bills of exchange and cheques	2,100,752	2,109,026	2,066,522	1,831,107
Silver and other coin	100,609	152,526	148,259	161,473
Notes of other German banks	14,147	4,213	12,346	17,421
Advances.....	108,579	231,479	75,733	81,430
Investments	92,558	102,474	102,474	102,474
Other assets	664,805	486,210	465,700	470,477
LIABILITIES.				
Reduced capital	122,788	122,788	122,788	122,788
Increase of capital (shares not yet issued)	177,212	177,212	177,212	177,212
Notes	319,608	371,139	371,139	371,139
Reserve in circulation	4,588,925	4,601,270	4,439,589	4,256,065
Other daily maturing obligations	402,053	381,435	344,410	301,307
Other liabilities.....	286,002	314,088	320,307	379,651

• Equal to one billion paper marks or one Rentenmark.
The gold reserve is calculated in accordance with the new legal prescription of one pound of fine gold equals 1,392 Reichsmarks.

	Position, May 28, 1914.	Dec. 12, 1929.	Nov. 20, 1930.	Nov. 27, 1930.	Dec. 4, 1930.	Dec. 11, 1930.
ASSETS.						
Gold	(b)	1,123,260	1,295,875	1,297,071	1,297,155	1,297,532
Foreign bills and Balances Abroad	232,650	564,972	903,836	895,542	895,720	903,022
Silver and other coin		2,168	4,337	4,396	4,349	4,115
Securities	697,600	795,582	737,045	748,000	743,390	749,364
LIABILITIES.						
Notes in circulation....	934,150	2,684,050	3,131,084	3,156,684	3,172,068	3,158,068
Current accounts.....	112,125	172,713	152,517	146,230	94,196	152,302

(b) In thousand francs.

ASSETS.	Position, May 30, 1914.	Dec. 16, 1926.	Nov. 24, 1930.	Dec. 1, 1930.	Dec. 8, 1930.	Dec. 15, 1930.
Gold	163,092	426,456	426,135	426,135	426,209	426,194
Silver	8,436	24,534	25,260	24,339	24,724	24,552
Home Bills dated.		60,194	48,117	48,378	48,857	48,680
Foreign Bills		219,574	249,365	247,866	247,895	247,876
Loans and advances in current acct.	153,504	85,619	86,957	118,542	85,809	89,187
LIABILITIES.						
Notes in circulation	316,632	818,489	812,967	855,305	826,725	818,622
Deposits	5,016	29,236	41,788	32,642	27,609	42,770

	Position, Mar. 30, 1914	Dec. 12, 1913	Nov. 22, 1930.	Nov. 29, 1930.	Dec. 6, 1930.	Dec. 13, 1930.
ASSETS.						
Gold	29,971	139,909				
Silver	22,985	27,013	176,000	176,100	176,800	177,300
Discounts, advances, and other investments	77,567	159,896	101,100	100,700	100,200	102,000
LIABILITIES.						
Notes in circulation	109,499	298,372	255,900	254,500	260,400	260,600
Deposits and bills payable	11,250	44,049	40,300	41,900	37,300	38,500

	Dec. 14, 1939	Nov. 22, 1940	Nov. 29, 1940	Dec. 6, 1940	Dec. 13, 1940
ASSETS.					
Gold.....	239,960	241,599	241,543	241,382	241,221
Government securities—Swedish	5,240	9,487	9,542	9,540	9,538
" Foreign	70,211	65,992	65,992	65,992	64,152
Other Swedish bonds quoted on foreign bourses.....	167	84	84	84	84
Bills payable in Sweden.....	265,055	32,925	63,401	145,736	183,967
" " abroad	72,430	79,702	79,078	80,193	79,826
Balance abroad.....	113,471	233,261	247,273	246,799	248,319
Advances made on Government securities and bonds.....	77,988	26,942	33,851	49,487	61,940
LIABILITIES.					
Notes in circulation.....	522,569	529,468	587,835	529,987	524,112
Government deposits.....	280,948	94,095	101,766	275,155	314,769
Private deposits.....	5,104	12,977	9,261	8,400	8,582

† The sum of the items "Bills payable in Sweden" and "Advances made on Government Securities and Bonds" excludes advances and cash credit which are not available as cover for the note issue.

	Position, May 31, 1914	Nov. 30, 1919	Nov. 15, 1930	Nov. 22, 1930	Nov. 29, 1930.
ASSETS.					
Coin and bullion—Gold.....	44,224	146,705	146,436	146,434	146,436
Balance abroad and foreign bills	28,533	52,090	36,457	31,571	33,342
Norwegian and Foreign Govern- ment securities.....	8,816	25,310	47,983	48,203	48,239
Discounts and loans.....	76,911	242,417	198,370	193,785	200,158
LIABILITIES.					
Notes in circulation.....	113,484	302,687	297,646	295,377	302,669
Deposits at sight.....	7,188	100,955	65,447	57,210	58,401

BANK OF SPAIN.—In pesetas (000's omitted).

ASSETS.	Position, May 30, 1914, 1929.	Dec. 14, 1929.	Nov. 22, 1930.	Nov. 29, 1930.	Dec. 6, 1930.	Dec. 13, 1930.
Gold.....	521,775	2,564,910	2,481,442	2,457,028	2,461,324	2,437,354
Silver.....	728,600	708,490	703,774	706,025	702,572	702,674
Loans & Discounts.....	800,725	2,250,885	2,114,517	2,195,932	2,234,648	2,202,712
Spanish 4% stock.....	344,475	344,475	344,475	344,475	344,475	344,475
Advances to Treasury.....	150,000	150,000	150,000	150,000	150,000	150,000
LIABILITIES.						
Circulation.....	901,550	4,377,780	4,647,776	4,642,042	4,688,112	4,649,327
Deposits.....	477,500	964,545	863,580	846,630	835,807	861,954

BANK OF PORTUGAL.—In escudos (000's omitted).

ASSETS.	Nov. 14, 1929.	Oct. 22, 1930.	Oct. 29, 1930.	Nov. 5, 1930.	Nov. 12, 1930.
Coin and bullion.....	10,011	8,856	8,859	8,865	8,866
Of which gold.....	8,577	8,577	8,577	8,577	8,577
Foreign exchange.....	367,873	151,626	156,519	156,544	174,389
Discounts.....	310,515	396,984	402,508	414,039	427,263
Government loans.....	1,781,271	1,530,687	1,530,687	1,530,687	1,530,687
LIABILITIES.					
Notes in circulation.....	1,954,892	1,928,571	1,944,060	1,972,962	1,955,248
Deposits.....	43,452	102,691	117,883	107,636	113,840

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

ASSETS.	Dec. 7, 1929.	Nov. 15, 1930.	Nov. 23, 1930.	Nov. 30, 1930.	Dec. 7, 1930.
Cash Reserve.....	168,634	214,345	214,349	214,349	214,412
Gold coin and bullion.....	224,147	205,804	196,515	199,579	197,190
Foreign exchange.....	326,525	481,890	477,056	490,676	489,883
Other foreign exchange.....	274,397	84,385	73,136	129,964	120,980
Bills discounted.....	109,439	101,256	101,256	101,256	101,211
Govt. debt.....	43,200	43,200	43,200	43,200	43,200
LIABILITIES.					
Share capital.....	9,283	10,272	10,272	10,272	10,272
Reserve fund.....	1,001,708	943,841	884,712	1,042,498	997,161
Notes in circulation.....	103,767	147,150	181,635	96,566	129,203
Deposits.....					

† In dollar and sterling only.

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

ASSETS.	Dec. 7, 1929.	Nov. 15, 1930.	Nov. 23, 1930.	Nov. 30, 1930.	Dec. 7, 1930.
Metal reserve.....	162,747	162,653	162,653	162,653	162,653
Gold coin and bullion.....	39,314	10,114	10,529	26,900	23,484
Drifts and notes.....	8,325	9,106	9,927	10,063	9,829
Silver coin and bullion.....	296,825	238,383	229,805	252,895	232,825
Inland bills, warrants and securities.....	88,551	67,755	67,294	66,564	66,060
Advances to Treasury.....	34,756	34,756	34,756	34,756	34,756
LIABILITIES.					
Share capital (gold crowns 30,000,000).....	428,253	414,273	380,526	439,382	409,097
Notes in circulation.....	134,503	29,619	51,122	31,864	37,755
Current accounts, deposits, &c.....					

* Calculated at pre-war parity of exchange.

NATIONAL BANK OF CZECHOSLOVAKIA.—In Cz. K. (000's omitted).

ASSETS.	Dec. 7, 1929.	Nov. 15, 1930.	Nov. 23, 1930.	Nov. 30, 1930.	Dec. 7, 1930.
Gold and silver holdings.....	1,258,693	1,546,869	1,546,415	1,546,379	1,546,036
Balance abroad and foreign currency.....	1,995,284	2,282,604	2,294,519	2,343,535	2,366,651
Discounts and advances.....	956,769	1,706,071	1,802,251	1,834,799	1,834,799
State notes debt balance.....	3,779,852	3,474,723	3,482,719	3,477,224	3,476,530
Other assets.....	885,310	963,862	966,809	971,029	975,168
LIABILITIES.					
Bank notes in circulation.....	7,310,688	6,532,432	6,319,510	7,278,416	7,011,729
Check account balances.....	780,841	1,072,125	1,254,616	381,660	654,687
Other liabilities.....	311,785	360,704	372,665	350,554	352,760

NATIONAL BANK OF JUGOSLAVIA.—In dinar (000's omitted).

ASSETS.	Dec. 8, 1929.	Nov. 15, 1930.	Nov. 22, 1930.	Nov. 30, 1930.	Dec. 8, 1930.
Cash Reserve.....	95,106	96,262	98,334	98,395	98,437
Gold.....	18,263	17,581	18,369	18,544	17,793
Other coin and notes.....	292,213	164,183	169,200	160,749	178,882
Foreign credits.....	1,274,790	1,321,659	1,306,944	1,313,760	1,299,351
Bills.....	4,191,377	4,074,755	4,074,757	4,074,757	4,074,759
Government advances.....					
LIABILITIES.					
Notes in circulation.....	5,727,914	5,352,121	5,214,314	5,403,713	5,405,551
State credits.....	205,901	148,271	148,271	148,272	148,273
Deposits.....	1,456,521	1,002,779	1,156,687	932,356	944,704

Cash reserve is calculated as follows: One gold dinar = one dinar, one pound sterling as 25 dinars, one dollar as 5 dinars, one lira as one dinar, one Swiss or French franc as one dinar, &c.

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

ASSETS.	Nov. 30, 1929.	Oct. 31, 1930.	Nov. 7, 1930.	Nov. 23, 1930.	Nov. 30, 1930.
Gold and silver holdings.....	1,555,465	1,440,083	1,443,407	1,447,566	1,448,193
Balance abroad and foreign currencies.....	1,318,273	1,056,599	1,058,396	1,147,147	1,135,294
Discounts and advances.....	1,583,300	732,721	716,858	679,184	668,659
Advances to the Treasury.....	3,505,368	3,210,302	3,205,370	3,194,962	
LIABILITIES.					
Capital paid up.....	500,000	500,000	500,000	500,000	500,000
Reserves.....	1,152,223	1,211,922	1,211,577	1,214,409	1,214,556
Bank notes in circulation.....	3,900,280	3,655,734	3,755,228	3,670,302	3,561,854
Sight liabilities.....	2,143,848	1,349,495	1,232,085	1,398,494	1,459,737
Deposits.....	738,052	279,914	279,089	274,876	273,990

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

ASSETS.	Dec. 7, 1929.	Nov. 15, 1930.	Nov. 23, 1930.	Nov. 30, 1930.	Dec. 7, 1930.
Gold.....	637,035	526,829	527,445	527,880	509,216
Gold exchange.....	4,482,276	3,373,389	3,360,093	3,339,789	3,266,390
Other foreign exchange.....	2,007	41,016	3,317	2,944	2,941
Bills discounted.....	117,210	141,204	138,178	141,656	143,434
Advances.....	158,477	169,345	173,084	173,469	172,653
Debt to the State.....	3,596,491	3,388,763	3,388,763	3,388,763	3,388,763
LIABILITIES.					
Capital paid up.....	400,000	400,000	400,000	400,000	400,000
Notes in circulation.....	5,148,726	4,840,971	4,897,782	4,760,615	4,759,493
Deposits and current accounts.....	1,636,940	1,749,035	1,782,766	1,823,120	1,771,759
Foreign exchange liabilities.....	1,857,031	662,157	668,661	676,817	682,866

NATIONAL BANK OF ROUMANIA.—In lei (000's omitted).

ASSETS.	Nov. 30, 1929.	Nov. 8, 1930.	Nov. 15, 1930.	Nov. 22, 1930.	Nov. 29, 1930.
Gold & gold exchange.....	15,910,840	10,995,118	11,000,191	11,005,405	11,011,132
Commercial bills.....	8,918,941	7,429,023	7,316,845	7,226,294	7,266,339
State debt, advances to State, &c.....	6,062,510	4,699,057	4,699,057	4,699,057	4,699,057
LIABILITIES.					
Notes in circulation.....	21,387,197	19,093,790	18,889,386	18,846,691	18,726,243
Other sight liabilities.....	10,124,815	6,555,878	6,323,554	6,502,756	6,713,325

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

ASSETS.	Dec. 10, 1929.	Nov. 10, 1930.	Nov. 20, 1930.	Dec. 10, 1930.
Gold.....	682,584	562,000	562,034	562,071
Of which held abroad.....	161,726	77,396	77,396	77,396
Foreign currencies.....	521,161	426,934	424,599	426,610
Bills discounted.....	699,682	686,266	686,802	680,890
Loans against securities.....	79,898	85,882	87,091	85,034
Reserve fund securities.....	74,693	86,396	86,396	86,396
LIABILITIES.				
Share capital.....	150,000	150,000	150,000	150,000
Reserve funds.....	100,000	110,000	110,000	110,000
Notes in circulation.....	1,285,837	1,311,831	1,251,287	1,332,494
Current accounts.....	479,250	259,755	291,256	232,579

* As from October 13, 1927, 8.91 zlotys equals 1 U.S. dollar.

RUSSIAN STATE BANK.—Note-Issuing Department.
(In Tchernovetz—000's omitted.) (Note: 1 Tchernovetz = 10 gold roubles.)

ASSETS.	Dec. 16, 1929.	Nov. 16, 1930.	Nov. 16, 1930.	Dec. 15, 1930.
Gold coin and bullion.....	28,089	48,389	48,372	47,407
Other precious metals.....	3,556	2,451	2,454	2,472
Foreign currency.....	8,168	4,461	4,736	2,375
Drifts in foreign currency.....	288	284	284	5,309
Collateral for short term loans.....	117,899	155,435	152,144	284
LIABILITIES.				
Bank notes transferred to State Bank.....	157,603	210,514	206,983	208,012
Balance to which notes may still be issued.....	397	486	1,017	988

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

ASSETS.	Position, May 30, 1914, 1929.	Dec. 8, 1929.	Nov. 22, 1930.	Nov. 29, 1930.	Dec. 8, 1930.
Gold.....	35,091	302,653	302,213	302,048	301,789
Balance abroad and foreign bills.....	90,379	655,580	1,041,336	1,025,265	1,018,596
LIABILITIES.					
Notes in circulation.....	123,941	1,360,757	1,220,168	1,262,697	1,265,002
Deposits at notice.....	21,225	182,622	268,996	181,714	172,019

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

ASSETS.	Dec. 7, 1929.	Nov. 15, 1930.	Nov. 23, 1930.	Nov. 30, 1930.	Dec. 7, 1930.
Gold coin and bullion.....	19,299	6,572	6,540	6,541	6,543
Net foreign exchange.....	18,952	17,772	17,428	16,730	16,908
Subsidiary Estonian coin.....	491	1,653	1,505	1,611	1,696
Home bills discounted.....	14,980	14,155	13,904	13,905	13,509
Loans and advances.....	12,362	11,571	11,856	12,289	11,583
LIABILITIES.					
Notes in circulation.....	33,406	32,240	34,447	33,452	31,758
Sight deposits and current accounts.....	15,853	16,202	14,090	15,199	15,416
Ratio of reserve to current liabilities.....	51.42%	50.21%	49.38%	47.83%	49.71%

* Includes Ekr. 5,893,229-31 guaranteed by the Government.

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

ASSETS.	Dec. 11, 1929.	Nov. 12, 1930.	Nov. 19, 1930.	Nov. 26, 1930.	Dec. 3, 1930.	Dec. 10, 1930.
Gold bullion and coins.....	23,917	24,061	24,061	24,061	24,061	24,063
Silver coin.....	4,061	6,160	6,260	6,172	6,157	6,142
Balance abroad.....	45,304	40,011	39,294	36,595	36,727	36,532
Treat. notes and sm. change.....	11,519	10,587	12,016	11,286	11,748	12,146
Short term bills.....	93,220	86,764	86,962	87,210	88,214	87,116
Loans against securities.....	56,606	61,450	61,339	61,338	62,186	63,876
Other assets.....	21,121	18,351	18,126	18,124	18,167	17,987
LIABILITIES.						
Notes in circulation.....	47,188	49,216	48,393	49,647	49,184	48,169
Capital paid up.....	17,010	18,735	18,735	18,735	18,735	18,735
Reserve.....	3,662	4,352	4,352	4,352	4,352	4,352
Special reserve.....	2,500	3,500	3,500	3,500	3,500	3,500
Current accounts.....	14,599	19,575	19,644	19,702	19,781	19,801
Government accounts.....	58,601	53,527	54,068	55,936	55,372	55,029
Other liabilities.....	95,231	87,745	87,411	85,033	85,470	85,754

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

ASSETS.	Position, May 30, 1914, 1929.	Nov. 23, 1929.	Nov. 1, 1930.	Nov
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	Gold Per Ounce.		Silver— Per Ounce.		Date.	Silver.
			Cash	Forward		Cash.
1930.	s.	d.	d.	d.		d.
Dec. 12.....	85	1½	15 1⁄16	15 1⁄16	Dec. 19, 1924	32 5⁄16
" 13.....	85	1½	15 1⁄16	15 1⁄16	" 18, 1925	31 11⁄16
" 15.....	85	1½	15 1⁄16	15 1⁄16	" 17, 1926	24 1⁄16
" 16.....	85	1½	14 1⁄16	14 1⁄16	" 16, 1927	26 1⁄16
" 17.....	85	1½	14 1⁄16	14 1⁄16	" 20, 1928	26 5⁄16
" 18.....	85	1½	14 1⁄16	14 1⁄16	" 19, 1929	22 1⁄16

	Months.	Ending.	Description.	Receipts for Month.		Receipts to Date.	
				1930.	+ or -	1930.	+ or -
Singapore Traction.....	2	Nov. 30	Gross	£ 134,400	+ 8,000	£ 276,000	+ 17,000
Manchester Ship Canal ...	11	Nov. 30	Gross	100,484	- 11,277	1,302,441	- 125,660

Company.	Period Ending	Balance from Last Account.	Net Profit After Payment of Deben-ture Interest.	Amount Available for Distribu-tion.	Appropriation.					Corresponding Period Last Year.	
					Dividend.			Carried to Reserve, Deprecia-tion, &c.	Balance Forward.	Net Profit.	Divi-dend.
					Prefce.	Ordinary.					
					Amount	Amount.	Rate.				
Banks.											
Barclays Bank (Dominion, Colonial and Overseas)...	Sept. 30	137,982	465,070	603,052	111,166	117,156	4½	210,000	164,730	516,593	4½
National Bank of Scotland	Nov. 1	73,766	276,928	350,694	...	136,400	16	140,000	74,294	280,686	16
Breweries.											
Allsopp (Samuel) and Sons	Sept. 30	31,850	145,324	177,174	52,760	39,645	8½	25,000	59,769	128,240	8
Ashby's Staines Brewery ...	Sept. 30	32,637	53,233	85,870	5,859	34,488	15	11,000	34,523	42,197	15
Bell and Co.....	Oct. 31	12,371	27,817	40,188	5,483	10,850	10	12,000	11,855	29,813	12½
Bentley's Yorkshire Brewys.	Sept. 30	30,115	51,978	82,093	14,210	29,376	12½	8,500	30,007	51,462	12½
Fremains, Ltd.	Sept. 30	17,622	85,130	102,752	26,250	35,000	10	15,052	26,450	69,223	7½
Newcastle Breweries.....	Oct. 31	43,829	69,743	113,572	12,000	32,000	8	20,747	48,825	67,517	8
Stretton's Derby Brewery...	Sept. 30	46,376	125,282	171,658	12,600	90,000	30	25,000	44,058	119,984	27½
Financial Land, &c.											
Scottish Australian Invest.	June 30	140,696	Dr. 70,251	70,445	32,000	25,000	5	...	13,445	103,174	15
Hotels, Restaurants, &c.											
Cadena Cafés, Ltd.	Sept. 30	16,119	41,477	57,596	14,020	21,467	20	4,161	17,948	35,914	20
De Vere Hotels	Sept. 30	5,563	10,283	15,846	...	7,750	10	...	8,096	11,563	12½
Iron, Coal and Steel.											
Arncliffe Coal	Sept. 30	8,981	13,160	22,141	1,167	9,445	7½	...	11,529	7,984	5
Cleveland Bridge and Eng.	Sept. 30	7,499	25,535	33,034	1,910	17,537	6½	5,000	8,587	24,532	6½
North Lonsdale Iron & Steel	Oct. 31	14,443	10,335	24,778	...	...	...	5,000	19,778	3,998	...
Redpath, Brown and Co.....	Oct. 31	45,863	71,730	117,593	10,500	57,750	12½†	2,000	47,343	117,972	22½
Stewarts and Lloyds of S.A.	June 30	2,142	40,349	42,491	35,500	...	...	3,388	3,603	21,433	...
Motor and Cycle.											
Rossleigh, Ltd.	Sept. 30	21,318	20,039	41,357	465	10,462	15	...	30,430	21,107	15
Swift of Coventry	July 31	451	559	1,010	...	...	...	29,500	Dr 28,490	3,299	...
Nitrate.											
New Tamarugal Nitrate ...	June 30	119,702	2,044	121,746	...	...	...	...	121,746	122,694	5
Rubber, &c.											
Chungloong Rubber Estate...	Mar. 31	2,351	398	2,749	...	...	...	...	2,749	129	...
Durian Sebantary Rubber...	Mar. 31	1,167	Dr. 222	945	...	...	...	...	945	827	...
Kong Lee (Perak) Planta-tions.....	Aug. 31	617	1,046	1,663	...	...	...	...	1,663	2,311	7½
Loengoe (Java) Rubber ...	Mar. 31	5,892	Dr. 771	5,121	...	...	...	...	5,121	Dr. 1,148	...
Rubber Estates of Malaya	Sept. 30	...	497	497	...	...	...	97	400	...	...
Sembilan Estates Co.	July 31	4,176	Dr. 5,620	Dr. 1,445	...	...	...	Dr. 1,445	...	23,670	6
Sungei Kari (Sumatra) Rub.	June 30	582	Dr. 449	133	...	...	...	...	133	3,995	4
Sungei Puntar Rubber	Sept. 30	1,129	Dr. 1,109	20	...	...	...	...	20	2,713	2½
United Temiang Rubber ...	July 31	11,429	1,073	12,502	...	...	...	...	12,502	16,709	6
Shipping.											
West Hartlepool Steam Navigation	Mar. 31	62,630	69,432	132,062	11,000	15,675	15†	25,000	80,387	69,415	15†
Telegraphs, &c.											
Venezuela Telephone, &c....	June 30	31,128	51,779	82,907	8,629	16,985	8	10,000	47,293	38,386	8
Tramways and Omnibuses.											
Cape Electric Tramways ...	June 30	36,940	9,692	46,632	...	...	...	...	46,632	13,314	...
Ceará Tramway, Light and Power	June 30	8,833	19,954	28,787	...	4,571	5†	15,000	9,216	...	...
Un. Elec. Tr. Co. of Caracas	June 30	53,698	7,379	61,077	...	...	...	...	61,077	...	...
Trust.											
Finance and Industrial Trust	June 30	3,322	Dr. 38	3,284	2,235	...	...	...	1,049	9,161	...
London Scot. American Tr.	Oct. 31	74,439	79,750	154,189	17,437	48,438	12½	...	88,314	81,527	12½
Scottish Allied Investors ...	Nov. 15	3,078	23,293	26,371	11,688	6,233	4	...	8,450	23,344	4
Other Companies.											
Afr. and Eastern Trade Cor.	April 30	37,330	14,803	52,133	14,250	...	...	...	37,883	74,600	...
Amal. Cotton Mills Trust ...	Oct. 31	3,683	5,246	8,929	...	...	...	...	8,929	23,027	...
Aux Classes Laborieuses ...	July 31	...	3,965	3,965	...	...	...	2,700	1,265	...	...
British-American Tobacco	Sept. 30	1,748,764	6,501,560	8,250,324	555,000	5,895,180	25†	...	1,800,144	6,357,772	25†
Bruce (Henry) and Sons ...	Oct. 31	14,163	Dr. 13,942	221	10,098	...	...	Dr. 10,000	4,123	...	...
Central Portland Cement ...	Sept. 30	23,765	11,144	34,909	...	10,500	7½	2,510	21,899	22,192	12½
East India Distilleries, &c.	Sept. 30	6,458	22,350	28,808	14,000	8,000	10	...	6,808	...	...
Eastwood's Lewes Cement	June 30	6 months	12,687	12,687	...	10,638	10	...	2,049	...	...
Edison Bell (International)	Sept. 30	5,620	5,966	11,586	...	...	...	...	11,586	5,620	...
Edison Bell, Ltd.	Sept. 30	8,676	20,403	29,079	11,250	...	...	3,000	14,829	28,147	10
Ford Paper Mills	Sept. 30	3,301	Dr. 1,257	2,044	...	...	...	...	2,044	21,581	10
Hector Whaling	July 31	31,624	94,544	126,168	...	41,414	12½	...	84,754	138,624	25
Lex Garages	Sept. 30	Dr. 14,491	144	Dr. 14,347	...	...	...	...	Dr 14,347	...	...
Petroleum Storage and Fin.	Oct. 31	8,404	109,123	117,527	...	33,636	...	68,705	15,186	...	...
R. Plate, Br. & Cont. Meat	July 31	Dr 353,552	Dr. 27,244	Dr 380,796	...	...	...	...	Dr 380,796	...	...
Tobacco Co. of Rhodesia ...	June 30	Dr. 29,999	Dr. 1,905	Dr. 31,904	...	...	...	...	Dr 31,904	Dr. 3,849	...

South African Breweries, Ltd., notify that on and after the 15th inst. the registered office of the company will be removed to 8 Great Winchester Street, London, E.C.2. The telephone number will be London Wall 5441.

REPORTS AND NOTICES.

BANKS.

ULSTER BANK, LIMITED.—The Report for the year ended November 29, 1930, discloses a net profit of £215,472, to which is added £62,650 brought in, making £278,122 available. Two half-yearly dividends absorbed £128,000. The sum of £50,000 has been put to reserve and £40,000 to contingent fund, while £60,122 is carried forward.

GOVERNMENT STOCK, &c.

CHILE TREASURY BILLS.—£2,000,000 Chile Treasury bills, maturing November, 1931, have been placed in London by N. M. Rothschild and Sons under discount at 5½ per cent. per annum and brokerage. £1,000,000 of the bills is being discounted as on the 27th instant, and the remaining £1,000,000 as on January 17, 1931.

INSURANCE.

ROYAL EXCHANGE ASSURANCE.—The Royal Exchange Assurance announces the following appointments, as from January 1, 1931: Rt. Hon. Lord Forteviot and Mr J. A. Tombazis as local directors attached to its Dundee branch, 51-53 Meadows. Mr J. A. Tombazis, F.C.I., after 40 years' service, has expressed a desire to retire on pension as from December 31, 1930, and the directors have accepted his resignation with regret. He joined the service of the Corporation in 1891 as an inspector and has been manager of the Dundee branch since its inception at the end of that year. Following his resignation, the directors have appointed Mr Tombazis to a seat on the Dundee local board. Consequent upon the retirement of Mr J. A. Tombazis, the Royal Exchange Assurance announces the appointment of Mr J. S. Inglis, at present manager of the Edinburgh branch, to be also manager of the Dundee branch. Mr J. A. McLaren, at present inspector at Dundee, has been promoted to the position of assistant manager.

MISCELLANEOUS.

THE BRITISH NORTH BORNEO (CHARTERED) COMPANY.—The following is financial results—North Borneo and London—for the first nine months of the current year (compared with the corresponding period of 1929), subject to deductions in respect of interest on debentures, certificates of indebtedness, depreciation, &c.:

	1929.	1930.
Borneo cabled figures—	£	£
Revenue	344,832	308,653
Expenditure	194,747	195,683
Surplus	150,085	112,970
London—		
Revenue	21,983	20,906
Expenditure	15,659	13,806
Surplus	6,324	7,100
Total surplus	156,409	120,070

COMPANHIA DE MOCAMBIQUE.—The London Committee state that the customs receipts for the Port of Beira during October amounted to £36,549, as compared with £41,441 for the corresponding period of 1929.

MINING OUTPUT STATISTICS.

GOLD.

Company.	Period.	Ozs. Recovered.	Company.	Period.	Ozs. Recovered.
Chosen Corporation	Nov.	9,600*	Santa Gertrudis.....	Nov.	42,053*
Lake View and Star	Nov.	7,033*			

TIN.

Company.	Period.	Tons Recovered.	Company.	Period.	Tons Recovered.
Anglo Burma	Nov.	36½	Kaduna Syndicate...	Nov.	13
Anglo-Nigerian	Nov.	36½	Kassa	Nov.	12½
Baba River	Nov.	7	Kay Yew	Nov.	12½
Batura Monguna	Nov.	3½	Lower Bishchi	Nov.	9½
Beralt	Nov.	6	Elton Valley	Nov.	10½
East Pool	Nov.	38	United Tin	Nov.	19
Kaduna Prospectors	Nov.	10			

MISCELLANEOUS.

Company.	Period.	Output.	Company.	Period.	Output.
Bwana M'Kubwa ...	Nov.	556 tons.	Mount Lyell	Nov.	3,922 tons.
London & Rhodesian	Sept.	4,035 tons.	Poderosa	Nov.	628 tons.

* Tons Crushed.

NORTH BROKEN HILL.—November production: 24,270 tons of crude ore were treated, assaying 15 per cent. lead, 9.3 ozs. silver per ton and 12.1 per cent. zinc, producing 4,810 tons lead concentrates, assaying 71.7 per cent. lead, 41.5 ozs. silver per ton and 5.6 per cent. zinc.

TATHEH.—November: Ore treated, 9,738 tons assaying 11.70 per cent. zinc, 8.70 per cent. lead. Zinc concentrates produced 2,221 tons, assaying 46.40 per cent. Lead concentrates produced 1,924 tons, assaying 76.20 per cent. lead, 52 ozs. silver.

SUMMARY OF BALANCE SHEETS.

BRITISH AMERICAN TOBACCO COMPANY, LIMITED.

September 30, 1930.			
LIABILITIES.	Amount.	ASSETS.	Amount.
Ord. shares, £1 23,582,761	+ 8,725	Real estate and bldgs., at cost	879,450 + 177,977
6% cum. pref., £1	4,500,000	Plants, &c.	886,522 + 65,443
6% second cum. pref. £1	6,000,000 + 6,000,000	Loans to and current accounts with associated cos.	7,488,442 + 656,153
Creditors	6,599,264 - 1,133,863	Investments in other secur't investments in assoc'd com'panies.	21,959,029 + 240,634
Reserves for building, &c.	575,000 + 25,000	Stocks	8,117,246 - 691,335
Premium on ord. Shares	580,808 + 4,250	Sundry debtors, &c.	3,668,775 + 1,239,040
Provision for redemption of coupons	64,669 + 4,430	Cash, &c.	4,479,773 + 3,307,584
Special reserve ..	1,924,071 + 57		
Profit and loss ..	3,765,374 - 47,901		
Employees benevolent fund ..	103,143 + 103,143		
Total	47,695,090 + 4,963,840	Total	47,695,090 + 4,963,840

Commercial Reports.

THE CORN TRADE.

Mark Lane, Thursday evening.

Wintry conditions have prevailed over the United Kingdom during the past week, the wet state of the ground being unfavourable for field work. Winter sowings, however, are showing up well in Southern localities, a wide area being under cultivation. Revised official estimates of cereal crops in England and Wales this season are much below the average for wheat and barley, due to wet harvesting weather. Growers are still reluctant to offer native wheat at current prices, consequently supplies at the principal statute markets were in small compass. On the import market prices continue to fluctuate within narrow limits, and little change in the general position is expected until new Southern Hemisphere crops are in circulation. Reports of unfavourable harvesting weather in Argentine and Australia have lately imparted a steady appearance to the market, but latest advices indicate improved climatic conditions, and with renewed pressure from Plate shippers, prices are sagging again. Russia still dominates the immediate situation, and large quantities in store and arriving provide millers with plentiful and cheap supplies of grist. Black Sea chartering operations have been resumed for January loading, but it is understood that comparatively few vessels are required to cover contracts of grain previously made. Any substantial movement, however, would result in another slump in face of excessive supplies already available. Canada is pressing offers at declining rates, recent bids being freely accepted. Business in this growth is steadily assuming larger proportions now that values are coming down more on a parity with competing kinds. The change of policy by the Canadian Pool in marketing future supplies through usual trade channels tends to inspire confidence of millers on this side, and will no doubt prove beneficial to Dominion growers. Pressure to sell feeding stuffs resulted in a downward trend of prices, maize in particular reacting sharply, especially for spot and near positions. Consumption, however, is fairly well maintained, and there is a fair business passing at the decline.

WHEAT.—Irregular. No. 1 hard Manitoba, ex ship 27s. 6d.-28s.; No. 1 Northern Manitoba, ex ship 27s.-27s. 9d.; No. 2 ditto, 26s.-27s.; No. 3, 25s. 6d.; Barusso, 61½ lbs., 23s. 6d.; Rosaf, 63½ lbs., 24s. 6d.; Australian, 28s. 6d.; choice white Karachi, 26s. 6d.; Russian, on sample ex ship, 23s.-25s. 6d.; landed, 22s. 9d.-24s. 9d. per 496 lbs. English new, 5s. 7d.-6s. 2d. per 112 lbs.

FLOUR.—Dull. London straight run, 26s. per sack for country deliveries, and 25s. London areas. Of imported, Manitoba patents, 24s.-25s. 6d.; Buffalo ditto, 23s. 6d.-25s. 6d.; Australian, 21s. 9d.-22s. 3d. ex store per 280 lbs.

MAIZE.—Declined sharply. Plate, landed 18s. 6d.; ex ship to arrive, 17s. 3d.; December-January, 17s. 3d.; January-February, 17s. 3d.; February-March, 17s. 6d.; No. 2 white flat African, landed 18s. 6d. per 480 lbs. Yellow maize meal, £6 5s. f.o.r. London.

BARLEY.—Dull and weaker. Californian old, landed 30s.-35s.; new, ex ship 30s.-41s. as to sample; Chilean brewing, landed 30s.-35s.; Chevalier, 38s.-44s.; Australian, 32s.-42s.; Smyrna, 30s.-32s. per 448 lbs. Black Sea, ex ship 14s. 6d.; landed 15s. 9d.; Danubian, ex ship 14s. 6d.; landed 15s. 9d.; Persian, landed 14s. 9d. per 400 lbs. English new malting, 6s. 3d.-12s.; feed, 4s. 6d.-5s. 9d. per 112 lbs.

OATS.—Quiet and easier. Plate, landed 13s. 3d.; ex ship 11s. 6d.; Chilean tawny, landed 13s. 9d.; best whites, ex ship 13s. 6d.; landed 20s.-20s. 6d.; mixed Canadian feed, landed 11s. 3d.; North Russian, landed 15s.; South Russian, ex ship to arrive 14s. per 320 lbs. English new, 5s.-6s. per 112 lbs.

COMPARATIVE AVERAGES OF GRAIN.

The following table gives the estimated sales of home-grown wheat during the harvest years 1930-31, 1929-30, 1928-29, 1927-28:—

	1930-1931.	1929-1930.	1928-1929.	1927-1928.
Estimated sales of home-grown wheat—				
1 week to Dec. 13	Cwts. 105,929	Cwts. 273,751	Cwts. 261,543	Cwts. 278,225
15 weeks to Dec. 13	2,047,452	4,156,789	4,436,829	3,816,449
Average price of English wheat per cwt.	s. d. 6 2	s. d. 9 6	s. d. 9 7	s. d. 9 10

The following is a statement showing the Quantities Sold and the Average Price of British Corn in the past two weeks, and for the corresponding week in each of the years from 1926 to 1929:—

Weeks ended.	QUANTITIES SOLD.			AVERAGE PRICE PER CWT.		
	Wheat.	Barley.	Oats.	Wheat.	Barley.	Oats.
1930.						
Dec. 6	Cwts. 102,253	Cwts. 324,310	Cwts. 34,274	s. d. 6 4	s. d. 8 5	s. d. 5 8
Dec. 13	105,929	358,394	43,522	6 2	8 3	5 8
Dec. 11, 1926	305,637	460,285	63,747	11 10	11 0	8 3
Dec. 10, 1927	238,640	414,177	87,736	9 10	11 2	9 2
Dec. 15, 1928	261,543	424,169	76,619	9 7	10 2	9 2
Dec. 14, 1929	273,751	370,417	34,448	9 6	8 11	7 3

AMERICAN WHEAT MARKETS.

The following table shows wheat quotations in recent weeks with comparative figures for 1929:—

NEAREST FUTURE.	Jan. 2, 1929.	Dec. 18, 1929.	Jan. 2, 1930.	Dec. 3, 1930.	Dec. 10, 1930.	Dec. 17, 1930.
Winnipeg (No. 1 Manitoba), —Cents per 60 lb.	122	136½	148½	58½	58½	54
Chicago (No. 2 Winter), —Cents per 60 lb.	116½	121½	130½	76	77½	76½

The visible supply of wheat in Canada at 59,418,000 bushels shows an increase on the week of 3,701,000 bushels. Supplies a year ago stood at 74,158,000 bushels.

THE COAL TRADE.

Our Sheffield correspondent reports a revival of activity recently in both the export and household departments. Owing to the approach of the holidays there have been more numerous specifications for shipment delivery under contract. Best Yorkshire steams are still quoted at 16s. and 16s. 6d. f.o.b., these prices being fairly firm. New contracts are scarce. Householders have been getting in extra supplies for Christmas. The position of blast-furnace coke is still weakening and occasional sales are reported below 11s. at ovens. For shipment 15s. and 15s. 6d. f.o.b. at Humber ports is being quoted.

Our Workington correspondent writes:—The coal trade has been brisk since the Scottish competition disappeared temporarily. Orders are coming in freely in the Irish market and the cross-Channel shipments have during the past fortnight been heavy, the total from Workington alone being 20,070 tons. House coal is in strong demand, but industrial fuel is poor. Prices are firm. Best round is 21s. 6d.; washed doubles, 20s.; washed singles, 19s., all f.o.b.; smalls, 16s. 6d.; best house coal, 30s.; and house nuts, 28s. 4d. at station; gas coal, 28s.; West Coast coke is in only moderate local demand at from 17s. 9d. to 18s. 3d. per ton.

Our Glasgow correspondent writes:—The coal market is only now getting back to normal following the unsettlement caused by the stoppage at the mines. Supplies of coal are, however, still not plentiful, and the collieries continue to quote relatively high prices for whatever coal they have available. There is little or no new business being booked so far as the shipping trade is concerned, and in the case of the London market the shipments being made are largely against old contracts. To-day's prices are approximately as follows (f.o.b. district ports): LANARKSHIRE.—Ell best, 15s.; splint best, 16s. 6d.; splint second, 15s. 6d.; navigation, 17s.; navigation second, 15s.; Hartley, 16s.; steam, 13s. 6d.; trebles, 14s. to 14s. 6d.; doubles, 13s. 3d. to 13s. 6d.; singles, 12s. 6d.; pearls, 12s. 3d. to 12s. 6d.; dross, 10s. 3d. FIFE.—Screened navigation, 16s. 6d. to 17s. 6d.; first-class steam, 13s. 6d.; third-class steam, 12s.; trebles, 14s. 6d. to 16s. 6d.; doubles, 13s.; singles, 12s. 6d.; pearls, 12s. LOTHIAN.—Prime steam, 12s. 6d.; secondary steam, 12s.; trebles, 13s. 6d. to 14s. 6d.; doubles, 12s. 6d.; singles, 12s. to 12s. 6d.; pearls, 12s. Ayrshire.—Unscreened navigation, 16s.; jewel, 18s.; steam, 13s.; trebles, 14s.; doubles, 13s.; singles, 12s. 6d.; pearls, 12s.; dross, 11s.

Our Cardiff correspondent writes:—Conditions on the Cardiff coal market have been more favourable this week than at any period since the beginning of the year. The approach of the holidays and the uncertainty of the issue of the wage negotiations have accelerated shipments, and so heavy has been the demand that there is an actual shortage of prompt supplies of some of the steam coals. There has been no movement in prices, but minimum figures have been obtainable without any difficulty. One or two important contracts, including that of the Egyptian State Railways, are also under negotiation. There has been a further interruption in the

discussion of the terms of a permanent wages agreement. There was a failure to agree at a joint meeting on Monday, and the miners have again referred the dispute to the National Industrial Board, although on Monday they were informed by the owners that under no circumstances would they appear before the Board, but were prepared to leave any unsettled questions to independent arbitration. The collieries have not yet been all informed of their quotas for the March quarter of the present year, but it is anticipated that the authorised production will be about 1½ million tons less than in the first three months of the current year. In some cases the restriction will be between 14 per cent. and 15 per cent., though the average will be less. The following are the current approximate quotations: Best Admiralties, 20s.; seconds, 19s. 9d. to 19s. 9d.; best dries, 18s. 6d. to 19s. 3d.; Black Veins, 18s. 3d. to 18s. 6d.; Western Valleys, 18s. to 18s. 3d.; Eastern Valleys, 17s. 6d. to 17s. 9d.; best smallsteams, 13s. to 13s. 6d.; cargo smalls, 12s. to 12s. 6d.; coking smalls, 14s. to 15s.; best anthracite large, 36s. to 37s. 6d.; Red Vein large, 22s. 6d. to 27s. 6d.; machine made cobbles, 40s. to 45s.; French nuts, 43s. to 46s.; stove nuts, 39s. 6d. to 43s. 6d.; rubbly culm, 9s. to 9s. 3d.; foundry coke, 29s. to 35s.; patent fuel, 20s. to 21s.; pitwood, ex ship, 27s. 3d. to 27s. 6d.

IRON AND STEEL.

We extract the following from the weekly report of the London Iron and Steel Exchange:—The seasonal falling off in business which usually sets in at the end of the year has commenced rather earlier than usual. This may be ascribed largely to the reluctance of stockholders and other buyers to carry over the end of the year a larger stock than they can help, and this tendency is likely to be more pronounced in a period of bad trade. The tone at the weekly meeting of the Exchange on Tuesday, however, was by no means depressed, and it was suggested that the falling off in buying at the present moment should lead to an increased demand in the New Year, when stock replenishment orders will have to be placed. The recent improvement in the demand for pig iron has not been maintained, and stocks appear to be accumulating in most of the producing districts. The demand for semi-finished steel has been quiet, but a few fair-sized orders are reported to have been placed. Many of the Continental works have withdrawn from the market for the time being, and as a consequence British producers have taken some orders which in the ordinary way would have gone to the Continent. It is in the finished steel department that the seasonal falling off in trade is most noticeable, and both British and Continental works have been affected. The export markets also remain lethargic. Recently there was some active buying from the Far East, but most of the business was placed on the Continent, although a small share came to the British works.

Our Middlesbrough correspondent writes:—There is nothing new in regard to the market for Cleveland iron, which remains extremely quiet. Consumers have recently bought a few small parcels to complete their requirements up to the time of closing down for the holidays at the middle of next week, but they still decline to discuss forward business at the present level of prices. At Tuesday's weekly market no change was made in the official quotations, which remain: No. 1, 66s.; No. 3, 63s. 6d.; No. 4 foundry, 62s. 6d.; and No. 4 forge, 62s., f.o.b. or f.o.t., and there was almost an entire absence of business. Makers are evidently of the opinion that to reduce prices now would have no appreciable effect, and that it is better policy to wait until the holidays are over before making any move. Consumers urge that substantial concessions must be made or they will be compelled to use increased quantities of Continental iron, which is freely offering at much cheaper prices than Cleveland, and Midland brands are also obtainable on better terms. The demand for hematite is a little quieter owing to the approaching stoppages of consumption, but the position has not weakened and a resumption of buying is looked for early in the New Year. Makers adhere to 71s. for ordinary mixed numbers for delivery a few months ahead, at which figure they have been able to do business, but for prompt lots they are still willing to accept 70s. 6d., and it might be possible to secure supplies at a trifle less. Shipments of pig iron have eased off, the total quantity

FIGURES OF ASSURANCE A.M.P.

By careful and prudent administration the A.M.P. has made more than £42,000,000 for the benefit of its Policyholders since its establishment in 1849, and this, after providing for all expenses of management, commission, taxes, etc. A.M.P. premiums are low. Bonuses high and policies, as befits the largest British Mutual Life Office, world-wide. Assets £78,000,000. Annual Income £11,500,000. Full particulars on application.

MUTUAL PROVIDENT SOCIETY Established 1849.
73-76 King William St., London, E.C.4.
D. E. WALKER, Manager for the United Kingdom.

red to the 16th instant being 6,136 tons, compared with 7,127 to November 16th. In the finished departments very few orders are coming to hand, and there will be a somewhat stoppage of operations at most works for the holidays. It is hoped that by the beginning of January there will be an accession of fresh business that will ensure more regular working in the different plants. Prices are generally unchanged. The ore is practically idle. Best Bilbao rubio is now nominally for prompt and 16s. 6d. to 17s. for delivery over the first few days of next year. The freight Bilbao/Middlesbrough for 7 tonnage is about 5s. There is only a poor demand for coke, and this is offered for early delivery at 17s. delivered works, and this has been shaded for odd lots for very prompt delivery. The number of furnaces in operation in the district is unaltered at 25.

Our Sheffield correspondent writes:—The large steelworks in heavy section have all stopped deliveries of raw materials, most of them have arranged to close this (Friday) evening, the holiday, which in some cases will extend over three weeks. Prospects for the New Year are obscure, as there is little work on order books and few inquiries. Continental soft steel billets being offered in this country at 20s. per ton below British, but owing to the poor state of trade, the quantities being offered are not relatively large. The decline of exports to Australia is not so pronounced. Overseas trade continues to be weak in the situation. So far as Sheffield products are concerned there is scarcely a healthy foreign or Colonial market. Prices of steel material have undergone no change for a long period. The pig iron continues steady, and has lost no further ground. There is a moderate home demand for tool and alloy steels and tools, especially from builders of commercial motor vehicles, who are busy.

Our Workington correspondent writes:—Trade has fallen to a low ebb at the end of the year in the North-West Coast of the pig iron trade. Only six furnaces now remain in draught at Workington and Ulverston. Two of these are on alternate days and one is on manganese alloys. In spite of the restriction on the heavy steel industries are in brisk demand. Competition from the East Coast makers of hematite is not so pronounced. Overseas trade continues to be weak in the situation. So far as Sheffield products are concerned there is scarcely a healthy foreign or Colonial market. Prices of steel material have undergone no change for a long period. The pig iron continues steady, and has lost no further ground. There is a moderate home demand for tool and alloy steels and tools, especially from builders of commercial motor vehicles, who are busy.

INVESTMENT TRUSTS: ADVANTAGES OF BRITISH TYPE.

THE WALL STREET SLUMP.

RAND DIVIDENDS.

THE SALVADOR RAILWAY.

LIFE INSURANCE AND ESTATE DUTIES.

A STOCKBROKER'S NOTEBOOK.

By AUSTIN FRIARS.

SEE

The

Investors' Chronicle
and
Money Market Review

THIS WEEK.

The *Investors' Chronicle* may be obtained at all bookstalls and newsagents throughout the country, price 6d., or from

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£4 6s. 6d. at Sheffield; and £4 8s. 6d. at Birmingham. There is only a small call for special descriptions of iron which stand at from 2s. 6d. to 5s. per ton above the aforementioned figures; malleable iron is a quiet trade at £6 2s. 6d. per ton delivered at Birmingham, and ferro-manganese is dull at £12 per ton export. The steel trade is in so poor a condition that two furnaces have had to be damped down at Barrow, and there is no activity in the steel works there, while at Workington there is nothing more than spasmodic activity. The mills at Workington are on rails, sleeper plates and billets for home users, but it is improbable that they will work again until the beginning of the year. Native ore at 16s. 6d. to 18s. 6d. per ton is in diminished local request, and there are very few deliveries to East Coast or Scottish users.

Our Glasgow correspondent writes:—Until more work is actually in progress in the Clyde shipyards there is little prospect of any marked improvement in the position at the steel works in the West of Scotland. However, the announcement of the contracts just made by the Admiralty with Messrs the Fairfield Shipbuilding Company, Ltd., Govan, and with Messrs Beardmore and Company, Ltd., of Dalmuir, should relieve unemployment considerably in these districts once operations are commenced. There is some business being done in lighter sections for the requirements of structural engineers, who are comparatively well employed. Tube makers are not experiencing any increased demand, and there are very few inquiries for either bar iron or re-rolled steel bars. Bookings for black sheets during the past week have been very considerable, but prices remain low.

Our Cardiff correspondent writes:—On the Swansea Metal Exchange on Tuesday inquiries for tinplates showed some improvement and a fair amount of new business was done. Prices, however, were a shade easier at from 15s. 9d. to 16s. per basis box. Galvanised sheets were unaltered at £11 5s. per ton and local steel bars at £5 per ton. The tinplate trade has been strengthened by the adhesion of the Melingriffith Company, and it is expected that the other few firms who are still outside will be persuaded to join.

OTHER METALS.

TIN.—The standard market continues to show a good deal of irregularity, and after a firm opening, prices gave way on realisations and declining Eastern cables, offerings being moderately absorbed. At the close prices showed some recovery. Standard cash changed hands at £107 5s. to £104 10s. and £105 17s. 6d., and three months £109 to £105 15s. and £107 5s. In the East, sales were reported at £112 2s. 6d. to £109 15s. and £111 per ton c.i.f. terms.

COPPER.—Business was on a fair scale, but the general tone remained weak and prices declined on liberal offerings. The close was active and firm. Standard cash changed hands at £45 7s. 6d. to £44 5s. and £45 2s. 6d., and three months £45 5s. to £43 10s. and finally £45 per ton.

LEAD market fairly active at times, but continued selling pressure imparted irregularity. Good soft foreign pig, December, sold £15 2s. 6d. to £14 12s. 6d.; January, £14 15s. to £14 10s. 3d.; March, £15 2s. 6d. to £14 12s. 6d. and £14 17s. 6d. per ton.

SPELTER quiet, and market unsettled owing to weakness of other metals. December sold £13 10s. to £13 7s. 6d.; January, £13 13s. 9d.; February, £13 18s. 9d. to £13 10s. and £13 16s.; March, £14 1s. 3d. to £13 15s. and £14; April, £14 to £13 17s. 6d. per ton.

ALUMINIUM maintained. Home trade, also export, £85 per ton.

ANTIMONY firmer. English regulus, £38 to £45; Chinese ditto, spot £25 10s.; December-January, £23. Chinese crude, December-January, £14 10s. per ton c.i.f.

ANTIMONY OXIDE.—December-January, £24 10s. per ton c.i.f.

ANTIMONY ORE.—December-January, 60 per cent., 3s.; ditto, 50 per cent., 2s. 6d. per unit c.i.f.

WOLFRAM firm. Chinese, December-January, sold 14s. 6d. to 14s. 9d., closing 14s. 6d. sellers per unit c.i.f.

QUICKSILVER steady. Spot £21 15s. to £22 per bottle.

TIN PLATES remain quiet. I.C. coke, prompt and forward, 15s. 9d. per box f.o.b. Swansea.

THE COTTON TRADE.

LIVERPOOL: December 17th. The downward movement in prices has continued and quotations show a decline of about 35 points on the week. Monday witnessed a new low post-war record when January were traded in at 4.93d. Some short covering has, however, brought about some reaction, and to-night quotations are some 16 points over the lowest. There has been no aggressive selling, but offerings continue to be in excess of demand. The monthly figures of the Textile Association of America are most disappointing, being as follows: Sales, 88.6 per cent. of production, compared with 146.7 per cent. in October and 160 per cent. during September. The U.S. Department of Commerce Census Bureau issued on Monday its figures of consumption of cotton in the U.S.A. for November as 415,000 bales, against 444,000 in October and 544,000 bales in November last year. The daily rate, however, shows a slight increase, being 18,800 per working day for November, against 18,000 for October and 16,800 in September and 23,600 in November last year. Spot sales for the week, 11th to 17th (inclusive), are 19,000 bales, of which 10,790 are

American, 450 Brazil, 500 Argentine, 4,000 Peru, 1,820 Egyptian, 950 African, 300 East Indian, and 190 sundries. Imports for the same period are 55,000 bales, of which 18,527 are American, 7,261 Brazil, 2,319 Peru, 24,544 Egyptian, 978 African, 757 East Indian, and 614 sundries. Quotations to-day are: American Middling, 5.23; Egyptian Sakel, 7.75; Uppers, 5.92; Brazil Fair, 5.39; Peru G.F. Smooth, 5.69; West African Middling, 5.29; and East African G.F., 6.29.

MANCHESTER: December 17th.

Trade in the market has again been considerably disturbed by the further decline in raw cotton rates, and buyers have not been in the mood to place orders on a freer scale. There is a disposition in all quarters to adopt a waiting policy until conditions are more settled. It is feared that no distinct change in the situation can take place until after the turn of the year. Far Eastern trade in piece-goods has been blocked by the further drop in the price of silver, and with exchange at the present level it has been practically impossible to arrange contracts of any kind. Demand for India remains quieter and less satisfactory news is being received with regard to the political situation, especially in Calcutta. Shippers to Egypt and the Near East have looked on and only scattered sales have occurred for South America and the West Coast of Africa in printing and finishing styles. Only restricted operations have occurred in home trade fabrics. Prices in American and Egyptian yarns have continued to ease with cotton, and rates have been very irregular when tested. There has been an inclination on the part of buyers to be exceedingly cautious in operating.

Statement of the Cotton Trade.

	1930.				Corresponding Date.	
	Nov. 26	Dec. 3	Dec. 10	Dec. 17	1929.	1928.
Raw Cotton—Midd. American..... per lb.	5.49	5.75	5.63	5.24	10.59	9.37
" Sakellaridis Fully Good Fair..... per lb.	9.40	8.75	8.00	7.75	19.35	14.10
Yarns—32's twist..... per lb.	92	92	92	92	16	13
" 40's twist..... per lb.	10	10	10	9	16	14
" 60's twist (Egyptian)..... per lb.	17	17	16	16	28	23
32-in. Printers, 116 yds., 16 by 16, 32's and 50's.....	18 6	18 6	18 3	18 0	25 0	23 7
36-in. Shirtings, 75 yds., 19 by 19, 32's and 40's.....	20 9	20 9	20 6	20 3	28 6	26 4
38-in. ditto 38 yds., 18 by 18, 10 lb.....	11 7	11 7	11 6	11 4	15 6	14 4
39-in. ditto, 37 1/2 yds., 16 by 15, 8 1/2 lb.....	10 6	10 6	10 4	10 3	14 0	13 0

THE WOOL TRADE.

Our Bradford correspondent writes:—The last series of London sales for this year terminated last Saturday, and altogether a very creditable time has been seen, notwithstanding that a distinct decline in both merinos and crossbreds has to be recorded compared with the close of the previous series. Merinos were absorbed very keenly, and Germany's support of crossbreds was most creditable. Generally speaking, merinos declined about 10 per cent., except the finest quality clothing, which was at par. Greasy crossbreds declined 10 to 12 1/2 per cent., and shipes a good 5 per cent. South African wools moved mostly in line with Australian merinos. Prices generally harmonised with those current in overseas markets. More wool has been catalogued in London this year, this being no doubt due to the low prices prevailing overseas. Considering the big supplies which confront the trade, it is creditable to see what a big weight has been distributed, and we are looking forward to a better market during 1931. The following shows the distribution of the wool sold at each sale in London this year, and the total takings of each section during previous years:—

	Home Trade.	Continent.	America.	Total.
	Bales.	Bales.	Bales.	Bales.
1930.				
First series.....	51,000	42,000	1,000	94,000
Second series...	58,000	63,000	3,000	124,000
Third series...	41,000	69,000	2,000	112,000
Fourth series...	31,000	50,500	1,000	82,500
Fifth series...	56,500	70,500	1,000	128,000
Sixth series...	51,500	59,000	...	110,500
Totals.....	289,000	354,000	8,000	651,000
1929.....	231,800	305,500	12,000	549,300
1928.....	209,000	320,000	11,500	540,500
1927.....	292,700	348,100	15,500	656,300
1926.....	313,800	383,700	14,500	712,000
1925.....	249,500	335,500	17,000	602,000
1924.....	370,000	301,500	9,000	680,500
1923.....	577,000	488,000	36,500	1,101,500

There is no change in consuming centres. Consumption is well maintained, but new business is now largely suspended until the New Year. In the meantime, tops are barely firm, and every quality can be bought most reasonably.

HIDE, LEATHER AND ALLIED TRADES.

Market hides were again weaker at the auctions held at Manchester on Tuesday, when most weights in ox and heifer were 1/4d. per lb. cheaper than the previous week. Imported hides are still a difficult sale with most tanners, the limited amount of interest being mainly

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centred on wet-salted South Americans, and sales have been made which have given to these goods a rather firmer tone. For instance, 6 1/4d. has this week been paid for Argentine ox, while light ox have changed hands at 5 1/4d. The position of dry River Plates is not very satisfactory; business for the most part is of a retail character, and although B.A. Americans have changed hands at from 6 1/4d. to 7d., sales are not sufficiently large to give a true indication of the market. Small exchanges have been made of African hides, the latest prices realised for Capes being 6 1/4d. and 5 1/4d. for first and second dry-salted, 20/30 lbs., and 7 1/4d. and 6 1/4d. for the same selection of dries. Australian hides are weak, with only a limited business being done. Producers and distributors of sole leather have this week felt the effects of the approaching holiday which, together with the fact that most of those engaged in the consuming industries are thinking about stocktaking, has resulted in a considerably reduced turnover. The position, however, is no worse than was to be expected, and, generally speaking, hopes for the New Year are not too black. Shoe manufacturers for the most part are engaged on clearing up the work in hand.

OVERSEAS PRODUCE.

SUGAR.—There was no new feature to comment upon. Prices were advanced 3d. per cwt. for both British refined and home-grown granulated, with business proceeding on quiet lines. Raw refining kinds still sparingly offered, with quotations from first-hands more or less nominal. Terminal sections, apart from slight irregularity at times, ruled steady and quite a fair amount of business arranged. Of raw, February delivery sold 5s. 11 1/4d.; March, 6s. 0 1/4d. to 6s. 2 1/4d.; May, 6s. 3 1/4d. to 6s. 5d. and 6s. 4 1/4d.; August, 6s. 6 1/4d., 6s. 8d. and 6s. 7 1/4d.; December, 6s. 10 1/4d. to 6s. 11 1/4d. Cuban receipts last week cabled 37,703 tons, against 28,377 last year; exports, 49,439, against 54,539; and stocks, 724,246, against 215,331. Messrs. Willett estimate stock on plantations and in transit at 829,000 tons, against 269,231 same time last year. Stocks of raw sugar in the three chief ports of the United Kingdom for week ending December 13th totalled 175,830 tons, compared with 172,758 last year.

COFFEE.—Chief feature during the week proved strength of demand for all good to fine qualities in the cup. Full rates were realised; in fact, valuations were exceeded in many cases. Medium and common remain generally quiet, with slight irregularity.

COCOA.—Only small sales on the spot, but rates remained steady. Good to fine bold red Ceylon sold 72s. to 75s. Forward positions steadier though quiet. Accra G.F., January-March, to Continent, sold 28s. 3d. c.i.f. Terminal, March, sold 29s. 6d.; September, 30s.

TEA.—Indian auctions during the week totalled 49,728 packages, which received good support at steady prices except for some plain medium teas. Leaf teas, unless of attractive quality, met a quiet market, as export demand fails to revive. Ceylon sales of 23,371 packages experienced a good demand and in the main quite a firm market resulted. Some light liquoring teas disclosed irregularity, not to say slight weakness.

RICE.—Business moves very slowly, but sellers required previous rates for most descriptions.

BEANS AND PEAS.—Market in beans still very slow and quotations somewhat nominal. Peas quiet of sale on about former terms. Japanese, afloat, Liverpool, sold 13s. 9d.; ditto, London, 13s. 6d., and December-January at 13s. 6d. c.i.f.

POTATOES.—Supplies of potatoes have been large, but the market continued quiet and prices are practically unaltered.

SPICE.—Pepper, after showing weakness regarding forward positions, assumed a steadier tone. Lampong, October-December, quoted 5 1/4d.; January-March, 5 1/4d.; Muntok, October-December, quoted 9 1/4d., and sales in January-March, 9 1/4d. to 9 1/4d. Cloves quiet. Zanzibar and Madagascar, spot, London, 1s. 1 1/4d. London stocks of black reduced 20 tons on the week, but white increased 25.

FRUIT (Dried).—Currants: Market steady but generally quiet. Pyrgos, 30s. 3d. to 30s. 6d. Sultanias firm and in demand. Greek, 52s. to 75s. Raisins steady. Valencia, quarter boxes, 36s. to 45s. Dates in good demand for Siam. Figs maintained. Evaporated Fruits: Californian plums were in fair demand and large sizes are dearer. Apricots, pears and peaches move off quietly on about former terms. Almonds firm.

CANNED GOODS.—Fruit: Trade remains quiet for Californian descriptions, but English and Australian sell with fair freedom at steady rates. Spot demand for Singapore pines marked no improvement, but shipment offers were reservedly made at full rates. Fish: Sardines in limited request but prices steady, especially for fine quality. Salmon slow of sale. Lobsters dull and rates easy. Meat: Trade restricted for beef and tongues, general position being unaltered. Condensed Milk: Market remained steady. Honey: Trade generally quiet with ample supplies on offer. Jamaican white, 40s. to 45s.

COMMERCIAL TIMES—WEEKLY PRICES CURRENT.

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

LONDON, THURSDAY.			FRUIT (continued)—			WOOL—			HIDES—			
CEREALS AND MEAT.			Spanish Onions,			English Southdown, washed			Wet salted—Australian			
	s. d.	a. d.	Valencia :—			per lb.			per lb.			
GRAIN—			case, 4s.	6	0	6	9		0	4	0	
Wheat, No. 3, N. Man. 495 lb.	25	6	case, 5s.	6	0	8	0		0	3	0	
Eng. Gaz. av., per cwt.	6	2	Onions, Oporto	case	0	0	0		0	4	0	
Barley, Eng. Gaz. av.	8	3	Chestnuts, Huelsa	bags	11	0	14		0	4	0	
Oats	5	8	Grapes, Lisbon	boxes	0	0	0		0	6	0	
Maize, La Plata, landed, 480 lb.	18	6	Almeria	barrels	10	0	21		0	5	0	
Flour, Lon. stan. ex mill.	s. d.		LARD—						0	5	0	
280 lb.	24	6	Irish bladders	70	0	80	0		0	3	0	
Rice, No. 2 Burma, per cwt.	8	3	American, boxes 56 lbs.	0	0	0	0		0	8	0	
Sago, Pearl, per cwt.	19	0	SPICES—						0	5	0	
Tapioca, per cwt.	17	6	Pepper, per lb.	0	0	0	11		0	3	0	
E.I. flake, fair spot	17	6	Muntok, fair White	0	0	0	6		0	3	0	
Medium pearl	20	0	Black Lampoon	0	0	0	6		0	3	0	
Potatoes, good English,	5	0	Cinnamon—1st sort, per lb.	0	10	0	0		0	3	0	
per cwt.	5	0	Cloves—Zanzibar per lb.	0	0	1	2		0	3	0	
Beef, per 8 lbs.	5	0	Ginger—per cwt.	39	0	0	0		0	3	0	
English long sides	5	0	African	50	0	0	0		0	3	0	
Argentine chilled hinds	4	10	Jamaica, ord. to good	50	0	0	0		0	3	0	
Mutton, per 8 lbs.	4	10	Mace	1	6	2	4		0	3	0	
English wethers	6	4	Nutmegs 65's	1	4	0	0		0	3	0	
N.Z. frozen	3	6	SUGAR—						0	3	0	
Pork, English, per 8 lbs.	4	4	(Duty, 11s. 8d. per cwt.)	19	6	22	6		0	3	0	
			B.W.I., crystallised	19	6	22	6		0	3	0	
BACON—			Java, white, c. & f. India						0	3	0	
OTHER FOODS			Jan-Mar.	nom.					0	3	0	
Irish, per cwt.	75	0	REFINED—London—						0	3	0	
Danish	60	0	Yellow Crystals	18	10	0	0		0	3	0	
Canadian	nom.		Cubes	23	3	23	9		0	3	0	
Dutch	56	0	Crushed	21	9	22	3		0	3	0	
HAMS—Irish	0	0	Granulated	19	7	20	4		0	3	0	
Canadian	0	0	Home Grown (Dec.)	19	0	19	4		0	3	0	
American	88	0	TEA—						0	3	0	
BUTTER—			Indian & Ceylon—per lb.						0	3	0	
Irish creamery per cwt.	nom.		Pekoe	0	9	2	2		0	3	0	
Australian	100	0	Broken Pekoe	0	9	2	0		0	3	0	
New Zealand	112	0	Orange Pekoe	0	9	2	7		0	3	0	
Danish	142	0	Broken Orange	0	10	2	9		0	3	0	
CEASES			TOBACCO—						0	3	0	
Canadian	75	0	(Duty 8/10-11/24 per lb.)						0	3	0	
New Zealand	60	0	Empire growths, 6/94						0	3	0	
English Cheddars	56	0	per lb.						0	3	0	
Dutch	38	0	Virginia leaf—						0	3	0	
COCOA—			Common to fine	0	10	2	6		0	3	0	
(Duty, British grown,			Rhodesian leaf	0	6	1	3		0	3	0	
11s. 8d.; foreign, 14s. cwt.)			Nyasaland leaf	0	7	1	0		0	3	0	
Acara, f.f., per cwt.	26	0	strips	0	10	1	10		0	3	0	
Trinidad	46	0	East Indian leaf	0	4	0	6		0	3	0	
Grenada	38	0	strips	0	5	1	0		0	3	0	
COFFEE—			COTTON—						0	3	0	
(Duty, British grown,			Mid-American	per lb.	5	24			0	3	0	
11s. 8d.; foreign, 14s. cwt.)			Sakellaria, f.g.f.	7	75				0	3	0	
E.I. good to fine, per cwt.	100	0	Yarns, 32's twist	9	1				0	3	0	
Costa Rica, good to fine	105	0	60's twist	16	1				0	3	0	
Cent. Amer., mid to fine	80	0	FLAX—						0	3	0	
Kenya, bold sizes	70	0	Livonian ZK	per ton	35	0	0		0	3	0	
Colombian, mid to fine	80	0	Pernau HD	33	0	0	0		0	3	0	
EGGS—			Slanets Medium 1st sort	38	0	0	0		0	3	0	
English	per 120	17	HEMP—						0	3	0	
Danish	20	0	Italian P.O.	per ton	33	0	0		0	3	0	
FRUIT—			Manila, Dec-Feb. "J2"	23	0	0	0		0	3	0	
Oranges, South African bxs.	0	0	N.Z.	nom.					0	3	0	
Oranges—			Sisal, African, Dec-Jan	20	10	21	5		0	3	0	
Denia and Valencia			Mexican	20	10	21	10		0	3	0	
cases 300	13	0	JUTE—						0	3	0	
cases 360	9	6	Native 1st mks.	per ton	£	s. d.			0	3	0	
504	8	0	Dec-Jan.	0	0	0			0	3	0	
Lemons, Naples	boxes	0	Jan-Feb.	0	0	0			0	3	0	
Stilian	boxes	6	SILK—						0	3	0	
cases	8	0	Canthor	per lb.	8	0	10	6		0	3	0
Malaga	cases 420 No. 1	0	Tasah	5	0	8	0		0	3	0	
Apples: Amer.(var.) bria	16	0	Japan	10	0	13	0		0	3	0	
(var.) boxes	9	0	Italian—Raw, fr.	9	6	12	0		0	3	0	
Tasmanian	boxes	0							0	3	0	
Australian	0	0							0	3	0	

MEAT.—According to the Smithfield Market official report, supplies of meat during last week amounted to 9,822 tons, as compared with 9,920 tons in the corresponding week last year. Imported beef, principally Argentine, formed 82.4 per cent. of the supplies, as against 78.1 per cent. a year ago, and imported mutton, mainly New Zealand, formed 69.2 per cent. of the total supply, as against 70.3 per cent. last year. Beef prices have been firmer, while quotations for mutton showed an easier tendency.

RUBBER.—Business was on a moderate scale, and tone of market proved irregular. Sheet spot sold 4½d. to 4¾d.; January, 4½d. to 4¾d.; January-March, 4½d. to 4¾d.; and 4¾d.; April-June, 4½d. to 4¾d.; July, 4½d. to 4¾d.; July-September, 4½d. to 4¾d.; October-December, 4½d. to 4¾d. To New York, estate sheet, December-January sold 4½d.; January-February, 4½d.; February-March, 4½d. c.i.f. Estimated Straits shipments to all parts for first half of present month, 23,500 tons. London stocks on the week increased 616 tons, landings 1,971, deliveries 1,355, stocks 77,493, against 53,180 same time last year. Liverpool stocks 68 down, landings 780, deliveries 848, and stocks 40,281, against 18,263 last year.

HEMP.—A quiet market resulted regarding Manila parcels and trend of values favoured the buyer. J.2, January-March, quoted £23; K, sellers £22; L.1, £21 15s.; L.2 and M.1, £21 15s.; M.2, £21; H at £22 5s.; and G, £23 10s. Sales K grade, January-March, £22 c.i.f. African sisal, No. 1, f.a.q., December-February, sellers £20 10s. c.i.f. Receipts last week amounted to 19,000 bales, against 29,000 last year and 24,000 in 1928. Estimate for next week 24,000, and week after 23,000. Manila shipments last week, to the United Kingdom 6,000 bales, Continent 4,000, America 5,000, Japan 4,000, other countries 2,000, local consumption 1,000, making stocks 102,000 bales.

VEGETABLE OILS AND OILSEEDS.—Markets have again taken an easier turn. Lower Argentine options and the pressure of the new crop have caused weakness in linseed, Plate on spot at Hull having declined to £10 17s. 6d. For December clearance £10 has been paid, and a small trade has been done in January-February and February-March, at £9 2s. 6d. to £9 5s. Indian linseed is in some demand, and Calcutta to London December shipment is reported at £12 17s. 6d. and new crop April-May at £10 7s. 6d. The new Argentine crop is now on the move in substantial volume, and the unsold balance of the old crop is being gradually reduced. The quantity of linseed on passage to Europe is now 126,000 tons, against 38,100 tons a year ago. Cottonseed has had a sharp set-back, black Egyptian, December landing, having been done at £5 16s. 3d., and January-February at £5 15s. Substantial arrivals of linseed in this country in the past few days have relieved the stringency of supplies of oil, and prices have receded. Current value of raw oil on spot ex Hull mill is now £21 5s. per ton, December delivery £20 7s. 6d., and January-April, £20 5s. Cotton oil is neglected, lower crude Egyptian ex Hull quoting £21 10s., and common edible £25. Demand for oilcakes is not so good as recently, and prices ex mill are unchanged. With no appreciable improvement in the demand for copra, prices disclosed further weakness, though sellers were not unduly pressing. Straits S.D. December to Rotterdam sellers, £15 17s. 6d.; January, also February, £15 15s.; Dutch E.I., January, £15 15s.

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WEEKLY COMMERCIAL TIMES,

Bankers' Gazette and Railway Monitor

A POLITICAL, LITERARY, AND GENERAL NEWSPAPER.

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THE MONEY MARKET.

DURING last week discount rates gradually hardened, until the culminating point was reached on Friday, when the week's issue of Treasury bills was allotted at a fraction above 2½ per cent. This was the highest rate recorded since April 17th last. When the allotments came out, the market found that it had missed the bulk of the week's issue, which, presumably, had gone to a special quarter. Consequently, brokers had to fill their needs by subsequent purchases, and the demand for bills that thus sprung up drove the three months' market rate down to practically 2½ per cent. by Tuesday afternoon. Meanwhile, money has remained easy at rates running from 1½ to 1½ per cent.

NATIONAL PROVIDENT INSTITUTION

DISTRIBUTION OF PROFITS
DECEMBER 31st, 1930.

INTERIM BONUSES INCREASED.

48 Gracechurch Street, London, E.C.3.

While it is still uncertain how stringent money will be on December 31st, there is an impression abroad that the market may not escape so easily as on some previous occasions. In addition to the usual balance-sheet operations by the banks, there may be a heavy foreign exchange settlement to provide for, while it is now understood that the £5,000,000 of Australian bills maturing on December 31st will be renewed. The renewal of the Argentine bills, also amounting to £5,000,000, has already been arranged. As regards the Treasury bill position, issues this week exceeded maturities by £5,000,000, but next week maturities are in exactly the same excess of issues. The turn of the year, however, falls exactly in the middle of next week, and much depends upon which days next week the old bills mature and the new bills fall due for payment. In any case, it is clear that this year, December 31st will coincide with some large movements of funds, and, while the position will be partially eased by borrowings into next month, which have already been effected, it would not be surprising if money turned out to be more scarce than usual.

	Dec. 4, 1930.	Dec. 11, 1930.	Dec. 18, 1930.	Dec. 23, 1930.	Previous Rate and Date Changed.
Bank Rate	3%	3%	3%	3%	3% (May 1, '30)
Banks' Deposit Rate	1	1	1	1	1% (May 1, '30)
Discount { Call	1	1	1	1	1% (May 1, '30)
Houses { Notice	1½	1½	1½	1½	1½ (May 1, '30)
Market rate (3 months' bills)	2½	2½	2½	2½	...

The Christmas holidays have prevented the inclusion of this week's Bank return in the current issue of the *Economist*, and so it is as yet impossible to tell the full size of the pre-Christmas expansion in the note circulation. During the three weeks ended December 17th, the expansion amounted to £21.0 millions, as against £17.1 millions for the same four weeks of 1929. This year's increase in the amount of money required for Christmas trade is somewhat surprising, in view of the trade depression and the decline in commodity prices, which embraces to a limited extent retail business as well as the wholesale trades. As regards gold movements, the Bank's stocks have now fallen to almost exactly £150,000,000. In this connection, references have been made in the Press to the fact that this represents the Cunliffe Committee's famous minimum "limit," and suggestions mentioned that the Bank may now be considering it necessary to "take action." As has been many times pointed out in the *Economist*, the Bank authorities long ago ceased to attach any special significance to this particular figure, and there appears to be no reason why there should be any talk of a higher Bank rate.

We express this opinion despite the fact that gold is still going to France at what has now become the "normal" rate, and by all accounts will continue to do so at least until the end of January. Already the Cape gold due on December 30th and January 6th, and amounting in all to £1,407,000, has been bought forward for France, and all the Bank of England will get from the Cape during that fortnight is £250,000 in sovereigns on January 6th. This week, the Bank got £200,000 in sovereigns, which formed part of Tuesday's Cape gold, and if France is going to take gold indefinitely at the rate of £300,000 a day, or nearly £8,000,000 a month, it is obvious that a further appreciable reduction in the Bank's gold stocks must be anticipated. Even so, in view of the special circumstances explaining these movements, it appears that no immediate action on the part of the Bank is either necessary or would have any corrective effect.

NEW YORK.

Money has eased again after the passing phase of stringency in the middle of the month. At end of last week, "outside" call money was available at 1½ per cent., while early this week the official rate was 2 per cent. Shipments of gold from Canada to New York are continuing, the forthcoming movement of \$3,000,000 being announced late last week. Further bank suspen-

sions were announced on Monday, including the Bankers' Trust Company of Philadelphia, with deposits last June of \$35,000,000. These created a bad impression upon Wall Street, but none of the banks involved this time is of any great size or importance.

THE STOCK MARKETS.

Business in the stock market was of attenuated dimensions in a short "holiday" week. Among gilt-edged securities, long-dated stocks, with the exception of Funding Loan, generally held their ground and foreign bonds were firmer. International securities were lower on a fresh downward turn in New York prices. Domestic industrials, however, showed slight change on a small amount of business. The rubber and tea share markets were idle. Oils were lower on a resumption of Continental selling. The good impression produced by the last batch of Rand dividends failed to maintain "Kaffir" share values in the absence of support from the Cape and Paris. A somewhat spectacular recovery in the price of tin was not held, and produced no renewal of public interest in tin shares.

THE COMMODITY MARKETS.

The coal trade is busy working off orders which have to be completed before the end of the year, but there is little forward contracting. Trade in the iron and steel industries is restricted by the holidays and stocktaking, and new orders are scarce. The raw cotton market is still unsettled, and business in Manchester goods has been quiet. The wool trade has been characterised by an expanding demand for the raw material, coupled with a sharp decline in prices throughout the year. The jute trade is quiet. Although imports of building timber have been on a small scale lately, the market is depressed because of a decline in activity in the building trade. Hides and leathers continue weak. Wheat has declined further, and prices in the United States, which are supported by the Federal Farm Board, are now more than 50 per cent. above the world level.

THE FOREIGN EXCHANGES.

The foreign exchange market showed no great activity, and fluctuations were mostly within narrow limits. The New York rate was ¼ lower at 4.85½, but Paris was unchanged at 123.60. Brussels gained ¼ at 34.76½, and Milan was a point better at 92.75. Madrid again betrayed hesitation, and was weak at 45.60. Amsterdam moved against us at 12.05½, but Berlin weakened sharply to 20.37½. Switzerland moved strongly against us from 25.02½ to 25.000. Of the Scandinavian exchanges, Stockholm lost ½ at 18.10½, and Copenhagen ¼ at 18.16½. Oslo was unchanged at 18.15½. The South American currencies were all weak, Rio losing ½d. at 4½d., and Buenos Aires ¼d. at 36½d. Montevideo was unchanged on balance at 36½d. In the Far East, the rupee and yen were unchanged at 1s. 5½d. and 2s. 0½d. respectively. Batavia lost ½ at 12.06½. In the forward market dollars were in rather better demand at 3½ cent and 3½ cent premium. The discount on forward Paris widened by one centime to 6 centimes for one month, but was lower by the same margin for three months at 9 centimes. Brussels was less offered at 3½ and 5½ centimes discount, and Milan was rather better at discounts of 17 and 57 centesimi. Madrid improved to 3 and 9 centimos premium. Amsterdam went from ¼ and ½ cent premium to par for one month and ⅓ cent premium for three months. Berlin was quoted at rather lower discounts of 2½ and 8 pfennigs. Silver improved a little after opening at the lowest price on record, and closed at 14½d. for spot and 14½d. for forward, a gain of ½d. in each instance. Of the China exchanges, Hong Kong improved in sympathy by ½d. to 1s. 1½d., but Shanghai remained unmoved at 1s. 5½d.

MONTHLY TRADE SUPPLEMENT.

We publish this week our Monthly Supplement, in which will be found an appreciation of the trade situation at home and abroad, together with statistical information on the foreign trade price movements, currency, and production of the leading commercial countries of the world. Its contents include an index of electricity production, and a series of indices of British trade activity.

THE OTHER SIDE OF CHRISTMAS.

WE are at least nearing the close of one of the longest and weariest years through which this generation has been called upon to struggle since the war. Yet last week we urged our readers to celebrate Christmas with as much of their customary cheer and liberality as they could honestly afford. We urged this as sound economic policy, but economic arguments provide by no means the only, nor even the most important motive for refusing to allow the celebration of Christmas to be dimmed. For as Christmas is in its origins a religious anniversary, so the festivities which accompany it are symbolic; and the carols, which, as a form of folksong, express those aspects of the Christmas tradition that have made the widest and most lasting popular appeal, leave no doubt that the aspiration which this season has made peculiarly its own is one of "peace and goodwill to all mankind."

Peace and goodwill. The generations to which the events of 1914-18 are still a vivid and ghastly memory have been struggling hard to secure by political means some certainty of peace, and to that end much has also been done to promote that social intercourse between the individuals of different nations from which alone a reliable foundation of goodwill can be constructed. Politically and socially progress, though it has been lamentably slow, has at least been perceptible, and the activities of the League of Nations give evidence that the peace which we are ensuing is no longer the negative conception of absence of war, but a spirit of international co-operation which, though still so young as to require careful nursing if it is to survive, yet holds great promise for the future.

In our Christmas stocktaking, then, we may, if our standards are not too exacting, record some progress in the political and social departments. But when we come to examine the state of affairs on the economic side of that curious giant business called the world, it is far otherwise. Now, more than ever before, the economic activity of every national group is intricately bound up with that of most of the others, yet never have the nations been so busy diligently trying to cut the economic threads which bind them together.

This paradoxical situation has been made, by an American professor, the theme of a most timely book.* In a penetrating analysis of the development of industry during the last few decades, Professor Patterson shows that the leading industrial countries have been steadily expanding their productive capacity in the staple industries to an extent which has made it increasingly urgent to secure access to very large markets in order to keep down unit costs of production. This has brought them more and more keenly into competition with each other in external markets as well as at home, while the progressive industrialisation of newer countries, as for example the development of the cotton industry in Japan and India, has at the same time diminished the desire of certain markets for their goods. The situation is intensified by the great volume of foreign investment which has taken place in the past, the interest on which has sooner or later to be paid in goods.

Concurrently with this development of large-scale industries, dependent for their existence upon immense markets which are growing more difficult for each individual country to secure, there has been a steady increase in the economic inter-dependence of all countries. Professor Patterson illustrates this by separate analyses of the situation of Great Britain, France, Germany, the United States, Italy and Japan. Not only are the first four of these very dependent upon the rest of the world for food and raw materials (though the United States is not yet so dependent as the others, her dependence is steadily increasing and in 1929, 57.3 per cent. of her imports consisted of food and raw materials), but the rest of the world is also greatly dependent on them. The dependence of Japan and Italy, on the other hand, owing to the poverty of their national resources, is more one-sided, a

circumstance which leads Professor Patterson to hope that their influence may ultimately be on the side of peace.

Yet in spite of this close interweaving of the economic interests of different parts of the world, the world is resolved into separate groups which are, by all manner of "protective" devices, struggling to close their doors more tightly against each other. Part of this, we agree, is attributable to the very understandable desire for economic "stability" as the counter-part of political "security." It is not unnatural that groups should feel that if they close the home market they have something secure and definite upon which they can rely. Moreover, the growth of great corporations within a group tends still further to consolidate the life of that group in opposition to that of its neighbours.

This steady intensification of economic nationalism is a menace both to prosperity and to peace. The menace, indeed, is so great that those who recognise it are very naturally tempted, in their desire to lose no time in checking it, to attempt too much at once and so to defeat their purpose. Here Professor Patterson shows his wisdom. He contends that this paradoxical situation arises because "people behave like human beings." Everybody has a standard of life which he is determined at all costs to maintain, and if possible improve; of the almost ineradicable tendency of human beings to organise themselves into groups, the national group is one of the most persistent manifestations; and any programme for improving world economic conditions must allow for human nature. While Professor Patterson recognises that the only perfect solution is the organisation of a world community, his immediate suggestions therefore carry the more weight, because they do not require, as a condition precedent to their adoption, the conversion of the entire business world to the level of idealism at present only attained by a few individuals.

A minor step, which, if individual countries would bring themselves to it, would do something to ease the pressure, would be a more rapid transference of capital and labour out of those industries in which world capacity is redundant. It is, however, the proposed measures of international co-operation with which we are for the moment concerned, and here Professor Patterson follows the lines laid down in 1927 by the World Economic Conference, whose recommendations have so far made such lamentably small progress towards realisation. Commercial treaties, international cartels, financial consortiums for co-operation in foreign lending, the activities of the International Chamber of Commerce, and, finally, the work of the League of Nations, are the avenues through which we may hope to see the world gradually approach a more unified economic organisation. At the same time, an enormous international strain is imposed by the fact that payment of reparations and of war debts has to be made in imports which the creditor countries receive as reluctantly as the debtor countries part with them, so that here again is an imperative need for constructive co-operation.

It is, however, less in the remedies, with which the patient is theoretically familiar, though he rarely tries them, than in the convincing diagnosis of the disease and the telling presentation of the urgency of the need for treatment that the importance of this book lies. The danger is that in a time of acute economic stress, nations, like individuals, may be even less willing than usual to make efforts in any other cause than that of checking the emaciation of their own resources. Professor Patterson has made a useful contribution to the timely thesis that "peace and goodwill," translated into terms of international trade, are a 100 per cent. paying proposition. If the end be good, let us not be too exacting in the matter of motive. Let us hope, rather, that the very leanness of this Christmas will lead many of us, if only for the sake of our pockets, to place high on the list of our New Year resolutions the resolve to show a little more readiness to co-operate economically with our neighbours in other countries.

* "The World's Economic Dilemma." By Ernest Minor Patterson. McGraw-Hill Publishing Company, 6-8, Bouverie Street, E.C. 4.; 17s. 6d.

THE CRUX FOR THE CONFERENCE.

DURING the last ten days the atmosphere of the Round Table Conference has been one of pessimism and disappointment at the lack of progress that is being made; and many delegates, who had made arrangements to return to India comparatively early in January, have openly spoken of the possibilities of breakdown and failure. Those who have experience of international discussion at Geneva and elsewhere are not surprised or unduly alarmed at this phase, for it is the almost universal experience that when complicated negotiations pass from a statement of principles and generalities to "brass tacks," and when hard-headed discussion in committee is substituted for the oratory-fanned enthusiasm of open meetings, confidence tends to flag and determination to waver in the face of practical difficulties.

But though we are not despondent, we have no wish to minimise the difficulties with which the Conference is faced. The various committees have reached interesting and important decisions covering a wide variety of topics in regard to which the Statutory Commission's Report and the Government of India's comments thereon have amply prepared the ground. But no one can read the drafts prepared by these committees without recognising that they have one and all stopped short when brought up against one or other of the few key problems in the situation. At the time of writing, no settlement has been reached between the Hindus and the Moslems, and there are misgivings among some of the British Indian delegates that this division may be used by Great Britain as an excuse for letting things drift. But an inconclusive Conference would mean a steady worsening of the position in India, and it would be a profound mistake to imagine that we should be justified, either in the eyes of India or in the eyes of the world, in taking a negative attitude because of communal difficulties. There has never been the slightest hope that a Conference of this size could achieve any results without leadership and carefully thought out plans; and that leadership the British Government must supply. The members of the British delegation, many of whom were new to the Indian problem, have now had time not merely to understand something of the psychology and of the points of view of the many sections which compose the Indian nation, but also to inform themselves of the state of opinion in India to-day—opinion which, as Lord Reading noted in the early days of the Conference, is moving with very great rapidity.

What is now required, if the Conference is to fulfil its early promise, is that the British delegation should use the short Christmas recess to come to an agreement among its different sections and place the Prime Minister in a position to make a statement at the reassembling of the Conference as to the attitude of Great Britain. In our opinion that statement would command the confidence of the country if it took something like the following form:—

In view of the desire of all the parties concerned, including the Indian States, to form a federation of All-India, Great Britain is prepared to grant responsibility to the central organ of such a federation—provided that the preliminary conditions outlined in Sir George Schuster's section of the Viceroy's Report are fulfilled before financial responsibility is transferred; that agreement is reached regarding the scope and character of the powers which must be reserved for the Viceroy; that adequate arrangements are made in connection with those matters on which it is generally agreed by Indians that this country must require "safeguards"; and that the Hindus and Moslems reach some settlement of their differences or agree to accept the decision of the British Parliament thereon.

It is not certain that a statement even of this kind would lead to an immediate solution of the communal problem, but it would test the good faith of both sides. (If one of the functions of Britain in India in the future

is to be that of holding the scales, we should make it clear that we do so only at India's request.) Nor would such a statement make it possible to draw up a constitution in a few weeks—a new constitution of India will take many months, possibly years, to build—but it would make it possible to enable the delegates to return home with an agreed statement of principles which would be worked out by other conferences, and by various appropriate expert bodies. Indeed, it might well be advantageous that the provisions of the new constitution should come into effect piecemeal so as not to delay, for example, the changes in provincial governments until the whole final structure is complete.

We have said that we believe that such a statement would now command the assent of the majority of the country. Some will no doubt protest that seeing that a mere fraction of the country is literate, we must not give responsibility to a mixed oligarchy of landlords and black-coated "intellectuals." But from Magna Charta to the Reform Bill the political freedom of Great Britain was won by the few in a country where a mere fraction could read and write. Others may maintain that it is our duty to raise the status of Indian women in India and purge India of the evils involved in her rigid caste system before she can be entrusted with self-government. Those changes must be made by India and by India alone; they cannot be imposed by a handful of alien administrators. Finally, some may argue that British trading interests will be imperilled. Here, truly, safeguards must be required, but as in China, so in India, experience has proved that goodwill is a far better paying proposition than a privileged political position associated with hatred.

India, in her relations with Britain, is at the cross-roads, and in the affairs of nations as in those of individuals "there comes a moment to decide." A decision may involve risks. But as Sir Austen Chamberlain once said in a famous speech (recalled last week by the *Nation*), in which he regretted his vote against the South African Settlement: "If we could have seen further into the future, if I could have voted in that division with the knowledge I have to-day, I should have known that that great act of faith was not, as I thought it, the destruction of our policy, but its completion and fulfilment. . . . In the affairs of men there comes a moment when courage is safer than prudence, when some great act of faith, touching the hearts and stirring the emotions of men, achieves the miracle that no arts of statesmanship can compass." Sir Austen Chamberlain would do one more service to his country if he would persuade his party that what they should have done in 1906 in regard to South Africa, and failed time and again in the last forty years to do for Ireland, they should do to-day for India.

THE TRADE DISPUTES BILL.

THE text of the Trade Disputes and Trade Unions [Amendment] Bill—to give it its full title—was made public on the day on which Parliament rose. Its second reading is to be taken on January 22nd, so that a month is available for the study of the legislation proposed. And this is all to the good. For the issues are complex and must be viewed against their political and economic background. From the political standpoint, the Government is pledged to amend the Act of 1927. The official Opposition, which placed that Act on the Statute Book, is equally concerned to keep it there. Much will depend, therefore, upon the attitude of the Liberal Party. The House of Lords, too, may well feel impelled to take a hand. If the Bill survives its second reading—and much here will turn upon the temper of its presentation—considerable modification of its text is likely, as well as desirable, before the Royal Assent is attained.

The economic background is no more propitious. With prices rapidly falling and unemployment unprecedented, the level of money-wages, for many workers, can hardly remain where it is. But wage reductions, however inevitable, will be strenuously resisted, and serious disputes

are by no means unlikely in some of our major industries. Under these circumstances, the amendment of the Trade Disputes Act, 1927, becomes more than an academic issue. We propose, therefore, to examine briefly the chief changes which the new Bill enacts.

(1) The illegality of certain strikes and lock-outs.

The problem of preventing, by legislation, a repetition of the General Strike of 1926 is very nearly insoluble. Section 1 of the Act of 1927, which seeks to accomplish that object, is not wholly satisfactory. In effect, it declares to be illegal such strikes and lock-outs as—

(1) have any object "other than or in addition to the furtherance of a trade dispute within the trade or industry" in which those concerned are engaged; and

(2) are "designed or calculated to coerce the Government either directly or by inflicting hardship upon the community."

Now this proscription (apart from difficulties of definition) is perhaps somewhat too wide. The section could be so construed as to penalise almost any "sympathetic" strike whatsoever. And nearly all strikes "inflict hardship upon the community." So that a sympathetic strike in one industry, of which the aim is to influence public opinion in regard to the affairs of another, though possibly very closely associated, industry, may be held to be illegal in the Courts. The unions, in short, under the Act of 1927, are in a distinctly worse position than in 1906, when the first Trade Disputes Act was passed.

Is this desirable? In attempting to answer the question we must not confuse two issues. Nobody wants to see a repetition of the events of 1926, and to restore within limits the "right to strike" in matters which do not immediately affect the wages and conditions of the striker does not involve approval of the attempt in that year to compel the Government of the nation to a particular course of action by attacking vital services. But is there a method of proscribing general strikes, where acts unlawful in themselves are not involved, while permitting sympathetic strikes within a narrow range of industries or occupations economically connected with one another? In other words, where are we to draw the line?

The new Bill does not, indeed, go so far as to repeal the section. Not even a Labour Government is anxious to be stigmatised as having "made legal the general strike." It is proposed, however, to substitute a section so vague as to be practically meaningless. Under this section, a strike or lock-out is illegal

"of which the primary object is an object other than that of furthering purposes connected with the employment or non-employment, or with the terms of the employment, or with the conditions of labour, of any person (whether or not employed in the trade or industry in which the strike or lock-out takes place)."

The course of events in 1926 would, pretty clearly, have been unaffected had these words been on the Statute Book. It is hard to conceive of any strike of which the purposes could not be so formulated as to render those promoting it immune.

How, then, are general strikes to be obviated? We are back again at our starting point, after nearly five years of controversy. In our view, Section 1 of the 1927 Act does not face realities. The clause that is now proposed to replace it is its *reductio ad absurdum*. The right line of approach is quite different. In the first place, the State should revise its attitude towards the unions. Their constructive possibilities should be turned to account, as they could be if the wastefulness of strikes were more generally realised. In the meantime, essential public services—services wherein a stoppage of work can paralyze the community—should be scheduled for special treatment. The best plan would be to insist, in such services, upon long-term contracts of employment (with security of tenure as its corollary) and to make the breaking of contracts a criminal offence, as it long has been in the gas and water industries.* It is along these

* Under the provisions of Section 4 of the Conspiracy and Protection of Property Act, 1875. These provisions were extended to the electrical supply industry by the Electricity [Supply] Act of 1919.

lines, in our view, that the problem must eventually be tackled.

(2) The prevention of intimidation.

The difficulties of "peaceful picketing" have exercised the ingenuity of Parliament for over a hundred years. The Act of 1927, in endeavouring to define certain recognised abuses so as to bring them within the scope of the law—or rather, to deprive them of the protection afforded by the Trade Disputes Act 1906—went a little farther than is reasonable. "Intimidation" was defined in such sweeping terms as to render liable to a criminal construction almost any "picketing" activity whatever. The present Bill, while leaving unaffected the sub-section which penalises intimidation, has narrowed the scope of the definition:—

"In this section the expression 'to intimidate' means to cause to any person a reasonable apprehension of personal injury to him or to any member of his family or to any of his dependants or of violence or damage to his or their property."

This errs on the other side. It is too narrow. Doubtless numerous modifications of this formula will be suggested when the Bill is in Committee.

(3) The Political Levy.

The arguments for "contracting-out" (which it is now proposed to restore), as opposed to "contracting-in," are very nicely balanced. Before the Osborne case, in 1910, it was never suggested that a trade union has not the same rights as any other corporate body in regard to the disposal of its funds. Thereafter the "political fund," with the right of "contracting-out," was established by the Trade Union Act, 1913. The alternative of "contracting-in" (i.e. of a system of voluntary contributions) was put forward in 1927 as safeguarding more effectively the rights of minorities. We do not regard the matter as of first-rate importance, always provided that there are adequate safeguards against improper pressure or intimidation.

(4) The status of Civil Servants.

(5) Rights of local authorities.

The 1927 Act lays down (i) that Civil Servants shall not be members of trade unions, save in so far as these are confined to the Civil Service, and (ii) that local authorities shall neither compel their employees to belong to trade unions, nor debar them from membership of them. Both these provisions it is now proposed to repeal. To us, they seem, *prima facie*, to be based upon sound principles of policy; and it is difficult to see what case can be made out for reversing the decisions of 1927. Here, again, a different avenue of approach is needed. Surely, public service ranks as an "essential service," and should be treated in the same way which we have suggested for other essential services.

The upshot of the matter, in our view, is this. It is possible to make out a sound case for modifying some of the main provisions of the 1927 Act, and no Labour Government could resist the united demand of the trade unions that modification should be attempted. On the other hand, the Government will be making a profound mistake if they attempt to travel beyond public opinion or if they give the slightest grounds for the suspicion that their aim is to facilitate industrial strife.

THE YEAR'S NEW CAPITAL.

THE record of London's new capital market in 1930 reflects very clearly certain economic characteristics of the year, namely: bad trade, Stock Exchange inactivity, lack of public confidence, and cheap money. The net result of these influences is that there has been, as compared with 1929, a big decline in offerings of speculative shares, and, indeed, of "equities" of any class, and that this drop has not been fully counterbalanced by the increase in fixed-interest bond issues caused by the lowering of money rates. Our total of new money raised by public offer in the London market is, therefore, lower than last

year. The totals for 1913 and the past four years, domestic and overseas, are as follows:—

	NEW ISSUES IN LONDON.				
	1913.	1927.	1928.	1929.	1930.
	(£ million.)				
Total	196.5	355.2	369.1	285.2	267.8
Domestic	36.0	206.9	263.6	198.0	170.6
Colonial	76.1	99.8	63.2	61.0	61.5
Foreign	84.4	48.5	42.3	26.2	35.6

More than the whole of the decline is accounted for by the domestic class, for Colonial borrowings remained steady, while the foreign figure recovered slightly after last year's sharp fall. Moreover, the whole of the drop in the domestic figure is due to a lessened demand for non-Governmental purposes, as will be seen from the next table, in which the destination figures are further analysed:—

	DESTINATION OF NEW CAPITAL.					
	Whole Years.					
	1913.	1926.	1927.	1928.	1929.	1930.
	£	£	£	£	£	£
United Kingdom—						
Government	Nil	4,666,800	66,083,800	83,861,000	65,400,000	65,640,000
Other	35,951,200	124,508,900	140,799,800	179,722,100	132,626,500	105,006,100
British Possessions—						
Government	26,278,700	31,866,000	55,697,200	40,223,000	26,366,100	49,081,300
Other	49,858,500	21,308,300	44,115,200	22,895,400	34,610,900	12,366,900
Foreign countries—						
Government	76,137,200	53,174,300	99,812,400	63,158,400	60,977,000	61,448,200
Other	26,158,200	23,818,000	11,822,500	15,938,900	3,650,000	21,330,000
Grand total ...	196,537,000	230,782,600	355,166,000	369,058,100	285,239,400	267,800,700

The amount of capital raised for employment at home, apart from Government issues, fell from £179.7 millions in 1928 to £136.6 millions in 1929 and £105 millions in 1930. Similarly, issues for non-Governmental purposes in the Empire and in foreign countries fell away sharply; but both foreign and Empire Governments took greater advantage of the better terms available in the market. The British Government total of £65,640,000, very nearly the same as for 1929, is made up as follows: New money from 4½ per cent. Conversion Loan issued in February, £37,060,000, and from 4 per cent. Treasury Bonds issued in October, £19,000,000. The Ulster Loan, issued in July, amounted to £1,980,000. The balance of £7,600,000 represents net sales of National Savings Certificates. The next table classifies borrowers in seven main categories, and brings out even more clearly the paucity of issues of shares:—

	CLASSES OF BORROWERS.						
	(£ million.)						
	Total.	British Government.	Foreign and Colonial Govts.	British Colonial and Foreign Corpns.	Foreign Railways.	Mines, Finance, and Exploration.	Rubber and Oil.
Total whole year, 1923	271.4	77.7	95.8	4.8	5.4	15.5	7.7
Total whole year, 1924	209.3	13.7	90.6	18.8	1.0	12.7	2.3
Total whole year, 1925	232.2	45.6	30.7	25.3	3.8	18.0	19.1
Total whole year, 1926	230.7	4.7	59.6	49.2	8.2	26.9	6.2
Total whole year, 1927	355.1	66.0	67.5	37.9	5.4	33.2	11.0
Total whole year, 1928	369.0	83.8	56.1	26.4	3.1	49.7	8.7
Total whole year, 1929	285.2	65.4	30.0	12.1	7.8	41.5	6.4
Total whole year, 1930	267.8	65.6	70.3	44.7	7.6	11.5	9.3
1928—1st quarter ...	169.0	85.7	22.7	3.0	1.0	16.7	2.2
2nd " ...	75.7	Dr 0.5	14.4	10.0	Nil	11.0	0.6
3rd " ...	18.7	Dr 0.9	11.4	4.0	Nil	6.5	0.3
4th " ...	78.4	Dr 0.5	7.6	9.4	2.1	15.5	5.6
Total whole year, 1928	369.0	83.8	56.1	26.4	3.1	49.7	8.7
1929—1st quarter ...	96.9	1.9	27.2	0.3	3.8	21.2	4.9
2nd " ...	77.4	Dr 0.3	Nil	11.4	Nil	12.9	0.1
3rd " ...	18.7	Dr 1.4	2.8	0.4	Nil	2.4	1.1
4th " ...	92.2	65.2	Nil	Nil	4.0	5.0	0.3
Total whole year, 1929	285.2	65.4	30.0	12.1	7.8	41.5	6.4
1930—1st quarter ...	87.7	38.4	14.6	15.9	2.7	1.0	6.7
2nd " ...	81.9	1.6	30.9	18.8	Nil	6.3	2.0
3rd " ...	22.9	3.8	3.0	Nil	0.8	3.0	0.5
4th " ...	75.3	21.8	21.8	10.0	4.1	1.2	0.1
Total whole year 1930	267.8	65.6	70.3	44.7	7.6	11.5	9.3

Foreign and Colonial Government issues, and all corporation issues between them took nearly £78 millions more than in 1929, while the most striking figure in the table is the last—£58.8 millions for a miscellaneous category, chiefly home industry, which is substantially less than a half of the 1929 figure, which, in turn, was lower than that for 1928.

The next table, which analyses under 29 different categories the purposes for which new issues were floated in 1929 and 1930, brings out still more clearly the paucity of new financing carried on in a large number of industrial, commercial and speculative classifications:—

Description.	Whole Year, 1929.	Year, 1930.		
		Three Quarters to Sept. 30.	Fourth Quarter.	Total, Whole Year, 1930.
British Government loans.....	£ 65,400,000	£ 43,790,000	£ 21,850,000	£ 65,640,000
Dominion and Colonial Government loans	26,366,100	27,294,800	Nil	49,081,300
Foreign Government loans	3,650,000	21,330,000	21,786,500	21,330,000
British Corporations, County and Public Board Loans	8,316,000	32,971,300	8,686,300	41,657,600
Colonial Corporations and Public Board Loans	3,859,900	1,739,000	1,262,500	3,001,500
Foreign Corporations	472,500	Nil	Nil	Nil
British railways	1,920,000	9,140,000	6,979,500	16,119,500
Colonial railways	10,200,000	2,875,600	2,875,600	2,875,600
Foreign railways	7,835,000	3,510,000	4,105,000	7,615,000
Australasian mines	12,000	257,800	Nil	257,800
South African mines	11,811,600	493,500	Nil	493,500
Other mines	11,971,700	4,467,500	130,000	4,597,500
Exploration, financial and investment trusts	27,872,500	5,228,000	1,088,000	6,316,000
Breweries and distilleries	4,346,500	1,993,700	84,800	2,078,500
Merchants, importers, &c.	425,300	Nil	Nil	Nil
Stores and trading	3,839,700	3,220,300	Nil	3,220,300
Estate and land	3,979,200	397,100	48,300	445,400
Rubber	2,075,100	1,092,800	67,200	1,160,000
Iron, steel, coal, and engineering	4,320,800	8,050,000	Nil	8,050,000
Electric light, power, and telegraph	4,485,800	1,185,100	100,000	1,285,000
Tramways and omnibus	15,028,400	3,099,600	628,800	3,728,400
Motor traction and manufacturing	276,700	Nil	Nil	Nil
Gas and water	380,700	381,600	300,000	681,600
Hotels, theatres, and entertainments	1,476,100	1,105,800	2,287,500	3,393,300
Patents and proprietary articles	4,011,000	Nil	20,000	20,000
Docks, harbours, and shipping	7,107,400	367,500	Nil	367,500
Banks and insurance	544,500	Nil	Nil	Nil
Manufacturing and miscellaneous	6,273,100	3,023,600	Nil	3,023,600
	56,981,800	15,574,600	5,787,100	21,361,700
	285,239,400	192,589,200	75,211,500	267,800,700

The main tendency of which we have spoken is illustrated not merely by the very big drop in the last item in the above table, but by no less striking declines under such headings as "trusts" and "patents." In 1928 "trusts" absorbed £42.5 millions, "patents" £8.6 millions, and "hotels, theatres and entertainments" £14.7 millions. In 1930 less than £7 millions was claimed by these three purposes—as clear an indication as could be wanted of the stagnation of enterprise. The increase in the figure for "oil" is due to a Shell issue of 5 million £1 shares at 25s. last February.

The following table shows some of the most important issues during the year:—

Date of Issue.	Name and Description.	Nominal Amount.	Issue Price.	Price, Dec. 22, 1930.
1930.				
January ...	Central Elec. Bd. 5% Stk., 1950-70	7,000,000	97½	103
January ...	Central Argentine Railway 5% Deb. Stk., 1967-87	3,000,000	89½	85
February ...	4½% Conversion Loan, 1940-44	192,800,000	95	101½
February ...	Govt. of India 6% Bonds, 1932-33	6,000,000	99	101½
February ...	Nigeria Govt. 5% Ins. Stk., 1950-60	2,550,000	99	105
February ...	Metropolitan Ry. 3½% "A" Deb.	2,000,000	65½	73½
March ...	Shell Transport 7% 2nd Pref. £1	5,250,000	25½	25½
April ...	Union of S. Africa 5% Stk., 1945-75	5,500,000	99	102
April ...	New Zealand Govt. 5%, 1949	5,000,000	98½	102
April ...	State of San Paulo 7% Bds., 1940	8,000,000	96	101½
May ...	Southern Ry. 5% Guar. Pref., 1957	3,000,000	98½	101½
May ...	Indian Govt. 6% Bds., 1933-35	7,000,000	99	102½
May ...	Japanese Govt. 5½% Loan, 1935-65	12,500,000	90	94½
May ...	Agricultural Mortgage 5% Deb. Stk.	3,500,000	Par	103
May ...	London County Council 4½% Stk., 1945-85	3,000,000	95	101
June ...	German Govt. 5½% International Bds., 1975	12,000,000	90	69½
July ...	Austrian Govt. International Loan, 1930, 7% ster. bonds, 1957	3,000,000	95	92½
July ...	London Elec. Ry., 5% Deb., 1985-95	5,000,000	97½	4-4½ pm
July ...	Newcastle-upon-Tyne Electric, 5% Deb. Stk.	2,300,000	96	105½
Sept. ...	South Metropolitan Gas, 5% Deb. Stk., 1950-60	1,000,000	97½	103½
October ...	General Electric, 5% Deb. Stk.	3,500,000	98	21-1 pm
October ...	Govt. of India 6% Bds., 1935-37	12,000,000	Par	2½-2½ pm
November ...	Union of S. Africa, 4½%, 1945-75	5,000,000	95½	10-1½ pm
December ...	Kenya Govt. 5% Stk., 1961-71	3,400,000	98½	10-1½ pm
November ...	Central Elec. Bd. 4½% Stk., 1951-73	6,000,000	95½	Par-1 pm
October ...	Gas Light and Coke Co. 4½% Deb., 1960-65	2,500,000	91	2-1 pm

For conversion purposes.

Includes £55,740,000 for Conversions.

£ All for Conversion Purposes.

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WORLD-WIDE LETTERS OF CREDIT AND DRAFTS ISSUED.

The cheapness of money and the general strength of good class fixed-interest securities on the Stock Exchange are responsible for the fact that most of these new loans stand at a substantial premium over issue price. There are, however, one or two notable exceptions, the German Reparations Loan and the San Paulo issue having fallen sharply under the stress of peculiar adverse circumstances.

It should be appreciated that the new capital issues included in our quarterly surveys take no account of Stock Exchange "introductions," an aspect of the capital market which was discussed fully in the *Economist* of July 27, 1929 (page 175). In the following table we show the total amounts involved in these "introductions" during the past eight quarters. "Cash values" are calculated on the assumption that the whole of the nominal value of the stock "introduced" is taken up at the price at which dealings on the Stock Exchange open:—

TOTAL CASH INVOLVED IN ISSUES BY STOCK EXCHANGE INTRODUCTION.

	United Kingdom.	Colonies.	Abroad.	Total.
Year 1929—				
1st Quarter	15,191,600	393,700	3,094,400	18,679,700
2nd Quarter	9,465,500	1,284,400	2,166,400	12,916,300
3rd Quarter	3,574,700	217,100	5,778,300	9,570,100
4th Quarter	733,400	304,400	1,437,500	2,475,300
Total Year 1929	28,965,200	2,199,600	12,476,600	43,641,400
Year 1930—				
1st Quarter	3,982,300	1,477,000	8,399,900	13,859,200
2nd Quarter	839,600	Nil	2,685,100	3,524,700
3rd Quarter	67,200	100,000	601,500	768,700
4th Quarter	3,402,900	1,667,600	721,200	5,791,700
Total Year 1930	8,292,000	3,244,600	12,407,700	23,944,300

† Nominal amount of capital introduced, £31,519,934.

‡ Nominal amount of capital introduced, £22,158,480.

There has been a considerable diminution of the number of issues for public information only during 1930 as compared with the rush during 1929, but they have become more numerous in the past three months.

TRADERS AND ACCEPTANCE CREDITS.

(BY A CORRESPONDENT.)

THE Committee of Inquiry on Banking and Industry addressed some time ago a questionnaire to the London banks engaged in acceptance business, with the object of ascertaining the proportion in which acceptance credit facilities are used for the financing of British foreign trade, and the foreign trade of other countries. This move was presumably the result of recent criticisms directed against the banks on the ground that they favour foreign exporters at the expense of British exporters, in providing them with cheap acceptance credit facilities. In consequence of the decline of interest rates, the discrepancy between the market rate for prime bills and the rate charged on loans and advances has widened considerably; while the former was for some time this autumn under 2½ per cent., the latter is in most cases fixed at one per cent. or half of one per cent. above Bank rate, with a minimum of 5 per cent., or 4½ per cent. In normal conditions the commission charged by banks largely offsets the difference between bill rates and loan rates; but at present, thanks to the widening of the discrepancy and to the low rate of commission charged by some banks, there is a distinct advantage in financing exports with the aid of acceptance credits.

Although no statistical data are available as to the extent to which foreign exports are financed by London acceptance credits—and it is highly doubtful whether the questionnaire of the Committee on Banking and Industry will produce any reliable figures—it is generally known that the predominant part of bankers' acceptances in the London market is, in fact, financing the trade of foreign countries. Some experts put the ratio at 75 to 80 per cent. in favour of acceptances on foreign account. But it would be unfair to use this fact as a basis of criticism against our banking system. After all, if London wants to

remain an international banking centre, she has to finance the trade of foreign countries.

Some quarters are inclined to hold the view that our banks provide foreign exporters with facilities which are withheld from British exporters. This is, however, by no means the case. British business houses of good standing can also avail themselves of acceptance credit facilities for financing their foreign trade operations, on terms similar to those granted to their foreign rivals. They do not, however, avail themselves of these facilities to the extent that German firms, with the co-operation of German banks, do. And the reason for this is the prejudice that exists in this country against the use of bills. First-class British business firms do not like to have bills bearing their name brought in circulation, and prefer to pay the higher rate of interest charged on bank loans, as, in doing so, even the comparatively limited publicity of their credit transactions involved in operations in the bill market can be avoided. The use of acceptance credits for financing British exports would expand considerably if the interested parties themselves could overcome their prejudice.

The difference, however, between the cost of acceptance credits and bank loans is often rather exaggerated. Although the rate of commission charged on acceptance credits arranged under the guarantee of a first-class foreign bank is between ½ and 1 per cent. per annum, in addition to this, there is the commission charged by the foreign bank to its customer, which is between 1 and 2 per cent. in countries such as Germany or Italy, so that, on the basis of a bill rate of 2½ per cent., the total cost of the credit is at least 4½ per cent., but in most cases rather higher. As big British firms can often obtain from their banks a modification of the rule of the minimum rate on loans of 5 or 4½ per cent., the cost of their credit operations is approximately the same as those of foreign firms. In cases when the minimum of 5 per cent. is applied, the difference in favour of foreign firms varies between ½ and ¾ per cent. per annum. For export operations which are liquidated in three months, the difference is a negligible percentage which certainly does not play a decisive part in international competition.

In fact, it is not through the use of London acceptance credit facilities, but through their abuse that foreign business firms may secure certain advantages over their British rivals. There is no doubt about it that acceptance credits arranged under the guarantee of foreign banks are used to a great extent for drawing finance bills under the disguise of commercial bills. This practice enables German exporters to grant their customers credits for one or two years, and in many cases this is certainly a considerable factor in deciding whether a foreign order should be placed in this country or in Germany. It is thus a legitimate grievance of British firms that, while banks are reluctant to grant them credits for two years so as to enable them to offer terms similar to those of German exporters, the latter are in a position to obtain long credits in London at reduced rates.

The banks are not in a position to prevent this practice, as it is in most cases difficult to ascertain whether or not a bill represents a genuine export transaction. They consider it, moreover, their duty to take the word of a leading foreign bank that the acceptance credits granted are used for bona fide export bills only. Most of them are reluctant to be too strict about the matter, as otherwise they may lose their customers, but some banks have adopted measures to discourage bills which are obviously

not genuine; and at least one bank has adopted the policy of charging double commission on bills unaccompanied by documents. As, however, the volume of acceptance business has declined considerably owing to the fall of prices and the trade depression, most banks feel they cannot afford to divert business to their rivals by scrutinising too closely the origin and nature of bills. After all, as these bills bear the guarantee of a leading foreign bank, there is no doubt as to their security.

Fortunately, though the endeavours recently made to raise commissions on acceptance credits, and thus eliminate the real or imaginary grievances of British business interests, have failed, there is reason to believe that the situation is tending in other ways to change in favour of British firms. Owing to the decline in the volume of acceptance business and to the competition of joint stock banks and foreign banks, acceptance houses are far from being occupied up to the limit of their capacity. Some of them have been inclined to yield to the temptation of undertaking second-class business, but recent unfavourable experience has discouraged them from that course. The alternative is to take a greater interest in directly financing British trade. Thus, while joint stock banks have expanded their activity in foreign business since the war, their competition is driving acceptance houses towards playing a greater part in the financing of domestic commerce, including the interesting experiment of hire-purchase operations.

Notes of the Week.

"Qui s'excuse."—Parliament has dispersed for its Christmas holidays, with the Trade Disputes Bill giving every promise of "wigs on the green" when the House reassembles, for all that the Labour Party has endorsed Mr MacDonald's plan of proffering Cerberus the Alternative Vote as a not "too shame-making," if not "too speechlessly seducing" sop. Meanwhile, presumably lest it be thought that while our parliamentarians have gone home to cook their turkeys, inaction has cooked the Cabinet goose, the Government have issued yet another apologia* for their policy in connection with unemployment. This time the usual statement of "emergency works"—schemes have been approved under various programmes estimated to involve, over an unspecified period, £136 millions—is accompanied by a lengthy *exposé* of "long-range policy, designed to increase the efficiency of British industry, and to promote the prosperous development of British economic life." If we are to believe the Government, nothing is in any case greatly amiss. There is a world slump in which all countries are sufferers. Before the present depression, Britain had been handicapped by "special difficulties in world markets," by political troubles abroad, by substitution of oil for coal as fuel, by restoring the pound to parity with the dollar, by tariff barriers, and by heavy fixed charges on her industries. But comparison internationally of indices of production suggests that British industry has been hit less hard by the slump than that of our competitors; the Government have promoted the rationalisation of the coal industry and have begun consultations for the same purpose with the leaders of the cotton and iron and steel industries; Treasury bill policy a year ago helped to lower market discount rate; missions to study markets have been sent north, east and south; export credits have been continued, insurance facilities provided for the Cunard Line, and the process of stimulating agriculture begun. Meanwhile, slums are being attacked, education expanded, and training provided for the unemployed.

"To-day the view is steadily gaining ground that Great Britain, despite her special difficulties, is weathering the world depression better upon the whole than many of her principal rivals, and is likely to emerge from it in a stronger relative position than before."

* Cmd. 3746. H.M. Stationery Office, 4d.

In our Trade Supplement this week we emphasise the danger of drawing too confident conclusions from national indices of production; and with the numerous fallacies on which this ostrich-like complacency of the Government rests in relation to the pre-slump trend of British trade Mr Arthur Loveday has dealt recently* in these columns. The claim which the Government make that "the well-being of the population has been maintained" may be granted, though the price has been unparalleled unproductive expenditure; but to suggest that they have earned applause for what they have done to secure industrial reorganisation, or that progress in that direction entitles the nation to be reassured as to the future, is to "protest too much." Command papers were not devised for use as electioneering pamphlets.

"Peace on Earth"—A Stocktaking.—The message broadcast to the United States last Sunday by Mr Arthur Henderson came on the heels of the decision taken on the 17th by the Foreign Relations Committee of the Senate at Washington to postpone until December, 1931, its consideration of the protocols of the Permanent Court of International Justice. This decision appears to have been determined not by any consideration of "the Root agreement" on its merits but by the quite irrelevant exigencies of parliamentary time and party manoeuvres. Whatever the cause, the decision itself is regrettable from the international standpoint; for it seems certain that American public opinion is strongly in favour of adherence to the International Court on the terms which Mr Root negotiated; a majority in the Senate was probable; and there is no doubt that, if the United States had taken this step forward at this moment, the cause of peace would have received an impetus at a time when it badly needs one. It lay in President Hoover's power to provide the parliamentary time and opportunity by convening a special session of the Senate in March; but it is now evident that he does not intend to take this initiative. The truth is that the growing interest of the American people in international affairs cannot be expected to produce immediate results in practical politics. When it comes to the point, America feels too remote and too secure to bestir herself, while on the Continent of Europe there are powers whose sense of insecurity is so acute that they exert themselves to keep the international situation immobile. Hence the tension of which Mr Henderson spoke in the opening passages of his address. The British Secretary of State went on to remind his American listeners of the social progress which has been achieved this year: the negotiation of the Three-Power Naval Treaty, the settlement of the Reparations Question, the complete evacuation of the Rhineland, the new and striking turn for the better in China. But his tone inevitably became less confident when he passed to the work of the Preparatory Commission for the Disarmament Conference. And his opening observations on the critical nature of the present moment have been echoed and reinforced by Lord Cecil in a message that has been issued by the League of Nations Union. Referring to the Disarmament Conference, to which the work of the Preparatory Commission, now concluded, is to lead up, Lord Cecil warns us that, unless this Conference results in a treaty which will stop competitive limitation, and bring about the substantial reductions that are clearly intended by Article 8 of the Covenant and are anticipated by the defeated Powers in view of the promises made to them by the Allied Powers at Versailles, "the whole edifice of international peace will be shaken to its foundations." Lord Cecil appeals to public opinion to throw its weight into making the World Disarmament Conference a success. Let us hope that this appeal may find a response on both sides of the Atlantic.

* Economist, October 25, 1930.

The New Viceroy.—Many rumours, some of them mischievous and most of them ill-informed, have been dispelled by the announcement of Lord Willingdon's appointment as Viceroy and Governor-General of India, in succession to Lord Irwin. The Government's choice will be regarded as a wise and safe one both in this country and in India. A Liberal by political tradition, with a number of years' experience of the Parliamentary machine, Lord Willingdon carried with him in 1913 to the Governorship of Bombay high qualities of tact, sympathy and breadth of view combined with decisive resolution; and his period of office as Governor of Madras from 1919 to 1924 increased both his prestige and his popularity. There has been a tendency in some quarters to criticise the appointment as "unimaginative," on the ground that the new constitutional era in prospect for India might well have been signalled by choosing as Viceroy a younger man with no associations with either "pre-Reforms" or "dyarchic" India. We can find little point in these arguments, and we fail to see why, in the Empire's greatest and most responsible post, calling for a fine sense of history as well as sound judgment of men, lack of personal experience should be deemed a qualification. If, despite his sixty-four years, the new Viceroy is physically able to carry the burden of another term in India, at a time which will inevitably be one of great strain, he is well qualified to continue the work which Lord Irwin, who has deserved well of India and the whole Empire, is laying down.

M. Steeg in Office.—M. Steeg has not only succeeded in forming a Cabinet. He has encountered the Chamber and weathered his first parliamentary storm. When he met the Chamber on Thursday, December 18th, he was challenged on a question of confidence and held his own by a majority of seven (291 votes to 284). The fate of his Government depended on whether the Socialists would give him their support and on whether he would accept it from them. Before the sitting, no less than five minor members of his Cabinet had resigned—apparently because it was already becoming clear that, without the Socialist vote, the Government could not survive, and that M. Steeg did not intend to fall if the Socialists were ready to uphold him. But these resignations probably strengthened the Government, since the five portfolio-holders concerned belonged to parties of the Right which were not in sympathy with M. Steeg, and which would assuredly have put constant pressure upon their representatives in his Cabinet had these remained there. No doubt he made a good exchange in losing these five colleagues in the Cabinet and gaining the Socialist vote in the Chamber. After the stormy meeting on Thursday, the Chamber and the Senate settled down on Friday to a business sitting, in which the accumulated arrears of domestic legislation were disposed of. But some members had occasion to regret this good behaviour when, at the end of the sitting, decrees were read in both Houses declaring the parliamentary session closed. This step was entirely constitutional; and M. Steeg was no doubt prudent to avoid challenging a second vote of confidence immediately after he had secured his first by so narrow a majority. The situation remains unstable, because the policies of the Socialists and of the bourgeois groups in the Chamber are felt, on both sides, to be divided by a great gulf, so that it is scarcely thinkable that M. Steeg can rely upon perpetual Socialist support. Presumably he will use the respite which he has given himself till Parliament reassembles next month in bargaining, once again, with the parties immediately to the right of him in the hope of reconstructing his Government on some basis of "Republican conciliation," which, without the Socialist vote, will give him a working majority. The scene which his opponents made in the Chamber when the closure of the session was announced on Friday suggests that his prospect of placing his Government on this stronger foundation within the next few weeks may be reasonably good.

The Agricultural Marketing Bill.—The provisions of the Agricultural Marketing Bill are, in the main, innocuous enough. For the most part the Bill is merely permissive. It enables producers in a given area, which may be the whole or any part of Great Britain, to regulate, on their own initiative, the marketing of any kind of agricultural produce specified in the schedule to the Bill, in so far as it is produced within that area. Any scheme for such regulation must provide for the registration of any producer who makes application for the purpose and for the constitution of an administrative board representative of registered producers. The scheme must be submitted to the Minister of Agriculture, who, if he is satisfied that its promoters are substantially representative of the producers of the commodity affected within the specified area, may, after giving due notice of the scheme and considering any representations made in respect of it, make such modifications in the scheme, provided they do not have the effect of extending its area of application, as he thinks proper. Failing a resolution to the contrary by either House of Parliament, the scheme may be put into force by order of the Minister. The scheme must provide for the prevention, under penalty of a fine, of sales of the regulated commodity by producers who are neither registered nor exempt from registration. It must also provide for a fund to be collected from members and administered by the board to insure the equitable operation of the scheme and to assist producers with loans and guarantees. A consumers' committee is to be appointed by the Minister under each scheme, and a committee of investigation to examine reports by the consumers' committee or other complaints. The Minister, in consultation with the Board of Trade, may, if the committee of investigation report that any part of a scheme is contrary to the public interest, revoke or modify the scheme, or take other necessary steps to have the matter rectified. The Bill provides for the establishment of a fund of £650,000, out of which loans may be made to the boards. Thus, though the spirit of the Bill is permissive, it contains a certain compulsory element, but until this very experimental measure has been tried, it is impossible to say how large the element of compulsion is likely to loom. Meanwhile, though it is satisfactory to see anything, of however tentative a character, being done to promote co-operation in agricultural marketing, it is questionable whether this Bill, hedged about with so many committees, and so largely dependent on farmers' initiative, will afford much immediate or substantial relief for this most depressed branch of industry.

The Social Services.—An annual White Paper* which merits attention despite its usually belated appearance is that which gives a synopsis of expenditure (other than out of loans for capital purposes) incurred under various Acts of Parliament on account of what we term "social services." Expenditure includes all sums spent either out of local rates, Parliamentary votes and grants, or out of other receipts—e.g., unemployment and health contributions—accountable for by the State. Comparable figures for England, Wales and Scotland in 1921, 1924, and 1928-29 are shown below:—

"SOCIAL SERVICES" EXPENDITURE.

	(In Millions.)			
	1921.	1924.	1928.	1929.
	£	£	£	£
Unemployment insurance	10.8	48.0	42.8	53.8
Health insurance	29.9	30.9	37.6	39.9
War pensions	100.9	69.6	56.9	54.0
Other pensions	20.8	24.0	45.6†	58.7†
Education	88.8	86.6	94.4	97.0
Working-class housing	4.7	16.6	26.7	31.6
Poor relief	34.3	41.9	45.5	43.9
Miscellaneous‡	16.5	14.5	16.5	16.9
Total	306.7	332.1	366.0	395.8
Total, less War pensions	205.8	262.5	309.1	341.8

* No. 17 of 1930. H.M. Stationery Office, 4d.

† Includes widows', orphans' and old age contributory pensions under the Act of 1926.

‡ Including expenditure on hospitals, maternity and lunacy.

The enormous increase in these forms of expenditure since the War is measurable by comparison with the aggregate, £63.2 millions, expended in 1911. Between 1924 and 1929 the bulk of the increase reflects an expansion in "other" receipts (contributory pensions, + £23 millions; rents, + £10 millions; unemployment insurance contributions, + £6 millions), and the revenue derived for these purposes from rates and from the Exchequer compares as follows:—

	1924.	1929.
	£ Mn.	£ Mn.
Local Rates	78.8	90.9
Parliamentary votes and grants ...	175.3	176.8

Considering that in these five years the cost of War Pensions automatically declined by £15.6 millions per annum, these increases are substantial; and when it is borne in mind that a heavy fall in prices greatly increases the burden of rates and taxes, it must be recognised that the task of financing this "social services" expenditure is palpably becoming a serious problem—rendered increasingly acute by the enormous growth of payments on account of unemployment since 1929.

The Waterlow Case.—On Monday, after a 21 days' hearing of a case unique in banking history, Mr Justice Wright delivered judgment in favour of the Bank of Portugal against the famous printing firm of Waterlow & Sons, Ltd., and awarded damages of £531,851 with costs, as against the bank's claim of £1,100,281. The main facts were not in dispute. Messrs. Waterlow were the official bank note printers for the Bank of Portugal, for whom they had carried out previous orders. In December, 1924, a Dutchman, by name Marang, called at Waterlow's office presenting credentials (afterwards proved to be forged) and purporting to be empowered by the bank to place a secret order for the printing of a large quantity of £5 Vasco da Gama notes for use in Angola. Of these Marang obtained delivery of 580,000, and himself set up a bank in Portugal for the purpose of uttering them. Suspicions were aroused, the facts discovered, and the Marang bank closed down by the Portuguese authorities. The Bank of Portugal caused the Marang bank to be wound up, called in the whole of the existing Vasco da Gama note issue, and replaced the Marang notes with notes of their own to the value of over £1,000,000. Their case against Waterlows rested on two claims:—Firstly, that Waterlows had been negligent, and, secondly, that they (the Bank of Portugal) had suffered loss to the extent of the notes which they had issued in substitution. On the point of negligence, it is impossible to quarrel with the dictum of the Judge that "nothing should satisfy the printer of bank notes except the closest and most stringent scrutiny, and that he should demand quite exceptional proofs that what he was doing was done with the authority of the bank." Equally unanswerable is the Judge's conclusion that Waterlow's investigations did not reach that high standard of thoroughness; and, however deeply one may sympathise with an old-established firm of the highest repute and integrity for becoming the victims of a clever and unprecedented fraud, the evidence entirely supports the imputation of negligence. When the question of damage is approached, we reach far more debatable ground. It was argued for the bank that the damage suffered by it was equivalent to the whole issue made by it in replacement of the Marang notes. For the defendants it was claimed first that the bank was in no way obliged to make such substitution, and, secondly, that since the notes are not convertible into gold, the actual loss of the bank was limited to the trivial figure representing the cost of paper and printing. Mr Justice Wright preferred to accept the bank's contention, and his award represents the face value of the substituted notes less the amount recovered by the bank from its foreclosure on the bank set up by Marang. Substantially, we agree with the judgment on this point also. So long as the notes were in circulation, the actual damage to the bank was not great. The Portuguese public, it is true, suffered as the result of higher prices caused by inflation, but the bank only lost the profits of a note circulation which it had not issued, though it suffered in common with everyone else from exchange and general deprecia-

tion. But when it called in the issue and gave good notes in exchange, it certainly lost, for it would not hold the spurious notes as cover and (except to the extent that the liquidation of the Marang bank provided resources) had to provide cover—in accordance with the banking law—out of its own resources. The Judge dealt very conclusively with the arguments that the bank was not obliged to redeem the Marang notes, and was not entitled to do so at Messrs. Waterlow's expense. The case and its competent conduct afford a striking example of the possibility of achieving international justice in national courts.

Miss Orpen of Hackney.—There is a pleasant antiquarian flavour about a Bill entitled [21 Geo. 5] Sunday Observance Act (1780) Amendment; but the supporters of this private members' measure may readily be acquitted of the charge of framing a mere "museum piece" of legislation. Indeed, their commendable intention is to save us from being turned by 21 Geo. III. cap XLIX, and the painstaking researches of Miss Millie Orpen, into a laughing-stock for the delectation of the whole of Europe's humorous press. Whether the Bill which Mr Boyce and his backers have presented, and which enacts that no proceedings under the Act of 1780 may be commenced, or, if commenced, heard, without the consent of the Attorney-General, is the best way out of the difficulty, need not trouble us. The essential point is that Miss Orpen, by "informing" against the cinema proprietors licensed by the L.C.C. to give performances on Sunday, and thereby, so far as we can judge, legally necessitating the award of pains and penalties on an astronomical scale (reminiscent of the initial reparations figures) against not only the cinema but the newspapers which have accepted their Sunday advertisements, has forcibly brought the legislature up against the whole absurd, anachronistic corpus of law which surrounds "Sunday observance" in this country. We shall not, we hope, be accused of anti-Sabbatarianism if we suggest that no citizen, be he church-goer or not, is likely to be turned into a moral trespasser if he is accorded the opportunity legally to enjoy, on the one complete holiday in the week, a concert, theatre, cinema, tennis tournament, or whatever entertainment—not entailing oppressive hours of work for those employed in providing it—he desires to patronise. "Unto God the things that are God's." The churches of to-day, we imagine, are wise enough to know that Cæsar will not increase the offering to their cause by inhibiting the freedom of his subjects with laws which make no appeal to the social conscience of our times.

The Coupon Gift Scheme "War."—The hostilities which have arisen as a result of the unnatural prominence obtained by coupon gift schemes, writes a correspondent, reveal some fundamental aspects of the problem of distribution. "Gifts" are no novelty in the salesman's pack; it was the sudden inclusion in such schemes of popular branded articles that raised the present storm. In a period of depression the opportunity to participate in a gift scheme was irresistible to the manufacturer at his wits' end to maintain production, and he fell an easy prey to the cigarette producer, ever on the watch for a better-class "gift." But to many the consequent huge orders and the chance to have their products distributed amongst a virgin market have proved a trap. The retailers, finding that articles on the sale of which they depended for a substantial portion of their turnover, were being offered to the public in exchange for coupons obtained on the purchase of cigarettes and in some cases for cash, took collective action and condemned all coupon gift schemes and those participating in them. Some even started retaliations, one firm of stationers offering 6s. worth of cigarettes to each purchaser of a well-known fountain-pen, and announcing that after selling out they would not re-stock the line. A firm of jewellers offered 20 cigarettes (with choice of brand) for every 5s. worth of goods purchased, and the story is told of a man who bought a £100 engagement ring and claimed 8,000 cigarettes. The cigarette manufacturers retaliated by offering

ever more alluring gifts (manufacturers of the most high-class products falling to the bait of immediate and vast orders) and by lowering the number of coupons required to obtain each respective gift. Coupons attained a cash value; a well-known cinema accepted them as payment for seats; but perhaps the height was reached with the offer of a fifteen-guinea wireless set of well-known mark for "60 coupons down" and 15 further monthly instalments. To all intents there might be no end to such moves and counter-moves; meanwhile the public was smoking itself sick and revelling in the spectacle of many of their daily wants and fondest dreams being suddenly dangled before their eyes "free." However, with the turning of the retailer's fury from the comparatively guiltless cigarette manufacturer upon those who supplied the "gifts," things took an ugly turn. One after the other, realising the temporary nature of the gift scheme boom and their permanent and ultimate dependence on the retailer, manufacturers have hauled down their flag, and, in some cases, taken considerable newspaper space to propitiate the dealer and restore distribution to the more normal channels. A gramophone company, at present selling 500 gramophones a week through such schemes, has announced that it will not renew the contract. The retailers have secured a great victory, and it remains for them to dictate the peace; the wise ones will not be vindictive but will appreciate the view of one manufacturer, that participation in a gift scheme will have brought the product considerable popularity with the public and that it will be a better selling line now than ever before. As for the public, its eyes have been opened to the substantial margins reserved by both manufacturer and retailer for occasions of this kind.

Manufactured Imports Analysed.—In the long trench war of attrition between Free Traders and Protectionists much inconclusive fighting has taken place on the "no-man's land" provided by the Board of Trade's classification in the Trade Returns of manufactured imports. For 1929 the total imports of articles "wholly or mainly manufactured" were listed as £334 millions, and, while the Free Trader has habitually claimed that a large proportion of these so-called manufactured imports are really raw materials, the Protectionist has used the figure as proof of a great stream of foreign manufactures into this country, which, if tariffs were imposed, might be produced by our own workers. Hitherto, both sides have been fighting inconclusively, because neither possessed a full battery of real information. We welcome, therefore, the full and detailed analysis of the category "articles wholly or mainly manufactured," which has been made on behalf of the North Western Free Trade Union by a Lancashire statistician, Mr W. H. Slater. Starting from the above-mentioned figure of £334 millions, Mr Slater finds that £105 millions represent raw materials on which little labour has been expended, e.g., pig iron and petrol; that £46 millions refer to partly manufactured articles, e.g., flax yarn, copper sheets; that £44 millions are for goods subjected to import duties already. This reduces the total that can be described as untaxed real "manufactured imports" to £139 millions, and of this £53 millions are miscellaneous and unclassifiable under any main heading, and include a considerable proportion of goods on which further labour must be expended after import. There remain only £86 millions, which, according to Mr Slater's analysis, are indisputably finished manufactures coming into this country free of duty, and since of these we re-exported £24 millions, Mr Slater arrives at a figure of £62 millions as the true one for free imports of finished goods in 1929. Whatever holes may be picked by critics in some details of this analysis, it serves a very useful purpose in revealing in a clear and arresting manner the fact that the volume of foreign manufactures entering British ports free of duty is very much smaller than is popularly supposed, and on the other side of the picture is the equally important calculation that of the £574 millions British exports classed as "wholly or mainly manufactured" articles, not less than £423 millions qualify for description of "finished" goods.

New Cotton Spinning Machine.—Our Manchester correspondent writes: It is announced that two Preston men have patented a new cotton spinning machine, which, if generally adopted, will revolutionise that section of the cotton industry. This inclined mule spindle ring frame allows a more gentle treatment of the thread, resulting in practice in higher spindle speeds and lower twist for given counts. Both these mean greater production and lower costs, and the latter more desirable yarn. Higher counts will be spun from the same cotton. Up to the present fine yarns have always had to be spun on mule frames. In recent years new methods have been developed for the spinning of coarse and medium counts, but they have always had the limitation of being applicable to full twist yarns only. It is claimed that the new invention will succeed in producing not only coarse weft, but also the soft fine counts as well, and that it will produce yarn which is equal to, if not better than, that produced on the mule from the same sort of cotton. One of the first advantages of the proved success of this new inclined ring frame will be the production of a better yarn at a lower cost. For the spinner it is contended that there will be other advantages, such as a higher output per spindle, a lessening of the space required per spindle, a reduction of the wages cost on each pound of yarn and a saving per pound of yarn from the introduction of the high draft process for weft spinning purposes. It is also urged that so far as manufacturers are concerned, the waste loss will be reduced to a minimum, cops will have more length and, in consequence, will need less attention from the weaver, while cloth production will be less faulty, thus reducing the amount of warehouse supervision necessary. The invention has passed severe tests, involving a long period of production on a commercial scale, and the results suggest that it is an advance on the mule economically and is equal to it in other respects. Skill is virtually eliminated, and female labour only will be required. The patentees of the invention are Textile Underclearers, Ltd., of Preston, a company with a nominal capital of £7,000. A number of textile machinists have been licensed to manufacture the machine.

British Film Progress.—The advent of the "talkie" early in 1929 caused at first a marked setback in the competitive power of the British film producer in the domestic market. In 1928, with the assistance of the "quotas" imposed on exhibitors by the Cinematograph Films Act of 1927, the British proportion of the films registered with the Board of Trade, as required by that Act, for exhibition in this country, had risen to 13.5 per cent. The following table, giving the average weekly length, in feet, of films registered, shows subsequent developments:—

Period.	Silent.		Synchronised.		All Films.	
	Total feet.	British proportion of total per cent.	Total feet.	British proportion of total per cent.	Total feet.	British proportion of total per cent.
Weekly average:						
1928 (a).....	112,532	13.5	...	...	112,532	13.5
1929	72,065	15	61,482	7	133,547	11.5
1930 (b).....	50,146	16	97,664	15	147,810	15.4

(a) January 17th to December 25th.

(b) January to October.

It was only towards the end of last year that British producers began to adjust themselves to the new "talkie" fashion, and they found themselves unable to produce more than 7 per cent. of the total length of synchronised films registered during 1929. During the first ten months of 1930, however, British studios have been increasingly successful, and registrations of British synchronised films amounted to 15 per cent. of the total. This proportion is not one with which we should remain satisfied, but it represents a welcome advance; and there is no doubt that talking films offer British producers a great opportunity, if they use it rightly, of overhauling much of America's lead in the cinema industry. Changes in technique and in public taste, however, take place very rapidly in this industry; and it is to be hoped that the new colour processes and the introduction of the wide film will not find our producers unprepared.

American Investment Abroad.—Some interesting figures on the growth of American investments in other countries have lately been published by the Department of Commerce, writes our New York correspondent. The Department arrives at a total of \$7,477,735,000 (as at the end of 1929), covering 4,062 separate investments by American business men and corporations in American-controlled manufacturing and selling organisations, in the securities of foreign-controlled concerns, in purchasing agencies, oil lands, refining and distribution facilities, mining and smelting works, public utilities, plantations and miscellaneous properties. The figures do not include investments of private individuals in the stock of foreign corporations, bank holdings of foreign deposits, acceptances, loans and the like. The largest investment is in Canada, where approximately \$2,000,000,000 is involved. South America comes next with \$1,500,000,000, and Europe is third with \$1,350,000,000. The stake in Africa is the smallest, at \$102,000,000, but that has increased considerably since the beginning of the year. In Europe, Great Britain stands first as an outlet for American investment: Germany is second, and France third. In the last-named country, manufacturing investments account for the bulk of the money. In Italy, more than half the direct investment is in public utilities.

Overseas Correspondence.

UNITED STATES.

Banking Difficulties — Industrial Production — Money Market — Public Finance.

(FROM OUR CORRESPONDENT.)

NEW YORK, December 13.

LONG-STANDING rumours of financial difficulties among brokerage houses, investment firms and banks reached a climax this week with the failure of the Bank of United States, involving deposits of about \$200 millions, held by 400,000 depositors. Aside from the temporary embarrassment caused to the depositors, the failure was important only in that it lent colour to rumours of weakness elsewhere and depressed confidence. Operations of the bank were largely local and confined to the garment trades. Prompt action by the Federal Reserve Bank and the Clearing House Association banks isolated the trouble and staved off what might have been serious withdrawals of deposits from other institutions. One or two other banks which have recently figured in merger negotiations with the Bank of United States felt the effects of public nervousness, but they were amply assisted, and the trouble seems to be blowing over without great injury, though one or two more minor failures may take place.

Banking troubles here and in other parts of the country, particularly in the South and Middle West, are, of course, symptomatic of the disease caused by the inflation of recent years, but they also are the result of "over-banking." It would be easy to exaggerate the significance of these involvements from the standpoint of the general credit position. Fundamentally the country's banking system is sound, and while the volume of loans which may be regarded as "frozen" in securities is large, it is not alarmingly so; and loans of a commercial character have been well liquidated. Observers here make no attempt to deny that liquidation must proceed further before a solid foundation can be laid for recovery. It is now reluctantly admitted that the depression has gone beyond expectations, and there is increasing appreciation among business men and others of the world-wide nature of the trade slump.

So far as the basic industries are concerned, some further recession has taken place. Steel mill operations have fallen to about 38 per cent. of capacity. Steel ingot output in November was the lowest since 1924. Unfilled orders of the United States Steel Corporation

rose 157,000 tons during the past month, and at the moment the trade reports a rising trend in new business booked for the first quarter of next year. This is partly due to the firm stand which the mills have taken on prices, and the extent to which these orders will be translated into actual business remains to be seen. The operating rate will quite likely fall further before the end of the year, but hope is strong of a gradual improvement beginning early in 1931.

Revised figures of motor production for November place the total at 124,000 vehicles for this country and Canada, a reduction of 22,000 from the preliminary estimate of the National Automobile Chamber of Commerce. The latest estimate is the lowest for any month since 1921. Railroad traffic continues to disappoint with decreases in weekly freight loadings which are proving to be more than seasonal. Loadings for the last week of November, including the Thanksgiving Day holiday, were the lowest for any week, except year-ends, since before the war. Coal mining is rather stagnant, and the building industry, after failing to enjoy much recovery last summer, is now undergoing a seasonal decline.

Copper mining is showing the first effects of the production restriction agreement. Although there was a further increase of nearly 5,000 tons in stocks of refined metal in November (the thirteenth consecutive monthly increase), stocks of blister copper, in process of refinement, dropped to the lowest point in several years, foreshadowing a considerable decline in refined metal. Copper production dropped to a daily average of 3,755 tons, compared with 3,814 tons in October and 4,846 tons in November of last year. Actual shipments of metal were somewhat less in November than in October, and the result is that the producers' price has fallen from the nominal quotation of 12 cents to 11 cents a pound, while custom smelters are selling copper at 10½ cents. It is generally expected that a further decline in price will take place, and in respect to price the trade has been disappointed. Whether the curtailment agreement itself can be maintained depends on how much buying comes to the market in the next few months.

Along with assurance of a good average cotton crop, as shown by the ginning returns, consumption of the staple has fallen. Consumption during November was 414,887 bales, against 444,494 in October and 541,153 in November of last year. Exports also declined nearly 100,000 bales last month.

Mobilisation of currency in the banks against contingencies which might arise from the bank failures is supplementing the usual accumulation of funds here and in other Reserve Bank centres in preparation for the fourth quarterly income tax payments and Treasury operations falling on December 15th, and involving, with corporation dividends, approximately \$2,000,000,000. The extra credit has come mainly from fresh purchases of bills and government securities by the Federal Reserve Banks, with only a mild increase in member bank borrowing. Call money has responded with a rise to 2½ per cent. on the Stock Exchange, the first change from the 2 per cent. rate since September 29th, when the rate rose from 1½ to 2 per cent. However, call money has been virtually unobtainable a good deal of the time at as low as 1 per cent.

The firmer tone in short-term rates is regarded as temporary. Time funds, even for the short maturities, have shown no corresponding stiffening, and next week call rate should recede. The Treasury has allotted \$428,322,000 on its December 15th certificate issues, to provide for maturities of \$450,000,000. Bank subscriptions will be made largely through deposit credits, but the remainder will require disbursements which the Treasury will secure from temporary borrowing at the Federal Reserve Bank. This overdraft, probably amounting to \$150,000,000, will promote the usual ease in call money pending collection of income-tax cheques.

Although the new certificate issues bore the lowest rates at which the Treasury has ever borrowed, 1½ per cent. for the six months' issue and 1¾ per cent. for the twelve months' maturity, over-subscription was enormous,

being more than six times the shorter issue. This was due in part to the recent cut in the rate of interest which the Treasury requires banks to pay on its deposits, but also reflected the confidence of the banks in a long continued period of easy money.

Non-interest bearing Treasury bills will mature next week in the sum of \$102,000,000, and in view of the current appropriating of Congress for Farm Board purposes, food doles and unemployment relief, an early refunding issue is assured. Other operations next week include collection of approximately \$122,000,000 on foreign debt payments, income tax collection of about \$470,000,000, Government interest disbursements of \$90,000,000 and corporation dividend payments of about twice the latter amount.

Absorbed with discussion of appropriations recommended by the Administration for unemployment relief, Congress has had little time to consider any other legislation. Having announced its definite policy of supporting the wheat, corn and cotton markets, the Farm Board probably will receive \$250,000,000 more, the remainder of the original half billion promised, and this will keep in the background any move to amend the Farm Relief Act to include an export bounty on wheat.

Congress is inclined to raise President Hoover's estimate of the amount desirable for labour relief and food doles, and, having started the appropriation landslide, the Administration is now warning Congress that the country cannot stand any more waste. It is highly unlikely that the President will veto any important appropriation bill, and the prospect of a considerable Treasury deficit for the next fiscal year is daily becoming more certain.

Responding to despatches from your side, some sections of the Press here are publishing reports of a huge Federal Reserve Bank or private banking credit to be shortly announced for the Bank of England, but these reports are given short shrift in well-informed quarters. However, there is no question that Federal Reserve policy is entirely sympathetic with foreign central bank ideas on gold reserves and the necessity for building up a stronger long-term investment market and thereby helping to stabilise commodity prices, the fresh fall in which is creating some anxiety here.

FRANCE.

Politics — Close of Session — Revenue — Foreign Trade — Retail Prices.

(FROM OUR CORRESPONDENT.)

PARIS, December 22.

THE new Ministry made its first appearance before the Chamber last Thursday under the depressing influence of the resignation, immediately before the sitting, of the newly-appointed Minister for Pensions, M. Thoumyre; the Under-Secretary for the Interior, M. René Coty (both members of the Republicains de Gauche group, to which also belongs M. Georges Leygues, a former member of the Tardieu Cabinet and now Minister for the Interior); and another under-secretary. This brought the number of withdrawals to five since the formation of the new combination five days earlier. The reason given by all five was the same—that their respective groups refused to desert M. Tardieu, in spite of the inclusion of some of their members in the new Government. The customary Ministerial Declaration was colourless, as was to be expected, and the debate that followed its reading was of a purely party character. In the result, the new Government "just scraped home" with a majority of seven votes. The division list shows that—leaving out of the question the Radical Left Party, which has been hopelessly split for many months past—the old Tardieu majority of the Chamber remains intact, and is likely to continue so. The Steeg Cabinet, in other words, owed its majority solely to the support of the 106 Socialist votes, without which, even if it is given the benefit of the 80

abstentions by representatives of various parties, it would have been defeated by a majority of over 70. It has been publicly admitted by the Socialist leader, M. Léon Blum, that his party is in no way pledged to support the Steeg Cabinet, but that its primary object is to keep M. Tardieu out—an ambition which is undoubtedly shared by the Socialistic Radicals. In these circumstances, as the new Ministry announces that for all practical purposes it has taken over M. Tardieu's own programme, it is evident that a fresh Ministerial crisis may occur at any moment after the Chamber gets down to work again, when the holidays are over.

On Friday, the day following the new Government's first appearance before Parliament, M. Steeg suddenly presented both Houses with a decree bringing the session to a close until January 13th for the Christmas and New Year holidays. This step was received with a good deal of surprise, as it had been expected that advantage would be taken of the few days remaining before the usual date of adjournment to deal with several items of urgent business. The Government's action has left only ten weeks, at the most, for the Budget—already again behindhand—to be put through both Chambers, and nervousness is being expressed in many quarters that the long-drawn-out party quarrel may again result in *douzièmes provisoires*, owing to more Budget delay. The new pensions law should have been voted before December 31st, and it is possible that hundreds of thousands of disabled ex-soldiers will not be able to receive their increased allowances until well into the New Year.

The Bills authorising some £48,000,000 of loans for the colonies, which have already passed the Chamber, and which the new Under-Secretary for the Colonies undertook in writing should be approved by the Senate before the holidays, have been similarly hung up. The same may be said of the £140,000,000 five-year measure for the improvement of the national economic plant, which was taken in hand by the Chamber a few weeks ago and which is being anxiously looked forward to as a weapon to allay possible industrial depression in the near future, but which is not even mentioned in the new Ministry's Declaration of Policy. Judging by the general trend of the Budget discussions by the Finance Commission of the Chamber, and by the arguments advanced by Opposition speakers in the debates on the Bill for economic development, it is more than possible that both measures may now have to be substantially recast, particularly if the Socialists think fit to exercise pressure on the new Ministry in regard to them.

The revenue, notwithstanding some £40,000,000 of taxation reduction during the past twelve months, and a certain amount of depression due to the economic crisis in other countries, continues to come in satisfactorily. The total yield from all sources during November was 4,079,700,200 francs (of which 4,022,175,300 francs was from "normal and permanent" sources), or less than one-quarter per cent. lower than in November, 1929, before the recent tax reductions came into force. This drop of 91,723,000 francs was entirely due to a slight decline in yield from indirect taxes. Direct taxation produced 10,570,000 francs more than a year ago. The yield from normal taxes and monopolies (exclusive of that from tobacco and the taxes now applied to debt extinction) was 4,022,175,300 francs, against 4,113,898,700 francs in November, 1929, and 3,835,227,000 francs in 1928. The yield from monopolies and indirect imposts was in all cases lower, with the exception of that from Customs, which produced 71,395,000 francs more than in November, 1929, and from colonial foodstuffs, where an increase of 2,270,000 francs was registered. The largest drop was in the recoveries from the turnover tax, which totalled 881 millions (or about 10 per cent.) less than in November last year. How far this represents the general falling off in trade is difficult to determine, in view of the two conflicting factors—the recent reductions in the tax, and the rise in retail prices since a year ago. The falling off of 38,000,000 francs in the sugar tax is to be accounted for by the lowering of the impost. The yield from taxes collected during November under the General Budget, exclusive of direct taxation, was 42,256,000 francs in excess

of Budget Estimates for the month. The total realised in excess of the estimates for the eight months was 1,047,000,000 francs, with four months of the financial year still to come. The total revenue for the eight months was 2,191,000,000 francs less than that for the corresponding period of last year, owing to the taxation relief already mentioned.

The foreign trade returns for November indicate total "visible" exports of 3,440,504,000 francs and imports of 4,249,795,000 francs. Entries were 270,000,000 francs less than in October, and 769,960,000 francs less than in November, 1929. Exports were only 62,000,000 francs lower than in the previous month, but 955,980,000 below those of November last year. The November exchanges left a total adverse balance on the eleven months of the year of 8,411,000,000 francs, as compared with 7,550,000,000 francs in the corresponding period of 1929. The net decline in exports as compared with the first eleven months of last year has been 6,057,500,000 francs, and in imports 5,196,500,000 francs. Imports of raw materials have fallen off by 4,976,000,000 francs, and exports of the same category by 2,312,000,000 francs. The drop in exports has been mostly in manufactured goods, which have fallen off 3,674,000,000 francs during the eleven months, or about 12½ per cent. Imports of manufactures, on the other hand, have increased by 1,350,580,000 francs, or 15 per cent. Coal imports during the eleven months have been 28,173,480 tons (4,097,378,000 francs) against 27,654,207 tons (3,878,540,000 francs) in the corresponding period of 1929, and 20,682,000 tons (528,455,000 francs, pre-war) in 1913.

GERMANY.

Public Finance — Financial Position of Communes — Reich Supervision of Communal Borrowing.

(FROM OUR CORRESPONDENT.)

BERLIN, December 22.

THE financial state of the German communes was, up to a few weeks ago, a source of grave anxiety. The finances of the Reich are to some extent provided for by the last emergency decree, though the fact must be reckoned with that the budget estimates do not completely cover the payment of emergency benefit and that another subsidy to the unemployment fund may be needed, as its separation from the budget is at present only formal. The unemployment burden may, however, not be quite as heavy as some economists have anticipated, since, owing to the fact that almost half the building trades operatives were already unemployed during the summer, the seasonal increase in unemployment this winter has not been as marked as usual. One last reserve of taxation, economically of a questionable character, remains at the disposal of the Reich to meet the cost of such subsidy, namely, an increase in the turnover tax. The greatest danger of such an increase lies in the effect it would have in rendering nugatory the efforts of the Government to reduce prices, but in the last resort even this consideration will go by the board, as a deficit must be avoided at any cost.

The state of the communes is even worse than that of the Reich for three reasons: in the first place they are only just beginning to feel the full effects of unemployment in the demand for poor relief. Under German law the unemployed receive benefit for the first half-year, then emergency benefit for a further 39 weeks, after which they become chargeable on the communes for poor relief. Already the number of unemployed to be supported by the communes has risen by nearly half a million, and in the course of the winter it will rise to 700,000 or 800,000.

The second cause of the peculiar financial difficulties of the communes is to be found in the German system of taxation. Apart from their grants from the Reich out of income tax receipts, which are of course declining heavily owing to the depression, and to a smaller extent out of

the relatively stable turnover tax, the communes' principal source of funds has hitherto been the taxes on property and industry. As these are levied in part without reference to the income from the property, they provide the communes with a financial reserve even in times of depression, but on the other hand the severity of their pressure in bad times strictly limits the extent to which it is possible to raise them.

The first emergency decree provided very little in the way of new sources of income for the communes; only the unsatisfactory "citizens tax," which was very costly to collect, and to a limited extent also the duty on beer and on the consumption of beverages in restaurants. Not until the issue of the second decree were the conditions under which these taxes might be raised so modified as to give rise to some hope of improvement in the financial position of many of the communes.

A third reason why the financial position of the communes is worse than that of the Reich lies in the fact that they are particularly hard hit by the collapse of the capital market. Many of them have undertaken construction works which they cannot leave unfinished without incurring heavy losses. Berlin, in particular, embarked while the capital market was liquid on a far too ambitious extension of her underground railway system. In 1929 and 1930 she suspended operations, but ultimately it became impossible to leave tunnels half built, bringing in no revenue, and to go on running services on short stretches of line which were not yet sufficiently linked up with the rest of the system to secure the necessary volume of traffic. Work therefore had to be resumed and financed out of floating loans on short-term credits. Part of the work has just been finished, and some of the lines are about to be opened.

Nevertheless, the communes have surmounted the most immediate financial dangers. They have adequate funds at their disposal for the end of the year, not only for the discharge of their credit obligations, which was never in question, but for the full payment of official salaries and of relief. This has been achieved, thanks largely to the communes' own credit organisation. The communes run savings banks which act as a reservoir for the deposits of small savers, and also, through their association with the communal banks, attract more substantial holdings. These savings banks have regional clearing offices ("Girozentralen"), and these again have a central clearing office, "Deutsche Girozentrale." As a large part of the savings deposits serve to meet the financial needs of the communes, these clearing houses make possible an equalisation of the relative abundance of funds in some towns and scarcity in others. In so far as such an equalisation is possible for long-term credit, it was very successfully carried out last year by the Council of German Towns in co-operation with the Girozentralen.

The requirements of short-term credit must have been admirably met by direct equalisation through the "Deutsche Girozentrale" during the last few months. This presupposes an effective determination in all the communes to pursue a sound financial policy, as otherwise the equalisation would have imposed an intolerable risk on those towns which were in a relatively strong position and were called upon to help the others. Now the influence of the National Socialists and the Communists, who do not feel themselves responsible for the soundness of financial policy, has in many cases prevented this determination from becoming effective in local representative assemblies, but where the local administration failed, the Government has stepped in and nominated State commissioners to supervise finance. In addition the State has given help to individual communes in exceptional distress, especially in Silesia.

The most difficult case was that of Berlin, which, owing to its constructional activities, has had to undertake very heavy short-term borrowing at home and abroad on unfavourable terms. It is, however, to be hoped that the new taxes which the Commissioner for Berlin has introduced, and the income which the new underground lines will soon bring in, may enable the city soon to pay off these loans.

The method of control of communal borrowing has been a subject of dispute in Germany since 1926. In most States it is subject to the State Government, but this supervision was so ineffective and so lacking in uniformity that in 1925 a permanent board was set up for the whole Reich to supervise at least the foreign borrowings of the communes. The activity of this "Advisory Council" was, under the influence of the Reichsbank, with Dr. Schacht at its head, extremely restrictive, and the communes strongly opposed its "guardianship." Its control was highly necessary, as the communes were very much inclined to borrow for purposes which were not urgent, but it was not always wisely exercised. At present it is especially badly needed in order to prevent the communes from bidding against each other as soon as the international market becomes more liquid.

After many unsuccessful attempts, agreement has been reached on important changes in the organisation in the duties of the Advisory Council. The new arrangement constitutes an improvement and meets the wishes of the communes. Control is extended to internal borrowing, and as far as foreign borrowing is concerned it is to cover also short- and medium-term credits. The credit committees of the communes, which have been responsible for the equalisation of long-period savings bank credits as between the communes, and have subjected the credit demands of individual communes to searching examination, are incorporated into the control system of the Reich. The gas, electricity and similar undertakings of the communes are exempt from control in order to be on the same footing as corresponding private enterprises. The Council is expressly required to examine very strictly the security for the service of the loans in order that its authorisation may be a more reliable guarantee than ever of the trustworthiness of the borrower.

HOLLAND.

Money and Stock Markets — Capital Issues — Foreign Trade.

(FROM OUR CORRESPONDENT.)

AMSTERDAM, December 8.

THE tendency on the stock market and on the foreign exchange market shows little change. In November the average rate for prolongations was 1.304 per cent., as compared with 4.1917 per cent. in November, 1929. The highest rate last month was 1½ per cent. and the lowest was 1 per cent.

An extraordinarily high total of issues was recorded in November. An aggregate of nearly 100 million guilders new capital issues in a single month is certainly exceptional in the Netherlands. At first sight this would appear to be a peculiar state of affairs to encounter in a period of acute trade depression, but the fact is that the high figure is almost entirely due to two very large issues. No less than 95.4 million guilders were accounted for by two flotations, viz., 4½ per cent. Dutch East Indies bonds to a nominal amount of 77.2 million guilders, and the 5 per cent. bond issue of the Philips Works, nominal value 20 million guilders. Hardly 4½ million guilders were therefore accounted for by other issues. If, in addition, it is remembered that none of these issues was a success, the total of last month's flotations becomes still less impressive. In reality, therefore, the situation of our capital issue market is still almost as inanimate as it has been in recent months.

There was not a single issue of shares last month. Throughout the entire year share issues have been very limited, and in the last few months they have totalled less than a million guilders a month, but the fact that an entire month passed without one flotation of shares is a remarkable feature in the annals of the Dutch capital issues market. The flotations marketed last month were all domestic, apart from one Belgian issue, the 5 per cent. Charbonnerie de Mariemont.

During the first eleven months of this year, shares to a total of 28.1 million guilders (last year 295.8 million)

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have been issued here. During the same period the issues of bonds totalled 525.8 millions (last year 164.1 millions).

The economic depression is also clearly reflected in the foreign trade returns of the Netherlands. According to the official statistics, the value of imports was 198 million guilders in October, 1930, against 258 millions in October, 1929, and 196 millions in September, 1930. A decline as compared with last year was also recorded in exports, which in October amounted to 151 million guilders, against 185 millions in October, 1929. Compared with September, 1930, however, the October exports are about 4 millions higher. The position is summarised in the following table:—

	IMPORTS.			
	Weight. (Metric Tons.)	Value. (In Million Guilders.)	1929.	1930.
January-September	22,820,000	23,928,000	2,043	1,874
October	2,894,000	2,704,000	258	198
January-October ...	25,714,000	26,632,000	2,301	2,072

	EXPORTS.			
	Weight. (Metric Tons.)	Value. (In Million Guilders.)	1929.	1930.
January-September	12,028,000	12,286,000	1,495	1,324
October	1,502,000	1,566,000	185	151
January-October ...	13,530,000	13,852,000	1,680	1,475

Notwithstanding that the excess of imports over exports during the first ten months of the year is lower than during the corresponding period last year (597 millions in 1930, against 621 millions in 1929), the relation became less favourable in October, as the value of imports dropped to the extent of 9.9 millions, whilst exports dropped by 12.2 millions. The decline in the weight of imports which has been recorded since the first quarter still continues, but the weight of exports was somewhat greater in October.

GREECE.

The Budget — Foreign Loans — Commercial Agreements — Foreign Trade.

(FROM OUR CORRESPONDENT.)

ATHENS, December 11.

AN optimistic tone pervaded the speech in which the Finance Minister presented his budget estimates for the forthcoming financial year 1931-1932. Greece, he said, possesses all the elements necessary for her to rank among those States which will show the greatest power of resistance against the universal economic crisis, will suffer the least, and will be the first to recover from its effects. He expects the current financial year to close with a surplus of over 300,000,000 drachmas. The estimated

revenue for next year is put at Drs. 10,179 millions, while expenditure is calculated to reach Drs. 10,172 millions, leaving thus a surplus of 7 millions. Nearly 35 per cent. of the revenue is absorbed by the service, ordinary and extraordinary, of the national debt, while 16.54 per cent. is required for the army, navy and aviation, and 6.62 per cent. for pensions. A sum of 470 millions is included among expenditure as a reserve for contingencies. At the same time, in order to provide further for an unforeseen fall in revenue, the Government asked for the authorisation of Parliament to cut down, in case of need, the salaries of public servants—the reduction to be up to 6 per cent. of their present figure. Receipts from the revenues assigned for the service of the public debt show for the first 10 months of 1930 a decrease of Drs. 238 millions compared with last year.

The Governor of the Bank of Greece has returned from London with a very satisfactory impression of the position of Greek credit, and the disposition of foreign markets towards Greece. He expects that the second part of the Public Works Loan will be floated in February in London, New York and Paris. Meanwhile the Government has obtained from the National Bank of Greece an advance of £600,000 repayable from the proceeds of the forthcoming issue. That American interest in Greek financing is increasing is shown from the fact that a representative of the National City Company (investment affiliate of the National City Bank of New York) is at present in Athens making a thorough investigation of the economic and financial conditions and prospects of the country. A loan of £1,000,000 has been concluded by the National Mortgage Bank of Greece. Of this amount £500,000 have been undertaken by Hambros Bank and Erlangers, Limited, and placed privately in London, and the remaining £500,000 by the National Bank of Greece, heading a syndicate of Greek banks. According to an official statement the amount embezzled by one of the cashiers of the National Bank will be partly recovered, and is, in any case, of small importance for the Bank, whose dividend for the closing year will not be affected by this malversation.

The commercial agreement with Poland has been put in force, while negotiations for a similar agreement with Roumania are making satisfactory progress. Negotiations have also begun again with Bulgaria, and it is hoped that all outstanding differences between the two countries will be settled in the near future. Imports from January to end October, 1930, amounted to Drs. 9,049 millions, and exports to Drs. 4,202 millions, against Drs. 10,952 millions and Drs. 5,448 millions respectively for the corresponding period of last year.

NEW ZEALAND.

Foreign Trade — Exchanges — Public Finance — Business Activity.

(FROM OUR CORRESPONDENT.)

CHRISTCHURCH, October 29.

IN common with many other countries, New Zealand is at present suffering some decline in business activity, owing largely to the fall in export prices. For the 1929-30 export season prices received for exports averaged about 20 per cent. less than for the preceding season. Production, however, increased, and despite some withholding of produce, particularly of wool, the volume of exports was greater, and the reduction in export values, amounting to £8 millions, was less than was generally anticipated. The large favourable balance of trade for 1928-29 was reduced until, for a month or two, the balance was slightly unfavourable, but imports declined, and, for the year ended August, 1930, there is a slight excess of exports over imports. The decline in imports was probably induced by the anticipation of reduced spending power in the country consequent upon the decline in export prices, by higher customs duties, less favourable exchange rates and increased bank rates on overdrafts.

The exchange situation is peculiar. Banks will sell telegraphic transfers on London at 5 per cent. premium. The Australian rate on London is much higher, about 9 per cent. premium. Yet the Australian-New Zealand rate published is approximately at par. Such anomalies appear to depend on the close control and rationing of the Australian exchanges. In fact, apart from the influence of Australia's position, there is nothing to explain the apparent depreciation in the New Zealand-London exchange, for the present rates are certainly not justified by New Zealand's balance of overseas payments. It is anticipated, however, that steps are likely to be taken to separate effectively the Australian and New Zealand exchanges on London. In this connection Sir Otto Niemeyer visited New Zealand at the request of the Government, and he is to report on the whole matter of currency and exchange regulation.

Some evidences of apprehension regarding the position in New Zealand have been shown during the 1930 session of Parliament, now nearing its end. The Budget for the 1929-30 financial year showed a slight surplus, but it was estimated that for the ensuing year the yield from Customs would be £1 million less, that of land tax £300,000 less, a railway loss of £1½ million would have to be met, and unavoidable increases in debt charges, pensions, etc., would absorb half a million more. Consequently a deficit of about £3 millions was anticipated unless adjustments were made. About half of this was covered by reductions in expenditure, which involved the suspension of compulsory military training, reduction of votes to highways and education, and suspension of certain subsidies, while the remaining half was covered by increased taxation. The existing primage duties were abolished, but surtaxes were placed on present dutiable items, and petrol was taxed a further 2d., making the tax 6d. a gallon, while many smaller taxes were increased. Later in the session an Unemployment Act was passed, providing for the collection of a tax of £1 10s. per head annually from all adult male workers. This is expected to yield £½ million per year, and an approximately equal amount is to be paid from the Consolidated Fund. The total fund is to be administered by an Employment Board, who are to supervise employment exchanges, explore and encourage the development of new fields for employment, and, where necessary, make subsistence payments to the unemployed. The plan follows closely the recommendations of a committee which inquired into unemployment last year, and it is probably better than the present practice of engaging as many unemployed as is possible, mainly on unproductive public works and at Arbitration Court award rates of pay, but it does not touch the real cause of unemployment, the fact that internal costs have for some years been higher than are warranted by prices received for exports.

The Government has, however, made significant gestures in the direction of economy. A Commission was appointed to inquire into and report upon the general administration of the State railways, and a Committee to report on new railway construction. The Commission's report detailed long lists of points where, owing to political rather than business administration, railway revenue is curtailed and railway expenditure increased, and recommended strongly and unanimously that the railways be removed from political control and administered by a selected group similar to a company directorate. The Government has not yet decided to apply this recommendation, but it states its intention of increasing certain charges, and there is little doubt that political control, which has involved the railways in much of their present losses, cannot last much longer. No report was forthcoming from the full Committee on railway construction, on account of lack of time, it was said; but a minority report of three members recommended that work should be stopped on three lines at present under construction, which appear likely to become the source of further railway losses. There is no doubt that railway construction for some years past has been very expensive and on too ambitious a scale, but under political control the matter has been complicated by the policy of providing work for the unemployed and by lavish plans for encouraging land settlement.

A statement of the public accounts for the first half-year made by the Acting Prime Minister discloses a considerable fall in revenue. A deficit of approximately £750,000 in the railway accounts was allowed for in the Budget, but the shortage for the first and less favourable half of the financial year exceeded £1 million. In addition, imports have declined more than was anticipated, and it appears that a shortage of perhaps £250,000 is to be expected in Customs revenue. The decline in revenue is itself some evidence of relative depression in business, but it points to the need for public economies more drastic than any yet attempted.

There is no doubt that some depression exists in business, and the level of confidence is not high. But depression is a relative term. The balance of overseas trade, which is the chief factor determining cyclical movements in New Zealand, is favourable, and despite low export prices, is likely to improve. The banking position is sound, and unlikely to become less favourable, partly because holders of funds have learned caution. The monthly average of total bank debits, a very good indicator of business conditions, is running at a level similar to that for the same period of 1928, and about 10 per cent. below that of 1929. There is much talk of unemployment, but the most pessimistic estimates of the number of unemployed fail to total as much as 5 per cent. of the normally employed population. Hence New Zealand, though suffering some decline in business now, and likely perhaps to experience further declines if export prices remain at their present low levels, is probably much less depressed than many other countries.

Letters to the Editor.

GOLD: PRICES: WAGES.

TO THE EDITOR OF THE ECONOMIST.

SIR,—Mr Turner cannot score by demolishing cockshies put up by himself. My first letter said that "the passing of the world slump will not find us abreast of our competitors unless meanwhile we have cured those faults in our system which are not world-wide but national"; and opined that "of these" (faults persisting and peculiar to our system) "the gravest is the pegging of money wages (and salaries)." To complain that I "ignore" and "dismiss" a whole catalogue of past causes, of which those that are peculiar do not persist and those that persist are not peculiar, is simply beside the point. He renews the assertion of his faith in the reality of monetary causes. I have always acknowledged it. In fact, the only point of substance still in dispute is his question, "Why select wages for sole treatment, when other costs are . . . just as much pegged as wages?" But I did not select wages, or even wages and salaries, for sole treatment, but for first treatment; and that because in a sinking ship lives may depend on plugging the biggest hole first.

In business to-day there is no hole comparable with the rise in real wages. My first letter showed clearly enough that I was not dealing with wages in this or that threatened industry, but with the general wage level in its aggregate effect at all stages of manufacture and distribution. For example, coal goes down in engineering costs as "materials"; but of last quarter's pithead price of Welsh coal, 65 per cent. was mining wages, and the other costs (34 per cent.), representing plant, stores, etc., if the analysis is carried back another stage, are again largely wages. Railway rates from pithead are largely the wages of railway men, and so on. Ultimately, cost has only two elements: (a) remuneration of persons (wages and salaries), and (b) remuneration of capital; and (a) is always so much the larger that the transfer to it from (b) involved in a small percentage rise in real wages may well wipe out (b) altogether, as has indeed happened in coal-mining. The fixed-interest *rentier*, it is true, is now gaining, like the wage-earner, at the expense of the *entrepreneur*; but the performance of contracts without repudiation is not properly described as "pegging." Money-wages are a short-term contract, and under my proposal would rise with prices as promptly as they would fall with them. You cannot get capital for industry without long-term contracts; but on the other hand, if capital is accumulated instead of being dissipated, real conversion of

debt (not issuing £100 of £4½ stock to replace £90 of £5 stock) brings down the *rentier's* income; and from that fall, as holders of Consols in Goschen's days well know, there is no recovery. As my first letter indicated, the pegging of wages, by dissipating capital, is itself blocking this road to prosperity. Perhaps, after this explanation, Mr Turner will recognise that to represent me as merely "reviving the hoary idea of having another cut at wages" is inappropriate to a serious discussion.

Turning to the welcome intervention of "E. M. D.," who has sought impartially to find truth on both sides, I agree with so much of his letter that I need only make a few reservations. My thesis is not that "wages should be continually adjusted to secure that their real value bears a constant ratio to productivity," meaning by that term "maximum potential productivity"; but, quite simply, that the wages system should be based broadly on the steadiness of real (rather than money) wages, so that no party in industry should take a larger slice unless the cake itself was actually (not potentially) larger. Perhaps I should have made this clearer by speaking of "product of industry" rather than "productivity."

I cannot plead guilty to having written anything implying that no money wages are too low, holding strongly (as I do) that the present relation between the wages of (say) a skilled fitter and a road-sweeper is absurd; but I agree with E. M. D. in thinking that all that is a separate, and to my mind a later, question. The urgent need is to get industry on its feet again; and the fact that both fitter and sweeper have this year had a rise of 6 per cent. in real wages, while industry is dying of inability to reduce its costs, is the feature on which I concentrate. But I would put to E. M. D. one point of large size. In two places he speaks of "the burden of sacrifice" involved in pegging real wages till times are better. If he so describes the lot of labour, with its real wages fully maintained, practically no taxation unless voluntarily incurred, and increasing subventions of public assistance in all its forms, what strength of language is he reserving for those—many of them quite small people—whose businesses are being closed down, whose capital instead of producing income is being written off by scores of millions, and who are taxed higher and higher to provide the aforesaid subventions for others?

Of course, any action in the sphere of wages and salaries bristles with practical difficulties; but are the consequences of the inaction of the last four years free from them? As Bacon wrote ["of Boldness"]: "In counsel it is good to see dangers, and in execution not to see them, except they be very great." The time has come for execution; and Germany under a democratic government, to say nothing of Italy under her Duce, has already moved.—Yours faithfully,

Cookham.

December 15th.

C. HARRIS.

Books and Publications.

DR. BARNARDO.

EVERYBODY with a smattering of knowledge of the social history of the last century knows of the remarkable work done by Lord Shaftesbury in improving the lot of the children of the poor, and everybody with the faintest interest in the poor children of to-day knows that Dr. Barnardo's Homes stand in a class apart from the general run of orphanages and institutions for the care of destitute children. It is far less generally known how much the public work on behalf of children carried through by Lord Shaftesbury and his successors owed to the example of the inspired organising genius who gave his name to the Homes. The biography of Dr. Barnardo* recently published by Dr. Bready tells, with a most contagious enthusiasm, the story of Dr. Barnardo's early work in the slums, of his conversion to Christianity, of his dramatic discovery of the full horrors and extent of child destitution, and of his extraordinary achievement in building up his extensive provision for the physical, mental and moral equipment of destitute children without ever abandoning his principle "no destitute child ever refused admission" and, for many years, without either borrowing or begging.

The chapter which tells of Dr. Barnardo's persecution by detractors and of his ultimate emergence with enhanced reputation, and that which deals with the problem of financing the Homes are most striking reading. But the reader's most vivid impression is of the tremendous force

* "Dr. Barnardo." By J. Wesley Bready. George Allen and Unwin, Ltd.

of imagination, will, and sheer practical genius which made possible the planning, organisation and for many years also the administration of this gigantic work by a single man. Small wonder that the administration of the Poor Law was largely transformed by his example, and that at least one vitally important law, the Custody of Children Act, owed its origin directly to him. It says much for Dr. Bready's power of characterisation that he "puts across" such a vivid picture of his hero's personality as to convince us that here was a man of whom so remarkable a feat does not appear incredible.

BOOKS RECEIVED.

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

(It would be a convenience to our readers if publishers would make a point of notifying us of the prices of books sent for inclusion in this column.)

A Picture of World Economic Conditions in the Early Fall of 1930. (New York) National Industrial Conference Board, 247, Park Avenue. \$2.50.

Contains a brief survey of the state of affairs in each of twenty-two countries, and special reports received up to October, 1930, by the foreign correspondents of the Board.

Menace of Over-Production. Edited by Scoville Hamlin. (London) Chapman and Hall, Ltd., 11, Henrietta Street. 13s. 6d. net.

A collection of short essays, by American experts, on different aspects of the subject. Industries separately discussed include coal-mining, oil, the respective textile industries, radio and agriculture.

British Policy and Canada, 1774-1791. By Gerald S. Graham. (London) Longmans, Green and Co., 39, Paternoster Row. 10s. 6d. net.

A study of the development of trade policy in the British Empire after the loss of the American colonies.

Japan's Economic Position. By John E. Orchard. With the collaboration of Dorothy Johnson Orchard. (London) McGraw-Hill Publishing Company, Ltd., 6 and 8, Bouverie Street. 25s. net.

A very detailed account of the economic resources and industrial activities of Japan.

Bulgaria's Economic Position. By Leo Pasvolksky. (Washington, D.C.) Institute of Economics, 26, Jackson Place. \$3.00.

An interesting and reliable study.

Brazil of To-Day. (Rio de Janeiro) Ministry of Agriculture, Industry and Commerce.

A useful collection of statistics with a number of very effective diagrams.

The Economic Crisis. By Viscount D'Abernon. (London) Hodder and Stoughton, Warwick Square. 1s. net.

Reprint of Lord D'Abernon's address to the Liverpool Chamber of Commerce.

The Old Trade Unions. By William Kiddier. (London) George Allen and Unwin, Ltd., 40, Museum Street. 7s. 6d. net.

An account of the London Society of Brushmakers based on their records and illustrated with facsimiles. It contains fascinating material, but the author obtrudes a somewhat tiresome style.

The Economic Crisis in Germany. By Werner Kehl. (Berlin) by the Author, 35, Mauerstrasse.

Translation of a paper recently read by a prominent German banker.

The London Money Market. By William F. Spalding. Fourth Edition. (London) Sir Isaac Pitman and Sons, Ltd., Parker Street, Kingsway. 10s. 6d. net.

This new edition of an exceedingly useful book has been partly re-written in consequence of recent currency legislation.

The Work of a Bank. By H. T. Easton. Fifth Edition. Revised and re-written by Herbert G. Hodder. (London) Effingham Wilson, 16, Copthall Avenue. 7s. 6d.

A useful account of the practical side of banking. There is a chapter on the qualifications required for entry into and promotion within the profession.

Sozialökonomische Theorie des Geldes. By Junichi Ohno. (Leipzig) A. Deichertschen Verlagsbuchhandlung, Königstrasse, 17. 6 mk.

A treatise on monetary theory by a Japanese professor.

Grundlinien der Geldtheorie. By Gustavo Del Vecchio. (Tübingen) Verlag von J. C. B. Mohr (Paul Siebeck). 11 m.

A German translation of an Italian treatise on monetary theory.

Die Finanzpolitik der Reichsbahn. By Dr. phil. Bruno Moil. (Leipzig) Akademische Verlagsgesellschaft, Schlossgasse, 9. 4.50 Rm.

A valuable and well-documented discussion of the financial policy of the German State railways.

Krieg und Kriminalität in Deutschland. By Prof. Dr. Moritz Liepmann. (London) Oxford University Press, Warwick Square. 11s. 6d. net.

This new volume in the German Carnegie series embodies the results of an analysis of war-time criminal statistics in Germany.

The French Default! By Horace B. Samuel. (London) Effingham Wilson, 16, Copthall Avenue.

An *ex parte* statement, in somewhat undiplomatic language, of the case for the British holders of French loans.

Social Studies of a Manchester City Ward. (Manchester) Sherratt and Hughes.

An investigation by a social study group of the housing needs of Ancoats in relation to the Greenwood Act.

A Summary of Commerce and Business Economics. By Grace P. Rumming and John Blakeman. (London) Simpkin, Marshall, Ltd., Stationers' Hall Court. 3s.

A small textbook on the descriptive and practical side, arranged almost in note form.

Particulars and Statistics Concerning Foreign Securities. (London) Kitchin, Baker, Mason and Co., Pinners Hall.

A ready reference dossier of foreign government securities, which gives such relevant statistics as imports and exports, budget, etc.

Income Tax. By Harry C. King. (London) Gee and Co. (Publishers), Ltd., 8, Kirby Street. 1s. net.

A brief reference pamphlet on personal allowances.

Postal Reform. By Edwin Wells. (London) The C. W. Daniel Company, 46, Bernard Street, W.C. 1. 1s. net.

A scheme for bringing about, by means of differential postage rates, a more even distribution through the day of the volume of correspondence handled by the Post Office.

What Money Scarcity Means to You. By E. E. Canney. (Manchester) Published by the Author at 30, St. Ann Street, Manchester. 1s.

An inflationist pamphlet.

Records of the Geological Survey of India. Vol. LXIV. (Calcutta) Government of India, Central Publication Branch. 15s. 6d.

Contains a most valuable collection of statistics of mineral production, covering the years 1924-28.

Institute of International Education. Eleventh Annual Report of the Director. (New York) Institute of International Education, 2, West 45th Street.

Report of the Superintendent of Insurance. Dominion of Canada. Vol. I. Fire and Miscellaneous. (Ottawa) F. A. Acland.

OFFICIAL PUBLICATIONS RECEIVED.

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

Memorandum on the Trade Disputes and Trade Unions Bill. Cmd. 3749. 6d. net.

Statement on the Principal Measures taken by H.M. Government in connection with Unemployment. Cmd. 3746. 4d. net.

Public Social Services: Total Expenditure under certain Acts of Parliament, 1930. 4d. net.

Papers regarding the Proposed Amendment of the Covenant of the League of Nations. Cmd. 3748. 9d. net.

Fourteenth Annual Report of the National Savings Committee, 1930. 4d. net.

Colonial Reports: No. 1510. Colony and Protectorate of Kenya, 1929. 3s. net; No. 1511. Grenada, 1929. 9d. net.

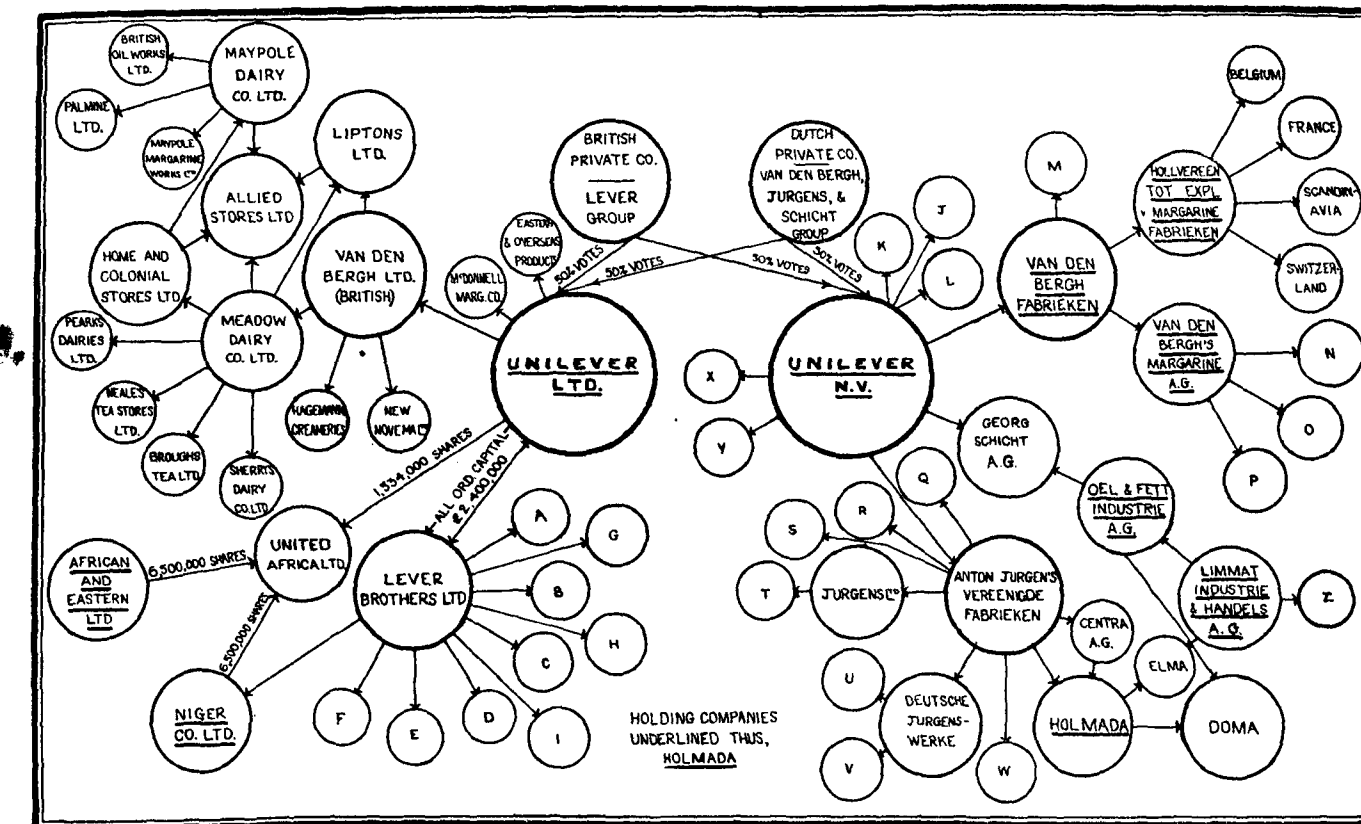
The Stock Exchange.

THE UNILEVER GALAXY.

Of the outstanding business combinations of recent years, the building up of the Unilever combine has been one of the most noteworthy. The fusion of the Margarine Union group and Lever Brothers in December, 1929, the securing of control of United Africa, and the subsequent acquisition of a majority interest in a group of provision stores in Great Britain, constituted one of the biggest industrial amalgamations in European history. There was brought under single dictation, as far as trading policy and finance were concerned, a group of companies of world-wide ramifications and multitudinous functions, extending from the production of vegetable oils in the tropics to the catching of whales in the Antarctic, from the manufacture and marketing of margarine, soap, perfumeries, and cattle foods to the retailing of groceries and the keeping of fish shops and restaurants.

This colossal combination began with the amalgamation in 1927 of two old-established margarine manufacturing

companies—Anton Jurgens and Van den Berghs—which had subsidiaries operating in most European countries. Margarine Unie was formed to take over the Continental companies of both groups, and Margarine Union, Limited, to acquire the English companies. The reason for this dual organisation was the avoidance of double taxation. In 1929 Margarine Unie extended its interests widely in German, Danish and other European companies engaged in the margarine trade. It came to an agreement with the Schicht and Hartog concerns, both manufacturers of margarine and soap, which was of great importance to its control of the European trade. Finally, in September, 1929, it amalgamated with Lever Brothers. This involved the fusion of the numerous Lever subsidiaries with those of the Margarine Union group, and the changing of the name Margarine Union to Unilever. One of the subsidiaries of the Lever group was the Niger Company, which had already merged (in April) with the African and Eastern,



- A.—Bronboro Port Estate.
Mac Fisheries.
Ocean Harvest, Ltd.
Southern Whaling & Sealing Co.
Aberdeen Steam Trawling Co.
- B.—British Oil and Cake.
John Barrington.
Erasmic Co.
Barton's Seed Crushing Mills.
Lever Brothers, Ireland.
J. Kitchen & Sons.
Pears, Ltd.
Price Soap.
Savonneries Sunlightwitz.
Wm. Taylor & Co.
- C.—Candles, Ltd.
Chivers & Co.
Cleavers & Sons.
Cook Bros., Ltd.
E. Cook & Co.
Delecta, Ltd.
D. W. Gibbs, Ltd.
- D.—Hodgson & Simpson.
R. S. Hudson, Ltd.
Int. Iolima Trading.
J. Knight & Co.
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Stanley Pibel, Ltd.
- E.—J. L. Thomas & Co.
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- F.—Benj. Brooke & Co.
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- G.—Charles Dean, Ltd.
Goessage & Sons.
R. B. Green & Co.
McIver & Co.
- H.—Muirhead & Wilcock, Ltd.
Planters Food Co.
Planters Margarine Co.
Thomas & Bros.
Trufood, Ltd.
T. Wall & Sons.
S. P. D., Ltd.
- I.—Lever Bros. Co. (Boston).
De Levers Zeep Mij.
Huilleries du Congo Belge.
Trading Assoc. of Nigeria.
United Exporters.
- J.—Berg Hark Margarine Werke Iserstedt.
Oldenburgische Margarine Werke.
Margarine Grundstuck A.G.
Schmitz & Loh Margarine Fabrieken.
Fritz Homann A. G.
- K.—Allgemeine Deutsche Marg. Werke.
Marg. Werke Dr. A. Schroeder.
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Teutonia.
- L.—Calvé.
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H. Hartog's Fabrieken.
- M.—Div. Winkels en Melknr.
Verschure & Co.
Zeep & Oelfabrieken Zwundrecht.
- N.—Dr. Boemer & Cie.
Cron & Scheffel.
Hamburger Oelfabrieken.
Mohr & Cie.
A. L. Mohr.
Wahnschaffe Muller & Co.
- O.—Clivia.
Clever Oelmuhlen.
Frank. Margarine A. G.
Frutana.
Reeser.
V. D. Bergh's Marg. Fabrieken.
- P.—Estol.
Berolina.
Milka.
Oelmuhlenbörster Marg. Fabr.
Palma.
Sana.
Thorel Oelfabrieken.
Uhlenbrock Marg. Werke.
- Q.—Albers Creameries.
Med. Ind. Oelfabrieken.
Scheeps Mij. Palmijn.
Vera Hu Falina.
Zeepfabrieken Utrecht.
- R.—Eerste Makass. Oelfabr.
Olef Jacatra Batavia.
Jurgens Soerabaja.
- S.—Dedulf.
Numegeche Stoons Fabrieken.
"Rosa" B. op Z.
Teleman & Drogeliden.
Viruly Gouda.
Zuthphansche Stoons Fabrieken.
- T.—Ardol.
Olympia Oil & Cake Co., Ltd.
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- U.—Brake & Cie.
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"Rheinland" Marg. Fabrieken.
- V.—Neusser Marg. Fabrieken.
Salb & Wahl.
Bremenbergsmeim Oelmuhlen.
Verein Deutscher Oelmuhlen.
Jurgens & Pritzen.
Gross-Gerau.
Kaisalin-Werke.
Fett Raffinerie, Bremen.
Aachener Speiseoelfabrieken.
Marg. Fabr. Westmarga.
- W.—Aubervilliers, Paris.
"Union" Antwerp.
Forenede Marg. Fabrieken.
Bona Marg. Fabrieken.
Steenen Marg. Fabrieken.
Jysk Marg. Fabrieken.
- X.—Danziger Oel Raffinerie.
Agra Marg. Fabrieken.
Hya Marg. Fabr. A. B. Svea.
Upsala Marg. Fabrieken.
Eld Marg. Fabrieken.
Kohn Marg. Fabrieken.
Vorsde Marg. Fabrieken.
Walvischvaart McVictor.
- Z.—Hollandia Melkprod.
Nestle Concern.

Limited, under the style of United Africa. To this company were transferred the West African interests of Margarine Union. A controlling interest had also been obtained in Meadow Dairy, Limited, which subsequently acquired virtual control of Home and Colonial Stores, Maypole Dairy and Liptons. An attempt to bring International Tea Stores into this grocery combine failed at the eleventh hour, for the directors of International Tea reversed their decision to merge their company's identity in the Unilever colossus, their declared reason being the fear that the Unilever directors might dictate their manufacturing and buying policy.

The financial control of this trust was arranged in an ingenious, if complex, manner. It was designed to give the Van den Berghs, Jurgens, Schicht, Hartog and Lever families an indubitably powerful position in the world trade in margarine and soap. The ordinary shares of Margarine Unie (Unilever N.V.) and the 6 per cent. deferred shares of Margarine Union (Unilever, Limited), which carried special voting rights, were divided equally between two private companies, one established in Holland and the other in England. To-day, all the capital of the Dutch company is held by the Van den Bergh, Jurgens, Schicht and Hartog group, with the exception of one share, which is held by the Lever group, while, conversely, the Lever group holds all the capital of the English company, with the exception of one share held by the Dutch group. The £2,400,000 ordinary capital of Lever Brothers was acquired by Margarine Union (Unilever, Limited) in exchange for £6,000,000 Unilever ordinary shares. £1,100,000 7 per cent. preferred shares of Unilevers were also issued to Lever Brothers in surrender of their co-partnership certificates. The board of the two Unilever companies is composed as to one-half of representatives of the Lever group, and as to the other half of representatives of the Dutch group. As regards United Africa, the Niger Company, a subsidiary of Lever Brothers, was already in possession of 6,500,000 shares of that company, and control of the £15,731,000 capital of United Africa was secured by the allotment to Unilever of 1,584,000 ordinary shares in exchange for the West African interests of the Margarine Union.

How the Meadow Dairy came into the hands of the Unilever combine has never been clearly stated. The Meadow Dairy Company, however, acquired over 50 per cent. of the voting power of Home and Colonial, and also assumed the management of Lipton's, while Home and Colonial in turn took control of Maypole Dairy. The ramifications of the Unilever-United Africa-Meadow Dairy combine are, in fact, so complicated that we have thought fit to show them in graphical form on the previous page, in order that the investor may study them at leisure.

The combined capitalisation of the Unilever twin-companies at December 31, 1929, was £19,723,666. The acquisition of Levers and other interests raised it to £27,539,083, made up of £4,935,083 7 per cent. preferred shares, £22,504,000 ordinary shares, and £100,000 deferred shares. In May last a bonus distribution was made of one new ordinary share for every sixteen held (involving £1,003,375), and 2,000,000 ordinary shares of Unilever, Ltd., were offered for cash at £3 per share. These emissions brought the combined capitalisation to £30,542,458. The allocation out of the 1929 profits of £1,500,000 to reserve and the addition to reserve of £4,000,000 premiums on the new issue increased the total reserve fund (less the bonus issue of ordinary shares) to over £12,000,000. Thus the total amount of shareholders' money employed in the two Unilever companies amounts to £42,542,458. Earnings on £6,000,000 of this total capital can only accrue after payment of interest on £7,188,062 debentures and £54,227,546 preferred and preferred ordinary shares of Lever Brothers.

What is this enormous amount of capital likely to earn in 1930? In 1929 the profits of the Unilever twin-concerns represented over 20 per cent. of the then issued ordinary share capital. The world trade depression only began to have its deadly effect upon company earnings in the second and third quarters of this year. It is possible that the profits of the grocery stores may be fairly well maintained, but the competition of

cheap butter may have recently had some effect on the results of the margarine manufacturing companies of the group.

Adverse features may, of course, have been offset to some extent by potential economies in management expenses as a result of the co-ordination of the various interests of the Margarine and Lever companies. It may be questioned, however, whether the other economies have been sufficient to offset the heavy inventory losses which must needs have resulted from the severe fall in the market values of vegetable and animal oils. Some idea of the extent of this decline can be obtained from the following table of representative market quotations:—

	Dec. 1929.			Dec. 1930.			
	£	s.	d.	£	s.	d.	Decline per cent.
Soya bean oil c.i.f. in bulk ...	28	15	0	19	5	0	33.04
Palm oil	31	15	0	20	0	0	37.01
Whale oil	25	0	0	16	0	0	36.00

In the Unilever report for 1929 it was stated that the natural growth of the business entailed the financing of larger stocks of raw materials on behalf of the subsidiary and associated companies. At December 31st last their stocks on hand amounted to approximately £16,000,000. A decline, say, of 33 per cent. in the values of these stocks would involve an inventory loss of over £5,000,000, subject, of course, to economies in other directions.

These considerations suggest the possibility of a conservative dividend policy on the part of the Unilever group. Unilever shares have fallen this year from 76s. 3d. to 35s. The latter price would appear to reflect the Stock Exchange view that losses on holdings of large raw material stocks this year are one of the greatest difficulties with which companies throughout the world are at present contending.

THE WEEK IN THE MARKETS.

THE LONDON STOCK EXCHANGE.

SETTLING DAYS.

TICKET.	ACCOUNT.
January 6.	January 8.
A SHORT holiday week brought little interest and less satisfaction to the London Stock Exchange. Dealings were of attenuated proportions, and though the undertone was fairly steady on Monday, the renewal of New York liquidation caused an easier tendency subsequently. Until the situation in that centre has been straightened out a sustained recovery in London can scarcely be looked for.	

Dealings in gilt-edged stocks were reduced to small dimensions. War Loan was steady, and long-dated stocks generally held their ground, with the exception of Funding Loan, which was again offered on external account. India loans were slightly harder, but Australians again lost ground. The new Auckland stock was dealt in at ½ discount.

Among Foreign Bonds, Brazilians staged a fair recovery, on information that the Federal Government had advanced 50,000 contos to the States to enable them to meet their overseas obligations. German bonds also obtained slight support.

Despite the good impression produced, as regards the general trade outlook, by the Lancashire coal miners' acceptance of the "spread-over," home rails continued to attract little or no attention. Southerns drooped on a number of small selling orders, but business in the other groups was scarcely sufficient to test prices. Argentine railways made a measureable recovery following satisfactory crop advices, and Leopoldinas and San Paulos were also firmer.

Industrial share prices remained fairly steady, though not a great deal of business was done. Internationals were affected by a renewal of Wall Street selling, H.M.V. and Columbias being among the sufferers. Cables and Wireless were sold on the November figures of the Communications Company, whose total was the lowest yet recorded. Hudsons Bays were again an uncertain market, on trepidation as to the contents of the forthcoming report of the investigation committee.

British Aluminium were marked up sharply, for special reasons, and Turner and Newall showed a modest improvement on bear closing. The effect of the Morris decision to produce a £100 car was, paradoxically, to strengthen the tone of the whole motor share market. Electrical shares moved within narrow limits, without any definite tendency. Rayons and textiles received a certain amount of support from the provinces. The Unilever companies were steady on a moderate turnover at the outset, but reacted when Amsterdam became a seller. Tobaccos were irregular, though Carreras showed a moderate gain after the meeting. Lautaro preference gave way, and the ordinary became a nominal market, on the postponement of dividends pending the outcome of the New York conference on "Cosach" finance. Bank shares were harder on a modest demand, but no interest was taken in insurance shares, apart from Prudentials.

Business was largely at a standstill in the rubber share market, the commodity being quoted at lower levels. Tea shares were as idle as ever, "heavy" shares remaining dull, though one or two Ceylon issues obtained slight support. Oil shares lost further ground, Royal Dutch being sold from Amsterdam and Eagle issues from Paris, while on Tuesday New York influences were also thrown on the bear side.

The mining markets were again extremely quiet. The Rand dividends created, on the whole, a good impression, but this was more than offset by the receipt of moderate selling orders from the Cape and Paris. Among Rhodesians, Chartered suffered a further decline, and the Northern copper propositions were largely neglected, pending the completion of the fusion arrangements between Congo Border, N'Changa and Bwana. On Monday, the price of tin advanced sharply on the Metal Exchange, as a result of bear closing and supporting orders, but the ensuing activity in tin shares was entirely professional, and died out when the rise in the metal was not held. Rio Tintos were in demand on the firmer tendency of copper.

"FINANCIAL NEWS" DAILY BARGAIN INDEX.

(Approximate number of Bargains recorded in Stock Exchange Lists.)

	Dec. 15, 1930.	Dec. 16, 1930.	Dec. 17, 1930.	Dec. 18, 1930.	Dec. 19, 1930.	Dec. 22, 1930.
Government and Municipal Loans.....	1,584	1,244	1,149	1,123	1,064	1,450
Transport, Communications, and Public Utilities	1,106	867	879	905	771	950
Commercial and Industrial*	2,129	1,729	1,632	1,530	1,554	1,660
Banks, Insurance and Financial	744	503	528	475	414	512
Mines (including Nitrates)	520	414	430	361	350	413
Oil	173	110	152	132	133	122
Rubber, Tea and Coffee	128	110	104	110	77	78
Total	6,384	4,977	4,874	4,636	4,363	5,185

* Including iron and steel and breweries.

"FINANCIAL NEWS" DAILY AVERAGE OF 30 INDUSTRIAL ORDINARY STOCKS. (1928 = 100.)

Highest of 1930. (Apr. 17.)	Lowest of 1930. (Dec. 17.)	Dec. 15, 1930.	Dec. 16, 1930.	Dec. 17, 1930.	Dec. 18, 1930.	Dec. 19, 1930.	Dec. 22, 1930.
90.6	70.0	70.5	70.6	70.0	70.3	70.8	71.2

FOREIGN STOCK EXCHANGES.

NEW YORK.

On Friday last week the New York stock market made a display of strength, after early irregularity, railways being particularly firm on widespread reports that the Eastern Roads had agreed on a consolidation scheme. Later, however, profit-taking left the list irregular, and the volume of trading was greatly reduced. The bond market, however, enjoyed a sharp rally, which was held in some quarters to indicate the end of the liquidation movement by the banks. Christmas week opened with an unsettled tendency, which became more pronounced in the later dealings. Though no violent liquidation was experienced, many stocks recorded sizeable losses, including Steel Corporation, American Telephone, Westinghouse and General Electric. In some quarters the setback to recovery was

ascribed to nervousness, following further country bank failures, while in other quarters tax-selling and other temporary features were given chief responsibility. Seasonal holiday trade throughout the country developed fairly well, but this was partly due to the stimulus of important price reductions made by the large stores and the mail order houses.

	Dec. 11, 1930.	Dec. 18, 1930.	Dec. 22, 1930.		Dec. 11, 1930.	Dec. 18, 1930.	Dec. 22, 1930.
U.S. 3½% T. Bds.	106½	106½	106½	Natl. Biscuit	75	77	75½
Do. 4½% T. Bds.	112½	112½	112½	Phelps Dodge	23	20	22½
U.S. 3½% 32-47	101½	101½	101½	Pullman	55½	53½	50
Do. 4½% 32-47	102½	102½	102½	Sears-Roebuck	55½	49½	46½
Do. 4½% 35-38	103½	103½	103½	Studebaker	21½	21½	20½
Atchafalpa	176½	177	173½	Un. Fruit	56½	54½	48½
Chas. & Ohio	38	38½	38½	U.S. Leather	4	1½	4½
Erie	25	26½	23½	U.S. Rubber	13½	13½	12½
Illinois Central	74	67	65½	U.S. Steel	139½	139½	137½
N.Y. Central	118	114½	112½	Westinghouse	9½	94½	91½
Pennsylvania	55	56½	56½	Woolworth	56½	56	54½
Southern Pacific	95½	92½	92½	Worthington Pump	65½	60	58
Southern Ry.	57	53	51				
Union Pacific	177½	173	173	Am. Tel. & Tlg.	182	180½	175½
				Int. Tel. Teleg.	23	23	20½
Am. Can.	111½	111½	109½	Radio Corp.	13½	13½	12½
Amer. Smelting	47½	41	39½	Utilities P. & L.	23½	21½	20½
Anacosta	32½	25½	26½	W. Union Tlg.	129½	125½	125½
Bethlehem Steel	57½	53½	51				
Chrysler Motor	16½	15½	16½	Associated Gas "A" ..	17½	15½	15½
Corn Produce Rd.	75	70½	69½				
Eastman Kodak	153	151½	145	Pan Amer. B.	38	33	33½
Gen. Electric (New)	45½	45½	43½	Sinclair Oil	11½	10½	10½
Gen. Motors	33½	33½	34	Std. California	47	45½	44½
Int. Harvester	53½	50½	46½	Do. N.J.	51½	46½	45½
Montg. Ward	18½	18½	17½				

TOTAL DEALINGS IN NEW YORK.

	Dec. 15, 1930.	Dec. 16, 1930.	Dec. 17, 1930.	Dec. 18, 1930.	Dec. 19, 1930.	Dec. 20, 1930.	Dec. 22, 1930.
Stock Exchange—Shares (Thous.)	3,426	4,145	4,994	3,283	2,263	1,024	2,100
Bonds (Value Thous. \$)	13,097	14,065	11,813	12,505	11,563	5,740	13,020
Curb—Shares (Thous.)	770	1,000	1,348	763	520	287	504

* 2-hour session.

CANADA.

After a spell of heavy liquidation during the first half of November, Canadian stock markets remained fairly steady for some time, with little business, but early in December they resumed a downward course in sympathy with New York. Some issues have now receded to the levels of 1926. There is no tangible evidence as yet of a business revival, and the situation in the West of Canada has changed for the worse. Many factors have combined to bring about the present situation, including the continued decline in commodity prices, difficulty in marketing the Western grain crop and the resulting embarrassments of the wheat pools (in which the banks are heavily involved), the passing of dividends by companies like Massey-Harris and Noranda, the rumoured impending suspension of other dividends, the internal troubles of countries like Brazil and Cuba (in both of which a great deal of Canadian capital is invested) and the curtailment

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of the public's purchasing power as the result of increasing unemployment. The liquidation of stocks, however, has been orderly and gradual, with nothing approaching a panic. Most speculative operators have been driven out of the market, selling now being done by genuine investors. Last month hopes were entertained that the consummation of another merger would improve the outlook for newsprint companies, but the negotiations have apparently come to nothing. Stocks of all companies which depend upon Western business are in particular disfavour, and issues like International Nickel and Brazilian Traction, which are also listed in New York, have had to face heavy selling pressure. The mining market is also depressed, apart from the stocks of well-established gold mines like Dome and McIntyre.

	May 1930.	July 1930.	Dec. 1930.	May 1930.	July 1930.	Dec. 1930.
Abitibi Power & Paper	31	25	9	12	8	2
Asbestos Corp.	18	1	1	6	5	6
Bank of Montreal	303	295	281	33	24	10
Brazilian Traction	49	39	21	34	26	14
British Col. Power "A"	41	36	35	126	57	54
Can. Bank Commerce	150	160	150	358	308	254
Can. Bank of Commerce	24	20	18	68	48	35
Canadian Car	16	14	12	83	69	52
Canada Cement	7	5	3	74	62	40
Can. Indus. Alcohol	16	13	4	63	57	41
Canada Power & Paper	17	15	17	300	291	272
Can. Steamship Lines	19	15	17	74	68	50
Cookahutt Plov	227	198	149	33	29	28
Cous. Mining	64	56	51	48	43	41
Dominion Bridge	68	70	79	44	38	15
Dora. Textile (New)						

INVESTMENT NOTES.

American Banking Position.—The crisis in the American stock markets arising out of the failure of the misnamed Bank of United States has, so far, had less extensive repercussions than were at one time feared, but the general situation is not yet clear. The collateral loans of Federal Reserve member banks are nearly as high as they were a year ago. Actually, the total loans on securities (including other lenders as well as banks) have been reduced from nearly 17 billion dollars a year ago to approximately 10½ billion dollars at the present time, a reduction of nearly 40 per cent. The fact that collateral loans of the member banks have not appreciably declined is explained by the shifting over of loans made by non-banking customers to banks. Loans on account of "others," which played such an important part in the stock market gamble last year, have now been reduced by about 90 per cent. during the past year. The member banks of New York City have now little more than 1 billion dollars liability on account of "others," i.e., loans placed by banks for customers, whereas last year they had a liability of more than 5.2 billion dollars on this account, a considerable part of which they might at any time have been called upon to take over. The National City Bank, in its December Bulletin, has given some interesting figures, which enable the American failures of 1930 to be seen in their true perspective. Bank failures this year have been greater in numbers and in deposits involved than in previous years; but, under the present system of small independent institutions, country bank failures are a regrettable but not abnormal feature of American business life. The following table, given by the National City Bank, shows that in no year since 1921 has the number of suspensions been less than 354:—

Year.	Number of Suspensions.			Deposits in Millions.		
	Total.	Member Banks.	Non-Member Banks.	Total.	Member Banks.	Non-Member Banks.
1921	501	70	431	\$196	\$43	\$153
1922	354	57	297	111	24	86
1923	648	124	524	189	51	138
1924	776	159	617	213	74	139
1925	612	146	466	173	67	106
1926	956	160	796	272	69	204
1927	662	124	538	194	66	128
1928	491	73	418	139	42	96
1929	642	81	561	234	57	177
1930*	740	100	640	312	73	240
Total ...	6,382	1,094	5,288	\$2,033	\$566	\$1,467

* Ten months to October 31; subject to revision.

In the nine-year period 1921-1929, some 3,514 of the 5,642 "banks" which failed had a capital of \$25,000 or less, and 3,411 were located in towns of less than 1,000 population. The failure of the Bank of United States, which was a member of the Federal Reserve System, was a more serious affair, and it is to be hoped that failures of this order will be few and far between. The total number of failures for 1929, however, is expected to exceed one thousand.

Brewery Company Profits.—The ability of the brewing trade to make good profits in the face of increasingly heavy taxation, keen temperance propaganda, and industrial depression, has been exemplified by the majority of recent brewery company reports. In the following table, sixteen of the most important breweries have been selected from those companies which have published their accounts since August last and their results have been compared with those for 1929. Thirteen companies have increased their profits, while, in the aggregate, net revenue exceeds by £564,217, or 8.3 per cent., the corresponding total for last year. Four companies have increased and two decreased their dividends, but of the latter Benskin's Watford Brewery has paid 17½ per cent. against 25 per cent., on a trebled capital, part of which was issued on bonus terms:—

Company.	Net profit, 1929.	Ord. Div.	Net profit, 1930.	Ord. Div.	Present price.	Yield %
Allsopp	£ 128,240	8	£ 145,323	8½	23½	7 10
Ansell's Brewery	189,329	15	174,734	15	...	...
Arthur Guinness	2,209,388	35	2,522,079	35	108½	6 9 7
Bass, Ratcliff & Gretton	542,638	20	538,970	19	34	6 1 7
Benskins	145,932	15	179,370	17½	38½	9 4 2
Brickwood and Co.	109,739	25	112,042	15	18	8 0 0
Bristol Brewery	188,063	20	192,331	20	38	5 10 4
Fraser Holroyd	122,989	15	141,863	15	38	9 12 0
Hull Brewery	85,756	13½	100,731	17½	34	7 13 10
Ind. Coopers	296,192	25	313,789	25	34	7 13 10
Mitchells and Butlers	641,903	15	696,871	15	2½	5 11 7
P. Philippe	122,033	13½	123,539	13½	24	6 2 2
Peter Walker (War- rington)	412,267	7½	418,005	7½	18/3	8 4 4
Watney, Combe	1,263,549	15	1,342,805	21	2½	7 6 1
W. Butler	122,828	15	121,629	15	...	...
Wolverhampton and Dudley	202,195	22½	223,150	25	3½	7 13 10

* Tax free.

Some of the smaller companies, which are not dealt with in the above table, present a less uniformly satisfactory record, but it is impossible to say how far diminished profits can be correlated with industrial depression. Many of the small local breweries, while still in a strong position, would be among the first to suffer were restrictive legislation, in the future, to be locally applied. Though the Licensing Commission is not expected to report until the early spring, an unofficial forecast has been made, that the majority will recommend significant alterations in the *status quo*, particularly in relation to the condemnation of "special removals," the curtailment of occasional licences and drinking facilities on new estates and in clubs, and the enforcement of Sunday closing. How soon and to what extent such proposals would be likely to be translated into law, it is impossible to forecast, but shareholders should keep their possibilities in mind.

Australian Company Profits.—The success of the recent £28,000,000 Internal Conversion Loan—which was fully subscribed by the middle of last week, some £16,000,000 being received in cash and £12,000,000 in conversions—has been welcomed in this country, though other developments, such as the bonus on increased gold production and the bill to advance 3s. a bushel f.o.b. to wheat growers, are less favourably viewed. Meanwhile, it is of interest to examine the recent profit statements of well-known Australian companies to ascertain how far their earnings position has been affected by the continuing

economic depression. The following are the recent figures for eight companies with a substantial British interest:—

Company.	Net Profit.		Ordinary Dividend.		To Reserves, 1930.	Increase or decrease in carry-forward, 1930.
	1929.	1930.	1929.	1930.		
Aust. Merc. Land and Finance	249,943	2,971	10½	3½	Dr. 50,000	+ 3,971
Dalgely & Co., Ltd.	422,590	235,946	17½	10½	50,000	+ 10,846
Elder, Smith & Co., Ltd.	227,106	128,724	10	5	Nil	+ 9,041
Sulphide Corp.	213,228	72,593	15	Nil	32,200	+ 10,393
Aust. Bank of Commerce	218,545	180,693	8	7	25,000	+ 1,133
English, Scot. & Aust. Bank	601,263	542,737	12½	12½	210,000	- 42,263
D. & W. Murray	61,308	209	3½	Nil	Dr. 60,000	- 10,191
Paterson, Laing & Bruce	59,875	27,970	7½	3½	Nil	- 15,530
Total	2,053,858	1,191,843	...	...	207,200	- 32,600

† Free of British income tax.

Although placed in London in the same category as Dalgely's and Elder, Smith, the Australian Mercantile Land and Finance really comes under a slightly different heading. A greater amount of its interests are in stations in Queensland and New South Wales which it itself owns. The Queensland drought has been heavy, and the fact that the company actually earned a profit is probably due to profits which it made in conducting wool sales. With a better wool-clip from clients and the recent beneficial rains in all parts of Australia, its future should show a marked improvement. In order to meet its dividends it was necessary to draw £50,000 from its reserves, which are, however, substantial. The £25 shares, £5 paid, are quoted at £2, yielding £8 15s. per cent. as compared with £6½ a year ago, yielding £8 per cent. Dalgely's and Elder, Smith both have their interests widely spread over all agricultural activities. Their profits dropped last year by 44.16 per cent. and 43.32 per cent. respectively. Both concerns own their own stations, finance "the man on the land," conduct wool and wheat sales, and have interests in the shipping and motor-car business. Both are sound concerns, but Dalgely's generally pay away a smaller percentage of their profits in the form of dividends. The price of Dalgely shares of £25, £5 paid, has fallen from £12½ to £7½, the yield being practically unchanged at £6 17s. 11d. Elder, Smith's are not quoted in London, but their latest Melbourne quotation is £6 7s. 9d. lower than a year ago at £4 6s. 3d., the yield being £6 19s. 1d. The Sulphide Corporation is dealt with on another page. Kandos Cement, an Australian company, has been obliged temporarily to close down its works, its store houses being full. The falling off in the earnings of the two banks was, naturally, less than in the case of the industrial concerns, the declines being 17.3 per cent. in the profits of the A.B.C. Bank and 9.7 per cent. by the E.S. and A. Bank. The latter bank was able to maintain its dividend rate, since it has always made heavy allocations to reserves. The present price of the A.B.C. shares is 17s. 6d. per share, as compared with 28s. a year ago, the yield being £8 per cent. The E.S.A. £5 shares, £3 paid, are priced at £4½, as compared with £6½, the yield having risen from £5 10s. 1d. to £8 16s. 5d. Murray's and Paterson's are wholesale warehousemen. The policy of the large retail stores of Australia is adversely affecting this trade, since the stores now conduct their own importing; they also supply the country storekeeper and conduct a mail-order business on a large scale. Murray's have withdrawn £60,000 from reserves to meet their preference dividend of £70,000 and passed their ordinary dividend. Paterson's showed a decline of 53.2 per cent. in profits and paid a dividend of 3 per cent. The profits for the eight companies, in the aggregate, show a fall of £862,015, or 41.97 per cent., the greater part of which reflects the severity of the setback which Australia's progress has lately suffered.

Amalgamated Cotton Mills Trust.—The continued unsatisfactory experience of this Lancashire textile holding company is a further indication of the deplorable present condition of the industry. For the year to October 31st

last, gross receipts on an issued capital of £7½ millions amounted to £60,119, compared with £84,457 in 1929. Expenses, including directors' fees, accounted for £12,731, interest required £42,142, and the balance of £5,246, together with £3,683 brought in, was carried forward to the next account. The dividend on the £2,600,000 cumulative preference shares is in arrear from May, 1925, and amounts to about £875,000. The ordinary shares have received no payment since 1919.

	Year to October 31,		
	1928.	1929.	1930.
Gross receipts	£ 71,107	£ 84,457	£ 60,119
Expenses	15,500	10,010	12,731
Interest	45,630	51,420	42,142
Net revenue	9,977	23,027	5,246
Brought forward	Dr. 29,321	Dr. 19,344	3,683
Carried forward	Dr. 19,344	3,683	8,929

The operating subsidiaries record a trading loss of £76,055, against a profit last year of £142,217. Some £479,893, of which £132,191 was taken from reserves, is written off in respect of depreciation of stocks, while depreciation of plant is shown at £113,009, and debenture interest and preference dividends to outside shareholders account for £194,297, leaving a total debit of £731,063. The directors refrain from prophesying any widespread improvement in the immediate future. The trust's balance sheet reveals a somewhat weak position. Investments totalling £7,956,188 are shown at their original cost, while loans and creditors amount to £979,291, against £226,535 for debtors. The board has apparently reversed its decision against the disclosure of subsidiary figures since last year's general meeting and has now appended a summary of the assets and liabilities of subsidiary and associated cotton mill companies. This shows an excess of assets over liabilities, apart from share capital, of £4,622,613. Closer examination reveals, however, that fixed capital, which includes an unstated amount of goodwill, totals £7,582,325, as at the date of acquisition by the company, less depreciation of £1,613,881 written off over a period of some ten years, and before adding recent acquisitions. Stocks totalling £2,218,715 are presumably taken at market price. Investments, which account for £80,826, are shown without comment. At the annual meeting the chairman stressed the necessity of reducing costs to enable the Lancashire mills to compete successfully with cheaper foreign goods, especially those coming from Japan. The heavy fall in commodity prices, he declared, had severely affected purchasing power in the East, and since 75 per cent. of Lancashire's output is exported, the mills are now working a little more than one-half of their full capacity. The fall of 4d. a pound in the price of cotton had resulted in a loss of £479,893 by the company and its subsidiaries.

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GOVERNMENT, MUNICIPAL,
RAILWAY, PUBLIC UTILITY,
INVESTMENT TRUST AND
INDUSTRIAL FINANCING

African and Eastern Meeting.—Sir Robert Waley Cohen, chairman of the African and Eastern Trade Corporation, revealed numerous significant facts, at last week's general meeting, regarding the relations between the United Africa Company and the Unilever group. The general scope of the latter company's interests is discussed in a leading article on page 1227 of this issue. Sir Robert pointed out that although the holding of African and Eastern in United Africa represented only about 45 per cent. of the total capital, legal precautions had been taken to secure that the former company had the right to an equal voice in affairs with Unilever. If any dispute were to arise, Sir Robert added, the powers of African and Eastern were equal to those of Unilever, and no decision could be taken except as the result of independent arbitration. No dispute with Unilever as regards trading or financial policy had, in fact, arisen; the only difference of opinion had been about the nature of the management. The African and Eastern had been in favour of the appointment of two managing directors, one for each party, but the Unilever group had insisted on three managing directors under the control of an executive committee, consisting of four members chosen from the board. The African and Eastern directors had given way and the affairs of United Africa were now in effect managed by a committee. Sir Robert added that he was chairman of the committee, but that he could not accept the same responsibility for the conduct of affairs as he undertook on the formation of United Africa. As regards actual trading operations, Sir Robert declared that the company was in the unfortunate position of having to exchange with the native producers of primary commodities, which had fallen heavily in price, a range of manufactured goods the prices of which had fallen to no proportionate extent. The company found it necessary to carry large quantities of produce and merchandise, and had taken heavy inventory losses on these stocks at present market values. In these circumstances, it had concentrated upon economies in operating expenditures and had been able to reduce its overhead charges by about £435,000 per annum. In spite of the elimination of wasteful competition it had worked with almost no final profit. Sir Robert admitted that there was still reason to be anxious about the cocoa trade, in which the company had made heavy losses in the past year. Consumption had declined and the price of cocoa this season had touched a figure nearly 50 per cent. below the average price of last season's crop. The main cause of the excessive fall in price, which was greater than the relation between supply and demand warranted, was the severe competition which still existed in the cocoa trade. The organisation of the cocoa business he described as "a very unscientific piece of commercial machinery." The evils which had been brought about by excessive speculation in cocoa futures could only be mitigated by closer co-operation among all concerned. The United Africa Company had made almost superhuman efforts to secure co-operation among its principal competitors, but so far had not met with great success. Sir Robert added that considerable economies might be effected if the Government also showed a greater willingness to co-operate. The Government was holding very large stocks of materials of all kinds, duplicating the stocks held by private organisation. The suggestion he threw out that the Government should transfer to private enterprise some of the activities which, in the primitive stage, it had been obliged to undertake, merits sympathetic attention.

Chosen Corporation Developments.—In last week's *Economist* (page 1182), we summarised the statements made by three directors of the Chosen Corporation in a circular addressed to shareholders before the annual meeting. The latter took place last Friday, December 19th. After the chairman, Mr M. C. Harman, had addressed the shareholders, Mr Bourke-Borrowes, one of the three dissenting directors, declared that profits remitted from Korea had been left on deposit with the British Bank for Foreign Trade (of which Mr Harman is chairman), and

that difficulty had been experienced in withdrawing them in other than small sums. Answering numerous questions, Mr Harman admitted that no security had been given for these amounts by the bank, but declared that it was not customary for depositors to demand security from their bankers. He contended that the bank's deposits were "covered" on the average, by advances of about 35s. for every pound of deposits, and that the bank's affairs were under the supervision of a committee representing the chief creditors, and had retained the services of two leading firms of chartered accountants. Mr Harman disclosed that in the last eighteen months the current and deposit account liabilities of the bank had fallen from £1,400,000 to £320,000, and described the fact of the bank's continued existence, despite this strain, as "good evidence of its ultimate solidity." In answer to criticism of alleged "group finance," Mr Harman rejoined that all mining companies worked in a group finance system. In short, Mr Harman apologised for nothing and withdrew nothing. After the vote, a poll was demanded, and Mr Bourke-Borrowes announced the retirement from the board of himself and two colleagues—Mr Rondon and Mr Casenave—who had been associated with him in the issue of the dissenting circular. The meeting thus confirmed the company's connection with the Harman interests. The £1 shares have been dealt in this week at 4s. 9d.

Hector Whaling Limited.—Shareholders of the Hector Whaling Limited find themselves in an unfortunate position, which was frankly disclosed to them by the chairman, Sir Karl Knudsen, at the general meeting on December 16th. The company's financial year ended in July, and the profits amounted to £94,543, or 28.5 per cent., on the ordinary share capital, as compared with £138,624 in the previous year, the reduction being due to the fall in the price of whale oil. The company's fleet usually proceeds to the whaling waters in the autumn, and it has been the practice of the company to sell part or all of its catch forward. This year, however, the company has not sold its oil forward, and, unfortunately, the price of whale oil has fallen further to £16 per ton. Discussions were being held in the spring with other whaling companies with regard to the restriction of output, and the formation of a selling pool, but before these discussions were ended some of the companies sold their oil forward at £25 per ton. The Hector Whaling Company, in other words, lost the market, and the chairman stated at the meeting that the company is prepared to put part or all of its catch into storage until the price of whale oil recovers, or the big consumers decide to re-enter the market. As a result, the directors wisely decided to conserve the company's financial resources by withholding the final dividend, the interim dividend of 12½ per cent. having been paid. The results for the past two years compare as follows:—

	Year to July, 1929.	Year to July, 1930.
Total income	181,109	144,809
Earned for dividend	138,624	94,543
Per cent. earned	60.8	28.5
Do., paid	25%	12½%
Carry forward	31,624*	84,754

* Less reserve appropriation, £50,000.

As regards the whaling operations, the chairman was able to report the addition of three new whale boats and considerable improvement in gun efficiency. The 1929-30 season's catch amounted to approximately 200,000 barrels and the results reported to date for the 1930-31 season showed a considerable increase on those of the previous year. The company's £1 shares, which were as high as 36s. 5d. this year, are now quoted at 14s.

Two Film Companies.—Two British film concerns formed during the boom of 1928—British and Dominions Film Corporation, Ltd., and British and Foreign Films, Ltd.—have just published their accounts for the past year. Like other new concerns in the

industry, both were caught napping by the coming of the "talkies." The loss made by the British and Foreign company during the first sixteen months of its existence was shown at £37,457. It is now stated that this figure must be raised to £54,185, owing to certain over-valuations. The total loss suffered during the past seventeen months was £90,509. The total loss to date is £144,754. The directors attribute to the previous management the company's unfortunate financial position. All cash receipts have been used to redeem loans or to pay creditors. The loss made by the British and Dominions Film Corporation was £48,741 for the seventeen months to November 30th last, making the total debit of the profit and loss account £181,349, including a loss of £127,220 made chiefly on silent films. It is understood that the company is negotiating with Paramount Famous-Lasky Corp. for the use of one of the new sound studios for ten years at an annual rental of £300,000. Negotiations are also said to be taking place with Regal Films, Ltd., for exhibition of the company's films throughout Canada. This is expected to involve at least £100,000. Both companies came into existence, in short, at what is now seen to have been an unfortunate moment, and both are carrying heavy accumulated losses in consequence. It is, however, satisfactory to hear that British and Dominions have been markedly successful with some of their recent "talkie" productions.

Tea Restriction in Dutch East Indies.—It has been reported from Amsterdam this week that a meeting of the Association of Dutch East Indian Tea Growers has decided in favour of the principle of restricting the tea crop in 1930 on the same basis as in 1929. Negotiations for restriction, writes our Amsterdam correspondent, were first undertaken at the beginning of this year between the British and the Dutch East Indian tea producers, with a view to arriving at a 10 per cent. "cut" in production. The negotiations were successful, and the resultant restriction is deemed by those concerned to have exercised a beneficial effect on the market. The Dutch growers were by no means unanimous when the scheme was first mooted at the beginning of this year. The original proposal was that they should reduce their production by 12 million metric pounds, but this was considered too great a sacrifice. It was pointed out that there had been a regular expansion in Dutch East Indian production in previous years, the total having risen from 131 million metric pounds in 1927 to 139 millions in 1928 and 147 millions in 1929. The potential production for 1930 would thus have been about 155 millions, against not more than 135 millions proposed under the original restriction scheme; the effective reduction proposed thus being as much as 13 per cent. The Dutch planters suggested a reduction of not more than 7½ million pounds, but the British planters declared this unacceptable, and eventually a restrictive figure of 8½ million pounds was agreed upon. Apparently, this week's Dutch decision involves agreement on the temporary continuance of restriction as a broad policy, but the exact figures have still to be worked out.

Sulphide Corporation.—Our mining correspondent writes: Last year's results were adversely affected, not only by the fall in metal prices but by the restriction of the company's industrial activities—although these influences were in some degree counter-balanced by improved recoveries and enhanced efficiency. As regards the first-named point, it may be mentioned that the average price received for lead was nearly £3 9s., and for zinc approximately £5 below the 1928-29 level. At £72,600 the net profit shows a decrease of £140,600. In view of the uncertainties in Australia, and of the further decline in metal prices, the directors are following a conservative policy in the distribution of earnings. Only 5 per cent., absorbing £30,000, is to be paid upon the preference shares, £7,200 being placed to reserve for contingencies, and £25,000 to taxation reserve. Actually, £21,000 was placed to reserve for contingencies twelve months ago; hence there seems little point in the directors' remark as to the "conservation of cash resources." With all

these Broken Hill companies, labour is a very important item. Hence it is to be hoped that there will be a satisfactory outcome to the conference now in progress with the unions regarding a revision of the terms of employment.

The Rand December Dividends.—Our mining correspondent writes: The proverbial ill wind has this year been exemplified in the case of the gold mining industry of the Witwatersrand. Owing to the depression in other branches of business, an ample supply of native labour has been available; indeed, we have heard of workers being turned away from mines. Largely as a result of the position in this respect, gold production has expanded to a record level, and the profits have been higher than for years past. Indeed, it is a long time since so many increases were shown in the half-yearly dividend declarations compared with those of the preceding period. Our usual table is given:—

Company.	Dec., 1929.	Total, 1929.	June, 1930.	Dec., 1930.	Total, 1930.
Brakpan	25	48½	21½	22½	43½
Consol. Main Reef	5	10	3½	6½	10
Crown Mines	32½	65	32½	35	67½
Durban Deep	...	...	2½	5	7½
Geduld Proprietary ...	16½	31½	16½	16½	32½
Geldenhuis Deep	2½	5	3½	5	8½
Government Areas	45	90	45	45	90
Langlaagte Estate	7½	15	10	10	20
Modderfontein "B" ...	40	80	40	40	80
Modderfontein Deep ...	70	135	65	65	130
Modder East	10	20	20	10	20
New Modderfontein	70	140	67½	65	132½
New State Areas	5	12½	7½	10	17½
Nourse	2½	2½	2½	3½	6½
Robinson Deep (7/6) ...	...	...	...	...	7½d.
Rose Deep	...	...	2½	2½	5
Simmer and Jack (2/6)	...	...	...	...	1½d.
Spring Mines	18½	36½	17½	20	37½
Sub Nigel	20	40	20	30	50
Van Ryn Gold	2½*	5*	2½*	2½*	5*
Van Ryn Deep	17½	35	15	15	30
Village Deep	2½	5	...	...	...
West Springs	5	10	5	5	10
Witwatersrand Gold ...	2½	2½	5	5	10
Johannesburg Consol. ...	7½*	15*	7½†	...	7½†
New Era Consol.	5	10	...	...	...
Rand Mines	50	100	50	40	90

* Tax free. † Less tax.

This table does not include declarations made at dates other than June and December.

Of the score of mining companies included in the above tabulation, practically one-half are paying more for the second than for the first half of 1930, the most notable example being the jump from 20 per cent. to 30 per cent. in the case of the Sub Nigel. Moreover, two shares—Simmer & Jack and Robinson Deep B—reappear after an absence of several years. On the adverse side, there is a small further decrease on the part of the New Modder, the total for the year being 132½ per cent., as against 140 per cent. for both 1929 and 1928. (The Village Deep, of course, ceased to be a mining enterprise in June.) In regard to the finance concerns, a very different story has to be told. The final distribution for 1929-30 of the Johannesburg Consolidated Investment Co. was paid less tax instead of tax free. In view of the falling off in the company's revenue from its diamond interests, the failure of the Potgietersrust Platinum undertaking, and of the at present unremunerative commit-

Castbury
Maker
of Fine Chocolates.

ments in Northern Rhodesia, fears of a cut in the rate had been entertained. But the decision of the directors to "defer" payment of the interim dividend altogether came as a shock, and resulted in a sharp fall in the price of the shares—since partially recovered. With the Rand Mines, also, some nervousness had been felt, this company being to some extent interested in the foreign undertakings whose position necessitated the passing of the Central Mining distribution. Fortunately, the cut is no more than 10 per cent.

Company Meetings of the Week.—On later pages of this issue will be found the reports of the following companies:—Orient Steam Navigation, Venezuela Telephone and Electrical Appliances, Harrods (Buenos Aires), W. Abbott and Sons, Carreras, and Samuel Allsopp and Sons. Presiding at the annual meeting of Carreras, Ltd., the chairman said that the Indian boycott had had an adverse effect on the company's sales in that country, and the general world depression had also affected the company's sales. Sir Alan Anderson told the Orient Company shareholders that the Australian situation had, naturally, greatly affected the company's earnings. The chairman of Harrods (Buenos Aires), Ltd., informed shareholders that the company's earnings had been seriously affected by the recent upheavals in the Argentine. A further hindrance to progress was the severe drought which that country had recently experienced.

CAPITAL ISSUES.

ISSUES OF THE WEEK.

By Prospectus or Offer for Sale.

Net total recorded, January 1 to December 20, 1930, £267,800,700.
Total, including conversion recorded, January 1 to December 20, 1930, £454,888,784.

National Savings Certificates.
Net sales, week ended December 13, 1930, £250,000.
Total receipts, April 1, 1930, to December 13, 1930, £6,250,000.

	Conversions or New Issues or Money		Repayment of Cash Subscriptions		First Further	
	Nominal Capital.	£	£	£	£	£
To the Public.	Nil					
To Shareholders only.	Nil					
Total Offered for Subscription—						
Jan. 1 to date—	Including Conversions.	£	Excluding Conversions.	£	Including Conversions.	£
1930	454,888,784	267,800,700	1929	488,764,940	285,239,400	
1929	488,764,940	285,239,400	1928	693,100,056	365,165,970	
1928	693,100,056	365,165,970	1927	230,782,601	232,214,500	
1927	230,782,601	232,214,500	1926	209,326,100	271,399,173	
1926	209,326,100	271,399,173	1925	271,399,173	573,675,653	
1925	271,399,173	573,675,653	1924			
1924			1923			
1923						

By Stock Exchange Introduction.

	Amount Introduced.	Prices at which Dealings Began.	Total Cash Involved.
Amount previously recorded	22,158,480	...	23,944,453
Total for week ended December 27, 1930...	Nil	...	Nil
Total for 1930.....	22,158,480	...	23,944,453
Total for 1929.....	31,519,934	...	43,644,082

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DIVIDEND ANNOUNCEMENTS.

Name of Company.	Rate % per Annum, except where marked % or Stated in Cash.			Dividend for Whole Years.	
	Interim or Final.	Date of Payment.	Method of Payment.	Latest Year.	Previous Year.
TEA AND RUBBER.					
Maleber Tea Estates	4%*	Jan. 1	Less tax	%	%
Tiewangie Tea	3%*	Dec. 23	...	...	...
United Seriang Rubber	4%*	...	...	...	...
Zaloni Tea Estates	5%*	...	Less tax	...	...
MINING.					
Brakpan	4/6 p.s.*	...	Less tax	...	...
Consolidated Main Reef	1/3 p.s.*	...	Less tax	...	...
Crown Mines	3/6 p.s.*	...	Less tax	...	...
Durban Deep	6d. p.s.*	...	Less tax	...	...
Geldenhuis Deep	1/- p.s.*	...	Less tax	...	...
Kramat Tin Dredging	6d. p.s.*	Jan. 10	...	...	...
Modder B.	2/- p.s.*	...	Less tax	...	...
Modder East	2/- p.s.*	...	Less tax	...	...
New Modder	9d. p.s.*	...	Less tax	...	...
Nourse Mines	3d. p.s.*	...	Less tax	...	...
Rand Mines	2/- p.s.*	...	Less tax	...	...
Rose Deep	6d. p.s.*	...	Less tax	...	...
Rezende Mines	2/6 p.s.*	...	...	...	...
South African Coal Estates	2 1/2%*	...	...	...	...
Springs Mines	4/- p.s.*	...	Less tax	...	...
West Springs	1/- p.s.*	...	Less tax	...	...
OTHER COMPANIES.					
Andersons' Rubber	5%*	...	Less tax	...	...
Bluemel Bros.	1/6 p.s.*	...	Less tax	2/- p.s.	2/6 p.s.
Forton Trust	2 1/2%*	Jan. 9	Less tax	...	...
Glasgow Corn Exchange	2%*	...	...	22	22
Hall's Oxford Brewery	5%*	...	Tax free	25	52 1/2
Midland Trust	5%*	...	...	...	...
Morse (Trinidad) Oil	10%†	...	...	...	...
N. Greening and Sons	1 1/4%*	...	Less tax	...	...
New Investment	2 1/4%*	Jan. 1	Less tax	...	...
Riley (Coventry)	8%*	...	Less tax	10	10
Sawers	3%†	Dec. 24	Less tax	...	...
Scottish Heritable Trust	3%†	Jan. 1	Less tax	6	6
Selected Investments	3%*	Jan. 10	Less tax	...	...
Tamplin and Sons Brewery	5%*	...	Less tax	...	...
Victoria Falls & Transvaal Power	3%*	...	Less tax	...	...
White (A. J.)	5%*	Jan. 2	Less tax	...	...
Yorkshire Dyeware and Chemical	2 1/2%*	Dec. 31	Less tax	...	...

AUSTRALIAN ESTATES AND MORTGAGE.—Figures so far available make it very improbable that the results for 1930 will permit the final dividend to be paid on the preference shares of the Australian Estates and Mortgage Company. In view of the general position in Australia it is considered essential that liquid resources should be conserved, and that the reserve should not be further drawn upon for dividend payment. The matter will be considered when the accounts are available. The interim preference dividend was duly paid last July. For 1929 the full preference dividend was paid with the assistance of £100,000 taken from reserve, but the ordinary shares received nothing, as against 5 per cent. for 1928.

CORDOBA CENTRAL RAILWAY.—The directors announce that they have decided to postpone payment of the half-year's interest due on January 1 on the 5 per cent. second debenture stock.

MILLARS' TIMBER AND TRADING.—The directors announce that having regard to the heavy falling off in sales consequent upon industrial depression in Australia and elsewhere, they do not feel justified in paying the interim half-yearly dividend on the preference shares, due January 1, 1931.

STEEL INDUSTRIES OF GREAT BRITAIN, LIMITED.—In view of the decision of the directors of The United Steel Companies, Limited, not to declare an interim dividend, no interim dividend on the 6 per cent. cumulative convertible preference shares of £1 each, fully paid, of Steel Industries of Great Britain, Limited, will be paid on January 1, 1931.

UNITED STEEL COMPANIES, LIMITED.—In view of the continued depression in the coal, iron and steel trades, and the necessity of conserving the resources of the company, the directors of The United Steel Companies, Limited, have decided not to declare an interim dividend.

TRANSVAAL GOLD OUTPUT STATISTICS.

Name of Mine.	October, 1930.			November, 1930.		
	Ore.	Est. Yield.	Est. Profit.	Ore.	Est. Yield.	Est. Profit.
Brakpan	92,600	147,873	52,770	88,500	137,892	45,188
City Deep	98,500	112,086	1,498	95,000	106,663	1,341*
Consolidated Main Reef	63,000	94,694	14,465	65,000	94,710	14,107
Crown Mines (10a. shs.)	258,000	340,936	85,071	245,000	327,530	82,637
Durban Deep	46,000	64,355	6,305	46,000	63,433	6,750
East Rand Proprietary	157,000	178,830	11,556	153,000	174,020	12,097
Geduld Proprietary	86,000	117,814	46,871	83,000	113,653	45,848
Geldenhuis Deep	71,100	68,881	5,169	70,000	66,234	5,059
Glynn's Lydenburg	6,000	8,619	175*	5,700	9,170	87
Government Areas	211,000	412,645	242,020	196,000	380,514	224,163
Kleinfontein, New	...	...	...	50,000	46,498	998
Kleinfontein, Old	84,000	117,343	35,051	78,000	112,184	33,049
Laupard's Vlei	32,000	34,803	4,857	31,000	33,503	4,482
M. Ver and Charlton	18,300	18,339	1,502	17,800	17,812	1,506
Modderfontein B.	71,500	101,535	46,218	69,000	100,261	43,056
Modderfontein Deep	45,900	101,818	65,220	42,800	94,727	60,439
Modderfontein East	72,500	88,900	16,074	68,500	85,704	15,800
Modderfontein, New	166,000	312,725	180,254	160,000	296,830	169,208
New State Areas	82,000	171,204	85,044	76,000	162,277	70,029
Nourse Mines	68,000	84,403	7,418	66,500	83,108	7,331
Randfontein Estates	221,000	246,612	46,151	213,000	239,386	45,263
Robinson Deep	95,400	118,627	23,313	97,000	117,234	25,188
Rose Deep	64,500	58,190	5,047	62,000	56,131	4,576
Simmer and Jack	75,500	93,663	12,572	77,800	93,195	13,570
Springs Mines	31,000	118,141	70,081	65,300	140,386	63,154
Sub-Nigel	15,280	21,825	59,239	30,900	117,243	59,539
Transvaal G.M. Estates	42,500	42,186	4,534	41,900	20,595	4,064
Van Ryn	68,000	109,632	39,366	64,000	102,936	35,106
West Rand Consolidated	93,000	107,981	23,007	91,500	106,503	23,003
West Springs	71,600	79,721	18,009	68,800	76,542	16,234
Witwatersrand Deep	44,500	43,992	2,225	39,200	40,034	2,100
Witwatersrand Knight's	56,500	52,334	3,516	55,000	50,167	3,541

* Less.

COMPANY MEETINGS, &c.

VENEZUELA TELEPHONE AND ELECTRICAL APPLIANCES COMPANY, LIMITED.

CONTINUED DEVELOPMENT OF THE UNDERTAKING.

"A TRULY NATIONAL AND EFFICIENT SYSTEM."

SIR ALEXANDER ROGER'S SPEECH.

The fortieth ordinary general meeting of Venezuela Telephone and Electrical Appliances Company, Ltd., was held, on the 19th instant, at Winchester House, Old Broad Street, London, E.C.

Sir Alexander Roger (chairman of the company) presided.

The Secretary (Mr F. Hollyer) having read the notice convening the meeting and the auditors' report,

The Chairman said:—Gentlemen, As you will have seen from the directors' report, the company has suffered a great loss through the lamentable death of Mr Cecil Langham Reed, one of its directors, and, on behalf of his colleagues, I wish to place on record our appreciation of the good work accomplished by Mr Reed during the short time he served on the board of your company. (Hear, hear.)

As the report and accounts have been in your hands for some days, I presume you will take them as read.

BALANCE-SHEET ITEMS.

The assets in the balance sheet under cost of property account show that the substantial sum of £93,964 has been expended on capital additions. This represents expansion at a high rate, being over 14 per cent. addition on the capital account. Stores and materials at £55,959 may perhaps at first glance appear to be rather large, but, as explained before, Venezuela being some distance away from the sources of supply, it is necessary to have material available to avoid delay in connecting subscribers.

Sundry debtors at £28,094 is approximately £10,000 larger, but, as usual, the principal item of this sum is made up of subscribers' unpaid balances for June and part of May. The proportion of bad debts arising, I am glad to say, is generally negligible. A new item appears of subsidiary companies at £99,448. To the extent of over £84,000 this represents the purchase of the Maracaibo Telephone Company, to which I will refer later, and the bulk of the remainder represents telephone equipment in transit for Maracaibo.

Reserve for renewals and depreciation account at £123,388, to which a further £10,000 will be added, making £133,388, is equivalent to 18 per cent. of the cost of property account.

A valuation of the company's plant and properties has been made by a leading firm of qualified telephone property valuers, and it shows that the physical assets are of greater worth than the figures in the balance sheet.

It had been thought that when the conversion of the Caracas exchange to automatic operation had been completed, which it now is, some additional writing down of obsolete plant might be necessary. The valuation shows, however, that the existing reserves are real and on the generous side.

RESULT OF THE YEAR'S OPERATIONS.

As regards revenue, the item of subscriptions, at £149,271, represents a gratifying increase of 13.6 per cent. You will notice also the profit of £3,700 resulting from operating the Maracaibo Company for the 10-months period ended June 30, 1930. Operating and other local expenses, at £78,501, have increased by less than 5 per cent., which is a matter of congratulation to our staff. London expenses are higher on account of continued development. Interest on loans is heavier, due to temporary borrowings being on a larger scale.

The result of the year's operations is a net profit of £51,780, as compared with the £38,387 profit figure of last year.

After deducting the final dividend of 4 per cent. on the preference shares, the amount of the dividends recommended now—that is, the dividends of 8 per cent. on the ordinary and "A" ordinary shares—and transferring £10,000 to the reserve for renewals and depreciation, we carry forward £47,294 on profit and loss account, compared with £31,128 brought in. This, I think, you will regard with satisfaction.

ACQUISITION OF MARACAIBO UNDERTAKING.

As already stated, we have purchased, in August, 1929, the telephone undertaking of Maracaibo. Maracaibo has a population of approximately 80,000 persons, being the second largest town in the Republic. We think the purchase will prove advantageous both from the public point of view and our own, but, as is not unusual with small telephone properties, it was necessary for the

whole system to be technically overhauled. This has been done, and we are putting the Maracaibo undertaking on a sound basis for future expansion. At present there is an industrial slump due to the restricted output of the petroleum companies in Maracaibo and district, but we believe that to be temporary. The Maracaibo Company has now been merged with the Nacional Company.

The Caracas exchange has been wholly converted to automatic working, and additional automatic equipment is already on order. The exchange at Maracay has also been converted from manual to automatic, and work is well advanced on similar conversions at Puerto Cabello and Valencia. Automatics will be installed in the near future at La Guayra, Sabana Grande, and Dos Caminos. At June 30th last the company's subscribers numbered 10,505, an increase during the year of 1,040, or approximately 11 per cent.

The balance sheet shows that the sums owing by way of loans to the company's associated interests amounted to £165,836 at June 30th last. Since that date the bulk of the outstanding 6 per cent. and 7 per cent. debentures have been redeemed and public notice has been given of the company's intention to pay off the remainder. Cash has been deposited with the trustees to satisfy the debentures covered by the notice, and the trustees have executed documents releasing the debenture mortgages.

FURTHER EXPANSION IN PROSPECT.

As also mentioned in the directors' report, the shareholders gave their consent at the extraordinary general meeting of the company held on September 10th last, to transfer the company's property to a local company in exchange for shares. These arrangements have proceeded satisfactorily, and the operating is now being conducted under the auspices of the Nacional Company, to whom the local staff has been transferred.

In consequence of these important transactions and expansion which have been carried out during the past eighteen months, the directors are giving detailed consideration to the constitution of the company, the capital and loan account, which latter at the present time is in the neighbourhood of £400,000, and the local organisation. It is hoped that very shortly plans will be put before you which we think will be of interest to you, and will put the company in a position to undertake further development of its national telephone business in Venezuela with advantage both to the public which it serves and to the company.

We were very glad to be able to take part in the commemoration of the centenary of Simon Bolivar, the liberator of the five great countries—Venezuela, Colombia, Ecuador, Peru, and Bolivia—and we appreciate the remarks made by the Venezuelan Minister at the Latin American Society's dinner which was held last night, when he stated that the first European Power to recognise their countries as Sovereign States was Great Britain, who continued to be the same friend she had always proved to be.

Representing as we do a conspicuous example of British enterprise in the Republic of Venezuela, we also welcome heartily his remarks to the effect that Britain contributed from the first, and contributes to-day, with her capital and enterprise, to the economic development of Venezuela. We can echo his wish with all sincerity that this old and mutual friendship will gain nothing but strength in the future.

VENEZUELA'S SOUND FINANCIAL POSITION.

It may not perhaps be generally realised that Venezuela has developed into one of the most prosperous, relatively, of the South American Republics. Since the discovery of petroleum in the Maracaibo Lake basin, for example, the country has become second only to the United States among the oil-producing countries, and it is conceivable that there are still large areas rich in petroleum yet to be discovered. The finances of the country are satisfactory, and the surplus of revenue over expenditure each year continues. The Government has recently announced that it intends to liquidate its External Debt on January 1st next, which will reduce the Public Debt to considerably less than a million and a quarter pounds, and this is being annually amortised. Very few, if any, countries of the world can produce such a healthy financial statement of affairs as this.

The telephone service of the company has been brought up to date by the introduction of the most modern automatic plant, and development in every possible direction has been made. The company may fairly claim to have given the public of Venezuela a truly national and efficient system, with every capacity for expansion, all of which is a matter of prime importance to the business and social community of the Republic.

TRIBUTE TO STAFF.

Relations with the various authorities continue to be on the most friendly footing, and we record our gratitude for the assistance the Government have been ever ready to give to us. We are grateful, too, to the company's manager, Mr Vegas, and to all the *personnel* of the excellent technical and commercial organisation which has been built up around him. Mr Wallis, the company's late manager, continues to do most valuable work and maintains that personal contact with the board which is so helpful to the company's welfare. The company has a most hardworking and loyal staff in Venezuela, and the directors have the utmost confidence in the whole administration there. I am sure you will wish to associate yourselves with this expression of appreciation.

I now move:—"That the report and accounts be received and adopted, and that the dividends recommended therein be paid."

Mr Claude Bishop seconded the resolution, which was carried unanimously.

A resolution increasing the aggregate remuneration of the directors for a temporary period was carried unanimously. In connection with this the chairman explained that it did not mean an increase in the remuneration of the individual directors, but the resolution was necessary in order to provide for the fees of a sixth director for a short period. Since November 26th last the number of directors constituting the board had been reduced again to five.

Mr H. S. Bennett was re-elected a director of the company, and the auditors, Messrs Price, Waterhouse and Company, having been reappointed, the proceedings terminated with a unanimous vote of thanks to the chairman, directors, management and staff for the extremely satisfactory conduct and progress of the company's affairs.

W. ABBOTT AND SONS, LIMITED.

EMINENTLY SATISFACTORY RESULTS.

The twenty-first annual general meeting was held at the Registered Offices of the Company, "Farleigh House," 97-99 Cheapside, in the City of London, on Monday, December 22, 1930, Mr O. H. Abbott, the chairman and managing director, presiding.

The Chairman said, among other things: That with the shareholders' permission, he would adopt the usual procedure and take the report and accounts as read. The company had now reached the twenty-first year of its existence and was growing in size and importance every year. The year had been a very trying one for most businesses. He would touch on this later.

Turning to the profit and loss account, it would be seen that the year ended August 31, 1930, after debiting salaries, wages, rent, taxes, repairs, &c., and crediting transfer fees, resulted in a profit of £35,421 5s. 10d., to which must be added the amount brought forward from last year of £11,265 2s. 8d., making a total of £46,686 8s. 6d. A sum of £2,500 had been added to reserve in accordance with the articles of association. The reserve now stood at £55,600.

In view of the unprecedented trade depression, which was world-wide, and was being felt by all, the directors felt that the result of the year's trading was eminently satisfactory. It was never pleasant to receive a lower dividend on one's investments, but a conservative policy was necessary in such times and prudence should reap its reward later. There was a very widespread feeling that, as shoes were a necessity, our class of business was the last to suffer from a trade slump. That idea was erroneous. There were two sides to our business—the utility side, when shoes are bought as a necessity, and the luxury side, which embraces that extra pair or pairs that go to enrich one's shoe wardrobe. It was in such times of depression that the luxury side of our business suffered and profits were affected accordingly.

The directors' policy is progressive, and we are always on the look out for positions which appear promising for our business. As already mentioned, seven new branches had been opened during the period under review. A further branch had just been opened in Rye Lane, Peckham, and new premises at Ilford were now in the hands of our shopfitters. Each new branch strengthening and giving fuller emphasis to our trade slogan: "Quality—Service—Progress."

He had much pleasure in moving:—

"That the report and statement of accounts as submitted be received, approved and adopted," which was duly seconded and carried unanimously.

HARRODS (BUENOS AIRES), LIMITED.

SATISFACTORY RESULTS OF A DIFFICULT YEAR.

The annual general meeting of Harrods (Buenos Aires), Ltd., was held, on the 22nd instant, at Harrods, Ltd., Brompton Road, London, Sir Woodman Burbridge, Bt., C.B.E. (chairman and managing director), presiding.

The Chairman, in the course of moving the adoption of the report and accounts, said: When we met you last year I told you that we had every hope of maintaining our profits, unless unforeseen circumstances should arise. Since that time Argentina has passed through one of the most difficult periods of its history. Within a week after our last general meeting, the "Caja de Conversion" suspended the free delivery of gold in exchange for notes, in view of the large withdrawals, which reduced the monetary circulation. The exchange which was then already below par, immediately dropped still further, and, as you will have observed from the accounts, this has caused serious losses.

When the harvests were all gathered, it was found that the damage caused by the drought was much more serious than expected, the yield realised was very low, and unfortunately the reduced quantity of grain could only be marketed at unremunerative prices. As the greater part of Argentina's production is intended for export, there is no need for me to enlarge upon the severe drop in the national income, and the restrictive effect on the spending power of the general public when crops fail and prices are low. These circumstances might very well have produced a much more serious crisis, and we are indeed in a fortunate position, when we are able to report a net profit of £470,000 for the past year.

FIGURES COMPARED.

The setback of the past year unhappily causes a break in the steady and consistent progress shown in the profits of the previous five years, which, I may remind you, include the dividends received from the South American Stores, and are as follows:—

In 1925	£ 224,000
„ 1926	294,000
„ 1927	396,000
„ 1928	511,000
„ 1929	558,000
and „ 1930 they were.....	470,000

a decreased profit of £86,000, which is entirely attributable to loss on exchange upon remittances.

Excluding exchange losses, Harrod's (Buenos Aires) has shown increased net profit, while the South American Stores just failed to maintain their profits.

Last year I mentioned that the combined trade of our companies showed an increase of £800,000 for that year. During the twelve months under review we have suffered a decrease to the extent of £400,000. I think we must regard the figures as not unsatisfactory in the difficult circumstances through which we have been passing.

Though the trading has shown a decrease, the maintenance of our financial strength has been carefully guarded, with the result that the total liquid resources in cash and gilt-edged securities of our combined companies this year amount to £650,000, or an increase of £250,000 over the previous year.

The gross profit on trading amounts to £559,027, a reduction of £17,666, but I am very pleased to be able to say that the expenses, which total to £391,167, show a greater reduction, namely, £20,420, so that, in spite of the smaller sales and gross profit, we have made a larger trading profit. If you compare the figures in this year's profit and loss account with last year's, you will find that every controllable expense has been cut down.

The profit of the South American Stores (Gath and Chaves), Ltd., for the thirteen months to August 31, 1930, amounted to £470,725, and compares with £453,303 for the previous twelve months. As regards the Chilean Stores (Gath and Chaves), they were able to show improved results, their profits having been £30,374, an increase of £3,338.

Our current financial year commenced on September 1, 1930, and I am sorry to say that we have made a bad start. Our business has been considerably upset by the political disturbances; therefore, as you can quite understand, our trade and profits are showing a decrease, and the exchange is still low, so that a good first half-year cannot possibly be expected. Assuming we have a good, or at least a reasonably fair, harvest, exchanges may then improve, and we hope Argentina will be free from the elements of unrest which were present last year, and on those grounds we are hopeful of improved conditions in the second half-year, which commences on March 1, 1931.

The report and accounts were unanimously agreed to, and special resolutions were passed approving alterations in the articles of association.

CARRERAS LIMITED.

POPULARITY OF COMPANY'S BRANDS. TRIBUTE TO QUALITY AND PURITY.

The annual general meeting of Carreras, Ltd., was held, on the 19th instant, at Arcadia Works, Hampstead Road, London, N.W. Sir Louis B. Baken (chairman and managing director), who presided, said: Ladies and gentlemen, you will have noticed that the net profit for the year amounts to £988,204, and after writing off all expenses, including a contribution to the staff superannuation fund, and making full provision for depreciations, the amount available for disposal, including the net amount brought forward, is £2,027,369. This sum your directors propose to appropriate as set out in the report, leaving a balance of £1,057,160 to carry forward to next year.

The past year has, as you know, been a particularly difficult one in all industries.

Several of our best export markets have passed through specially troublous times in the period under review. In India the general boycott of British goods was an adverse factor, and resulted in a decline in our sales, but I am glad to tell you that there are already indications that our trade in India is getting back to its normal basis, and during the past month or more has shown a decided tendency to improve.

In Australia our progress has also been hampered, but for a different reason. Most of you are doubtless aware of the economic conditions which prevail in the Commonwealth, and that in the attempt to remedy their own financial position the Australian Government has considerably increased its tariffs and also placed severe restrictions on the quantities of cigarettes to be imported into the country. At the time the new regulations came into force, now some months ago, your directors took steps which they thought were most likely to conserve the valuable trade which we have built up in Australia. We realised that the action we took would involve trading on a very small margin of profit for a time, but we felt sure that it was wiser to do this than have our brands shut out of that market.

We also immediately set ourselves to devise further plans to meet the new position which had arisen, and which involved the manufacture of our products in Australia. I am glad to tell you we have obtained control of an established manufacturing business in Melbourne—a business with a very high reputation and a good solid trade. We are now pressing forward our plans to extend the factory accommodation there so that Carreras brands will be manufactured and sold under conditions which will enable us to compete both economically and successfully in that market.

In regard to the home trade, the whole of the tobacco industry has never, in my opinion, experienced such fierce competition than in the past year. Notwithstanding this, it is pleasant and satisfactory to record a most important point, namely, amongst the most popular brands ours are holding their own. The costs of advertising and selling our products have been considerably higher, but a gratifying feature is the fact that we have been able to stand up against heavy odds, to retain the good will of the public and the trade, and at the same time to employ our entire staff of contented workpeople at full wages throughout the whole year.

We have introduced several new lines, and you will be interested to know that our Black Cat Red Band cigarette, which was put on the market in October, is proving very successful, while Piccadilly No. 1—a very high-class production—is making most satisfactory progress. Our latest introduction is the Craven Navy Cut cigarette—a brother to Craven "A" but without the cork tip—which we feel sure will make a special appeal to smokers who prefer a non-tipped cigarette.

I should like to stress emphatically one all-important point of which we never have lost and never will lose sight and which has made our business what it is—that is the purity and quality of all goods which are produced in the Carreras factories.

During the past year we have entered into very close business relationship with the old-established and well-known business of John Sinclair, Ltd., of Newcastle-on-Tyne.

One of the greatest advantages which has accrued in connection with the John Sinclair business is that we have secured the services of Mr John Alexander Sinclair as one of the directors of Carreras. He is well known and well liked throughout the trade, and his knowledge, experience, and personal qualities will be a great asset in our business.

I have already referred to the intensive competition with which we have had to contend in the past year, and to have retained in spite of this, the volume of our home business under the conditions which have prevailed, indicates the strength of the public appreciation of our products. You have a business which has been built up on a solid and very sound basis, and that basis we are determined to retain.

The report and accounts were unanimously adopted.

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ORIENT STEAM NAVIGATION COMPANY, LIMITED.

BOARD'S PRUDENT DIVIDEND POLICY.

The thirty-first ordinary general meeting of Orient Steam Navigation Company, Ltd., was held, on the 19th instant, at 3 and 5 Fenchurch Avenue, London.

Sir Alan Garrett Anderson, K.B.E., who presided, in the course of his speech said: You will remember that last year we prepared ourselves for the bad weather ahead. Soon after our meeting the economic storm broke over Australia. It took a form that I certainly had not expected: the Australian banks suddenly told their clients who were contemplating a journey to Europe that it would be difficult for them to transfer their Australian balances into the world currency they required to use abroad.

The breakdown of the exchange stops Australia from buying British goods, so our cargo from London in the last six months is only half what it was a year ago. One needs cash to travel, so the ordinary travellers in first and third class are much reduced. As Australia cannot at present employ her own people, she cannot welcome new settlers. So the ships provided for migrants are not required.

In short, the only part of the trade between the United Kingdom and Australia which has not been rudely amputated is the export of cargo from Australia. For this wool, wheat, butter, fruit, &c., which he sells abroad the Australian receives world currency to-day 10 per cent. more than par in the Australian pounds with which he pays his local costs and wages.

No doubt, also, this crisis of bad trade and unemployment seriously as they damage business, unpleasant as they are to everyone, say to Australia in language which not even the deafest citizen can fail to hear: "Costs must come down without delay." Already, indeed, the Labour Governments of Victoria and South Australia are taking a firm stand over economy: already the shearers have agreed to a 20 per cent. cut in wages. Already the index figure of food and groceries in Australia, on which wages are partly based, has fallen from 165 per cent. in October, 1929, to 137 per cent. in October, 1930. The adverse balance of trade has not yet been corrected, but in three months, July-September, it has been reduced from £17,716,000 last year to £3,279,000 this year. Recovery is a slow process, but this is a good beginning.

Pastoral and agricultural production promise this season to beat all records. Last, but not least, of the favourable signs, Mr Latham, speaking for the Opposition in the House of Representatives at Canberra, offered recently to share with the Government the responsibility and odium of enacting such measures as the safety and credit of the Commonwealth State require, and we are now told that the Commonwealth have successfully negotiated the first financial obstacle that lay before them.

The profit for the year is £237,644. We ask you to approve an allocation of £25,000 of this to the pensions reserve and £50,000 to the general reserve account. This brings pensions reserve to £100,000 and the general reserve to £1,025,000, not far short of the par value of the ordinary shares. We also recommend a dividend of 7½ per cent., free of tax, on the ordinary shares, leaving a balance of £101,000 to carry forward. This compares with the dividend of 12½ per cent. which we have paid in each of the last nine years. The reasons for prudence in conserving our resources are obvious, and we feel sure you will support us in the dividend policy which we recommend.

While we do our best to supplement our earnings by cruises and trade between intermediate ports, the trade with Australia and New Zealand supplies 80 per cent. of our revenue. We need

Australia to prosper and progress. In the two great exports of wheat and wool her people have set the pace for the world, and now science promises to bring down the cost of producing wheat, wool and butter, so that even at to-day's prices Australia should do well. The road of progress is open. It is only the barrier of high costs which blocks their path.

The report was unanimously adopted.

SAMUEL ALLSOPP AND SONS, LIMITED.

INCREASED PROFITS AND DIVIDEND.

The ordinary general meeting of Samuel Allsopp and Sons, Ltd., was held, on the 19th instant, at the Cannon Street Hotel, London. Sir William Barclay Peat (the chairman) presiding.

The Chairman, in moving the adoption of the report and accounts, said that the profits for the year, after deduction of interest, sinking fund, repairs, depreciation, &c., amounted to £145,323, compared with £128,240 in the preceding year, and £114,077 in 1928. They were proposing to carry to reserve £25,000, practically the same sum as that transferred to reserve last year, thereby increasing the published reserve to £260,000. They were paying 8½ per cent. dividend on the ordinary shares, as against 8 per cent. in the previous year and 7 per cent. in 1928, and were carrying forward £59,769, which was an increase in the carry-forward of £27,919.

ANOTHER INCREASE IN BARRELAGE.

Their trade had somewhat improved, as compared with the previous year. Their ales had been of the usual first-class quality, and the management of the brewery excellent. It was satisfactory to report that Allsopps had increased their barrelage each year during the last four years—that was to say, an increase upon an increase had occurred each year. In that respect their experience was better than that of brewers in general. That was a cause of satisfaction to the directors, and, he thought, to their customers, because they might deduce from the facts given that Allsopps beer might be said to be in popular demand. He was informed that the whole of their undertaking had been well maintained and kept in repair. Shareholders would no doubt agree that the results were satisfactory.

The brewing trade as a whole had not escaped a reduced consumption, but this company had not as yet suffered. They had maintained their barrelage. Industrial conditions all over the world had shown a marked deterioration during the past year, but he was not pessimistic as to the future of the country. They were passing through very trying times, but the country had a long record of successful enterprise and did not lack men of courage and ability to deal with difficulties.

Mr John H. Calder seconded the resolution, which was carried unanimously.

Orders for the publication in these columns of the reports of Company Meetings should be addressed to the Reporting Manager of THE ECONOMIST, 8, Bouverie Street, Fleet Street, London, E.C.4.

Government Returns, &c.

NATIONAL ACCOUNTS.

As is shown from the Treasury Return printed below, the total ordinary revenue for the week ended December 20, 1930, amounted to £4,125,000, against ordinary expenditure of £23,165,100. After allocating £7,620,400 to the Sinking Fund, and having allowed for a decrease in Exchequer Balances of £3,487,400, the week's operations, as shown below, increased the National Debt by £15,739,000 to £7,756,736,000:—

(000's omitted.)

Public Department Advances	+ 16,000	Bank of England Advances	— 9,500
Treasury Bills	+ 6,739	Road Fund	— 500
National Savings Certificates	+ 150		
4% Treasury Bonds	+ 2,850		
	+ 25,739		— 10,000

A complete analysis of the National Debt at the end of last quarter was printed in the *Economist* of October 4.

REVENUE.	Estimate for the year 1930-31.	Total Receipts into the Exchequer.			
		April 1, 1930, to Dec. 20, 1930.	April 1, 1929, to Dec. 21, 1929.	Week ended Dec. 20, 1930.	Week ended Dec. 21, 1929.
ORDINARY REVENUE.					
Inland Revenue—					
Income Tax	260,000,000	76,851,000	72,647,000	905,000	530,000
Sur-tax, including Arrears of Super-Tax	64,500,000	17,120,000	14,520,000	440,000	400,000
Estates, &c., Duties	83,000,000	59,160,000	57,110,000	2,230,000	1,610,000
Stamp Duties	27,000,000	12,780,000	16,840,000	540,000	80,000
Excess Profits Duty and Corporation Profits Tax	1,700,000	—	10,000	—	—
Land Tax and Mineral Rights Duty	800,000	170,000	170,000	10,000	—
Total Inland Revenue	437,000,000	166,081,000	161,297,000	4,125,000	2,620,000
Customs and Excise—					
Customs	122,710,000	88,119,000	88,571,000	2,296,000	2,024,000
Excise	129,860,000	94,295,000	97,481,000	6,495,000	6,751,000
Total Customs and Excise	252,570,000	182,414,000	186,052,000	8,791,000	8,775,000
Motor Vehicle Duties (Exchequer Share)	4,950,000	1,702,041	1,760,824	Dr 113,000	—
Post Office (Net Receipts)	10,125,000	9,150,000	8,350,000	Dr 750,000	—
Crown Lands	1,300,000	1,010,000	980,000	—	—
Receipts from Sundry Loans	33,000,000	26,407,869	22,979,093	1,560,000	—
Miscellaneous Receipts	34,500,000	22,955,730	27,750,417	1,494,264	124,687
Appropriation from Rating Relief Suspense Account	16,000,000	16,000,000	—	—	—
Total Ordinary Revenue	789,445,000	424,820,400	409,169,334	15,097,264	10,819,687
SELF-BALANCING REVENUE.					
Post Office	60,275,000	40,750,000	41,350,000	1,750,000	1,800,000
Motor Vehicle Duties apportioned to Road Fund	23,560,000	8,897,959	8,247,176	113,000	—
Total Self-Balancing Revenue	83,835,000	49,647,959	49,597,176	1,863,000	1,800,000
Total	—	474,468,359	458,766,510	16,960,264	12,619,687

EXPENDITURE.	Estimate for the year 1930-31 (including Supplementary Grants).	Total Issues out of the Exchequer.			
		April 1, 1930, to Dec. 20, 1930.	April 1, 1929, to Dec. 21, 1929.	Week ended Dec. 20, 1930.	Week ended Dec. 21, 1929.
ORDINARY EXPENDITURE.					
Interest and Management of National Debt	304,600,000	252,332,061	270,248,895	15,089,006	15,389,607
Payments to Northern Ireland Exchequer	6,000,000	3,728,611	3,222,855	—	—
Payments to Local Taxation	3,300,000	1,809,740	1,472,294	19,000	391,268
Accounts	—	—	2,292,556	57,136	53,849
Other Consolidated Fund Services	—	—	—	—	—
Supply Services (excluding Post Office)	429,433,000	304,251,467	255,700,128	8,000,000	10,683,000
Total Ordinary Expenditure	743,333,000	562,121,879	538,936,728	23,165,142	26,517,724
Sinking Fund	55,400,000	37,949,537	35,443,292	7,620,424	6,637,946
SELF-BALANCING EXPENDITURE.					
Post Office	60,275,000	40,750,000	41,350,000	1,750,000	1,800,000
Road Fund	23,560,000	8,897,959	8,247,176	113,000	—
Total Self-Balancing Expenditure	83,835,000	49,647,959	49,597,176	1,863,000	1,800,000
Total	—	649,719,375	623,977,196	32,648,566	34,955,670

The aggregate revenue and expenditure to Dec. 20, 1930, is shown below:—

FINANCIAL YEAR, 1930-31, APRIL 1ST TO DECEMBER 20TH.
(000's omitted.)

Expenditure	562,121	Revenue	424,821
Sinking Fund	37,950	Decreases in balances	3,487
		Net Amount borrowed	171,763
	600,071		600,071

POSITION OF THE FLOATING DEBT.

Ways and Means Advances Outstanding—	Dec. 21, '29.	Mar. 31, '30.	Dec. 20, '30.	Dec. 20, '29.
Advances by Bank of England	—	—	3,750,000	— 9,500,000
Advances by Public Departments	52,380,000	48,530,000	47,100,000	— 16,000,000
Treasury Bills outstanding	804,645,000	588,885,000	713,145,000*	+ 6,735,000
Total Floating Debt	857,025,000	637,415,000	763,995,000	+ 13,235,000

* Includes £9,000 the proceeds of which were not carried to the Exchequer within the period of the account.

TREASURY BILLS BY PUBLIC TENDER.

Tenders for £45,000,000 in Treasury Bills were opened on December 19, 1930, and the total amount applied for was £59,115,000. Tenders were accepted for bills at three months, dated Monday, at £99 7s. 8d., and Tuesday, Wednesday and Saturday at £99 7s. 6d., about 12 per cent., and above in full. The amount allotted was £45,000,000.

Date.	Amount Offered.	Amount Applied For.	Treasury Bills at 3 Months. Average Rate.
1930.			
Nov. 28	45,000,000	55,810,000	2 2 11 12
Dec. 12	45,000,000	51,030,000	2 4 3 25
Dec. 12	45,000,000	51,110,000	2 7 1 82
Dec. 19	45,000,000	59,115,000	2 10 3 41

The Bankers' Gazette.

OVERSEAS BANK RETURNS.

NOTE.—The latest Returns of the Bank of Danzig appeared in the *Economist* for December 6; the Bank for International Settlements, Chile, Denmark and Lithuania appeared in December 13; Greece, Roumania, Poland, Russia, Finland, Estonia, Japan, Egypt, Spain, Netherlands, Java, Sweden, Norway, Reichsbank, France, Portugal, Austria, Hungary, Czechoslovakia, Jugoslavia, Bulgaria, Latvia, U.S. Federal Reserve, and New York Federal Reserve in December 20.

STATEMENT OF CANADIAN BANKS.—In \$'s (000's omitted).

	Sept. 30, 1929.	June 30, 1930.	July 31, 1930.	Aug. 31, 1930.	Sept. 30, 1930.
ASSETS.					
Cash and bank balances	482,136	440,493	376,261	361,698	429,114
Bank balances abroad	81,445	105,352	114,182	94,456	112,396
Call and short loans	594,187	435,183	421,799	444,568	412,832
Securities	487,498	444,138	447,026	457,580	479,801
Loans in Canada	1,529,239	1,432,639	1,393,645	1,376,484	1,380,993
Loans abroad	235,119	245,577	224,780	222,243	225,302
Other assets	205,278	194,392	193,035	187,819	188,129
LIABILITIES.					
Note circulation	196,895	165,954	152,177	166,154	163,513
Deposits—					
Government	158,528	149,844	105,969	85,503	78,727
Public in Canada	2,229,990	2,034,054	2,007,310	2,002,296	2,087,528
Foreign	423,805	415,157	383,624	384,818	372,364
Bank balances—					
Canadian	14,433	17,557	11,348	11,459	18,243
Foreign	133,948	76,497	71,426	67,543	72,138
Bills payable &c.	117,664	104,726	102,926	90,117	96,721
Capital and reserves	295,287	305,506	305,603	305,608	305,846
Other liabilities	4,862	5,026	5,475	7,519	4,770

SOUTH AFRICAN RESERVE BANK.—In £'s (000's omitted).

	Nov. 29, 1929.	Oct. 31, 1930.	Nov. 7, 1930.	Nov. 14, 1930.	Nov. 21, 1930.	Nov. 28, 1930.
ASSETS.						
Gold coin and bullion	7,879	6,953	6,532	6,804	7,024	7,163
Subsidiary coin	85	192	196	203	163	162
Bills discounted	8,386	7,341	6,676	6,677	6,323	7,147
Investments	851	1,272	659	1,498	1,532	1,532
LIABILITIES.						
Capital	1,000	1,000	1,000	1,000	1,000	1,000
Reserve	9,270	720	720	720	720	720
Notes in circulation	9,270	8,535	7,763	7,186	6,914	8,462
Government deposits	1,714	2,102	1,557	2,495	2,312	1,765
Bankers' deposits	4,695	4,908	4,451	4,627	4,452	4,530
Ratio of cash reserves to liabilities to public	48.9%	46.4%	47.5%	47.6%	50.7%	48.2%

IMPERIAL BANK OF INDIA.—In rupees (000's omitted).

	Nov. 29, 1929.	Oct. 31, 1930.	Nov. 7, 1930.	Nov. 14, 1930.	Nov. 21, 1930.	Nov. 28, 1930.
ASSETS.						
Total securities	32,87,38	28,22,21	28,64,34	28,81,93	28,84,66	29,06,11
Loans	7,43,23	16,30,24	16,22,05	15,86,75	15,77,54	15,44,97
Cash credits	22,82,89	26,89,41	26,98,12	26,44,16	26,23,78	25,56,14
Inland bills	5,10,34	1,69,38	1,59,27	1,68,99	1,73,08	1,71,25
Foreign bills	34,35	2,78,67	2,78,64	2,78,90	2,78,99	2,79,28
Dead stock	2,84,35	18,29	19,25	13,36	39,45	63,77
Bal. with other banks	4,08	26,65,02	24,44,82	24,88,65	20,27,40	21,31,27
LIABILITIES.						
Capital paid up	5,62,50	5,62,50	5,62,50	5,62,50	5,62,50	5,62,50
Reserve	5,27,50	5,37,50	5,37,50	5,37,50	5,37,50	5,37,50
Total deposits	83,85,00	91,30,41	89,61,43	84,86,34	85,35,20	85,35,20
The above includes—						
Deposits in London	908	6,825	6,927	6,796	6,886	6,823
Advances in London	946	6,992	6,840	6,743	6,690	6,430
Cash, &c., at other Banks in London	27	136	144	103	298	479

NATIONAL BANK OF BELGIUM.—In Belgas (000's omitted).

	Position, May 31, 1914.	Dec. 19, 1929.	Nov. 27, 1930.	Dec. 4, 1930.	Dec. 11, 1930.	Dec. 18, 1930.
ASSETS.						
Gold	232,650	1,146,255	1,297,071	1,297,155	1,297,532	1,317,869
Foreign Bills and Balances Abroad	561,818	895,542	895,720	903,022	899,650	899,650
Silver and other coin	2,203	4,115	4,396	4,396	4,396	4,396
Securities	697,600	784,270	748,000	743,390	749,364	760,129
LIABILITIES.						
Notes in circulation	934,150	2,656,538	3,156,684	3,172,068	3,158,068	3,131,803
Current accounts	112,125	167,428	146,230	94,196	152,302	162,724

(b) In thousand francs.

SWISS NATIONAL BANK.—In francs (000's omitted).

	Position, May 31, 1914.	Dec. 14, 1929.	Nov. 22, 1930.	Nov. 29, 1930.	Dec. 6, 1930.	Dec. 13, 1930.
ASSETS.						
Gold	171,175	561,246	671,990	672,002	671,864	671,989
Foreign Bills and Balances abroad	—	296,381	334,804	335,170	332,175	334,773
Discounts	—	106,884	22,950	29,560	25,778	30,904
Advances	103,000	54,265	36,735	37,563	38,924	38,620
LIABILITIES.						
Notes in circulation	275,925	886,991	904,496	967,994	948,366	938,853
Deposits	33,750	149,026	247,265	198,879	204,320	238,016

Bates of Exchange, New York on—	Par Level.	Dec. 26, 1929.	Dec. 10, 1930.	Dec. 17, 1930.	Dec. 22, 1930.
London—					
60 days.....		4-83½	4-83½	4-83½	4-83½
Cable		4-83½	4-83½	4-83½	4-83½
Cheques		4-83½	4-83½	4-83½	4-83½
Paris.....	Dollars for £1	4-8666	4-8666	4-8666	4-8666
Brussels.....	Cents for 1 franc	5-918	5-918	5-918	5-918
Switzerland.....	Cents for 1 franc	13-90	14-00	13-97	13-96
Italy.....	Cents for 1 lire	19-30	19-46	19-38	19-40
Berlin.....	Cents for 1 mark	5-263	5-23	5-23	5-23
Vienna.....	Cts. for Austrian sh.	23-31	23-96	23-84	23-82
Madrid.....	Cents for 1 peseta	14-07	14-08	14-08	14-09
Amsterdam.....	Cents for 1 guilder	19-30	13-61	10-81	10-78
Copenhagen.....	Cents for 1 kroner	40-195	40-37	40-27	40-25
Oulu.....	Cents for 1 mark	26-80	26-84	26-74	26-73
Stockholm.....	Cents for 1 krona	26-80	26-84	26-74	26-73
Athens.....	Cents for 1 drachma	1-297	1-30	1-29	1-29
Montreal.....	Can. Cents for \$1	100	100	100	100
Yokohama.....	Cents for 1 yen	49-85	49-8	49-66	49-63
Hong Kong.....	Cents for H. Kong	...	...	35-25	35-25
Shanghai.....	Cts. for 1 Shng. tael	...	...	35-84	35-90
Calcutta.....	Cents for 1 rupee	36-50	...	134-00	132-85
Buenos Aires.....	Gold Pesos for \$100	103-65	...	...	...
Rio de Janeiro.....	Cents for 1 milreis	32-42	11-15	9-70	9-70
Valparaiso.....	Cents for 1 peso	12-125	...	12-07	12-07

* No quotation.

CENTRAL AND SOUTH AMERICAN EXCHANGE RATES.

The Anglo-South American Bank, Ltd., quotes the following rates of exchange:—

Country.	Method of Quoting.	Par Value	Usance.	Rate.
Ecuador	Sucres to £	24-3325	Sight London	24-53
Venezuela	Bolivares to £	25-25	"	27-82
Colombia (Bogota)	Pesos to £	5	"	5-03½
Nicaragua.....	Corдобas to £	4-8665	"	4-92
Salvador.....	Colonos to £	9-73	"	9-80
Bolivia	Bolivianos to £	13-33	"	13-45

SUMMARY OF COMPANY PROFIT AND LOSS ACCOUNTS.

Company.	Period Ending	Balance from Last Account.	Net Profit After Payment of Deben- ture Interest.	Amount Available for Distri- bution.	Appropriation.					Corresponding Period Last Year.	
					Dividend.			Carried to Reserve, Deprecia- tion, &c.	Balance Forward.	Net Profit.	Divi- dend.
					Prefce.	Ordinary.					
						Amount	Amount.				
Banks.		£	£	£	£	£	%	£	£	£	%
Ulster Bank	Nov. 29	62,650	215,472	278,122	...	128,000	...	90,000	60,122	218,435	...
Breweries.											
Hall's Oxford Brewery.....	Sept. 30	57,349	56,967	114,316	11,000	44,000	22	...	59,316	56,497	22
Simonds (H. & G.).....	Sept. 30	76,745	116,463	193,208	11,660	43,613	12½	49,750	88,185	85,384	10
Financial Land, &c.											
Agricultural Credit Corpora- tion	Oct. 31	...	16,405	16,405	...	13,125	5	3,280	...	5,165	3½
Imperial and Foreign Corp. Metropolitan Cinema Invest- ment.....	Nov. 30	254	Dr. 187	67	...	...	...	...	67	9,000	...
Peel River Land and Mineral Sth. American Cattle Farms	Sept. 30	Dr. 2,255	4,043	1,788	...	...	...	...	1,788	...	...
Hotels, Restaurants, &c. Anglo-Canadian Hotels ...	June 30	26,414	17,440	43,854	...	21,600	6†	...	22,254	18,619	6†
Iron, Coal and Steel. Steel Industries of Gt. Brit.	Sept. 30	4,581	48,818	53,399	...	23,250	10	25,840	4,309	49,369	10
Motor and Cycle. Maudslay Motor	June 30	1,616	2,799	4,415	...	...	...	...	4,415	...	...
Nitrate. San Sebastian Nitrate	Aug. 31	...	92,383	92,383	86,982	...	...	...	5,401	...	...
Rubber, &c. Krubong (Malacca) Rubber Pontian (Malay) Rubber ...	Aug. 31	38,297	Dr. 19,845	18,452	...	...	...	...	18,452	25,261	10
Rembia Rubber	June 30	Dr. 15,116	Dr. 16,702	Dr. 31,818	...	...	...	...	Dr. 31,818	Dr. 13,049	...
Untd. Serdang (Sumatra) R. Shops and Stores. Abbott (W.) and Sons.....	Sept. 30	1,223	Dr. 883	340	...	...	...	...	340	816	2½
Trust. Rio Claro Railway and In- vestment	Sept. 30	1,779	Dr. 129	1,650	...	...	...	...	1,650	5,186	7½
Scottish Consolidated Trust Scottish Stockholders Invest.	Sept. 30	3,509	Dr. 6,441	Dr. 2,932	...	...	...	124	Dr. 3,056	4,303	...
Other Companies. Annandale and Son	Aug. 31	95,782	38,732	134,514	...	44,121	4	Dr. 5,000	95,393	138,752	7½
British and Dominions Film British and Foreign Films... Burndep Wireless (1928) Caldwell's Paper Mill.....	Aug. 31	11,265	24,882	36,147	12,600	12,000	10	2,500	9,047	29,607	15
Carrongrove Paper Co..... Lockwood's Clean Coal Proc. Shaw (John) and Sons, Wol- verhampton	Nov. 30	81,511	162,881	244,392	59,156	78,875	10	20,000	86,361	162,178	10
Sir H. W. Trickett, Ltd. ... Stoll Theatres Corporation Taylors Drug Co.	Nov. 30	3,711	42,284	45,995	17,625	14,100	6	...	14,270	38,009	6
Vocalion (Foreign)	Nov. 30	2,805	31,775	34,580	15,551	10,395	5½	2,551	6,083	31,105	5½
Other Companies.											
Annandale and Son	Nov. 1	12,206	8,254	20,460	1,940	...	...	1,500	17,020	13,237	12½
British and Dominions Film British and Foreign Films... Burndep Wireless (1928) Caldwell's Paper Mill.....	Nov. 1	Dr. 58,387	Dr. 175,628	Dr. 181,349	...	...	...	...	Dr. 181,349	Dr. 5,387	...
Carrongrove Paper Co..... Lockwood's Clean Coal Proc. Shaw (John) and Sons, Wol- verhampton	June 30	Dr. 37,457	Dr. 107,297	Dr. 144,754	...	...	...	...	Dr. 144,754	Dr. 37,457	...
Sir H. W. Trickett, Ltd. ... Stoll Theatres Corporation Taylors Drug Co.	June 30	2,878	Dr. 21,867	Dr. 18,989	...	...	...	...	Dr. 18,989	15,603	...
Vocalion (Foreign)	Nov. 29	42,722	17,110	59,832	12,981	...	...	...	46,851	65,961	5†
Other Companies.	Oct. 31	7,731	Dr. 3,356	4,375	...	...	...	...	4,375	37,138	8
Annandale and Son	Nov. 30	Dr. 4,679	Dr. 14,620	Dr. 19,299	...	...	...	...	Dr. 19,299	Dr. 4,679	...
British and Dominions Film British and Foreign Films... Burndep Wireless (1928) Caldwell's Paper Mill.....	June 30	31,553	5,440	36,993	7,350	...	...	...	29,643	5,834	...
Carrongrove Paper Co..... Lockwood's Clean Coal Proc. Shaw (John) and Sons, Wol- verhampton	Nov. 29	695	Dr. 1,642	Dr. 947	...	...	...	Dr. 703	Dr. 244	3,508	...
Sir H. W. Trickett, Ltd. ... Stoll Theatres Corporation Taylors Drug Co.	Sept. 30	2,400	43,010	45,410	...	...	...	...	45,410	101,466	6
Vocalion (Foreign)	Oct. 4	36,974	35,174	72,148	15,920	33,000	11†	...	23,228	77,302	12½†
Other Companies.	June 30	Dr. 11,595	Dr. 19,422	Dr. 31,017	...	...	...	...	Dr. 31,017	Dr. 11,595	...

† Free of Income Tax.

‡ 15 months.

§ 17 months.

SOUTH AFRICAN EXCHANGE RATES.

The South African Banks quote the following rates:—

	Union of South Africa.		Union of South Africa.	
	From November 3, 1930.		From November 25, 1929.	
	Buying.	Selling.	Buying.	Selling.
T.T.	1½% dis.	1½% dis.	1½% dis.	1½% dis.
Demand	1½% dis.	1½% dis.	1½% dis.	1½% dis.
30 days	1½% dis.	1½% dis.	1½% dis.	1½% dis.
60 days	1½% dis.	1½% dis.	1½% dis.	1½% dis.
90 days	1½% dis.	1½% dis.	1½% dis.	1½% dis.
120 days	1½% dis.	1½% dis.	1½% dis.	1½% dis.

OVERSEAS DOMINION RATES.

COMMONWEALTH OF AUSTRALIA AND DOMINION OF NEW ZEALAND.

	London on Australia and New Zealand.		Australia and New Zealand on London.	
	Buying.		Buying.	
	Aus- tra- lia.	New Zealand.	Aus- tra- lia.	New Zealand.
T.T.	108½	95½	108½	95½
Sight	108½	95½	108½	95½
30 days	108½	95½	108½	95½
60 days	108½	95½	108½	95½
90 days	108½	95½	108½	95½

All Australian Rates are now quoted on the basis of £100—LONDON.

INDIA COUNCIL REMITTANCES.

The total remittances from the Government of India to the Secretary of State for India in Council effected by purchases of sterling in India, from April 1 to December 13, 1930, were £5,395,000. During the same period £2,318,491 was transferred from the sterling reserves against corresponding contraction of currency in India to meet sales of sterling in India.

BULLION.

GOLD MOVEMENTS.

The arrivals and withdrawals of gold during the past week, as announced by the Bank of England, have been as follows:—

1930.	ARRIVALS.	£	1930.	WITHDRAWALS.	£
Dec. 19	...	Nil	Dec. 19 Bars sold	524,461	
20	...	Nil	20 Sovs. for export	14,000	
21	...	200,000	21 Bars sold	276,232	
22	...	Nil	22 Sovs. for export	7,000	
23	...	Nil	23 Bars sold	340,983	
			23 Sovs. for export	2,000	
			23 Sovs. set aside	500,000	
			23 Sovs. for export	10,000	
			Bars sold	346,217	
Total	£200,000		Total	£2,020,893	

Net withdrawals, £1,820,893.

GOLD AND SILVER PRICES.

	Gold Per Ounce.	Silver— Per Ounce.		Date.	Silver. Cash.
		Cash	Forward		
1930.	s. d.	d.	d.		d.
Dec. 19	85 1½	14½	14½	Dec. 24, 1924	32½
" 20	85 1½	14½	14½	" 23, 1925	31½
" 22	85 1½	15½	15	" 22, 1926	24½
" 23	85 1½	14½	14½	" 22, 1927	26½
" 24	...	...	...	" 27, 1928	26½
" 25	...	...	...	" 24, 1929	21½
	Christmas Day.				

NOTICES.

Martins Bank Ltd. have opened new branches at 27-29 Tothill Street, London, S.W.1, and at 213 Baker Street, London, N.W.1.

Lloyds Bank Limited announce that a branch of the bank is now open at 197 High Street, Penge, S.E.20.

The National Provincial Bank Limited announce that a branch of the bank is now open at 1 Cottenham Park Parade, Raynes Park, S.W.20.

Company News.

REPORTS AND NOTICES.

MISCELLANEOUS.

W. ABBOTT AND SONS, LIMITED.—The profit for year ended August 31, 1930, amounted to £35,421, which compares with £39,909 for year ended August 31, 1929. The dividend on the ordinary shares is 10 per cent. for the year, as compared with 15 per cent. for preceding year. The sum of £2,500 is put to reserve, against £3,100, and the carry forward is reduced from £11,265 to £9,047. The reserve account now stands at £55,600. The whole of the company's shops have been maintained in a good and efficient state of repair. Since the close of the company's last financial year seven new branches have been opened, and to other properties considerable alterations, additions and improvements have been made. Total assets amount to £506,925. Goodwill at cost is at £30,000. Cash is lower at £9,814, compared with £17,129. Stock at cost is at £294,356, against £292,503. Bank loan is at £54,945, against £29,750.

ILFORD LIMITED.—After making allowance for depreciation and provision for doubtful debts, &c., the net profit for year, October 31, 1930, is £133,218, against £121,512, and, with £14,220 brought in, there is available £147,438. The directors have transferred £22,000, compared with £15,000, to reserve fund, and from that fund have written off the expenses of the preference share issue, amounting to £32,000. Last year, in addition to the reserve allocation, £5,000 was written off goodwill. The directors recommend a final dividend of 10 per cent., making 15 per cent., on the ordinary shares, as last year, leaving £15,977 to be carried forward.

LOW TEMPERATURE CARBONISATION.—The report for the year to October 31, 1930, of Low Temperature Carbonisation, Ltd., states that sales and trading revenue amounted to £76,549, against £115,089 in the previous period of fifteen months. After deducting costs of coal and carbonising and salaries, &c., and including interest and dividends received, there is £30,475, from which is deducted running expenses, research and experimental work, costs leaving £2,683, against £11,578. Interest absorbed a further £12,000, leaving a debit balance of £9,317, which has been transferred to the balance-sheet, making a total debit at profit and loss account of £13,811. Meeting, Cannon Street Hotel, E.C.4, December 30th, at 12 noon.

STEEL INDUSTRIES OF GREAT BRITAIN, LIMITED.—The initial accounts, covering the period from June 25, 1929, to September 30 last, of Steel Industries of Great Britain, Ltd., show income of £105,764, consisting mainly of interest received in respect of "B" and "C" debentures of the United Steel Companies, Ltd., against which has been charged expenses and interest, leaving £92,383. Of this, preference dividends to June 30, 1930, absorbed £86,982, leaving a surplus of £5,401. The balance sheet shows the investment in the United Steel Companies at £6,627,631, while preliminary expenses appear at £110,854, and cash at £20,374. Liabilities include loans from bankers at £176,336, creditors £9,656, and amount due to the United Steel Companies £1,363. Meeting, 16 Great George Street, S.W., December 29th, at 2.30 p.m.

Commercial Reports.

THE CORN TRADE.

Mark Lane, Tuesday evening.

The seeding of winter cereals in this country has practically been completed. Although prices have not encouraged production, many reports indicate a larger area under cultivation, growers apparently being hopeful of some measure of Governmental assistance before next harvest. With holiday conditions in force, business on the import market naturally proved of small dimensions, and price variations have been unimportant. The proposal to allocate further funds in order to assist the Farm Board operations in stabilising prices in the United States, produced a steady effect on North American markets, but operations on this side were not influenced thereby in view of the heavy statistical position. Hopes are entertained in some quarters that bottom prices have been reached, and even that an improvement may be seen in the New Year. While optimistic sentiment is to be applauded during the present world-wide wave of depression, prospects in the grain trade appear far from rosy regarding any material advance in values. The world's total surplus of wheat is far in excess of consumers' requirements for the present cereal year, and financial conditions in most of the great exporting countries render it imperative to market supplies. Both British and Continental ports hold large stocks of Russian wheat that offers at low rates, consequently millers refrain from entering into future contracts. Although new crop estimates in Australia and Argentina have suffered some reduction owing to wet harvesting weather, larger quantities will be available for export than last season, and pressure to stimulate the export movement is steadily increasing.

WHEAT.—Quiet and easier. No. 1 hard Manitoba, ex ship, 26s. 3d.-27s.; No. 1 Northern Manitoba, ex ship, 26s.-26s. 6d.; No. 2 ditto, 25s.-25s. 6d.; No. 6 Manitoba, 22s.; Barusso, 63 lbs., 24s.; Rosafe, 63½ lbs., 23s. 6d.; Australian, 27s. 6d.; choice white Karachi, 26s. 6d.; Russian on sample, ex ship, 23s.-24s.; landed, 22s. 9d.-24s. 9d., per 496 lbs.; English new, 5s. 7d.-6s. 2d. per 112 lbs.

PLAYER'S

NAVY MIXTURE or

FLOUR.—Quiet and easier. London straight run, 25s. per sack for country deliveries, and 24s. London area. Of imported, Manitoba patents, 24s.-25s. 6d.; Buffalo ditto, 23s. 6d.-25s. 6d.; Australian, 22s.-22s. 6d., ex store., per 280 lbs.

MAIZE.—Easier. Plate, landed, 17s. 9d.-18s.; ex ship to arrive, 16s. 9d.; December-January, 16s. 9d.; January-February, 16s. 9d.; February-March, 17s., per 480 lbs. Yellow maize meal, £6, f.o.r. London.

BARLEY.—Dull and weak. Californian old, landed, 30s.-35s.; new, ex ship, 30s.-41s., as to sample; Chilian brewing, landed, 30s.-35s.; Chevalier, 38s.-44s.; Australian, 32s.-42s.; Smyrna, 30s.-32s. per 448 lbs. Black Sea, ex ship to arrive, 14s.; landed, 15s. 3d. Danubian, ex ship to arrive, 14s.; landed, 15s. 3d. Persian, landed, 14s. per 400 lbs. English new malting, 6s. 3d.-12s.; feed, 4s. 6d.-5s. 9d. per 112 lbs.

OATS.—Easier. Plate, landed, 12s. 9d.; ex ship, 10s. 6d.-10s. 9d.; Chilian tawny, landed, 13s. 6d.; best whites, ex ship, 19s. 6d.; landed, 20s.-20s. 6d.; mixed Canadian feed, landed, 11s.; North Russian, landed, 14s. 9d.; South Russian, ex ship to arrive, 13s.; ditto, landed, 13s. 3d.-13s. 9d. as to sample, per 320 lbs.; English new, 5s.-6s. per 112 lbs.

AMERICAN WHEAT MARKETS.

The following table shows wheat quotations in recent weeks with comparative figures for 1929:—

NEAREST FUTURE.	Jan. 2, 1929.	Dec. 15, 1929.	Jan. 2, 1930.	Dec. 10, 1930.	Dec. 17, 1930.	Dec. 22, 1930.
Winnipeg (No. 1 Manitoba) —Cents per 60 lb.	122	136½	148½	58½	54	50½
Chicago (No. 2 Winter) —Cents per 60 lb.	116½	121½	130½	77½	76½	76½

The visible supply of wheat in Canada at 60,694,000 bushels shows an increase on the week of 1,276,000 bushels. Supplies a year ago stood at 74,563,000 bushels.

THE COAL TRADE.

Our Sheffield correspondent writes:—Export demand for best steams and prices are both being maintained, but there is little forward contracting. House-coal demand is quiet again after the Christmas spurt. Industrial requirements continue poor, with a shrinking tendency. Consumption of blast-furnace coke is being reduced by a damping down of three further furnaces. Prices of best steams are 16s. and 16s. 3d. f.o.b., and coke 10s. 6d. to 11s. 6d. per ton at ovens.

Our Glasgow correspondent writes:—The coal trade is busy working off orders due to be completed before the end of the year. These are on a fairly heavy scale and there is not a great deal of any quality coming on offer in the market. In fact, so far as large coal is concerned, it is now practically impossible to secure any local tonnages. This position is likely to last until the end of the year, and meantime the collieries are quoting relatively high prices for whatever small parcels they have available. The ranges of prices for the shipping trade are round the following (f.o.b. district ports):—LANARKSHIRE.—Ell best, 15s.; splint best, 16s. 6d.; splint second, 15s. 6d.; navigation, 17s.; navigation second, 15s.; steam, 13s. 6d.; Hartley, 16s.; trebles, 14s.-14s. 6d.; doubles, 13s. 3d.-13s. 6d.; singles, 13s.-13s. 6d.; pearls, 12s. 9d.-13s.; dross, 10s. 3d. FIFE.—Screened navigation, 16s. 6d.-17s. 6d.; first-class steam, 13s. 6d.; third-class steam, 12s.; trebles, 14s. 6d.-16s. 6d.; doubles, 13s.; singles, 12s. 6d.-13s.; pearls, 12s. 6d.-12s. 9d. LOTHIAN.—Prime steam, 12s. 6d.; secondary steam, 12s.; trebles, 13s. 6d.-14s. 6d.; doubles, 12s. 6d.-12s. 9d.; singles, 12s. 6d.-13s.; pearls, 12s. 6d.-12s. 9d. Ayrshire.—Un-screened navigation, 16s.; jewel, 18s.; steam, 13s.; trebles, 14s.; doubles, 13s. 6d.; singles, 13s.; pearls, 12s. 6d.; dross, 11s.

Our Cardiff correspondent writes:—Prompt supplies have continued comparatively scarce on the Cardiff coal market, and, with colliery stems full, pre-holiday shipments are likely to be heavy. Prices are nominally unchanged. Under a decision of the Marketing Association, special measures have been taken to facilitate the

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shipment of pit-head stocks of dumped duff steam coals. The National Industrial Board has found it impossible to comply with last week's request of the executive committee of the South Wales Miners' Federation that it should expedite the hearing of the wages and hours dispute, and make its report in time for the joint board meeting fixed for Tuesday (December 23rd). The temporary terms on which the collieries are working expire at the end of the present year; still, it is thought likely that provisional arrangements will be made to continue work from day to day on these terms pending the consideration of the matters in dispute. The following are the current approximate quotations:—Best Admiralties, 20s.; seconds, 18s. 9d. to 19s. 9d.; best duffs, 18s. 6d. to 19s. 3d.; Black Veins, 18s. 3d. to 18s. 6d.; Western Valleys, 18s. to 18s. 3d.; Eastern Valleys, 17s. 7½d. to 18s. 3d.; best small steams, 13s. to 13s. 6d.; cargo smalls, 12s. to 12s. 6d.; coking smalls, 14s. to 15s.; anthracite, best large, 36s. to 37s. 6d.; Red Vein, large, 22s. 6d. to 27s. 6d.; machine-made cobbles, 40s. to 45s.; French nuts, 43s. to 46s.; stove nuts, 39s. 6d. to 43s. 6d.; rubbly culm, 9s. to 9s. 3d.; foundry coke, 29s. to 35s.; patent fuel, 20s. to 21s.; pitwood, ex ship, 27s. to 27s. 6d.

IRON AND STEEL.

Our Middlesbrough correspondent writes:—Deliveries of Cleveland iron to local consumers will be suspended after Wednesday, and most of the foundries will not re-commence operations until the first week in January. This will cause accumulations of stocks at the furnaces which will be inconvenient to producers, as they are not too well placed as regards orders with which to commence the new year. It is expected, however, that after the holidays are over they will decide upon a reduction in prices in order to induce consumers who have been holding back forward orders to come on the market for fresh supplies and thus check the importation of Continental iron and also the competition from the Midlands. In the meantime official prices are unchanged, viz.: No. 1, 66s.; No. 3, 63s. 6d.; No. 4 foundry, 62s. 6d.; and No. 4 forge, 62s. f.o.b. or f.o.t. Hematite is rather weaker and sales have been made for prompt delivery at 70s. for ordinary mixed numbers. For forward, however, makers look upon the prospects as satisfactory and are not inclined to accept less than 70s. 6d., while some ask 71s. Stocks will increase over the holidays to some extent, but a furnace on the Tees is shortly to be put out for relining. Shipments of pig iron continue on a small scale, the total cleared to 20th instant being 7,776 tons, against 7,787 tons to the same date last month. In the finished departments there is very little fresh business coming forward and most mills close down on Wednesday until the first week in January. Prices to home consumers under the rebate scheme are unchanged, viz.: Plates, £8 15s.; joists, £8 10s.; angles, &c., £8 7s. 6d. Among other quotations, heavy steel rails are £8 10s.; crown iron bars, £10 15s.; 24-gauge black sheets, £8 12s. 6d.; 24-gauge galvanised corrugated sheets, £11 5s., also for home use. There is nothing doing in ore. Best Bilbao rubio is nominally 16s. 6d. c.i.f. for early delivery and 16s. 9d. to 17s. for delivery over the first three and six months of next year. The rate of freight Bilbao/Middlesbrough for early tonnage remains about 5s. Coke is offered at 17s. delivered furnaces for early delivery, and slightly less has been accepted in some cases. The number of furnaces in blast in the district remains at 25.

Our Sheffield correspondent writes:—The open-hearth steel plants in the district have closed for two weeks, but in some cases melting is being continued throughout the stoppage. There is little work on hand or contracted for, and the inquiries relate to small quantities. The Lincolnshire works have also closed for two weeks or probably longer. The rolling mills in Sheffield have had a very unsatisfactory year. Some improvement in the iron and steel trade is hoped for next month, but it is felt that there can be no general revival until a decided change for the better in the international situation takes place. The overseas markets still constitute the weakest spot in the situation here. A moderate amount of business is still being done in high grade tool and special steels, including stainless materials. A large electric furnace has lately been installed at a Sheffield works which is to be employed entirely on melting stainless steel. The file trade has never been so bad. There is a fair inquiry for many kinds of hand and engineers' small tools.

Our Glasgow correspondent writes:—Business in the pig iron market is very quiet, and at the present time there are only six furnaces in blast. In almost every branch things are very dull, partly owing to the continued poor demand for export and partly on account of the impending holidays and, in some cases, stocktaking operations, which are causing buyers for home consumption to restrict their purchases to immediate requirements only. In the sheet trade bookings for early delivery are keeping up to recent levels, but are not sufficient to keep all the mills employed. Tube makers are having a lean time and here also plant is not fully employed. There are indications that the New Year holidays will be somewhat prolonged, and in very few cases will the stoppage be for less than a week.

Our Cardiff correspondent writes:—The position in the various departments of the South Wales iron and steel industry is unchanged. Production will be considerably restricted this week by the Christmas holidays, and the market is hopeful of an improved demand for timplates and galvanised sheets with the turn of the year. Prices are unaltered.

OTHER METALS.

TIN.—In the standard market the tone was strong, values advancing sharply on improved inquiries and lighter offerings, Eastern advices being firmer. Standard cash changed hands at £105 5s. to £114 7s. 6d.; three months, £106 5s. to £115 15s. In the East, sales were reported at £110 5s. to £113 7s. 6d. per ton c.i.f. terms.

COPPER.—Market firmer in face of a better demand, sellers showing more reserve. Standard, cash, sold at £45 12s. 6d. to £47 5s.; three months, £44 17s. 6d. to £47 per ton.

LEAD.—Market quiet, but tone steadier on lighter offerings. Good soft foreign pig, January, sold £14 17s. 6d. to £15; February, £14 17s. 6d.; March, £14 16s. 3d. to £15 per ton.

SPELTER.—Firm, with improved inquiries. December sold at £13 11s. 3d.; January, £13 13s. 9d.; February, £13 16s. 3d. to £14; and March, £14 to £14 5s. and £14 3s. 9d. per ton.

ALUMINIUM.—Steady. Home trade and export, £85 per ton.

TIN PLATES.—Quiet. I.C. coke, prompt and forward, 15s. 9d. per box f.o.b. Swansea.

QUICKSILVER.—Maintained. Spot, £21 15s. to £22 per bottle.

ANTIMONY.—Steadier. English regulus, £38 to £45; Chinese ditto, spot, £26; afloat, buyers, £24 10s.; Chinese, January-February, quoted £22 15s.; crude, January-February, buyers, £14 per ton c.i.f.

ANTIMONY OXIDE.—January-February, £24 10s. per ton c.i.f.

ANTIMONY ORE.—60 per cent., January-February, 3s.; 50 per cent., ditto, 2s. 6d. per unit c.i.f.

WOLFRAM.—Quietly steady. Chinese, January-February, sellers, 14s. 3d. per unit c.i.f.

THE COTTON TRADE.

MANCHESTER, December 22nd.

Business in the market during the past week has been disturbed by the wider fluctuations in raw material rates and the approaching holidays. Owing to the slackness which has existed for some time now, it is not reasonable to anticipate a revival of demand this Christmas week. Only a miscellaneous trade has been put through in piece goods for India. On the whole, less satisfactory advices have been received with regard to the political situation. Shippers to China have continued to look on, and there is no hope of an increased demand until there is an improvement in the price of silver. Buying for the several minor outlets East and West has been confined to sorting up lots. Some manufacturers are being compelled to extend the usual holidays. Here and there a little more inquiry has been experienced in American and Egyptian yarns. Although sales of any weight have been exceptional, the turnover shows a slight improvement, but the prices secured have given no satisfaction to spinners.

Statement of the Cotton Trade.

	1930.				Corresponding Date.	
	Dec. 3.	Dec. 10.	Dec. 17.	Dec. 22.	1928.	1929.
Raw Cotton—Mid. American per lb.	5-75	5-63	5-24	5-36	10-66	9-34
" Sakellaridis Fully Good Fair	8-75	8-00	7-75	7-95	19-50	13-95
" Egyptian per lb.	9½	9½	9½	9½	15½	13½
Yarns—32's twist per lb.	10	9½	9½	9½	16½	14½
" 40's twist per lb.	17½	16½	16½	16½	28	23½
" 60's twist (Egyptian) per lb.	17½	16½	16½	16½	28	23½
32-in. Printers, 116 yds., 16 by 16, 32's and 60's a. d.	18 6	18 3	18 0	18 0	26 0	23 9
36-in. Shirtings, 75 yds., 19 by 19, 32's and 40's a. d.	20 9	20 6	20 3	20 3	28 6	26 6
38-in. ditto, 38 yds., 18 by 16, 10 lb. a. d.	11 7	11 6	11 4	11 4	15 6	14 4½
36-in. ditto, 37½ yds., 16 by 15, 8½ lb. a. d.	10 6	10 4	10 3	10 3	14 0	13 0

THE WOOL TRADE.

Our Bradford correspondent writes:—Overseas cables reporting the results of the last auctions in Australia, New Zealand and South Africa clearly indicate that values ruling at the end of the year are exceedingly low, and consequently very disappointing to growers everywhere. The average price of a bale of wool in Sydney is now between £10 and £11, or just over 8d. per lb. This is far too little, for if wool were selling at 33 per cent. more, it would barely cover the cost of production. It is doubtful whether the average for wool in New Zealand is 6d. per lb. in the grease, whereas growers need 10d. to get out without loss. The outstanding feature of this year has been the expanding demand for the raw material, especially merino wool, coupled with a sharp decline in prices which proved disastrous to wool growers. The consumption of merino wool is proceeding rapidly, and it is safe to assume that the bottom has been touched in both merinos and crossbreds. It is absolutely unreasonable to talk about lower prices, stabilisation being urgently needed. Steps have been taken in this direction in South Africa, where definite limits have been fixed for future sales. This is a sound policy which is entirely justified under present circumstances. The following are the reserve prices put on wool offered in Port

Elizabeth and other coastal ports. The clean coat delivered Bradford is also given:—

	Ex Coastal Ports.	Clean Bradford.
12 months—	d.	d.
74-80's quality	25-26	28
70's quality	21	24
64-70's quality	19	22
60-64's quality	16	19
10-12 months—		
70's quality	19-20	22
66-70's quality	18	21
Average quality—say, 64's ...	17	20

THE JUTE TRADE.

DUNDEE, December 22nd.

Conditions in the jute trade are now very quiet, and there is little or no hope of improvement until the Christmas and New Year holidays are over. The workers this year will receive a more lengthy holiday than usual at New Year, many of the works closing down for a fortnight. Both raw jute and Calcutta goods have been declining in value, but the tone of the markets is again steadier. There is still much uncertainty prevailing, and, though prices may at times look like being lower, there is always the periodical recovery. Sellers of the fibre are very reluctant to allow prices to decline further, and the fact that the Calcutta market is being sparingly fed from up-country, where there must be ample supplies, is helping to maintain a steady undertone. Good First Marks are still seldom offered, but red circle ram is quoted at £20 10s., while lightnings are offered at £18 5s. for green circle ram, £17 10s. for red H quality, £17 5s. for triangle Jajoida down to £16 10s. for Asahi lightning, December-January shipment. Daisie assortment has been sold down to £14 10s., but the return to steadier conditions resulted in £14 15s. becoming lowest, with Daisie 3 at £14 10s. and fours at £13 10s. Jute yarns are very quiet, but quite steady in value all round. Common 8-lb. cops are offered at 2s. and 8-lb. spools at 2s. 1d., but there are also higher prices. Twist is available at 3½d. for 3 ply 8 lb., and sacking yarns are unchanged at 2½d. for 24 lb. web and 3½d. for 8 lb. chains. Rove is from £23 10s. for 48 lb. and £17 for 200 lb. Fine yarns are receiving steady support at from 3s. for second quality 8 lb. Rio warp, 2s. 7d. for third, and 2s. 4d. for fourth. Carpet yarns are quiet. Business in jute cloth is even quieter now, but manufacturers are making no change in their quoted limits, which rule from 2½d. to 3d. for 10½ oz. 40 in. hessians and from 2d. for 8 oz. Linoleum hessians are slow and nominal, while trade in heavy goods is of very little importance meantime. The Calcutta goods market is receiving little support from actual consumers, but speculators continue to operate at each decline in prices.



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J.E.S.

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THE CHATWOOD SAFE CO. LTD.,
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A.15.

COMMERCIAL TIMES—WEEKLY PRICES CURRENT.

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

LONDON, TUESDAY.			FRUIT (continued)—			WOOL—			HIDES—		
CEREALS AND MEAT.			Spanish Onions,			English Southdown, washed			Wet		
GRAIN &c.			Valencia :			per lb.			Pat. Australian		
Wheat, No. 3, N. Man.	49s lb.	nom.	Onions, Oporto	case, 48.	6 0 6 9	Lincoln hog, washed	14		West J. P.	per lb.	0 41 0 41
Eng. Gaz. av.	per cwt.	6 1	Onions, Oporto	case, 56.	6 6 8 0	Queensland, old, super cmbg.	23		West J. P.	per lb.	0 31 0 31
Barley, Eng. Gaz. av.	8 2		Chestnuts, Huelsva	bags 11	0 14 0	N.S.W. greasy, super	11		Dry and dressed, Cape	0 41 0 41	
Oats	5 8		Grapes, Lisbon	boxes	0 0 0	N.Z., gray, half-bred 50-56	8 1		Market Hides, London	0 61 0 61	
Maise, La Plata, landed	480 lb.	18 0	Almeria	barrels	0 0 0	Topes—			Best heavy or and belfer	0 51 0 51	
Flour, Lon. stan. ex mill.	s. d.		Irish bladders	70	0 80 0	McClos 70's	26		Best cow	0 31 0 31	
280 lb.	23 6	0 0	American, boxes 56 lbs.	57	0 58 0	Crossbred 48's	23		Best calf	0 81 0 81	
Rice, No. 2 Burma, per cwt.	8 1 1	0 0	SPICES—			Crossbred 48's	11		INDIGO—		
Sago, Pearl, per cwt.	18 6		Pepper, per lb.—			" 46's	10		Bengal gd. red-vio. to		
Tapioas, per cwt.			Muntok, fair White	0 0 0 11					fine—per lb.	5 6 6 6	
B.I. flake, fair spot	17 6	0 0	Chiam Lampong	0 0 0 6 1					LEATHER—		
Medium pearl	20 0	0 0	Cinnamon—lat sort, per lb.	0 10 0					Sole Bonds 8/14 lb.		
Potatoes, good English,	per cwt.	5 0 6 6	Ginger—per lb.	0 1 2 1					Barb Tanned Sole	1 2 2 6	
Beef, per 8 lbs.—			African	38 0 0 0					Shoulders fm DS Hides	2 3 3 6	
English long sides	5 0 5 8		Jamaica, ord. to good	50 0 90 0					Do. Eng. or WS do.	0 11 5 10	
Medium, chilled hinds.	4 10 5 4		Mace	1 6 2 4					Bellies from DS do.	0 51 0 7	
Mutton, per 8 lbs.—			Nutmegs 65's	1 4 0 0					Do. Eng. or WS do.	0 7 1 0	
English wethers	6 8 7 8		(Duty, 11s. 8d. per cwt.)						Dressing Hides	4 1 1 7	
N.Z. frozen	3 6 4 2		B.W.I., crystallised	19 0 22 6					Ro. Eng. Calf, 20/30 lb.	3 6 5 6	
Pork, English, per 8 lbs.	5 8 9 0		Java, white, c. & f. India						Act. Bends	1 1 1 5 1	
			Jan-Mar.	0 0 7 9 1					VEGETABLE OILS—		
			REFINED—London—						Linseed, naked, p. ton net	18 15 0 0	
			Yellow Crystal	18 10 0 0					Rape, refined	11 15 0 0	
			Qubes	23 3 23 9					Cotton-seed, crude	21 15 0 0	
			Crushed	21 9 22 3					Coconut, dec.	30 15 0 0	
			Granulated	19 7 20 4					Palm	19 5 0 0	
			Home Grown (Dec.)	19 0 19 4					Oil Cakes, Linseed, Eng.		
			TEA—						per ton	8 5 0 0	
			Indian & Ceylon—per lb.						Oil Seeds—Linseed		
			Pekoe	0 9 1 2 2					La Plata, p. ton	Jan.-Feb. 9 0 0 0	
			Broken Pekoe	0 9 1 0 1					Calcutta—per ton	Jan.-Feb. 12/17/6 0 0	
			Orange Pekoe	0 9 1 2 9							
			Broken Orange	0 10 1 2 9							
			TOBACCO—								
			(Duty 8/10-11/24 per lb.,								
			Empire growths, 6/9								
			per lb.)								
			Virginia leaf—								
			Common to fine	0 10 2 6							
			Rhodeian leaf	0 6 1 3 6							
			Nyasaland leaf	0 7 1 0							
			strips	0 10 1 10							
			East Indian leaf								
			strips	0 5 1 0							
			COTTON—								
			Mid-American	per lb.	5-36						
			Sakellaridis, f.g.f.		7-95						
			Yarns, 32's twist		9 1						
			60's twist		16 1						
			FLAX—								
			Livonian ZK	per ton	35 0 0 0						
			Pernau HD		33 0 0 0						
			Spanish Medium 1st sort.	37 0 0 0							
			HEMP								
			Italian P.O.	per ton	33 0 0 0						
			Manila, Dec-Feb. "J2"	23 0 0 0							
			N.Z.		nom.						
			Sisal, African, Dec-Jan.		£18/5 £17/5						
			Mexican		0 0 23 10						
			JUTE—								
			Native 1st mks.	per ton							
			Dec-Jan.		£15 £17/6						
			Jan.-Feb.		£16						
			SILK—								
			Canton	per lb.	s. d. £						
			Tussah		0 10 6						
			Japan		0 8 0						
			Italian—Raw, fr. Milan		10 0 13 0						
					9 6 12 0						
			Cement—								
			Portland, best Eng. pr. ton	46 0 48 0							
			COBRA—								
			S.D. Straits a.l.f., per ton	s. d. £							
			Jan. 15	0 0 0							
			Smoked South Sea	Dec. 14	0 0 0						
			DRUGS—								
			Camphor—								
			Japan, refined	s. d. £							
			Castor-oil	2 2 2 24							
			Ipecacuanha	85 0 95 0							
			Peppermint, Wayne Co.	3 3 9 6							

HIDE, LEATHER AND ALLIED TRADES.

Hides were lower in price at most of the sales held during the week-end, and with no auctions taking place this week on account of the Christmas holidays the present standard of values will be operative until the end of the year. Surprise was evident at the fractional advances recorded at the sales held in Bermondsey last Thursday, and it is thought that orders for export were largely responsible for these. It is safe to assume that the position of the home tanning industry does not warrant higher values for raw material, and in all probability prices will level down again at the sales of the New Year. Trade in imported hides has been very small, partly on account of the holiday season, and also on account of the uncertainty of values. The only goods in which anything like a semblance of reasonable trade has transpired are Frigorifics, which have been taken up by Home and United States tanners on the basis of 6½d. for Argentine ox, with 5½d. paid for seconds and 6½d. for Montevideo ox. A sale of 10,000 Liebig colon hides found buyers at 7½d. to 7¾d. for heavies, while the lights changed hands at 6½d. Sales of dry River Plates have been small with B.A. Americanos still on offer at 7d. and M.V. Americanos at 7½d. Cape hides have not featured much in the business done, but a few sales have taken place in dries at 7½d. and 6½d. for first and seconds, with dry-salted 20-30 lbs. selling at 6½d. and 5½d. for the same grades. Australian hides are difficult to move. With most of the shoe factories either closed down or engaged on stocktaking, the turnover in all classes of leather has been small.

THE TIMBER TRADE.

The spot market for European building woods has been depressed during the past four or five weeks owing to the falling off in the demand from building-trade sources and increasing distress in the heavy trades. A decline in timber demand is not unusual at this time of the year, but on this occasion it is more

pronounced. Against that, however, is the much lower importations in November, and immediate preceding months, and it is expected that December shipments will be on a small scale. Thus, the total receipts this year are likely to be well below those of 1929, which must have a strengthening influence on values during the next four or five months. The decrease in supplies is largely due to the smaller shipments from Russia, according to latest plans, and also to British importers keeping their buying commitments from Finland, Sweden and other timber-producing countries well within limits during a period of price depression and uncertainty of the future. Stocks of sawn deals, battens and boards in the Metropolitan area are a little larger compared with a year ago; on the other hand, the floorings and the small stuff—slatings and plasterers' laths—are in much more moderate supply. The arrangement between the Soviet Government timber authorities and the British syndicate for the latter to handle the Russian shipments for the United Kingdom next year has led to meetings in London between the Swedish and Finnish shippers' representatives and British importers on a question of United Kingdom 1931 supplies and demand. Russia is planning to send 600,000 standards, against 500,000 this year, therefore on this year's supply and demand basis either an increase of demand for the 100,000 standards difference will be necessary in 1931 or less buying to that amount from countries other than Russia. The hardwood market shows little, if any, upward movement. As regards mahogany logs, the tendency of shippers is to put too high a limit on auction reserve prices, especially whilst demand is so poor. Teak and other Indian, as well as Canadian, logs are in quiet demand. In sawn hardwoods c.i.f. values of American lumber are weak, and shippers' anxiety to clear does not imbue one with the feeling of a sufficiency of stocks, and therefore forward business is restricted. States lumber shipments to the United Kingdom declined considerable last month, and the trade hopes for a still further decrease as a help to keeping the spot market more steady. Stocks of plywood are larger than usual in face of a heavy deficit in supplies last month, thus showing a lack of strength in consumption.

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In the following pages we have aimed at compiling tables which will show summary figures for as many nations of the world as possible, and have endeavoured to combine brevity with comprehensiveness. The greater number of the figures are taken from the Monthly Statistical Bulletin of the League of Nations, supplemented from our statistical records. We propose in these columns to give our own appreciation of the trade position, fortified by informed opinion, and to leave the figures to be interpreted by our readers each in his own way.*

* "League of Nations Monthly Bulletin of Statistics." 1s. 6d.

THE STATE OF TRADE AT HOME AND ABROAD.

THE most ominous event of recent weeks has been the increase in unemployment to over 2,000,000, the latest weekly figures being 2,050,737. Recent declines in the amount of employment available include all the heavy industries, all the textile industries with the exception of the hemp and rope trade, the clothing trade, building and public works contracting, and shipping, while the only cases where improvements have occurred are tinplate manufacture, paper-making, and hotel and boarding-house service. The July percentage of unemployment in the insured industries was 17.1 per cent.

There is no escaping the fact that the rise in unemployment to over 2,000,000 has had an unfortunate psychological effect, and the gravity of the situation represented by this figure requires little emphasis. It should, however, be remembered that August is the holiday month, and that trade is now normally at its lowest point for the year. Reference to the home industrial reports on a subsequent page will show that in several cases manufacturers are anticipating an improvement in business in the autumn, and while the revival will at the best only be a slight one, it may be sufficient to bring about a small and temporary mitigation of the position.

Any chance, however, of a real improvement depends upon world trade and the course of world commodity prices. Until a few days ago there seemed to be signs that world prices were steadier, and the recent damage to grain crops in both France and America had been the partial cause of a slight increase in cereal prices. Unfortunately, in England, at least, these hopes have lately been discounted by such events as last week's reduction of 4s. per ton in pig iron, the fall of rubber to a record low level, and the renewed weakness of non-ferrous metal and cotton prices. Thus while the catastrophic fall of commodity prices is now probably near its end, it is premature to say that the corner has yet been turned. Regarding the situation from a "short-run" standpoint, the key probably lies in the two countries already mentioned, namely, France and the United States. In France, the continued influx of gold is having its effect upon domestic prices and the cost of living, both of which have recently risen appreciably. The damage suffered by French crops means that this year France will revert to

her normal rôle of an importer of wheat, and this, in conjunction with the American drought, may reduce existing stocks and so help wheat-growing countries and improve their purchasing power all round. In view of the importance of our own export trade to Australia and the Argentine, this is a development that is not without its hopeful aspects.

The strikes in the French textile areas are also of importance. Their immediate cause was a dispute as to whether or not the employers should bear the workers' share of the new insurance contributions as well as their own, but, fundamentally, they probably arise from the present upward trend of the French cost of living. Their outcome is still uncertain, but it seems possible that, in the end, French working costs will approximate more closely to the British level. This will put an end to one of the disabilities under which British manufacturers have lately been labouring.

The effect of the drought in the "middle-west" of the United States is not so easy to gauge. For one thing, it is by no means clear whether the damage will prove sufficiently severe to off-set the dead-weight of the heavy wheat stocks carried over in many countries from last year, and it is significant that, so far, wheat prices in the London markets, which set the pace for the whole of Europe, have only responded in a limited degree.

HOME TRADE STATISTICS—JULY, 1930

		Compared with		
UNEMPLOYMENT—		JUNE	JULY	JULY '29.
(State Insurance %)		15.8 ...	17.1 ...	+ 7.4
PRODUCTION—				
Coal (million tons)*	4.1 ...	4.2 ...	—	0.5
Iron (thous. ")	563 ...	486 ...	—	186
Steel (" ")	600 ...	621 ...	—	184
FOREIGN TRADE—				
Imports (million £'s)	83.4 ...	85.2 ...	—	8.4
Re-exports (" ")	7.9 ...	6.7 ...	—	1.3
Exports (" ")	50.7 ...	57.4 ...	—	9.1
TRANSPORT—				
Railway Receipts* (£0,000)	333 ...	350 ...	—	31
Shipping Freights (av. level ¹)	75.7 ...	78.1 ...	—	16.7
COMMODITY PRICES (" ") ²	78.8 ...	77.6 ...	—	16.1
TRADE DISPUTES (thous.)				
working days lost)	429	89	—	1,099
SECURITY VALUES (av. level ³)	119.0 ...	120.3 ...	—	6.2
FINANCIAL DATA—				
Bank. of Eng. Notes (mill. £'s)*	361 ...	365 ...	—	4
Bank Deposits (" ")*	1,829 ...	1,831 ...	—	+ 15
Bank Advances (" ")*	977 ...	967 ...	—	35
Banks Cash Ratio (%)	10.5 ...	10.6 ...	—	NH
Bank Clearings :				
London (million £'s)*	859 ...	902 ...	—	+ 3
Manchester (" ")*	9.1 ...	10.2 ...	—	2.4
Three months' Bank Drafts				
(Discount Rate %)*	2 $\frac{1}{8}$...	2 $\frac{1}{8}$...	—	3 $\frac{1}{8}$
Day-to-day Loans (%)	1 $\frac{1}{8}$...	1 $\frac{1}{8}$...	—	2 $\frac{1}{8}$
⁽¹⁾ 1913 = 100. ⁽²⁾ Economist Index No.; 1927 = 100. ⁽³⁾ Bankers' Magazine Index No. of 365 securities; December, 1921 = 100. ⁽⁴⁾ Cash in hand and at Bank of England as % of total current, deposit, and other accounts.				
* Average weekly figures.				

Again, the drought has had a bad effect upon American business and upon Wall Street, and so long as trade remains depressed in the United States, it is difficult to see how a real general improvement can take place. Possibly, any benefit accruing to this country from the American drought will come indirectly by way of South America. There are reports that the United States will have to import maize from the Argentine, and prices have lately become firmer. If these are correct, the purchasing power of one of our most important customers will be improved.

Meanwhile, there is little sign of any revival in British business. The Stock Exchange, with the exception of the gilt-edged market, is very depressed, and it is clear that investors are showing no enterprise and are making security the key to their limited operations. Money remains cheap, but that is largely due to the absence of

any demand for it either from industrialists or the Stock Exchange. The further increase in the bill-holdings of the clearing banks simply means that under the present depressed conditions there is no other outlet for their funds. On the other hand, sterling has recently improved against both the French franc and the dollar, and the immediate effect of this has been to divert the French gold demands from London to New York. This has had a useful psychological effect in business and financial circles, while the present strength of sterling against the dollar suggests that this year the autumn strain upon the pound will not reach a serious intensity. In short, the monetary situation is such as to support the hopes of a slight improvement in trade during the autumn.

HOME INDUSTRIES.

Coal.—Apart from a temporary increase in shipments immediately after the holidays, export business remains dull, and in some cases orders are being held back until the nature of the changes arising out of the new Mines Act are known. Demand for house coal is slightly better, but there is no improvement in inland sales of industrial fuel.

Iron and Steel.—Business remains very restricted, and in many cases holidays have been extended. Further evidence of the depressed state of the industry is found in the recent reduction of 4s. per ton in Cleveland pig iron prices. It is hoped that this will stimulate demand, but so far it has had little effect. One or two railway orders for steel have lately come to hand, but trade otherwise is very disappointing.

Engineering.—No improvement has taken place, and a fair amount of short time is being worked in the general engineering trades. Shipyards on the North-East Coast are coming to the end of the contracts for tankers received some time ago, and with no fresh orders coming in to take their place the outlook is most depressing. The construction of transmission towers for the national electricity grid scheme has provided structural engineers with some business, but the industry generally is under the influence of the holidays and the trade depression.

Electrical Industry.—The following index of production in the electrical industry is copyright by the Economical and Statistical Department of the British Electrical and Allied Manufacturers' Associations. An explanation of the manner in which it has been computed was given on page 888 of the *Economist* of November 28, 1925.

INDEX OF ACTIVITY IN THE ELECTRICAL INDUSTRY.

(1920 = 100.)

1927.	Home.	Export.	Total.	1928.	Home.	Export.	Total.
January.....	95	152	109	November.....	85	105	93
February.....	92	159	108	December.....	83	103	96
March.....	89	163	107	1929.			
April.....	90	181	112	January.....	92	122	99
May.....	88	200	116	February.....	92	128	101
June.....	94	254	128	March.....	88	126	97
July.....	93	231	126	April.....	86	145	109
August.....	90	236	126	May.....	84	143	99
September.....	87	230	122	June.....	84	149	101
October.....	80	208	112	July.....	80	151	106
November.....	80	192	107	August.....	88	140	102
December.....	69	160	92	September.....	81	150	99
1928.				October.....	76	191	106
January.....	68	148	88	November.....	71	216	109
February.....	68	143	87	December.....	60	228	102
March.....	71	141	89	1930.			
April.....	68	108	79	January.....	68	220	107
May.....	68	105	78	February.....	69	240	112
June.....	70	122	96	March.....	71	236	113
July.....	71	80	74	April.....	72	214	108
August.....	74	86	78	May.....	70	209	105
September.....	81	102	88	June.....	59	212	98
October.....	83	107	91	July.....	55	232	100

Home trade remained depressed during July, but since the end of the month several large orders have been received. The improvement in the export index is due to the execution of old orders from Canada, New Zealand, Russia and South America. Few fresh inquiries are being received.

Motor Industry.—The period of seasonal slackness in the private car trade is approaching, and recent business has fallen below expectations. The commercial vehicle section is less affected, but here exports have fallen away. The cycle and motor cycle section is quiet, with only a fair volume of overseas business.

Cotton.—The current official estimate for the new American cotton crop is 14,362,000 bales, and allowing for the carry-over from last season, supplies for the next twelve months should be about 20,500,000 bales. As world consumption is rather less than 11,000,000 bales a year, there is no prospect of any scarcity and prices consequently have fallen. The growth in Egypt is doing well, and a record area is under cultivation. The yarn position is very unsatisfactory. Only a limited business has been done and despite the big curtailment of

output, spinners cannot improve prices. The piece-goods trade also remains disappointing. Some buying has taken place for Karachi and Madras, but operations for Bombay and Calcutta have been at a standstill. China trade remains bad, apart from a little activity in fancies for Hong Kong. Business with other markets has been restricted.

Wool.—Business has been quiet as the result of the holidays, but the undertone is a little more hopeful, and top prices, especially of merinos, rather steadier. The official announcement that this season's Australian wool clip is estimated at 180,000 bales below last year came at an opportune moment in view of the previous uncertainty, and has helped to clear the air. Makers of heavy woollen goods are a little more active, and yarn prices are steady, pending the opening of the London wool sales next month. There is no indication as yet as to how the British industry will be affected by the French strikes and their outcome, but if they result in raising French production costs, Bradford should benefit.

Linen.—Business is quiet, and market conditions easier. Inquiry, however, both for yarns and dress linens, is expanding, and this is a hopeful feature for the autumn. The Irish flax crop is now being pulled, and promises to be of good quality. The acreage is three-quarters of that of last year.

Rayon.—Home demand for yarn and fabrics has been fairly well maintained, and though export business is still below normal there have been slight improvements in several markets. There has been a fairly large turnover in multi-filament viscose yarns, but a certain amount of price-cutting has been in evidence. Special crepe yarns remain in active request, and there has been a fair volume of business in fine denier acetate warp.

Boots and Shoes.—Northampton boot and shoe manufacturers are hoping for a moderate revival in the autumn, and some firms are at present supplied with orders for some weeks ahead. This, however, is by no means the general experience.

Pottery.—Trade remains very bad, and manufacturers are faced with severe competition in all markets. It is hoped that the visit of the President of the North Staffordshire Chamber of Commerce to South Africa will bring new orders.

Chemical Industries.—Business remains quiet, partly owing to the holidays, and current orders are of limited dimensions. There is a steady market for pharmaceutical products, but demand for coal-tar derivatives is still restricted. Trade in certain heavy chemicals is slightly better.

Building Trades.—Although there was a slight increase in unemployment in July as compared with the preceding month a fair amount of work was available for skilled workers. Some time was lost owing to bad weather conditions. Employment in the brick industry remained fairly good.

Agriculture.—The promising outlook for the corn harvest was modified by unfavourable weather conditions during the latter part of July. Early potatoes were a satisfactory crop, while the main crop seems up to average. The yield of roots, with the exception of mangolds, is likely to be below average. Sugar-beet on an increased area is on the whole satisfactory, and hops are up to average, though the area under cultivation has been reduced. The bulk of the seed hay was secured in good condition, but many meadows remain uncut. Still yields are expected to be above average. Milk yields were normal with a tendency to fall.

Shipping.—The approach of the time when grain importers normally contract for space to move the Northern Hemisphere crops has led to a moderate expansion of demand on most homeward routes, and whole-cargo rates for cereal cargoes are distinctly better than a month ago. Other sections of the market, however, remain quiet, and little has been done to reduce the volume of laid-up tonnage.

Retail Trade.—A leading London store reports that trade has been very satisfactory, in spite of adverse weather in July and early August. The outlook, too, is encouraging.

BRITISH EMPIRE.

In Australia, further beneficial rains over the wheat belts have improved the outlook. The New South Wales Government is taking a ballot of growers in September on the question of the establishment of a compulsory pool. The Victorian Government has introduced a marketing bill, and will take a ballot of wheat growers if the bill is passed. Wool prices at the July sales showed an advance, and a more confident tone was noticeable. Imports for the first half of 1930 amounted to £131,134,000, or £12,514,000 below those of the first half of 1929. Exports came to £124,849,000, or a decrease of £20,002,000 below those of the preceding year.

Mail advices from India show that little improvement has taken place. Demand for cotton piece-goods, whether of British or Indian origin, remains at a standstill, and the course of business in the raw-cotton market shows clearly that confidence is lacking. In Burma, rice prices remain very low, and purchasing power is consequently restricted.

Little change has occurred in South Africa. Cereal prices are easier, as had been anticipated. Good rains have fallen in the Cape, Midland and North Coast districts, and farmers have made good progress with ploughing and sowing. Reaping and threshing of maize is nearly complete, and it appears that the earliest estimates of the crop will be realised. The latest estimate of the new sugar crop is 350,000 tons.

UNITED STATES OF AMERICA.

At the end of July there were several signs of an impending improvement. Operations in the steel mills had remained steady for four consecutive weeks at 57 per cent. of capacity, and automobile manufacturers were resuming work after stock-taking. Freight movements also underwent a certain seasonal expansion, but construction contracts declined, and output remained restricted in the textile industries. Finally credit was abundant, and there were signs of increasing resistance to the fall in commodity prices. Subsequently the position was changed by the severity of the drought in the middle-west. Rain has now fallen, and it is possible that the damage to the harvests may be less serious than at one time was feared. Still, heavy losses have been inflicted upon farmers in many states, and this seems likely to react unfavourably upon general business.

The following indices of American economic conditions have been forwarded to us by Moody's Investors' Service, of New York and London.

AMERICAN TRADE STATISTICS—JULY, 1930.

	June.	July.	Compared with July, '29.
	(a)	(a)	...
EMPLOYMENT †—(June, 1914=100) 102.1			
PRODUCTION —			
Bituminous coal (Thous. tons).....	32,442*	34,634	— 5,535
Pig-iron (" ").....	2,934	2,640	— 1,145
Steel (" ").....	3,440	2,933	— 1,905
Unfilled orders, U.S.			
Steel Corporation (Thous. tons)....	3,968	4,022	— 66
Building permits (Thous. \$).....	152,807	159,129	— 83,028
FOREIGN TRADE —			
Imports (Thous. \$).....	250,000*	(a)	...
Exports (" ").....	299,000*	(a)	...
TRANSPORT —			
Monthly average of weekly car loadings (Thous. cars).....	929	889	— 150
SECURITIES —			
20 industrial stocks—Highest quotations.....	274.45	240.81	— 106.89
Lowest quotations.....	211.84	218.33	— 116.87
Thous. shares sold during month —(New York)....	76,593	47,746	— 45,633
New securities issued (Thous. \$) ...	759,417	743,735	— 87,153
BANK CLEARINGS —			
New York (Million \$).....	33,149	29,768	— 10,440
Other cities (" ").....	16,762	16,693	— 3,906
RETAIL BUSINESS —			
Total sales, mail order houses§ (Thous. \$).....	57,739	47,437	— 5,872

* Preliminary estimates made by Messrs Moody, subject to revision. † Based on reports of U.S. Labour Bureau and of Bureau of the States of New York, Wisconsin, and Pennsylvania. ‡ Average of actual prices. § Partly estimated. a Not yet available.

EUROPE.

In France, there is a fair demand for industrial coal, and it is hoped that the operation of the British Coal Mines Act will lead to reduced competition from Great Britain. The iron and steel trades are difficult and hesitant. The textiles industries are dislocated by the strikes in the Lille area, and while according to some reports they will not be of long duration, it remains to be seen what effect they will have on production costs and on French ability to compete with foreign manufacturers.

The Belgian coal industry fails to improve, and is suffering from foreign competition. Stocks remain heavy. The iron and steel trades are in a weak position, and certain prices have been reduced. The glass industry remains depressed.

The German coal industry fails to improve, and it is feared that the effect of the new British Act will be to intensify competition at Germany's expense. Conflicting reports are being received of the steel trades, some of which mention a revival in inquiry. Still it is difficult to detect any real improvement. Unemployment remains severe, and though the Government are initiating new remedial measures, doubts are expressed as to their ultimate effect.

SOUTH AMERICA.

In Argentina the general commercial situation remains quiet. Prospects for the new wheat, linseed, and oats crops are good, and reports of the new seeding of wheat in the northern districts and in Entre Rios are satisfactory. In the livestock markets, values of fat cattle are firm, while there is a good demand for best quality breeding cattle and steers for fattening. In Brazil the commercial situation continues difficult, and conditions in the import markets are dull. Trade in Chile is, on the whole, slack at present, but the arrangements for the consolidation of the nitrate industry in conjunction with the synthetic nitrogen interests, which have recently been successfully concluded, should help to restore confidence. Quiet conditions continue in Uruguay. There has been no expansion in business activity in Peru, and conditions generally are somewhat dull. In Mexico, the absence of any pronounced improvement in the mining situation continues to exercise an adverse effect on business, and commerce in general continues quiet. Trade in Ecuador is more active, as a result of increased exports of rice and coffee. Reports from Colombia state that there is some improvement apparent in the general demand for merchandise. In Salvador, exports of coffee have continued in completion of contracts, but the general trading situation has remained quiet.

FAR EAST.

Business with China remains very limited, and at Shanghai few, if any, inquiries are being received from the interior. The most hopeful sign is the recent recovery in the price of silver.

Japanese stock markets have displayed a steadier tone in sympathy with the recent slight upward movement in prices, and industrial reorganisation has also shown some signs of progress. The spun silk industry has reduced working by a further 15 per cent., and the smaller raw-silk factories have practically ceased operations. Cotton yarn and textile exports show a slight increase.

ELECTRICAL PRODUCTION.

In the *Economist* of July 10, 1926 (pages 57-8), we published a new index of electrical production in the chief industrial areas of Great Britain. We show below a résumé of the results achieved during recent periods:—

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

Date.	Britain, excluding London and Wales.	Coal Mining, Iron and Steel, Ship-building, Heavy Engineering.	General Engineering and Automobile Construction.	Chemicals.	Marine Transport, Docks, etc.	Textiles, Cotton, and Wool.
1927.						
January.....	158	155	167	212	179	151
February.....	157	156	165	212	169	150
March.....	147	152	153	187	155	149
April.....	144	144	146	208	151	136
May.....	138	139	151	198	150	129
June.....	126	128	136	206	131	114
July.....	123	118	135	184	149	119
August.....	123	124	130	201	142	113
September.....	138	133	157	228	159	131
October.....	152	146	166	228	175	146
November.....	166	155	190	238	192	162
December.....	180	170	200	220	210	172
1928.						
January.....	174	164	195	232	199	172
February.....	170	162	188	249	195	164
March.....	170	165	192	252	195	169
April.....	149	149	164	226	164	132
May.....	140	136	170	225	163	125
June.....	141	138	160	248	158	130
July.....	131	127	149	248	151	124
August.....	130	131	131	227	147	116
September.....	150	145	164	263	175	138
October.....	161	153	185	245	189	154
November.....	178	164	215	240	206	169
December.....	181	171	210	195	210	176
1929.						
January.....	187	172	234	236	220	190
February.....	195	182	248	250	222	198
March.....	173	169	215	268	192	182
April.....	165	158	201	321	185	152
May.....	156	150	182	321	170	135
June.....	156	151	192	318	172	141
July.....	146	140	187	282	166	130
August.....	148	151	167	205	175	124
September.....	156	153	194	241	178	146
October.....	179	170	224	243	207	166
November.....	203	192	250	252	240	192
December.....	192	182	235	186	228	190
1930.						
January.....	192	176	255	250	231	182
February.....	198	183	260	257	237	184
March.....	184	171	240	250	226	172
April.....	160	150	204	214	202	146
May.....	157	146	192	235	193	143
June.....	140	130	177	208	175	127
July.....	143	127	193	220	182	137

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

Mainly as a result of the continuance of depressed conditions and of holidays in the west of Scotland, the index number for the heavy industries is considerably below its 1929 level. Some recovery has taken place in the general engineering and textiles index numbers.

INDICES OF BUSINESS ACTIVITY.

THERE are few favourable features to be discerned in the latest figures of our series of indices of business activity; and, notwithstanding the fact that July contained more working days than June, which included the Whitsuntide holidays, the index numbers with few exceptions point to a grave deterioration in the general situation of British industry and commerce.

To select, in the first instance, the figures from which some crumbs of consolation are to be derived, it will be seen that the index of exports of British manufactures recorded a slight upward movement, though it must be added that the latest figure is 20 per cent. lower than that for July, 1929. The other two indices to show a rise were those of shipping movements and London bank clearings. In the first case, the upward fluctuation was of a purely seasonal nature, while the movements of the latter index during the past year suggest that it is of little value as an indicator of commercial turnover, whose volume is undoubtedly reflected much more accurately by the index of provincial bank clearings. This now stands at a level 8 per cent. lower than a year ago. Perhaps the least discouraging index of the series is that of net imports of raw materials, whose decline appears last month to have been checked. Moreover, the current figure compares not unfavourably with the average for the corresponding month in the past six years.

On the other hand, the remainder of the index numbers leave a uniformly gloomy impression. There was a sharp reaction last month in retained imports of non-ferrous metals, and the apparent internal consumption by this country of iron and steel, which has so far held up remarkably well against the trade depression, had a significantly

heavy fall. There was a further ominous decline in the apparent consumption of raw cotton, the index figure for which now represents a volume of in-take less than two-thirds of that recorded last July and lower even than in the coal stoppage of 1926. Consumption of rubber also contracted, and there is reason to suppose that this index is to some extent artificially held up by our inability to take into account the growth of invisible supplies in the hands of manufacturers.

Reflecting more generally the activity of industry, the two indices of consumption of power both declined sharply in July. It is notable that the apparent activity of concerns employing electricity is slightly lower, as compared with a year ago, than that of those relying upon coal. Certain difficulties, however, in the exact computation of the coal power index suggest a need for caution in drawing positive inference from this feature. Finally, the indices of the volume of employment, with the significant exception of the (largely unproductive) miscellaneous services, all registered a further decline, particularly severe in the case of "heavy industry." Employment in "general industry," it will be seen, is now 7½ per cent. below the level of July, 1929, and the total volume of employment in all spheres has fallen, notwithstanding the growth in population, to approximately the level of six years ago.

It is clear that the trade depression is developing to a point which may fairly be regarded as critical, and though, as pointed out in a previous column, there are certain factors in the world situation which may produce a minor alleviation of the position during the autumn, the outlook for the winter in this country is one which must occasion concern and anxiety.

INDICES OF BUSINESS ACTIVITY.
1924 = 100.

Period.	Net Imports.		Consumption of		Consumption of Power.		Volume of Employment.					Merchandise on Railways.	Provincial Bank Clearings.	Postal Traffic.	Shipping Movements.	London Bank Clearings.	Exports British Manufactures.	Foreign Trade Turnover. (Quarterly Figs.)
	Raw Materials.	Non-Ferrous Metals.	Iron and Steel.	Cotton.	Rubber.	Coal.	Electricity.	Heavy Industry.	"General" Industry.	Miscellaneous Services.	Total.							
Monthly Average.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
1919	113	74	96	109	143	89	...	...	...	...	...	109	92	...	596	54	74	79
1920	106	71	99	113	134	91	...	...	...	...	...	100	113	...	696	65	101	87
1921	56	50	43	74	79	69	...	...	...	...	...	81	82	...	66	76	67	68
1922	89	63	34	99	58	87	...	...	...	...	...	84	97	...	91	97	88	85
1923	88	92	69	93	118	91	...	...	...	...	...	97	98	...	101	97	95	94
1924	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
1925	107	107	89	116	137	93	101	90	103	103	101	98	102	100.5	98	104	101.5	102
1926	107a	100	57	98	175	72	92	57	101	104	95.5	88	94	103.5	90	109	94	100
1927	113a	106	133	113	197	106	109	87	108	108	105	99	102	109.5	105	117	104.5	107.5
1928	101	113	88	103	212	99	110	82	108	110	105	93	100.5	114	106.5	125	108	106
1929	113	120	103.5	106	271	106	116	84.5	109.5	112	107	95	99	115.5	111.5	130	109	112
"Corrected" average for 3 months ended:																		
1929—July ...	96	123	105	98	278	94	104	83.5	110.5	113.5	108	94	98	113.5	119	129	111	109
August ...	92	123	114	85	299	95	102	84	110.5	114	108	94	96	113	122	129	109	
Sept. ...	96	117	118	76	354	96	102	84.5	110.5	114	108	95	94	113	123	129	111	
Oct. ...	104	117	119	85	358	99	109	84.5	110	113.5	108	98	92	114	121	125	109	119
Nov. ...	116	114	122	110	339	107	121	84.5	110	113	108	99	95	115	116	131	108	
Dec. ...	128	117	120	122	309	111	130	84.5	109.5	113	107.5	99	99.5	116	111	132	110	
1930—Jan. ...	135	131	126	120	226	114	132	84.5	108.5	112.5	107	97	99	120	107	133	106	107.5
Feb. ...	126	134	123	102	309	114	131	84.5	107	112.5	106	93	100	121	102	142	100	
March ...	117	119	126	98	356	117	130	84	105.5	111.5	105	93	100	121	102	142	100	
April ...	103	119	124	88	489	111	122	83	104.5	111.5	104.5	90	98	119	101	143	94	99
May ...	103	116	123	85	387	111	113	80	104	111.5	103.5	92	95	118	109	147	93	
June ...	97	129	118	71	350	100	104	77.5	103	112	103	...	91	116	112	143	87	
July ...	97c	121	102	61	303	96	98	74.5	102	112	102	...	90	115	117	144	89c	...
July, 1924 ...	97	103	100	92	68	93	93	101.5	100.5	100.5	101	99	100	100	106	101	105	...
July, 1925 ...	84	118	87	117	68	93	91	87.5	102.5	103.5	101	96	101	102	103	106	97	...
July, 1926 ...	94a	90	...	77	188	10	76	27.5	97.5	104	88.5	...	72	90	101	78	111	...
July, 1927 ...	100a	106	128	109	163	96	98	87	109	109	106	97	101	107	109	118	103	...
July, 1928 ...	94	114	84	102	139	91	97	80	108	110	105	91	100	110	112	126	107	...
July, 1929 ...	96	123	105	98	278	94	104	82	110	112	107	94	98	113.5	119	129	111	...
July, 1930 ...	97c	121	102	61	303	96	98	74.5	102	112	102	...	90	115	117	144	89c	...

a Excluding coal imports.

b Excluding Government War Movements.

c Provisional figures.

PRODUCTION. (Thousands of Metric Tons.)

Period.	COAL.											LIGNITE.				
	Monthly Average.	United Kingdom.	Belgium.	Czechoslovakia.	France.	Germany.	Netherlands.	Poland.	Canada.	South Africa.	India.	Japan.	United States.	Austria.	Czechoslovakia.	Germany.
1913	24,337	1,903	1,189	3,338	15,842	156	748	1,119	665	1,311	1,776	43,088	218	1,927	7,269	460
1925	20,590	1,925	1,047	3,921	11,052	571	2,423	719	983	1,693	2,622	43,988	257	1,551	11,644	480
1926	10,692	2,110	1,181	4,283	12,114	721	2,979	974	1,038	1,703	2,619	49,729	245	1,543	11,596	465
1927	21,355	2,298	1,168	4,315	12,800	777	3,174	1,028	1,006	1,790	2,794	45,397	256	1,365	12,542	520
1928	20,129	2,295	1,213	4,280	12,573	891	3,385	1,036	1,012	1,826	2,650	45,052	272	1,704	13,852	543
1929	21,746	2,244	1,396	4,486	13,620	960	3,851	1,022	1,052	1,875	2,663	45,510	294	1,880	14,598	587
1929—July	21,444	2,231	1,351	4,736	14,362	1,024	4,024	1,023	1,168	1,579	2,569	41,393	280	1,736	14,885	521
August	20,867	2,220	1,398	4,568	14,467	984	3,942	1,025	1,097	1,576	2,323	45,217	298	1,844	15,136	516
September	21,225	2,132	1,439	4,299	13,480	958	3,951	928	1,039	1,905	2,499	46,545	295	1,871	14,220	592
October	23,358	2,280	1,556	4,858	14,835	1,071	4,401	978	1,091	1,948	2,687	54,038	325	1,919	16,050	702
November	22,613	2,306	1,585	4,603	14,157	1,002	4,115	924	1,013	1,566	2,804	46,913	301	2,142	15,623	682
December	21,764	2,237	1,443	4,363	13,652	958	4,023	895	996	1,894	2,866	48,859	296	2,017	14,530	687
1930—January	24,150	2,489	1,308	4,884	14,598	1,060	3,806	958	1,054	2,057	2,601	51,543	314	1,850	14,008	672
February	22,066	2,274	1,179	4,481	12,168	985	2,990	824	969	2,278	2,520	41,469	248	1,572	11,372	645
March	20,023	2,258	1,174	4,459	11,481	977	2,643	729	1,025	2,016	2,748	36,581	268	1,565	11,303	469
April	21,683	2,290	1,106	4,526	11,953	1,017	2,662	913	1,017	2,115	2,576	38,012	238	1,463	10,826	452
May	17,225	2,054	1,054	4,212	10,805	916	2,577	925	993	...	...	35,276	211	1,349	11,746	436
June	17,225	2,054	1,054	4,212	10,805	916	2,577	925	993	...	...	35,276	211	1,349	11,746	436
July	16,847	...	...	...	...	...	...	...	...	...	...	37,600	...	...	...	...

PIG IRON.

STEEL.

Period.	PIG IRON.										STEEL.									
	Monthly Average.	United Kingdom.	Belgium.	France.	Saar.	Germany.	Luxemburg.	Sweden.	Canada.	United States.	United Kingdom.	Belgium.	France.	Saar.	Germany.	Luxemburg.	Sweden.	Canada.	United States.	
		<i>b</i>				<i>g</i>	<i>a</i>							<i>g</i>	<i>a</i>				<i>c</i>	
1913	869	207	434	114	1,397	212	61	85	2,601	649	206	391	159	1,467	101	62	88	2,564	649	
1925	530	212	708	121	848	197	36	48	3,058	625	212	621	132	1,016	174	43	64	3,737	625	
1926	208	283	786	135	804	213	39	64	3,277	304	278	703	145	1,028	187	44	66	3,794	304	
1927	617	313	772	148	1,092	228	35	60	3,036	770	307	692	158	1,359	206	44	77	3,675	770	
1928	560	325	832	161	984	231	33	88	3,167	722	325	791	173	1,210	214	51	105	4,222	722	
1929	642	341	871	175	1,117	242	41	92	3,580	817	344	805	184	1,369	225	60	117	4,599	817	
1929—July	683	347	877	185	1,204	250	39	101	3,846	818	356	815	199	1,466	235	59	132	4,929	818	
August	693	348	893	182	1,168	251	41	114	3,816	765	365	827	192	1,421	238	68	122	5,018	765	
September	675	347	851	174	1,109	240	38	100	3,554	862	347	767	187	1,252	224	61	101	4,601	862	
October	700	361	894	179	1,157	259	43	93	3,648	904	369	767	200	1,377	242	70	118	4,722	904	
November	642	362	869	174	1,091	247	41	88	3,232	828	333	786	179	1,286	231	65	95	3,578	828	
December	655	340	879	173	1,100	245	37	84	2,882	732	323	812	168	1,156	217	56	84	2,950	732	
1930—January	660	343	875	174	1,092	250	37	88	2,873	783	340	800	185	1,275	216	52	117	3,857	783	
February	617	315	815	162	965	231	38	72	2,848	789	321	772	175	1,176	215	56	108	4,144	789	
March	676	342	898	182	1,008	249	41	76	3,290	839	359	848	188	1,201	225	54	119	4,369	839	
April	630	313	854	168	901	221	42	74	3,233	707	313	787	168	1,193	198	56	93	4,281	707	
May	624	300	801	176	850	212	42	82	3,283	704	294	855	179	1,034	189	59	93	4,089	704	
June	570	265	849	158	767	178	29	...	2,982	610	253	770	148	859	150	42	...	3,749	610	
July	495	...	...	...	...	...	...	...	2,685	631	...	...	...	...	...	...	...	...	2,980	...

FINANCE.

Notes in Circulation. (000,000's omitted.)

Period.	United Kingdom.	Austria.	Belgium.	Bulgaria.	Czechoslovakia.	Denmark.	Finland.	France.	Germany.	Greece.	Hungary.	Jugo-Slavia.	Netherlands.
End of	Bank of England Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Reichsbank Notes.	"Rentenbank."	Bank Notes.	Bank Notes.	State Notes.
	£	Schilling.	Francs.	Leva.	Koruna.	Kron.	Markat.	Francs.	Reichsmark.	Rentenmark.	Drachme.	Pengö.	Dinars.
1913	29.6	...	1,067	189	...	152	113	5,714	2,742	...	245	...	...
1923	404.8	713	7,537	4,139	9,599	473	1,352	37,763	7,965	...	4,681	931,337	5,790
1924	397.6	839	7,873	4,530	8,810	478	1,250	40,604	1,941	...	4,866	4,513,990	6,002
1925	385.3	890	7,814	4,555	8,408	438	1,309	49,993	1,941	...	4,866	4,513,990	6,002
1926	381.0	947	9,646	4,485	8,203	386	1,346	52,449	2,366	...	4,866	4,513,990	6,002
1927	382.3	1,005	10,951	4,727	8,417	354	1,514	56,301	4,564	...	4,866	4,513,990	6,002
1928	378.3	1,067	12,358	4,713	8,466	360	1,513	62,181	4,930	...	4,866	4,513,990	6,002
1929	369.8	1,094	13,933	4,609	8,230	367	1,361	68,571	5,044	...	4,866	4,513,990	6,002
1929-July	371.8	1,047	13,894	3,974	7,321	351	1,439	65,679	4,726	...	4,866	4,513,990	6,002
Aug.	364.0	1,046	13,871	4,121	7,500	361	1,448	66,468	4,897	...	4,866	4,513,990	6,002
Sept.	363.3	1,079	13,890	4,222	7,697	353	1,440	66,639	4,914	...	4,866	4,513,990	6,002
Oct.	358.8	1,081	14,360	4,255	7,763	372	1,377	68,267	4,833	...	4,866	4,513,990	6,002
Nov.	354.6	1,072	14,221	3,900	7,689	370	1,347	68,159	4,916	...	4,866	4,513,990	6,002
Dec.	369.8	1,094	14,175	3,609	8,230	367	1,361	68,571	5,044	...	4,866	4,513,990	6,002
1930-Jan.	348.0	981	13,841	3,260	6,923	347	1,259	70,339	4,653	...	4,866	4,513,990	6,002
Feb.	346.8	974	13,992	3,148	6,838	352	1,369	71,116	4,722	...	4,866	4,513,990	6,002
Mar.	357.6	980	14,341	3,550	7,011	355	1,447	70,826	4,806	...	4,866	4,513,990	6,002
Apr.	358.8	982	14,658	3,302	6,854	362	1,440	70,373	4,866	...	4,866	4,513,990	6,002
May	356.1	1,022	14,547	3,364	6,896	371	1,392	73,079	4,812	...	4,866	4,513,990	6,002
June	363.6	1,028	14,857	3,396	7,196	366	1,373	72,594	4,685	...	4,866	4,513,990	6,002
July	368.4	1,021	15,416	3,435	6,897	347	1,355	74,008	4,638	...	4,866	4,513,990	6,002

Period.	Italy.	Norway.	Poland.	Romania.	Russia.	Sweden.	Switzerland.	Australia.	Canada.	South Africa.	Egypt.	United States.	Japan.
End of	Bank Notes.	State Notes.	Bank Notes.	Bank Notes.	State Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	State Notes.	Bank Notes.
	Lire.	Lire.	Kroner.	Zloty.	Leu.	Gd. Rbla.	Rbles.	Kronor.	Francs.	£	Dollars.	Dollars.	Yen.
1913	2,284	499	108	...	437	...	234	314	116	2-3	2-2	726	343
1923	17,247	2,428	395	...	17,917	...	237	576	982	7-8	8-8	2,951	308
1924	18,114	2,400	391	551	151	19,397	229	411	537	914	56-9	2,951	308
1925	19,349	2,100	363	381	440	20,222	388	727	530	876	53-9	2,951	308
1926	18,340	1,793	337	593	428	20,222	388	727	530	876	53-9	2,951	308
1927	17,992	1,783	331	1,003	309	21,025	480	1,003	526	917	51-8	2,951	308
1928	17,295	1,813	316	1,296	244	21,211	730	1,091	546	953	48-7	2,951	308
1929	16,774	80	318	1,340	259	21,144	1,028	1,501	569	999	45-3	2,951	308
1929-July	16,877	96	315	1,293	240	19,188	833	1,238	522	900	41-6	2,951	308
Aug.	16,701	96	314	1,359	255	20,340	907	1,330	549	911	41-6	2,951	308
Sept.	16,916	90	316	1,354	260	21,393	983	1,428	580	944	41-9	2,951	308
Oct.	16,977	83	307	1,392	270	21,774	1,068	1,527	554	944	42-9	2,951	308
Nov.	16,828	80	303	1,366	267	21,387	1,092	1,538	573	928	42-8	2,951	308
Dec.	16,774	80	318	1,340	259	21,144	1,028	1,501	569	999	45-3	2,951	308
1930-Jan.	16,329	76	298	1,247	238	19,717	976	1,466	521	893	43-3	2,951	308
Feb.	16,095	73	297	1,282	235	19,957	1,050	1,508	534	893	44-0	2,951	308
Mar.	16,322	73	305	1,324	234	19,709	1,097	1,532	575	918	44-0	2,951	308
Apr.	16,062	73	310	1,326	230	19,080	1,184	1,613	545	916	44-0	2,951	308
May	15,944	68	308	1,333	227	18,521	1,230	1,671	557	908	44-9	2,951	308
June	15,846	68	316	1,317	222	18,222	1,230	1,671	557	908	44-9	2,951	308
July	15,846	68	316	1,317	222	18,222	1,230	1,671	557	908	44-9	2,951	308

a Until November, 1928, including State notes, then transferred to Bank. b Excluding notes held by Reichsbank. c Until end 1924 paper kronen. d In terms of new lire = 8,373 millions. e Excluding Government Notes of 5 and 10 francs to value of 700 to 750 million francs, replacing similar bank notes. f Millions. g Marks including Reichs- and Darlehenkassenscheine. h Excluding notes held by Reichsbank. i Until end 1924 paper kronen. j Gross issue. k Excluding notes held at reserve by Chartered Banks. l Since January, 1926, excluding notes held by Bank of Poland. m Since 1920, including Austria-Hungarian and other notes converted after the war into National Currency. n Since 1926, excluding notes held by the State Bank. o In terms of new lire = 1,829 millions. p In terms of new francs. q Since May, 1922, including Luxembourg. Since Oct., 1926, including Government Notes of 5 and 10 francs to value of 700 to 750 million francs, replacing similar bank notes.

LONDON RATES OF EXCHANGE.

	Paris.	Brussels.	Milan.	Zurich.	Madrid.	Amster- dam.	Stock- holm.	Oslo.	Copen- hagen.	Berlin.	Vienna.	New York.	Buenos Aires.
	Francs to £1.	Belgas to £1.	Lire to £1.	Francs to £1.	Pesetas to £1.	Florins to £1.	Kronor to £1.	Kroner to £1.	Kroner to £1.	Marks to £1.	Schillings to £1.	Dollars to £1.	Pence Dollars.
Par level	124-21	35-00	92-46	25-22½	25-22½	12-107	18-159	18-159	18-159	20-43	34-58½	4-86½	47-62½
Highest, 1929	124-37	34-96½	93-27½	25-24	25-24	12-123	18-18½	18-21½	18-22½	20-58	34-58½	4-88½	47-62½
Lowest, "	123-68	34-84½	92-52	25-08½	25-08½	12-05½	18-08½	18-18½	18-17½	20-31½	34-41	4-84½	47-44
Beginning of—													
July, 1914	25-15	25-35½	25-25½	21-16½	26-10	12-11½	18-30	18-25	18-30	20-49½	24-55	4-87½	47-44
January, 1923	66-30	72-85	93½	24-72	29-73	11-79	17-37½	25-12½	23-40	48,500	330,000	4-68	44
January, 1924	87-85	99-45	100½	24-63	33-58	11-36½	16-26	25-82½	24-44	19½ billions	305,500	4-29	40½
January, 1925	87-40	94-79½	112-35	24-34	33-95	11-71½	17-62½	31-37½	26-85½	19-94½ gld. mks.	337,500	4-74	46½
January, 1926	129-31½	107-00	120	25-08	34-31	12-05	18-08	23-83½	19-60½	20-37½	34-37½	4-85	46½
January, 1927	122-81	34-89	109-62½	25-14	31-23½	12-12½	18-15½	19-04	18-20	20-43½	34-42	4-85	46½
January, 1928	124-00	34-92½	92-52	25-27½	28-24	12-09	18-11½	18-34	18-20	20-38½	34-42	4-85	46½
January, 1929	124-10	34-88	92-64	25-18	29-74	12-08	18-13	18-19	18-17	20-38½	34-52	4-87	47½
January, 1930	123-91	34-88	93-22	25-13	36-62½	12-09½	18-13½	18-20	18-20	20-43½	34-44	4-85	47½
May, "	123-92	34-83	92-78	25-07	39-22	12-07½	18-09	18-16	18-16	20-36½	34-46	4-86½	47½
June, "	123-91	34-81	92-75	25-09	40-02	12-08	18-10	18-15	18-16	20-36½	34-46	4-86½	47½
July, "	123-74	34-81	92-82	25-06	42-29½	12-09	18-10	18-16	18-16	20-36½	34-44	4-85	47½
August, "	123-81	34-80	92-98	25-04	43-64	12-08½	18-10½	18-15½	18-16	20-39½	34-43	4-86½	47½
									18-16½	20-38½	34-45	4-87½	47½

The Economist

MONTHLY SUPPLEMENT.

New Series.

SATURDAY, SEPTEMBER 27, 1930.

No. 88.

In the following pages we have aimed at compiling tables which will show summary figures for as many nations of the world as possible, and have endeavoured to combine brevity with comprehensiveness. The greater number of the figures are taken from the Monthly Statistical Bulletin of the League of Nations,* supplemented from our statistical records. We propose in these columns to give our own appreciation of the trade position, fortified by informed opinion, and to leave the figures to be interpreted by our readers each in his own way.

* "League of Nations Monthly Bulletin of Statistics." 1s. 6d.

THE STATE OF TRADE AT HOME AND ABROAD.

UNEMPLOYMENT again became worse during August, but the rate of increase was not so great as in the previous month. Even so, the August percentage is 17.5, while official records show that the increase in unemployment embraced most of the staple industries of the country, including the iron and steel and engineering trades, motor and other vehicle manufacture, shipbuilding, all textile industries except jute manufacture, building and contracting, and water transport services. There was a substantial

improvement in the jute industry, though even so unemployment there remains very bad, while in the coal trade an increase in the numbers wholly unemployed was more than offset by a great reduction in the numbers temporarily stopped.

As regards the month's production statistics, the output of coal has been maintained, but the iron and steel output figures were appreciably lower than in July. The overseas trade returns to some extent reflect the holidays, but even after making allowance for this cannot be called satisfactory. The improvement in railway receipts again reflects holiday traffic and not an improvement in trade, while the rise in shipping freights is accounted for by a slight seasonal revival of whole-cargo chartering. Commodity and security prices are again lower, while the financial statistics mainly point to the fact that money is cheap and in need of employment.

though many primary foodstuffs and materials are well below their pre-war prices. Abroad, the situation has been unsettled by the German elections and their repercussions throughout the Continent, while at home the general tone in industrial circles is one of gloom and despondency. Since midsummer nearly thirty blast-furnaces have been closed down; unemployment in the engineering, metal and textile trades has become intensified; forward business in the export coal trade has been arrested by uncertainty arising out of the application of the new Coal Mines Act, while in the steel trade the recent breakdown of the International Steel Cartel's system of price control has disturbed the whole basis of trading.

The business world thus is in a nervous condition and stands badly in need of greater confidence. Nor is it easy at the moment to see how confidence can be restored. Fortunately, the investigation of the League of Nations Financial Committee into the all-important question of the purchasing power of gold is now approaching its end. The interim report of the Committee has just been issued, and if the Committee's recommendations point to any practicable way in which the fall in world prices can be arrested, it will do something to restore confidence. In Great Britain alone, probably the quickest and most certain way of bringing back confidence would be if industry could be given the assurance that any further in-

crease in taxation would be avoided. In the present condition of the national finances, such a suggestion may not be practical politics, but the question of national economy will have to be faced sooner or later, and it is impossible to ignore the fact that the heavy burden of taxation is one of the principal causes of the present despondency in business circles.

Meanwhile there are one or two isolated signs of a hopeful character. The Indian boycott of British cotton goods seems to be breaking down, and despite the further fall in raw cotton prices, the tone on 'change in Manchester is a little brighter. The electrical industry remains relatively active and prosperous, and the recent success of a debenture issue, on terms which seemed none too favourable, by one of the chief undertakings engaged in the industry shows that even to-day there is plenty of capital about whose owners are ready to respond to offers possessing a

HOME TRADE STATISTICS—AUGUST, 1930.

	Compared with	
	JULY	AUG. '29.
UNEMPLOYMENT—	17.1 ...	17.5 ... + 0.4
(State Insurance %)	...	...
PRODUCTION—		
Coal (million tons)*	4.2 ...	4.2 ... - 0.5
Iron (thous. ")	486 ...	417 ... - 265
Steel (" ")	621 ...	451 ... - 302
FOREIGN TRADE—		
Imports (million £s)	85.2 ...	79.9 ... - 21.1
Re-exports (" ")	6.7 ...	6.3 ... - 2.7
Exports (" ")	57.4 ...	49.1 ... - 22.9
TRANSPORT—		
Railway Receipts* (£0,000)	350 ...	359 ... - 50
Shipping Freights (av. level†)	78.1 ...	82.6 ... - 13.5
COMMODITY PRICES (" ")	77.6 ...	76.1 ... - 17.5
TRADE DISPUTES (thous. } working days lost)	89	49 ... - 5,489
SECURITY VALUES (av. level‡) 120.3 ...	118.1 ...	- 8.9
FINANCIAL DATA—		
Bank of Eng. Notes (mill. £s)*	365 ...	363 ... - 8
Bank Deposits (" ")	1,831 ...	1,804 ... + 8
Bank Advances (" ")	967 ...	951 ... - 46
Banks Cash Ratio (%)	10.6 ...	10.6 ... - 0.1
Bank Clearings:		
London (million £s)*	902 ...	772 ... - 26
Manchester (" ")	10.2 ...	8.7 ... - 0.6
Three months' Bank Drafts		
(Discount Rate %)*	2½ ...	2½ ... - 3½
Day-to-day Loans (%)	1½ ...	1½ ... - 2½
(†) 1913 = 100. (‡) Economist Index No.; 1927 = 100.		
(*) Bankers' Magazine Index No. of 365 securities; December, 1921 = 100. (†) Cash in hand and at Bank of England as % of total current, deposit, and other accounts.		
* Average weekly figures.		

Period.	United Kingdom.	Austria.	Czechoslovakia.	France.	Germany.	Italy.	Netherlands.	Poland.	Romania.	Sweden.	Switzerland.	Denmark.	Japan.	United States.
Monthly Average.	£	Schilling.	Koruna.	Franc.	Mark.	Lira.	Guilder.	Zloty.	Lei.	Kroner.	Franc.	Rupia.	Yen.	Dollars.
1913	16.3	b	d	m	f	ch	y	20	18	o	44	56	45	9
1924	17.4	26,992	31	605	15.0	504	30	3.1	252	20	51	19	219	466
1925	19.4	2.3	21	329	55.1	746	33	7.7	219	16	56	29	204	518
1926	19.2	2.7	24	412	74.9	473	48	6.1	541	13	59	16	228	529
1927	29.6	10.5	31	626	114.1	254	43	17.7	282	22	73	17	255	649
1928	30.8	12.0	60	896	110.0	450	50	27.5	384	31	57	24	335	676
1929	23.8	8.6	55	1,250	80.2	607	29	4.6	318	23	81	56	...	850
1928.														
July-Sept.	15.3	10.2	60	726	108.0	580	24	23.2	463	24	23	22	376	386
Oct.-Dec.	26.1	7.8	41	1,310	128.3	415	70	39.4	283	26	38	18	228	919
1929.														
Jan.-Mar.	32.3	14.5	35	1,072	118.8	492	49	14.1	318	14	104	37	216	931
Apr.-June	25.8	10.2	27	1,199	112.5	754	20	26.5	479	29	143	127	332	859
July-Sept.	6.2	3.9	108	993	54.9	546	15	11.7	295	15	30	34	200	677
Oct.-Dec.	30.6	14.8	51	1,737	34.6	594	33	24.3	179	32	47	25	139	566
1930.														
Jan.-Mar.	31.3	3.3	32	1,741	73.5	474	...	16.1	379	17	134	34	133	715
April ...	22.8	11.3	56	872	45.4	916	52	18.9	789	21	122	20	113	903
May ...	33.7	2.3	85	1,210	27.3	1201	...	...	959	11	127	17	424	1109
June ...	20.4	...	11	2,610	21.3	390	...	...	358	15	110	...	...	704
July ...	18.4	...	...	980	...	...	...	...	...	...	...	...	...	...

Unless otherwise stated, the figures represent authorised share issue of new joint stock companies at home, and the increase of capital of existing companies. Bonus shares are excluded from the figures of the U.S.A., Rumania, Switzerland and Czechoslovakia. In the case of the Netherlands and the U.K. both bonus shares and conversions are excluded. b Until end 1924, Kronen. c Excluding Treasury Bills. d Exc. large railway issues. f "Rivista Bancaria." h Issues exceeding £100,000 on the Dutch market including Colonial, and since Jan. 1925, foreign issues. m Since 1924, excluding amalgamations and conversions. Until end 1922 paper mark. o "Société de Banque Suisse" invitation for subscriptions on Swiss market including obligations and Local Govt. loans. p India, compiled by "Commercial & Financial Chronicle." q Up to 1928, authorised issues, excluding western departments; since 1929 amounts actually issued, whole territory.

End of Month.	U.K.	Belgium.	Denmark.	Germany.	Netherlands.	Norway.	Sweden.	Switzerland.	Australia.	Canada.
1921—June	17.8	9.9	16.8	3.0	8.1	20.6	27.7	12.5	13.2	15.1
December	16.2	6.6	25.2	1.6	16.6	23.4	33.2	9.5	...	...
1924—June	19.4	1.0	5.1	10.4	7.2	4.3	7.3	8.3	5.9	...
December	10.7	1.5	13.2	8.1	12.3	12.5	15.5	10.3	11.6	...
1925—June	11.9	1.0	9.3	3.5	6.6	8.9	8.2	10.2	6.1	...
December	10.4	2.8	31.1	19.4	16.0	22.7	19.4	8.1	7.9	...
1926—June	*14.6	0.9	15.6	18.1	5.9	22.6	19.0	5.7	5.9	...
December	*11.9	2.6	32.2	16.7	12.1	27.7	19.0	6.7	4.1	...
1927—June	8.8	1.4	18.0	6.3	6.0	22.5	9.5	6.4	3.2	...
December	9.8	3.6	31.6	12.9	14.9	28.0	18.6	8.9	6.6	...
1928—June	10.8	0.6	13.7	6.2	4.4	14.4	7.6	11.2	3.2	...
December	11.2	1.9	28.4	16.7	11.5	22.1	17.3	9.9	6.6	...
1929—June	9.8	0.4	10.0	8.5	2.6	11.3	7.2	10.0	2.9	...
September	10.1	0.5	8.7	8.5	3.2	12.1	7.3	12.1	3.7	...
October	10.4	0.5	10.2	10.9	3.5	14.0	8.6	...	6.0	...
November	11.0	1.1	12.5	13.7	5.3	15.4	10.4	...	9.3	...
December	11.1	2.4	19.9	20.1	12.3	18.9	16.6	13.1	11.4	...
1930—January	12.6	3.5	20.2	22.0	13.9	19.0	14.2	...	10.8	...
February	13.1	2.6	21.3	23.5	12.5	18.9	13.2	...	11.5	...
March	14.0	2.2	16.9	21.7	8.6	17.8	12.5	14.6	10.8	...
April	15.3	2.2	12.0	20.3	6.9	15.8	11.1	...	9.0	...
May	15.8	1.9	10.0	19.5	6.3	...	8.0	...	...	...
June	17.1	...	...	...	...	...	7.9	...	...	...
July	...	...	...	...	...	...	...	...	...	...

Number of Workers Covered by Last Returns.

Millions.....	12.1	0.6	0.3	4.6	10.4	0.04	0.3	0.4	0.2
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† Ex. Irish Free State since Mar., 1923.
* Workpeople in the coal-mining industry, who ceased work on account of the dispute, are not included in this figure. † Provisional figure.

BANK RATES.

	1924.	1925.	1926.	1927.	1928.	1929.	1930.
	End of June	End of Dec.	End of June	End of Dec.	End of June	End of Dec.	End of July
London	% 4	% 5	% 5	% 5	% 4	% 5	% 5
Paris	% 10	% 9	% 9	% 6	% 6	% 7	% 4
Berlin	% 3	% 3	% 3	% 3	% 4	% 5	% 2
New York*	% 5	% 4	% 3	% 3	% 3	% 4	% 3
Amsterdam	% 5	% 4	% 3	% 3	% 3	% 4	% 3
Brussels	% 5	% 4	% 3	% 3	% 3	% 4	% 3
Rome	% 5	% 4	% 3	% 3	% 3	% 4	% 3
Switzerland	% 12	% 11	% 11	% 11	% 11	% 11	% 11
Warsaw	% 12	% 12	% 12	% 12	% 12	% 12	% 12
Tokyo	% 8	% 7	% 7	% 6	% 5	% 4	% 5
Calcutta	% 6	% 6	% 5	% 4	% 4	% 5	% 5

* Federal Reserve.

LONDON BANKERS' CLEARING RETURNS.

	Town.	Metropolitan.	Country.	Total.
	£	£	£	£
1913	14,191,275	855,648	1,389,481	16,436,404
1923	32,270,373	1,546,565	2,810,654	36,627,592
1924	35,038,605	1,594,114	2,900,145	39,532,864
1925	38,801,264	1,678,347	2,957,508	40,347,119
1926	35,346,429	1,660,757	2,972,868	39,980,054
1927	36,819,682	1,758,832	2,972,868	41,550,541
1928	39,311,117	1,854,190	3,039,422	44,204,729
1929	24,937,006	1,197,103	1,927,821	28,061,930
1930 (Aug. 13) ...	24,850,054	1,162,383	1,884,767	27,897,204

U.K. IMPORTS AND EXPORTS.—(000,000's omitted.)

	Food.		Raw Materials.		Manufactures.		Imports of		Exports of	
	Imports.	Exports.	Imports.	Exports.	Imports.	Exports.	Wheat.	Raw Cotton.	Sheep's & Lambs' Wool.	Iron and Steel.
Monthly Average.	£	£	£	£	£	£	Cwts.	Centals.	Centals.	Tons.
1913	24.2	2.7	23.5	5.8	16.1	34.3	8.8	1.8	0.7	0.4
1922	39.3	3.0	24.8	8.5	19.1	47.3	8.0	1.2	0.9	0.3
1923	42.5	3.7	27.1	10.9	21.4	48.3	8.4	1.1	0.6	0.3
1924	47.6	4.7	33.4	8.9	25.0	51.5	9.9	1.3	0.6	0.3
1925	47.6	4.6	35.4	7.0	26.7	51.4	8.1	1.6	0.6	0.3
1926	41.9	4.2	32.7	5.9	26.3	44.9	8.1	1.5	0.7	0.3
1927	44.9	4.4	29.3	6.4	26.9	47.0	9.2	1.3	0.7	0.3
1928	44.3	4.5	27.9	5.8	26.9	47.0	9.2	1.3	0.7	0.3
1929	44.7	4.6	28.3	6.6	27.9	47.8	8.6	1.1	0.7	0.3
1930	40.0	4.0	24.1	6.0	28.1	42.5	9.3	1.3	0.7	0.3
April	36.7	3.6	20.7	5.4	25.6	36.7	8.2	0.9	1.0	0.3
May	39.6	3.8	23.1	5.8	27.7	39.8	8.5	0.8	0.9	0.3
June	37.7	3.2	20.4	4.7	24.5	33.8	7.2	1.0	0.9	0.3
July	42.2	4.7	22.9	6.9	27.5	53.2	9.6	0.6	0.7	0.3

* Yards.

RAILWAY STATISTICS.—(000,000's omitted.)

Great Britain (g).															Austria.					Germany.	Italy.	Canada.	United States.
Gross Receipts.		Freight Traffic (f).																					
Passengers.	Freight.	Merchandise.*	Coal, &c.	Minerals and Other Merchandise		Total.				Austria.	Germany.	Italy.	Canada.	United States.									
	£	£	Tons.	Tons.	Tons.	Tons.	Ton-Miles.	(b) (h)	(a)	(e) (i)	(c) (d) (e)	(d) (e)											
								Tonnes-Km	Tonnes-Km	Tonnes-Km	Ton-Miles.	Ton-Miles											
1926—June	4.4	5.3	4.7	1.9	3.6	10.2	704	1,321	4,695	1,132	2,846	39,237											
December	4.7	8.5	4.9	15.9	4.1	24.8	1,392	5,641	1,094	3,641	40,096												
1927—June	6.1	5.8	5.1	15.5	8.8	26.4	1,401	1,249	1,095	2,611	38,483												
December	4.8	8.7	5.1	17.2	4.8	27.2	1,400	1,209	5,398	4,128	34,580												
1928—June	5.5	8.3	4.8	14.9	5.3	20.0	1,324	1,325	5,528	1,038	3,129	37,304											
December	4.6	8.3	4.7	16.1	4.8	25.6	1,352	1,282	4,715	1,030	3,663	37,645											
1929—September	5.6	8.9	5.2	16.6	5.5	27.3	1,480	1,436	5,894	1,086	3,688	44,219											
October	4.4	9.7	5.8	18.1	6.1	30.0	1,603	1,411	5,676	1,181	3,924	47,814											
November	5.7	9.3	5.4	17.6	5.7	29.5	1,564	1,311	5,792	1,075	3,020	38,723											
1930—December	4.5	8.2	4.7	17.8	6.0	27.3	1,426	1,323	4,874	1,031	2,580	36,040											
January	3.8	9.1	5.3	18.9	5.4	29.5	1,537	1,206	4,763	1,000	2,447	36,664											
February	3.2	8.4	4.7	17.4	5.0	27.1	1,436	1,082	4,469	966	2,423	34,541											
March	3.7	8.9	5.1	17.6	5.4	28.1	1,516	1,242	5,013	1,116	2,704	35,301											
April	4.8	8.2	4.8	15.6	5.1	25.5	1,367	1,197	4,282	1,041	2,483	34,694											
May	4.3	8.6	5.0	16.2	5.6	26.8	1,444	1,278	† 4,798	...	36,576												
* Inc. live-stock.	† Provisional figure.	(a) " Reichsbahn."	Exc. free-hauled	(b) (h) (i)	(c) (d) (e)	(d) (e)																	

reasonable degree of security. Certain industries, such as rayon and boots and shoes, have registered small improvements. Again, despite the continued flow of Cape gold to France and the wider implications of the gold problem, there is at the moment no shortage of money in England. The Bank of England occupies a very strong position—so strong in fact that it should have no difficulty in withstanding the coming seasonal pressure upon its reserves, which this year will be less than usual owing to lower commodity prices and depressed trade. The low level of discount rates shows that the London market can easily absorb more bills, while the fact that Bank advances last August were £46,000,000 below the level of twelve months before, shows that the joint-stock banks have a margin in hand out of which they can meet new demands from industry. Finally, the low level of raw material prices is in itself an opportunity and incentive to manufacturers to replenish their stocks and to undertake new commitments upon favourable terms.

News from abroad shows that the trade depression remains widespread. It is still acute in Belgium and Germany, the Scandinavian timber and paper trades are affected, and even France is no longer escaping scot-free. In the United States the general tone is a little better, though no real basis for this improvement is apparent. Depression remains intense in Australia, while in Canada the low price of wheat means that purchasing power in the Prairie Provinces remains restricted. A slight improvement is noted in South Africa. The Argentine revolution has had no adverse effect upon trade in the Republic, and in some respects, indeed, has cleared the outlook. Japanese business remains very quiet, and unemployment severe, but a more hopeful feeling is apparent in certain markets.

HOME INDUSTRIES.

Coal.—In Yorkshire prompt demand for shipment is a little more active, but export business elsewhere is very restricted, and forward business everywhere is being held up pending better knowledge of schemes now being prepared under the Coal Mines Act. Home demand for industrial fuel is stagnant, but there is a slight seasonal revival in the house-coal trade.

Iron and Steel.—Following the closing down of 28 furnaces during July, stocks of pig iron have been reduced, but no revival in demand has resulted from the reduction of 4s. per ton in prices made in the middle of last month. Orders for structural steel are a little better, but demand from the shipbuilding industry is naturally very limited, and the breakdown during the summer of the price controls imposed by the International Steel Cartel has destroyed confidence in steel prices everywhere.

Engineering.—Confidence is still lacking, and the usual autumn revival has this year hardly taken place at all. The marine engineering branch is stagnant, and with the exception of locomotive builders and makers of boilers and engines, and other power-house equipment, all sections of the industry have lost ground.

Electrical Industry.—The following index of production in the electrical industry is copyright by the Economical and Statistical Department of the British Electrical and Allied Manufacturers' Associations. An explanation of the manner in which it has been computed was given on page 888 of the *Economist* of November 28, 1925.

INDEX OF ACTIVITY IN THE ELECTRICITY INDUSTRY.
(1920 = 100.)

	Home.	Export.	Total.		Home.	Export.	Total.
1927.				1928.			
January.....	95	152	109	January.....	85	105	93
February.....	92	159	108	February.....	93	103	96
March.....	89	163	107	March.....	92	122	99
April.....	90	181	112	April.....	92	128	101
May.....	88	200	116	May.....	88	126	97
June.....	94	234	128	June.....	86	145	100
July.....	93	231	126	July.....	84	143	99
August.....	90	236	126	August.....	84	149	101
September.....	87	230	122	September.....	90	151	106
October.....	81	208	112	October.....	88	140	102
November.....	80	192	107	November.....	81	150	99
December.....	69	160	92	December.....	76	191	106
				December.....	71	216	109
1928.				1929.			
January.....	68	148	88	January.....	68	220	107
February.....	68	143	87	February.....	69	240	112
March.....	71	141	89	March.....	71	236	113
April.....	70	122	84	April.....	72	214	108
May.....	68	108	79	May.....	70	209	105
June.....	68	105	78	June.....	59	212	98
July.....	71	80	74	July.....	55	232	100
August.....	74	86	78	August.....	63	245	109
September.....	81	102	88				
October.....	83	107	91				

Home activity consisted mainly of a number of isolated orders for generating plant, but inquiries were received in respect of contemplated large additions in the London area. The increase in the export index is due to the receipt of orders from India, Burma, Rhodesia and Finland, mainly from public supply undertakings.

Motor Industry.—Manufacturers of private cars are busy in preparation for the forthcoming exhibition, but sales have been limited, as is usual at this time of year. Makers of commercial vehicles have also lost ground, but cycle and motor cycle factories are moderately active for the time of year.

Cotton.—American cotton prices have lately fallen to the lowest point touched for the past fifteen years. Nevertheless, the tone of the Manchester market has improved, partly owing to better news from India, where, owing to the weakening of picketing, bazaar goods are being moved more freely. More promising advices have also come from China, and a little better support from Java, Egypt and the Continent. The home trade is still displaying caution. Sales of yarns have improved slightly.

Wool.—At the opening of the London sales wool sold more freely than had been expected, but prices of merinos and fine cross-breeds were 5 per cent. lower than in July, while medium cross-breeds fell by 7½ to 10 per cent. So far the sales have had little effect in Bradford, but some merino topmakers are adopting a firmer attitude. Demand, however, both for tops and yarns is very slow, and a certain number of "weak sellers" are depressing the market.

Linen.—Business has been checked by the low prices quoted by certain firms for Soviet flax due to arrive in December and January. Reports of the new Irish crop are not encouraging. Yarn and cloth sales are on a day-to-day basis, and stocks and production are being rigorously curtailed.

Rayon.—The yarn market has improved and prices have become more favourable to producers. There is a strong demand for speciality crepe yarns. Overseas demand for piece-goods is poor, with the exception of the Dominions, but home business, though uneven, is normal.

Boots and Shoes.—Business is a little better, and some factories have lately become busier. It is, however, still very difficult to secure large bulk orders.

Pottery.—There has been a slight seasonal expansion in trade, and some factories are a little better employed.

Chemical Industries.—Trade remains depressed. Exports of heavy chemicals compare unfavourably with those of August last year, but home demand is a little better, and prospects are slightly more encouraging. Consumption of alkali products has fallen away in most trades except the glass and soap industries, and makers of hydrochloric and sulphuric acid have felt the slump in the galvanising, tinplate, textile and iron and steel trades.

Building Trades.—Employment on the whole was unchanged in comparison with July, but was fairly good in certain districts, including Bristol, Hull and Coventry. Employment in the brick industry was fairly good.

Agriculture.—Except where crops were badly laid, corn was stacked in fair condition by the end of August. Grain was of moderate quality. Potato and other root crops were below average in size, but hay yields were above average and quality was good. Grass, too, was plentiful and milk yields well maintained.

Shipping.—The seasonal quickening of activity in the shipment of the Northern Hemisphere grain crops has produced a moderate recovery in "tramp" freights. Chartering to load South Russian grain has assumed large proportions, but, in consequence, the Argentine freight market has been unsettled and weak. Outward coal rates are dull.

Retail Trade.—Business was very slow during August and early September.

BRITISH EMPIRE.

In Australia the trade depression has intensified and unemployment remains severe. Prospects in the agricultural and pastoral areas are excellent, and, subject to later weather conditions, a large wheat yield seems probable. Prices, however, remain disappointing.

South African August trade showed an improvement over previous months, and in some centres the turnover was not far short of that for August of last year. Maize prices advanced on news of the American drought damage, but have since relaxed. The revised sugar crop estimate gives a total figure of 370,000 tons.

Mail reports from India state that there was a steady demand for raw cotton in the Bombay market. Sales of piece-goods remained very limited. According to later cable messages, rainfall has been fairly general except in the western Punjab. The condition of standing crops is, on the whole, good.

A slight growth in confidence has lately become apparent in Canadian business circles, and stocks of goods in wholesalers' and retailers' hands have been reduced. The small initial payment made to farmers by the Wheat Pool will, however, reduce purchasing power in the West below normal dimensions and so retard the recovery.

UNITED STATES OF AMERICA.

The business outlook improved slightly during August. Industrial activity showed a small seasonal gain, and the distributive trades revived a little, notwithstanding the adverse effects of the drought. The steel industry, however, only operated at 54 per cent. of capacity, and the automobile industry did no more than recover the ground lost between June and July. Commodity prices generally were firmer.

The following indices of American economic conditions have been forwarded to us by Moody's Investors' Service, of New York and London.

AMERICAN TRADE STATISTICS—AUGUST, 1930.

	July.	Aug.	Aug. '29.
EMPLOYMENT†—(June, 1914=100)	99.4	98.0	17.4
PRODUCTION—			
Bituminous coal (Thous. tons)	34,634	36,500	7,389
Pig-iron (" ")	2,640	2,524	1,232
Steel (" ")	2,933	3,095	1,832
Unfilled orders, U.S.			
Steel Corporation (Thous. tons)	4,022	3,580	70
Building permits (Thous. \$)	161,186	132,878*	79,055
FOREIGN TRADE—			
Imports (Thous. \$)	220,444	217,000*	152,530
Exports (" ")	261,919	300,000*	81,365
TRANSPORT—			
Monthly average of weekly car loadings (Thous. cars)	889	934	...
SECURITIES—			
20 industrial stocks—Highest quotations\$	240.81	240.42	139.91
Lowest quotations\$	218.33	217.24	120.75
Thous. shares sold during month —(New York)	47,746	39,870	172,883
New securities issued (Thous. \$)	743,735	484,982	55,835
BANK CLEARINGS—			
New York (Million \$)	29,768	24,006	15,183
Other cities (" ")	16,693	14,385	5,743
RETAIL BUSINESS—			
Total sales, mail order houses\$ (Thous. \$)	47,437	49,022*	11,066

* Preliminary estimates made by Messrs Moody, subject to revision. † Based on reports of U.S. Labour Bureau and of Bureau of the States of New York, Wisconsin, and Pennsylvania. ‡ Average of actual prices. § Partly estimated.

EUROPE.

In the French coal industry demand was affected by the labour trouble in the textile trades. The iron and steel trades are less active than earlier in the year, but are still fairly busy. The strike in the Roubaix woollen industries has at last been settled, but the market is awaiting the opening of the forthcoming Australian wool sales. The cotton trade is inactive and prices unremunerative. The outlook in the vineyards is discouraging.

Belgian industries remain depressed, steel prices continue to fall, and coal stocks have again increased. No improvement is apparent in the glass industry, and apart from some recovery in hides, Antwerp produce markets are lifeless.

In Germany some unsettlement was caused by the elections and the consequent transfer of funds from Berlin to other centres. There is no improvement in the steel trades, and further dismissals of workers have taken place. There was a slight increase in home coal movements in August immediately before the expiry of summer prices. The unemployment figure rose to 2,870,000 by the end of August.

Dutch home industries are not unduly depressed, nor is unemployment increasing to any alarming extent. The Dutch colonies, however, are feeling very acutely the effects of the collapse in rubber, sugar and other commodity prices, and this is having an unfavourable influence upon certain aspects of the home situation, notably upon the national revenues.

In Norway, the dispute in the paper industry has been settled amicably, thus removing all fear of a wide-spread stoppage of work, which might have spread to other trades. The timber market remains dull.

Swedish timber sales are very slow, this being partly due to prevailing uncertainty as to the Russian situation. The paper market is weak. The visit of the British Coal Commission seems to have been fairly successful, though no definite result has yet been announced.

Danish dairy produce prices show recoveries in one or two instances, and butter and bacon exports are greater in quantity than a year ago. Preliminary grain harvest results are encouraging.

In Switzerland, the depression is most weak in the textile industries. The chemical trades are relatively well placed.

SOUTH AMERICA.

The Argentine revolution, although sudden, was not entirely unexpected, and leaves the economic position of the country undisturbed. Indeed, recent reports indicate that there has been a minimum of interruption to business and that the commercial situation is normal. Agricultural conditions appear generally satisfactory, although the crop prospects are still dependent upon weather conditions during the next month or so. Trade generally continues to be affected by the world economic situation and by the depression in the primary commodity markets. This also applies to Chile, but that country should ultimately derive considerable benefit from the recent agreement between Chilean producers of nitrate of soda and the synthetic nitrogen interests for the sale and distribution of fertilisers in the world's markets. The Brazilian situation remains depressed, but the tone of the principal coffee markets has latterly shown improvement. Peruvian conditions have been affected by the overthrow of the Government in Lima and the setting up of a military Junta, which, owing to the already depressed trade situation in the Republic, has tended to increase the general unsettlement. In Colombia credit is tight and trade depressed, while business is dull in Venezuela, Nicaragua and Guatemala. Some improvement, however, is reported in Ecuador.

FAR EAST.

In Japan commodity and share markets have both been very quiet. Sales of raw silk were of normal volume, while rayon exports remain satisfactory. Mainly owing to anticipations of a further curtailment of production, a better tone has developed in the cotton yarn market, and prices are a little harder. The Government is proposing to issue loans up to an amount of Y. 170,000,000, at a low rate of interest, in order to assist agriculture. The gold efflux for the first eight months of 1930 amounted to Y. 240,000,000.

ELECTRICAL PRODUCTION.

In the *Economist* of July 10, 1926 (pages 57–8), we published a new index of electrical production in the chief industrial areas of Great Britain. We show below a *résumé* of the results achieved during recent periods:—

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

Date.	Britain, excluding Wales.	Coal Mining, Iron and Steel, Shipbuilding, Heavy Engineering.	General Engineering and Automobile Construction.	Chemicals.	Marine Transport, Docks, etc.	Textiles, Cotton, and Wool.
1927.						
January.....	158	155	167	212	179	151
February.....	157	156	165	212	169	150
March.....	147	152	153	187	155	140
April.....	144	144	146	208	151	136
May.....	138	139	151	198	130	129
June.....	126	128	136	206	140	114
July.....	123	118	135	184	140	119
August.....	123	124	130	201	142	113
September.....	138	133	157	228	159	131
October.....	152	146	166	228	175	146
November.....	166	155	190	236	192	162
December.....	180	170	200	220	210	172
1928.						
January.....	174	164	195	232	199	172
February.....	170	162	188	249	195	164
March.....	170	165	192	252	195	159
April.....	149	149	164	226	164	132
May.....	140	136	170	223	163	125
June.....	141	138	160	248	158	130
July.....	131	127	149	248	151	124
August.....	130	131	131	227	147	116
September.....	150	145	164	263	175	154
October.....	161	153	185	245	189	154
November.....	178	164	215	240	206	169
December.....	181	171	210	195	210	176
1929.						
January.....	187	172	234	236	220	190
February.....	195	182	248	250	222	198
March.....	173	169	215	268	192	162
April.....	165	158	201	321	185	152
May.....	156	150	182	321	185	135
June.....	156	151	192	318	172	141
July.....	146	140	187	282	166	130
August.....	148	151	167	206	175	124
September.....	156	153	194	241	178	140
October.....	179	170	224	243	207	166
November.....	203	192	250	252	240	192
December.....	192	182	235	186	228	190
1930.						
January.....	192	176	255	250	231	182
February.....	198	183	260	257	237	184
March.....	184	171	240	250	226	172
April.....	160	150	204	214	202	146
May.....	157	146	192	235	193	143
June.....	140	130	177	208	175	127
July.....	143	127	193	220	182	137
August.....	133	117	165	192	184	111

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

The August figures are additional evidence of the intensification of the trade depression. Returns from the North-East Coast, Sheffield and the textile districts are particularly disappointing.

INDICES OF BUSINESS ACTIVITY.

THE latest movements of our series of index numbers of business activity reveal, as was to be expected, no signs of any definite change in the general trend, which continues almost without exception to be in a downward direction. In fact, whether judged from the angle of external or internal trade or from that of the volume of employment, the picture presented by our indices is suggestive of a depression considerably more profound than was the case six months ago, even when full allowance is made for the normal tendency of many branches of commerce to "slow up" during the summer months.

Turning to certain of the more significant indices in detail, it will be seen that the index of exports of British manufactures has undergone a further significant decline and now stands at a level no less than 23 per cent. lower than a year ago or in the corresponding month of 1928. Retained imports of raw materials have also fallen; but in this case the recession is largely of a seasonal character, and the latest figure compares not unfavourably with that for the month of August in the past four years, though it is impossible, pending the next quarterly official "revaluation" of our foreign trade returns, to say whether, in the provisional figures given for July and August, we have made proper allowance for fluctuations in prices. With regard to the basic industries—iron and steel and cotton textiles—the calamitous level at which the index of apparent consumption of raw cotton stands speaks for itself, and the decline from 123 in May to 90 in August registered by the iron and steel consumption index is equally discouraging. In this connection it will also be noted that, after successfully resisting the depression for some time, imports of non-ferrous metal are now declining fairly rapidly. The evidence afforded by the indices

of consumption of power is somewhat mixed. As compared with a year ago, the electricity index has fallen by nearly 9 per cent., but there appears to have been no diminution in the amount of coal consumed. The reason for this discrepancy is obscure.

The activity of shipping continues to be moderately well maintained, though in this case it is necessary to make allowance for the normal seasonal activity of passenger liner traffic in the summer months, and it should also be appreciated that in default of any knowledge as to the proportion of unfilled space in shipping entering or clearing at British ports, this index is not a wholly reliable pointer with regard to the volume of cargo moving. Clearly, from the slow but steady decline in the volume of provincial bank clearings, there is proof that the rate of turnover in domestic commerce is still declining, and the newly-compiled indices of retail turnover, to which reference is made elsewhere in this issue of the *Economist*, point definitely to the same conclusion, which is also borne out by the trend of merchandise traffic on the railways and of postal traffic.

In the case of the four indices of the volume of employment, it will be seen that the decline in the total, which started last December, has continued unchecked in August. The figure for "miscellaneous services" shows no alteration, but in "heavy industry" and, to an extent only a little less marked, in "general" industry, a further substantial contraction in the numbers at work has taken place. In another column we discuss generally the factors governing the present situation and the outlook for the future. Here, the only appropriate comment is that indications of any improvement—however slight—are still to seek.

INDICES OF BUSINESS ACTIVITY.

1924 = 100.

Period.	Net Imports.		Consumption of		Consumption of Power.		Volume of Employment.				Merchandise on Railways.	Provincial Bank Clearings.	Postal Traffic.	Shipping Movements.	London Bank Clearings.	Exports British Manufactures.	Foreign Trade Turnover. (Quarterly Figs.)
	Raw Materials.	Non-Ferrous Metals.	Iron and Steel.	Cotton.	Rubber.	Coal.	Electricity.	Heavy Industry.	"General" Industry.	Miscellaneous Services.	Total.						
Monthly Average.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
1919	113	74	96	109	143	89	...	...	...	...	...	100	113	...	59b	54	74
1920	106	71	99	113	134	91	...	...	...	...	...	100	113	...	69b	65	101
1921	56	50	43	74	79	69	...	...	...	...	...	81	82	...	66	76	67
1922	89	63	34	99	58	87	...	...	...	...	...	84	97	...	91	97	88
1923	88	92	69	93	118	91	...	...	...	...	...	97	98	...	101	97	95
1924	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
1925	107	107	89	116	137	93	101	90	103	103	101	98	102	103.5	98	104	101.5
1926	107a	100	57	98	175	72	92	57	101	104	95.5	88	94	103.5	90	109	94
1927	113a	106	133	113	197	106	109	87	108	108	105	99	102	109.5	105	117	104.5
1928	101	113	88	103	212	99	110	82	108	110	105	93	100.5	114	106.5	125	108
1929	113	120	103.5	106	271	106	116	84.5	109.5	112	107	95	99	115.5	111.5	130	109
1929—August	92	123	114	85	299	95	102	84	110.5	114	108	94	96	113	122	129	109
Sept.	96	117	118	76	354	96	102	84.5	110.5	114	108	95	94	113	123	129	111
Oct.	104	117	119	85	358	99	109	84.5	110	113.5	108	98	92	114	121	125	109
Nov.	116	114	122	110	339	107	121	84.5	110	113	108	99	95	115	116	131	108
Dec.	128	117	120	122	309	111	130	84.5	109.5	113	107.5	99	99.5	116	111	132	110
1930—Jan.	135	131	126	120	226	114	132	84.5	108.5	112.5	107	97	99	120	107	133	106
Feb.	126	134	123	102	309	114	131	84.5	107	112.5	106	93	100	121	102	132	100
March	117	119	126	98	356	117	130	84	105.5	111.5	105	93	100	121	102	142	100
April	103	119	124	88	489	111	122	83	104.5	111.5	104.5	90	98	119	101	143	94
May	103	116	123	85	387	111	113	80	104	111.5	103.5	92	95	118	109	147	93
June	97	129	118	71	350	100	104	77.5	103	112	103	87	91	116	112	143	87
July	97c	121	102	61	303	96	98	74.5	102	112	102	...	90	115	117	144	89c
August	91c	116	90	58	314	96	93	73	101	112	101.5	...	88	114	117	138	84c
August, 1924...	88	105	94	79	87	86	89	100	100	101	100.5	96	98	100	107	99	104
August, 1925...	79	119	82	100	145	88	87	86	102.5	104	100.5	93	98	102	103	102	98
August, 1926...	91a	98	17	79	178	31	76	28.5	98	104	89	80	88	101	90	108	91
August, 1927...	91a	107	121	103	159	95	93	86	108.5	109.5	105.5	96	99	107	112	110	102
August, 1928...	92	113	83	98	143	88	95	79.5	107	109	104.5	90	96	110.5	114	123	109
August, 1929...	92	123	114	85	299	95	102	84	110.5	114	108	94	96	113	122	129	109
August, 1930...	91c	116	90	58	314	96	93	73	101	112	101.5	...	88	114	117	138	84c

a Excluding coal imports.

b Excluding Government War Movements.

c Provisional figures.

PRODUCTION. (Thousands of Metric Tons.)

COAL.													LIGNITE.					
Period. Monthly Average.	United Kingdom.	Belgium.	Czecho- slovakia.	France.	Germany.	Nether- lands.	Poland.	Canada.	South Africa.	India.	Japan.	United States.	Austria.	Czecho- slovakia.	Germany.	Hun- gary.		
	<i>d</i>		<i>k</i>		<i>g</i>				<i>f</i>	<i>e</i>				<i>k</i>	<i>g</i>			
1913	24,337	1,903	1,189	3,338	15,842	156	748	1,119	665	1,311	1,776	43,088	218	1,927	7,269	460		
1925	20,590	1,925	1,047	3,921	11,052	571	2,423	719	983	1,693	2,622	43,988	255	1,551	11,644	450		
1926	10,692	2,110	1,181	4,283	12,114	721	2,979	974	1,038	1,703	2,619	49,729	247	1,543	11,596	480		
1927	21,355	2,298	1,168	4,315	12,800	777	3,174	1,028	1,006	1,790	2,794	45,197	256	1,365	12,542	525		
1928	20,129	2,295	1,213	4,280	12,573	891	3,385	1,036	1,014	1,826	2,650	43,052	272	1,704	13,852	545		
1929	21,736	2,244	1,396	4,486	13,620	960	3,851	1,022	1,052	1,875	2,663	45,510	294	1,880	14,598	587		
1929—August	20,867	2,220	1,398	4,568	14,467	984	3,942	1,025	1,097	1,576	2,323	45,217	298	1,844	15,136	516		
September	21,225	2,132	1,439	4,299	13,480	958	3,951	928	1,039	1,905	2,499	46,545	295	1,871	14,220	592		
October	23,358	2,280	1,556	4,858	14,835	1,071	4,401	978	1,091	1,948	2,687	54,038	325	1,919	16,050	702		
November	22,613	2,306	1,585	4,603	14,157	1,002	4,115	924	1,013	1,566	2,804	46,919	301	2,142	15,623	662		
December	21,764	2,237	1,443	4,363	13,652	958	4,023	895	995	1,894	2,886	48,859	296	2,017	14,530	662		
1930—January	24,150	2,489	1,308	4,884	14,398	1,060	3,806	958	1,054	2,057	2,601	51,543	314	1,850	14,008	677		
February	22,066	2,274	1,179	4,481	12,168	985	2,990	824	969	2,278	2,520	41,469	248	1,572	11,372	645		
March	22,784	2,333	1,197	4,695	12,539	997	2,827	809	1,025	2,016	2,748	36,581	268	1,565	11,303	662		
April	20,023	2,258	1,174	4,459	11,481	977	2,643	729	977	2,086	2,527	36,991	235	1,514	10,826	452		
May	21,683	2,299	1,106	4,526	11,953	1,017	2,671	913	1,017	2,115	2,576	38,012	238	1,463	12,315	436		
June	17,225	2,054	1,054	4,126	10,805	916	2,591	925	993	1,782	...	35,287	211	1,349	11,746	414		
July	19,163	2,212	1,180	4,492	11,605	1,097	2,980	872	1,060	1,617	...	36,626	245	1,458	12,250	...		
August	17,248	...	...	...	...	...	...	...	...	...	...	138,600	...	...	...	...		
PIG IRON.																		
Period. Monthly Average.	United King- dom.	Bel- gium.	France.	Saar.	Ger- many.	Luxem- burg.	Sweden.	Canada.	United States.	United King- dom.	Bel- gium.	France.	Saar.	Ger- many.	Luxem- burg.	Sweden.	Canada.	United States.
	<i>b</i>				<i>g</i>	<i>a</i>								<i>g</i>	<i>a</i>			
1913	869	207	434	114	1,397	212	61	85	2,601	649	206	391	159	1,467	174	63	88	2,564
1925	530	212	708	121	848	197	36	48	3,058	625	212	621	132	1,016	174	63	84	3,787
1926	208	283	786	135	804	213	39	64	3,277	304	278	703	145	1,028	187	44	66	3,794
1927	617	313	772	148	1,092	228	35	60	3,036	770	307	692	158	1,359	206	44	77	3,675
1928	560	325	832	161	984	231	33	88	3,167	722	325	791	173	1,210	214	51	105	4,222
1929	642	341	871	175	1,117	242	41	92	3,580	817	344	805	184	1,369	225	60	117	4,599
1929—August	693	348	893	182	1,168	251	41	114	3,816	765	365	827	192	1,402	238	68	122	5,018
September	675	347	851	174	1,109	240	38	100	3,554	862	347	763	185	1,231	224	61	101	4,607
October	700	361	894	179	1,157	259	43	93	3,646	904	369	847	200	1,377	242	70	118	4,607
November	642	340	852	169	1,091	247	41	88	3,232	828	333	786	179	1,286	231	65	95	3,578
December	653	340	879	173	1,100	245	37	84	2,882	872	323	812	168	1,156	217	56	84	2,950
1930—January	660	343	875	174	1,092	250	37	88	2,873	783	340	800	185	1,275	216	52	117	3,857
February	617	315	815	162	965	231	38	72	2,884	789	321	772	175	1,176	215	56	108	4,144
March	676	342	898	182	1,008	249	41	76	3,290	839	359	848	184	1,201	226	54	119	4,369
April	630	313	854	168	901	221	42	74	3,253	707	313	787	168	1,033	198	56	104	4,221
May	624	300	901	176	860	212	42	82	3,285	704	294	855	179	1,034	189	59	93	4,089
June	572	265	841	158	767	178	29	67	2,981	610	253	753	148	859	150	42	97	3,495
July	494	260	860	160	771	185	38	66	2,682	631	264	789	169	906	165	53	70	2,980
August	423	...	...	...	...	197	...	...	2,568	459	...	...	...	...	177	...	...	12,653

FINANCE.

Notes in Circulation. (000,000's omitted.)

Period.	United Kingdom.	Austria.	Belgium.	Bulgaria.	Czechoslovakia.	Denmark.	Finland.	France.	Germany.	Greece.	Hungary.	Jugo-Slavia.	Netherlands.
End of	Bank of England Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Reichsbank Notes.	"Rentenbank."	Bank Notes.	Bank Notes.	Bank Notes.
	£	Schilling.	Francs.	Leva.	Koruna.	Kron.	Markat.	Francs.	Reichsmarks.	Reutenmks.	Drachma.	Pengö.	Dinars.
	£	Schilling.	Francs.	Leva.	Koruna.	Kron.	Markat.	Francs.	Reichsmarks.	Reutenmks.	Drachma.	Pengö.	Dinars.
1913.....	29-6	...	1,067	189	...	152	113	5,714	92,742	...	245	...	...
1924.....	397-6	...	7,873	4,530	8,810	478	1,250	40,504	1,941	1,835	4,866	4,513,990	6,002
1925.....	385-3	890	7,814	3,655	8,408	438	1,309	49,993	1,941	1,476	5,395	416	6,063
1926.....	381-0	947	9,646	3,485	8,203	386	1,346	52,449	1,941	1,164	4,966	471	5,812
1927.....	382-3	1,005	10,951	3,727	8,417	354	1,514	56,301	4,564	716	4,966	487	5,743
1928.....	378-3	1,067	12,558	4,173	8,466	360	1,513	62,181	4,930	513	5,690	513	5,528
1929.....	369-8	1,094	13,933	3,609	8,230	367	1,361	68,571	5,044	397	5,193	501	5,818
1929-July.....	371-8	1,046	13,894	3,974	7,321	351	1,439	65,679	4,726	434	5,304	491	4,299
Aug.....	364-0	1,046	13,871	4,121	7,500	361	1,448	66,438	4,897	432	5,214	480	4,569
Sept.....	363-3	1,079	13,890	4,222	7,697	353	1,440	65,438	4,914	433	5,414	478	4,595
Oct.....	358-8	1,081	14,360	4,255	7,763	372	1,377	68,267	4,833	433	5,364	478	4,595
Nov.....	354-6	1,072	14,221	3,900	7,689	370	1,347	68,159	4,916	394	5,173	473	5,690
Dec.....	369-8	1,094	14,175	3,609	8,230	367	1,361	68,571	5,044	397	5,193	501	5,818
1930-Jan.....	348-0	981	13,841	3,260	6,923	347	1,259	70,339	4,653	373	4,907	473	5,690
Feb.....	346-8	974	13,992	3,148	6,838	352	1,369	71,116	4,722	365	4,840	441	5,586
Mar.....	357-3	980	14,341	3,350	7,011	357	1,447	70,826	4,806	362	4,892	441	5,586
Apr.....	358-8	982	14,658	3,302	7,054	362	1,448	70,826	4,806	362	4,892	441	5,586
May.....	356-1	1,022	14,547	3,364	6,896	371	1,392	73,079	4,664	362	4,991	464	5,221
June.....	363-6	1,028	14,857	3,396	7,196	366	1,373	72,594	4,612	353	4,943	441	5,281
July.....	368-4	1,021	15,416	3,435	6,897	347	1,355	74,068	4,638	437	4,894	449	5,230
Aug.....	360-9	1,018	15,278	3,683	7,077	350	1,352	73,677	4,707	443	4,816	466	5,317

Period.	Italy.	Norway.	Poland.	Roumania.	Russia.	Sweden.	Switzerland.	South Africa.	Egypt.	United States.	Japan.
End of	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.
	Lire.	Lire.	Kroner.	Zloty.	Zloty.	Leu.	Gd. Rbla.	Rbla.	Kronor.	Francs.	Dollars.
	Lire.	Lire.	Kroner.	Zloty.	Zloty.	Leu.	Gd. Rbla.	Rbla.	Kronor.	Francs.	Dollars.
1913.....	2,284	499	108	...	437	...	...	...	234	314	10-0
1924.....	18,114	2,400	391	551	151	19,397	229	411	537	914	56-9
1925.....	19,349	2,100	363	381	440	20,222	388	727	530	876	53-9
1926.....	18,340	1,793	337	593	428	20,951	398	797	525	874	49-9
1927.....	17,992	783	331	1,003	309	21,025	480	1,003	526	917	51-8
1928.....	17,295	161	318	1,295	244	21,211	730	1,091	546	953	48-7
1929.....	16,774	80	318	1,293	259	21,144	1,028	1,501	569	999	45-3
1929-July.....	16,877	96	315	1,240	240	19,188	833	1,238	522	900	41-6
Aug.....	16,701	96	314	1,359	255	20,340	907	1,350	549	911	41-6
Sept.....	16,916	90	316	1,354	260	21,393	983	1,428	580	944	41-9
Oct.....	16,977	83	307	1,392	270	21,774	1,068	1,527	554	944	42-9
Nov.....	16,828	80	303	1,366	267	21,387	1,092	1,538	573	928	42-8
Dec.....	16,774	80	318	1,340	259	21,144	1,028	1,501	569	999	45-3
1930-Jan.....	16,329	76	298	1,240	238	19,717	976	1,466	521	890	42-6
Feb.....	16,095	73	297	1,282	235	19,957	1,050	1,508	534	893	43-3
Mar.....	16,322	73	305	1,324	234	19,709	1,097	1,532	575	918	44-0
Apr.....	16,062	73	301	1,326	230	19,080	1,184	1,613	545	916	44-0
May.....	15,944	68	308	1,333	227	18,521	1,230	1,671	557	908	44-9
June.....	15,846	68	316	1,317	222	18,190	1,349	1,843	594	929	44-9
July.....	16,182	...	315	1,321	223	18,684	...	1,209	551	928	44-8
Aug.....	16,074	...	315	1,355	222	19,271	...	1,217	570	943	...

a Until November, 1928, including State notes, then transferred to Bank of Milan. b Marks—incl. Reichs- and Darlehenkassenscheine. c Excluding notes held by Reichsbank. d Until end 1924 paper kronen. e Excluding Government notes. f Marks—incl. Reichs- and Darlehenkassenscheine. g Gross issue. h Excluding notes held as reserve by Chartered Banks. i State notes. j Since January, 1926, excluding notes held by Bank of Poland. k Since 1920, including Austria-Hungarian and other notes converted after the war into National Currency. l Since 1926, excluding notes held by the State Bank. m In terms of new lire = 1,829 million. n In terms of new franc = 1,829 million. o Since May, 1922, including Luxemburg. Since Oct., 1926, including Government Notes of 5 and 10 francs to value of 700 to 750 million francs, replacing similar bank notes.

LONDON RATES OF EXCHANGE.

Period.	Paris.	Brussels.	Milan.	Zurich.	Madrid.	Amsterdam.	Stockholm.	Oslo.	Copenhagen.	Berlin.	Vienna.	New York.	Buenos Aires.
End of	Francs to £1.	Belgas to £1.	Lire to £1.	Francs to £1.	Pesetas to £1.	Florins to £1.	Kronor to £1.	Kronor to £1.	Kronor to £1.	Marks to £1.	Schillings to £1.	Dollars to £1.	Pence to £1.
	Francs to £1.	Belgas to £1.	Lire to £1.	Francs to £1.	Pesetas to £1.	Florins to £1.	Kronor to £1.	Kronor to £1.	Kronor to £1.	Marks to £1.	Schillings to £1.	Dollars to £1.	Pence to £1.
Par level.....	124-21	35-00	92-46	25-22	25-22	12-107	18-159	18-159	18-159	20-43	34-58	4-86	47-62
Highest, 1929.....	124-37	34-96	93-27	25-24	25-24	12-103	18-182	18-211	18-222	20-58	34-75	4-88	47-71
Lowest,	123-68	34-84	92-52	25-08	25-08	12-05	18-08	18-18	18-17	20-31	34-41	4-84	47-44
Beginning of—													
July, 1914.....	25-15	25-35	25-25	21-16	26-10	12-11	18-30	18-25	18-30	20-49	24-55	4-87	47-7
January, 1923.....	66-30	27-85	93	24-72	29-74	11-79	17-37	25-12	23-40	48-50	130,000	4-68	47-7
January, 1924.....	87-85	29-45	93	24-63	33-58	11-36	16-25	29-82	24-44	19	130,500	4-28	40-4
January, 1925.....	87-40	29-45	93	24-63	33-58	11-36	16-25	29-82	24-44	19	130,500	4-28	40-4
January, 1926.....	129-31	107-00	120	25-08	34-31	12-05	18-08	23-83	18-20	20-37	34-37	4-85	46-7
January, 1927.....	122-81	34-89	109-62	25-14	31-23	12-12	18-15	19-04	18-20	20-37	34-37	4-85	46-7
January, 1928.....	124-00	34-92	92-32	25-27	28-24	12-09	18-11	18-34	18-20	20-37	34-37	4-85	46-7
January, 1929.....	124-10	34-88	92-64	25-18	29-74	12-08	18-13	18-19	18-17	20-38	34-52	4-87	47-1
January, 1930.....	123-91	34-88	93-22	25-13	36-62	12-09	18-13	18-20	18-20	20-37	34-44	4-85	47-1
June.....	123-91	34-81	92-75	25-09	40-02	12-08	18-10	18-20	18-16	20-36	34-65	4-87	47-1
July.....	123-74	34-81	92-82	25-06	42-29	12-09	18-10	18-15	18-16	20-36	34-43	4-85	47-1
August.....	123-81	34-80	92-98	25-04	43-64	12-08	18-10	18-16	18-16	20-36	34-45	4-87	47-1
September.....	123-79	34-84	92-87	25-04	46-02	12-07	18-09	18-16	18-16	20-39	34-43	4-86	47-1

Period.	Rio de Janeiro.	Monte Video.	Valparaiso.	Bombay.	Hong Kong.	Shanghai.	Japan.	Singapore.	Place.	Method of Quoting.	August Quotations.
End of	Pence to Milreis.	Pence to Dollars.	Pence to Pesos.	Pence to Rupee.	Sterling to Dollar.	Sterling to Tael.	Sterling to Yen.	Sterling to Dollar.			Highest. Lowest. Average.
	Pence to Milreis.	Pence to Dollars.	Pence to Pesos.	Pence to Rupee.	Sterling to Dollar.	Sterling to Tael.	Sterling to Yen.	Sterling to Dollar.			Highest. Lowest. Average.
Par level.....	16	51	40	a. d. 1 6	a. d. 2 0	a. d. 2 7	a. d. 2 0	a. d. 2 4	New York.	Dollars to £1.	4-85 4-84 4-84
Highest, 1929.....	5 1/2	51 1/2	39-79	1 6 1/2	2 0 1/2	2 7 1/2	2 0 1/2	2 4 1/2	Aug., 1929	Dollars to £1.	4-85 4-84 4-84
Lowest,	5 1/4	45 1/2	39-37	1 5 1/2	1 7 1/2	2 1 1/2	1 9 1/2	2 3 1/2	July, 1930	Dollars to £1.	4-85 4-84 4-84
Beginning of—									Aug., 1930	Dollars to £1.	4-85 4-84 4-84
July, 1914.....	16 1/2	51 1/2	40	1 3 1/2	1 10 1/2	2 6 1/2	2 0 1/2	2 4 1/2	Paris.	Francs to £1.	124-02 123-80 123-85
January, 1923.....	5 1/2	43 1/2	40-30	1 5 1/2	2 3 1/2	2 1 1/2	2 1 1/2	2 4 1/2	July, 1930	Francs to £1.	123-81 123-55 123-66
January, 1924.....	5 1/2	43 1/2	40-30	1 5 1/2	2 3 1/2	2 1 1/2	2 1 1/2	2 4 1/2	Aug., 1930	Francs to £1.	123-88 123-74 123-84
January, 1925.....	5 1/2	43 1/2	40-30	1 5 1/2	2 3 1/2	2 1 1/2	2 1 1/2	2 4 1/2	Amsterdam.	Florins to £1.	12-11 12-08 12-103
January, 1926.....	5 1/2	43 1/2	39-80	1 5 1/2	2 3 1/2	2 1 1/2	2 1 1/2	2 4 1/2	July, 1930	Florins to £1.	12-11 12-08 12-08
January, 1927.....	5 1/2	43 1/2	39-65	1 5 1/2	2 3 1/2	2 1 1/2	2 1 1/2	2 4 1/2	Aug., 1930	Florins to £1.	12-11 12-08 12-08
January, 1928.....	5 1/2	43 1/2	39-35	1 5 1/2	2 3 1/2	2 1 1/2	2 1 1/2	2 4 1/2	Berlin.	Reichsmarks to £1.	20-37 20-35 20-36
January, 1929.....	5 1/2	43 1/2	39-64	1 5 1/2	2 3 1/2	2 1 1/2	2 1 1/2	2 4 1/2	Aug., 1929	Reichsmarks to £1.	20-40 20-36 20-38
January, 1930.....	5 1/2	43 1/2	39-80	1 5 1/2	2 3 1/2	2 1 1/2	2 1 1/2	2 4 1/2	July, 1930	Reichsmarks to £1.	20-37 20-35 20-36
June.....	5 1/2	43 1/2	39-92	1 5 1/2	2 3 1/2	2 1 1/2	2 1 1/2	2 4 1/2	Aug., 1930	Reichsmarks to £1.	20-37 20-35 20-38
July.....	5 1/2	43 1/2	39-96	1 5 1/2	2 3 1/2	2 1 1/2	2 1 1/2	2 4 1/2			
August.....	5 1/2	43 1/2	39-96	1 5 1/2	2 3 1/2	2 1 1/2	2 1 1/2	2 4 1/2			
September.....	5 1/2	43 1/2	39-72	1 5 1/2	2 3 1/2	2 1 1/2	2 1 1/2	2 4 1/2			

† Francs to £1.

‡ Pence to Peso.

§ Krone to £1.

• Daily rates.

FORE

The Economist

MONTHLY SUPPLEMENT.

New Series.

SATURDAY, OCTOBER 25, 1930.

No. 89.

In the following pages we have aimed at compiling tables which will show summary figures for as many nations of the world as possible, and have endeavoured to combine brevity with comprehensiveness. The greater number of the figures are taken from the Monthly Statistical Bulletin of the League of Nations,* supplemented from our statistical records. We propose in these columns to give our own appreciation of the trade position, fortified by informed opinion, and to leave the figures to be interpreted by our readers each in his own way.

* "League of Nations Monthly Bulletin of Statistics." 1s. 6d.

THE STATE OF TRADE AT HOME AND ABROAD.

THE autumn is now well advanced and, unfortunately, the somewhat pessimistic forecasts made last summer, that the revival in trade which usually follows the holidays would this year fail to materialise, are proving only too well-grounded. As the table on this page shows, the unemployment percentage rose from 17.5 per cent. in August to 18.1 per cent. in September; the latest foreign trade returns are most disappointing; commodity prices are still falling; and there has been a sharp setback in railway traffic receipts. So far, the picture is indeed a gloomy one.

To some extent it is possible to argue that this bald summary of the facts overstates the gravity of the position. Thus an analysis of the September returns of unemployment shows that the increase in the total figure is to some extent due to seasonal increases in the building trades, among makers of building material, and in hotel and boarding-house services. Again, there have been very slight improvements in the coal, pig iron, cotton, motor vehicle and pottery trades; while the fall in railway receipts may partially reflect the cessation of the holiday traffic. September has witnessed an improvement over the previous month in the output of coal, pig iron and steel, while the number of furnaces in blast remained unchanged during the month. There has also been a marked increase in the consumption of electric power, especially in Lancashire and Yorkshire.

On the other hand, the unemployment increases that have occurred in the chemical, iron and steel (except pig iron), engineering and shipbuilding industries, in certain of the textile trades, and among transport and distributive workers cannot be lightly dismissed. The latest Lloyd's quarterly shipbuilding returns give a figure of only 1,116,746 tons under construction as on September 30th, as against 1,392,603 tons at the end of June, and 1,448,355 tons a year before. This figure is extremely disappointing, and shows the depth of the depression in which not only shipbuilding but marine engineering and—indirectly—the steel trades are labouring. Furthermore, while it is possible to argue that the low September export figures reflect to some extent the usual holiday recession, no such comfort can be derived in respect of the raw material import returns of £16.5

millions, which, whether compared with the August figure of £17.5 millions or with the September, 1929, figure of £24.2 millions, are equally disappointing.

More serious still, a general feeling of discouragement is still apparent, especially in the heavy industries. It is generally agreed that the country is approaching an extremely difficult winter, and no one is willing to forecast how long the depression will last or in what quarters purchasing power will first revive. The further fall in

wholesale prices, which is still continuing, has increased the margin between the prices of primary products and retail prices, wages and production costs generally. Nevertheless, taking a long view, it would be incorrect to say that all the signs to-day are of a discouraging nature. To mention one significant point, sentiment in the cotton industry has now slightly improved. Demand from India is in some respects better, and orders from the Continent and the home trade are growing in number. In fact, the suggestion is already heard that it may shortly be possible to restart some of the machinery now standing idle, while the increase in Lancashire's power consumption may have some significance. Wool prices also seem a little more stable, though business remains disappointing, and Belfast linen manufacturers have lately received some bulk orders, while certain sections of the chemical

trades are holding their ground.

Still, in the long run, the course of British trade will depend upon the world at large. In the Empire, good weather conditions are being experienced in India, Australia and South Africa, and there are already signs that this is stimulating business, or at least preventing it from losing further ground. The United States witnessed a seasonal improvement in trade during September, and if, as is generally believed, stocks have been allowed to run down, even a slight increase in buying should rapidly lead to fresh productive activity. South American trade has naturally been restricted by the low exchange rates and political disturbances. European news is perhaps the most discouraging. Unemployment has again increased in Germany; trade remains bad in Belgium; and even French reports are now less optimistic than they were a few months ago.

CAPITAL ISSUES.—(000,000's omitted.)													
Period.	United Kingdom.	Austria.	Czechoslovakia.	France.	Germany.	Italy.	Netherlands.	Poland.	Romania.	Sweden.	Switzerland.	United States.	Japan.
Monthly Average.	£	Schilling.	Koruna.	Franc.	Mark.	Lira.	Guilder.	Zloty.	Lei.	Kroner.	Franc.	Rupee.	Yen.
1913	16.3	b	...	...	60	23	13	...	20	18	44	56	45
1924	17.4	26,992	31	605	15.0	504	30	3.1	262	20	51	19	219
1925	19.4	2.3	21	329	55.1	746	33	7.7	219	16	56	29	204
1926	19.2	2.7	24	412	74.8	473	48	6.1	541	13	59	16	228
1927	29.6	10.5	31	625	114.1	254	43	17.7	282	22	73	17	255
1928	30.8	12.0	60	895	110.0	450	50	27.5	384	31	57	24	335
1929	23.8	8.6	55	1,250	80.2	607	29	4.6	318	23	81	56	...
1930	...	...	...	...	...	...	...	...	...	...	...	...	...
Jan.-Mar. 1930	31.3	4.0	32	2,309	73.5	474	52	15.9	379	17	138	34	133
Apr.-June 1930	25.6	5.7	51	1,561	31.3	836	65	...	702	15	124	...	906
July-Sept. 1930	22.8	11.5	56	872	45.4	916	52	18.9	783	21	122	20	113
Oct.-Dec. 1930	30.6	14.8	51	1,741	34.6	594	33	24.3	179	32	47	25	139

Unless otherwise stated, the figures represent authorised share issue of new joint stock companies at home, and the increase of capital of existing companies. Bonus shares are excluded from the figures of the U.S.A., Roumania, Switzerland and Czechoslovakia. In the case of the Netherlands and the U.K. both bonus shares and conversions are excluded. b Until end 1924, Kronen. c Excluding Treasury Bills. d Excl. large railway issues. e "Rivista Bancaria." f Issues exceeding Fls. 100,000 on the Dutch market including Colonial, and since Jan., 1925, foreign issues. m Since 1924, excluding amalgamations and conversions. n Until end 1922 paper mark. o Société de Banque Suisse. p Invitation for subscriptions on Swiss market including obligations and Local Govt. loans. q India, compiled by "Commercial & Financial Chronicle." r Up to 1928, authorised issues, excluding western departments; since 1929 amounts actually issued, whole territory.

BANK RATES.													
	1925.	1926.	1927.	1928.	1929.	1930.							
	End of June	End of Dec.	End of June	End of Dec.	End of June	End of Dec.							
London	5%	5%	5%	5%	5%	5%							
Paris	7%	6%	6%	6%	6%	6%							
Berlin	9%	9%	6%	6%	6%	6%							
New York	3%	3%	3%	3%	3%	3%							
Amsterdam	5%	5%	5%	5%	5%	5%							
Brussels	7%	7%	7%	7%	7%	7%							
Rome	4%	4%	4%	4%	4%	4%							
Switzerland	4%	4%	4%	4%	4%	4%							
Vienna	11%	9%	7%	7%	6%	6%							
Warsaw	12%	12%	9%	8%	8%	8%							
Tokyo	7%	3%	3%	3%	3%	3%							
Calcutta	5%	6%	4%	4%	4%	4%							

* Federal Reserve. † 5% as from Sept. 9.

LONDON BANKERS' CLEARING RETURNS.

	Town.	Metropolitan.	Country.	Total.
1913	14,191,275	855,648	1,389,481	16,436,404
1923	32,270,373	1,546,565	2,810,654	36,627,592
1924	35,038,605	1,594,114	2,900,145	39,532,864
1925	35,801,264	1,678,347	2,957,508	40,347,119
1926	35,346,429	1,660,757	2,817,868	39,825,054
1927	36,819,682	1,758,032	2,973,827	41,550,541
1928	39,311,117	1,854,190	3,039,422	44,204,729
1929 (Sept. 16)	28,586,250	1,354,000	2,202,957	32,143,207
1930 (Sept. 17)	28,300,077	1,311,767	2,144,583	31,756,427

U.K. IMPORTS AND EXPORTS.—(000,000's omitted.)

	Food.		Raw Materials.		Manufactures.		Imports of		Exports of	
	Imports.	Exports.	Imports.	Exports.	Imports.	Exports.	Wheat.	Raw Cotton.	Sheep's & Lamb's Wool.	Cotton Piece Goods.
Monthly Average.	£	£	£	£	£	£	Cwts.	Centals.	Centals.	Sq. Yds.
1913	24.2	2.7	23.5	5.8	16.1	34.3	8.8	1.2	0.7	589
1922	39.3	3.0	24.8	8.5	19.1	47.3	8.0	1.2	0.9	349
1923	42.5	3.7	27.1	10.9	21.4	48.3	8.4	1.1	0.8	345
1924	47.6	4.7	33.4	8.9	25.0	51.5	9.9	1.3	0.6	370
1925	47.6	4.6	35.4	7.0	26.7	51.4	8.1	1.6	0.6	370
1926	41.9	4.2	32.7	3.9	26.3	44.9	8.1	1.5	0.7	319
1927	44.9	4.4	29.3	6.4	25.9	47.0	9.2	1.3	0.7	343
1928	44.3	4.5	27.9	5.8	25.7	48.2	8.6	1.1	0.7	322
1929	46.6	4.8	28.3	5.6	27.9	47.8	9.3	1.3	0.7	306
1930	36.7	3.6	20.7	5.4	25.6	36.7	8.8	0.8	0.9	217
April	39.6	3.8	23.1	5.8	27.7	39.8	8.3	1.0	0.9	218
May	37.7	3.2	20.4	4.7	24.5	33.8	7.2	0.6	0.7	159
June	39.2	4.4	19.1	5.2	26.0	39.7	9.6	0.4	0.8	197
July	37.2	4.0	17.5	4.4	24.2	33.1	8.1	0.5	0.4	168
August	...	...	...	...	...	...	...	...	...	...

* Yards.

RAILWAY STATISTICS.—(000,000's omitted.)

	Great Britain (g).							Austria.	Germany.	Italy.	Canada.	United States.
	Gross Receipts.		Freight Traffic (f).									
	Passengers.	Freight.	Merchandise.*	Coal, &c.	Minerals and Other Merchandise.	Total.						
	£	£	Tons.	Tons.	Tons.	Tons.	Ton-Miles.	Tonnes-Km.	Tonnes-Km.	Tonnes-Km.	Ton-Miles.	Ton-Miles.
1926—June	4.4	5.3	4.7	1.9	3.6	10.2	704	1,202	4,695	1,132	2,846	39,237
December	4.7	8.5	4.9	15.9	4.1	24.8	1,392	1,321	5,641	1,094	3,641	40,096
1927—June	6.1	8.8	5.1	15.5	5.8	28.4	1,401	1,249	6,126	1,095	2,611	38,483
December	4.8	8.7	5.1	17.2	4.8	27.2	1,400	1,209	5,398	928	4,128	34,580
1928—June	5.5	8.3	4.6	14.9	5.3	25.0	1,324	1,225	5,528	1,038	3,129	37,304
December	4.6	8.3	4.7	16.1	4.8	26.1	1,352	1,282	4,715	1,030	4,663	37,645
1929—June	5.2	8.4	4.8	15.7	5.6	26.1	1,392	1,335	5,603	1,087	3,318	40,725
December	3.7	9.3	5.4	18.4	5.7	29.5	1,564	1,311	5,792	1,075	3,020	38,725
1930—January	4.5	8.2	4.7	17.6	5.0	27.3	1,426	1,323	4,874	1,031	2,580	36,040
February	3.8	9.1	5.3	18.9	5.4	29.5	1,537	1,206	4,783	1,000	3,664	36,664
March	3.2	8.4	4.7	17.6	5.0	27.1	1,436	1,032	4,469	966	2,423	34,341
April	3.7	8.9	5.1	17.6	5.4	28.1	1,516	1,242	5,013	1,116	2,704	35,301
May	4.8	8.2	4.8	15.6	5.1	25.5	1,367	1,197	4,297	1,041	2,483	34,894
June	4.3	8.6	5.0	16.2	5.6	26.8	1,444	1,278	4,849	1,089	2,550	36,571
June	5.7	7.3	4.4	13.2	4.7	22.2	1,196	1,306	4,580	928	4,128	34,419

* Inc. live-stock. † Provisional figure. (a) "Reichsbahn." Excl. free-hauled. (b) State and private railways, including freight on foreign lines. (c) Railways with annual operating revenues of at least £500,000. (d) Short tons = kg. 907.18; mtr. = metres 1,609.34. (e) Including free-hauled. (f) Excluding free-hauled. (g) Long ton = kg. 1,016.05; mtr. = metres 1,609.34. (h) Gross tonnage. (i) Fiscal year ending June 30. (j) Excluding free-hauled. (k) Long ton = kg. 1,016.05; mtr. = metres 1,609.34. (l) Fiscal year ending June 30.

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BRITAIN AND WORLD TRADE.

BY

A. LOVEDAY.

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The following pages contain portions of an essay by Mr A. Loveday, on the extent and causes of the failure of the United Kingdom to retain its former proportion of world trade. This essay will shortly be published in book form under the title of "Quo Vadimus?, and Other Economic Essays." Some comments on Mr. Loveday's thesis will be found in a leading article in this issue.

ALL world depressions—are temporary—many are salutary—and on the measures adopted in each country during periods of adversity depend not only the rapidity, but the permanence and degree of subsequent recovery. With the immediate repercussions of the present depression this memorandum is but indirectly concerned. Its object is to consider the general status of British industry and trade in the world before the depression made itself felt; and attention will be directed mainly, if not wholly, to the period ending in December, 1928. But the gradual lowering of that status in recent years has been due to causes which, unless rigorous action is taken, are likely to be intensified by the present fall in prices, so that a study of the changes which took place before 1929 is not without pertinence to-day.

Until recent months writers have tended to attribute the difficulties of the United Kingdom largely to the alleged impoverishment of Europe or to the competitive advantages which certain countries have reaped from inflation. The chaos which existed in Europe during the first few years after the Armistice no doubt hampered the exports of this country and of all others for which Europe constituted an important market. But while others developed their trade outside Europe, we lost a large part of our trans-oceanic markets, and during the last two or three years European demand has probably been up to the pre-war standard.

The Lost Ground.

I propose to endeavour to show in the first place that our failure to secure trade has been greatest—outside the British Empire—in regions which have been least affected by the war; that our markets have not been mainly captured by countries enjoying the alleged benefits of inflation; that these favoured nations have not increased their trade by more than, or, indeed, by as much as, others which have pursued a monetary policy similar to our own. This last fact constitutes no proof that our monetary policy has not adversely affected our foreign trade and our industrial production. It implies merely that there must be some deeper-lying cause which has affected us and not our neighbours, and has magnified the ill-effects, or diminished the good effects, of deflation. That ultimate cause, as probably most students of the questions would agree, is lack of suppleness in the mechanism of production, and that ultimate cause has put a check, not only on our export trade, but on our whole production of wealth. We are to-day standing still or but slowly crawling forward, in a progressive world. We are standing or crawling with an awkward rigidity in a world in which suppleness is becoming a constantly more imperative quality, because demand is becoming constantly more mobile.

If the alleged reduced purchasing power of Europe were the true cause of our difficulties, then we might expect to find that, while our trade with other parts of the world was fairly maintained, our exports to Europe had suffered a substantial contraction. But this is the reverse of the truth. It is practically certain that the imports of Europe to-day are greater than they were in 1913. Europe is obtaining from the United Kingdom a slightly smaller proportion of her total purchases, and—after allowing for price changes—possibly a slightly

smaller quantum of goods. But during the last two or three years such reduction as there may have been in the aggregate of her purchases from us has been wholly due to our enfeebled competitive power and not to any general reduction of imports by Europe. Moreover, the falling off in our exports, if any, must have been relatively small. It can scarcely have amounted to 5 per cent. in 1927 or 1928. On the other hand, our share in the trade of the other continents of the world has been very greatly reduced, as may be seen at a glance from the following figures:—

PROPORTION OF TOTAL IMPORTS OBTAINED FROM UNITED KINGDOM.

By:—	1913.	1925.	1927.	1928.
	%	%	%	%
Europe	8.4	9.2	8.1	7.7
North America	16.8	11.2	10.3	10.1
South America	27.9	21.2	18.7	18.8
Africa	36.7	34.6	32.9	31.3
Asia	31.5	19.9	18.6	18.9
Oceania	53.4	46	43.2	44.4
World	14.5	13.3	12.1	11.7

Thus, our share in European purchases in 1928 was about 8 per cent. smaller than in 1913; our share in those of Asia and North America was 40 per cent. lower; and our share in those of South America had declined by 30 per cent., and that in Oceania and Africa by some 15 per cent. We have held our position better in Europe than elsewhere, and better in the British Empire than in other parts of the transoceanic continents. We contribute about one-fifth less than we did to the total world trade viewed in this way. To attribute this loss to the weakness of European demand is definitely misleading. The figures render it abundantly clear that our loss of status has been greatest in the American continent and Asia, where the effects of the war were least.

Britain's Diminished Share.

Percentages are, however, liable to be misleading and it is worth while, therefore, to endeavour to estimate the comparative loss in absolute values. For this purpose I will take the actual 1927 trade figures and compare them with the trade that we should have done in that year if we had retained in the various markets of the world the percentage which we enjoyed in 1913:—

SALES OF UNITED KINGDOM TO VARIOUS PARTS OF THE WORLD.

To:—	Actual in 1927.	Calculated Figure Assuming 1913 Proportions had been retained.	Deficit in 1927.
	£Mn.	£Mn.	£Mn.
Europe	314	326	— 12
North America	112	183	— 71
Caribbean	9	19	— 10
South America	68	102	— 34
Africa	100	111	— 11
Asia	176	298	— 122
Oceania	91	112	— 21
World	839	1,005	— 166

The figures are necessarily rough, and except in the case of the world total it is to their inter-relationship, not to their amounts, that attention should be paid. The percentages on which the calculations are based refer to only about 95 per cent. of total trade, and, owing to the manner in which trade statistics are compiled, the imports from the United Kingdom by other countries cover, in addition to our exports, a large proportion of our re-exports. But the results probably afford a sufficiently accurate picture of relative magnitudes. If the share of the United Kingdom in world imports to-day were the same as in 1913 it would be between £160 and £170 millions greater than it is.

The sum of the continental figures naturally differs from the results for total trade as the continental

distribution of trade has undergone a considerable change. In fact, if the United Kingdom had retained its share in the imports of each individual continent, its total trade would be roughly about £280 millions greater than it is.† It has, therefore, maintained its position best in those parts of the world which have been most unsuccessful in maintaining their position. It has shared in adversity, not in prosperity.

The individual figures for each continent are striking enough. If the 1913 proportions had been maintained, Europe, the Caribbean and Africa might each have purchased £10-12 millions more from the United Kingdom, and South America might have purchased about as much more as these three together. But the difference in North America amounts to over £70 millions and in Asia to over £120 millions. In 1927 the total imports from all sources of these two continents were twice or more than twice as great as in 1913, as were, too, those of Oceania, where the loss of possible purchases in the above system of reckoning amounted to £20 millions.

Our Competitors.

Such, very roughly, are the general proportions of the problem. To whom has this trade been lost and to what extent have other European countries on whose recovery we have so long been waiting to bring prosperity, suffered a similar loss of status? The answer to the second question will help to an understanding of the first, for the great difference between the position of the United Kingdom and that of other leading European countries is that the former has continued to lose status steadily from year to year, while the latter, gravely injured at first, have, for the most part, made a rapid recovery in recent years.

The course of events may be most clearly followed if we turn from the statistics of imports to those of exports. The shares of certain selected countries in the total exports of the world in recent years have been as follows:—

PERCENTAGE SHARE IN WORLD* EXPORTS (BY VALUE).

	1913.	1924.	1925.	1927.	1928.
United Kingdom	13.94	13.01	12.16	11.36	11.20
Germany	13.11	5.73	6.81	8.00	8.83
France	7.24	7.98	7.24	7.13	6.40
Italy	2.60	2.30	2.37	2.65	2.43
Sweden	1.19	1.23	1.19	1.43	1.34
Denmark	0.93	1.22	1.23	1.27	1.31
Belgium	(a)	2.37	2.24	2.43	2.67
Europe	55.20	45.20	44.10	46.10	46.00

* The Netherlands are omitted owing to the fact that their pre- and post-war statistics are not comparable. (a) Not available.

Neither France, Germany nor Italy has so large a share in the trade of the world as in 1913. But, since 1924, Germany and Italy, Sweden, Denmark and Belgium have improved their position—Germany very substantially—while the share of the United Kingdom has sunk from over 13 to 11.2 per cent. Germany, it is true, was making a partial recovery from the very low status to which inflation and political difficulties had reduced her. But the figures for the other countries show that it was not simply due to the automatic reactions of this recovery on the percentages of the remaining members of the group that the British decline is to be attributed. About half the decline in the French share in 1928 is due simply to a change in the manner of compiling the statistics. The figure for Europe includes Russia; but Europe in spite of this has suffered a smaller reduction in her share of world trade than has the United Kingdom.

The decrease in the contributions of certain of the leading European nations is due to a large extent to the very rapid growth of the exports of the United States. But it is not wholly due to this fact. If the United States are eliminated, the shares of France and Germany still show a contraction. On the other hand, France's contribution to European trade, even in 1928, was greater than in 1913, while that of the United Kingdom had dropped slightly from 25 to 24 per cent. In 1929, according to the provisional and partial statistics avail-

† This figure and the others here given mainly refer to c.i.f. values, country of import.

able, the share of the United Kingdom, both in European and in world trade, continued to decline, while that of Germany rose.

The manner in which other European countries have outstripped the United Kingdom in recent years may be further illustrated by the indices of the quantum of their exports—that is by indices showing the change in values after eliminating the price factor. Owing to the manner in which the calculations are made, the figures of different countries are not exactly comparable, but they reflect adequately the general course of events.

QUANTUM EXPORT INDICES.

	1913.	1924.	1925.	1927.	1928.
United Kingdom	100	80.6	80.0	82.7	84.4
Germany	100	50.8	65.3	75.5	85.7
France	100	119.0	124.0	146.0	148.0
Italy	100	119.0	129.2	130.0	132.2
Sweden	100	93.3	99.6	117.2	106.8

The quantum of British exports in 1928 was thus lower, compared with 1913, than that of any of the other countries given—even than Germany, although Germany has lost territory which is believed to have accounted for about 11 per cent. of her pre-war national income. Actually the quantum index of British exports is lower than in any other country in the world for which information is available, except Russia. But probably in no other highly organised country is prosperity so dependent on exports.

Who Has Gained?

These facts give some key to the second question—who has taken the trade which the United Kingdom has failed to secure? Obviously, if the general level of the prices of her exports is abnormally high, the probability is that the captured trade has been shared as booty by any and every competitor whose prices were less "exclusive." This is, in fact, exactly what has happened. It has been the habit of the British Press to attribute the loss of trade mainly to the irresistible competition of countries whose finances have been so lamentable that their currencies have become grossly debased. But, if this were the main cause, the share of British trade in the world in recent years when currencies elsewhere were being stabilised, and prices rising locally should have increased, while, in fact, it has decreased.

There can, indeed, be no doubt that the importance of exchange dumping has been unwittingly exaggerated. The United Kingdom has lost ground to the great and the small, to the financially pure and the financially reprobate, but primarily to the United States. Thus Germany, which is buying less from the United Kingdom, takes a larger share of her imports from Bulgaria, Denmark, Finland, Greece, Italy, Holland, Sweden, Switzerland—indeed most European States. France buys a smaller proportion from Germany, and from a number of other European countries, but more from India, from the United States, and above all from her own Colonies. Spain is taking more from France; Southern Europe—Bulgaria, Yugoslavia, Greece—more from Italy and the United States; Scandinavia more from the United States and miscellaneous countries of minor importance. Outside Europe by far the most serious competitors have been the United States and Japan. In South America the pre-war position has been reversed. Thus, in 1913 South America took 27.9 per cent. of her imports from the United Kingdom, and 16.2 per cent. from the United States. In 1928 she took 18.8 per cent. from the United Kingdom, and 28.8 per cent. from the United States. In 1913 China took 16.5 per cent. of her imports from the United Kingdom, and 26.4 per cent. from Japan and the United States. In 1927, during six months, of which there was a partial blockade of Japanese goods, she took 7.3 per cent. from the United Kingdom and 44.5 per cent. from the other two.

The Currency Factor.

It is useless to amass further examples. The successful competitors are many, but in Europe the other great trading nations, elsewhere the U.S.A. and Japan, have naturally taken the largest share. The greatest trading nations of Europe have, however, debased their currencies; and it might appear at first sight that the fact that their share in the imports of neighbour states has so largely increased

at the cost of British exports proves the contention that Britain has suffered particularly from a passing and abnormal competition. But if the unusual nature of this competition, and not some defect in British economy, were the true cause of existing difficulties, then other countries whose currency policy has been similar to ours, or even "saner," should have suffered in like manner. They have not done so. The exports of all the European countries except the United Kingdom which have deflated their currencies, and re-established the pre-war value of their currencies continued to expand after stabilisation had been effected in the face of the competition of neighbouring states with debased currencies.

INDICES OF GOLD VALUE OF EXPORTS.

	1913.	1924.	1925.	1926.	1927.	1928.	1929.
United Kingdom.....	100	138	146	124	135	138	139
Denmark	100	194	221	216	226	241	251
Norway	100	142	184	174	173	176	194
Sweden	100	153	167	174	198	193	221
Switzerland.....	100	146	148	133	146	154	151
Netherlands	...	100	114	110	120	126	126

The figure for the first year during the whole of which the exchanges of each country were at par is printed in italics. Both Switzerland and the Netherlands felt the immediate effects of deflation, but their recovery was prompt and decisive. Only the United Kingdom failed to recover. Even in 1929 the gold value of her trade was over 5 per cent. lower than in the year she returned to the gold standard. That this was not due to a wider price movement than elsewhere is proved by the indices of the quantum of her trade given above. In Denmark and Norway the fall in prices was, in fact, far more serious, and in Switzerland it was nearly as great. If deflation has had comparatively so little influence elsewhere, is it likely to have been the main cause of the troubles of one single country? It is not impossible; for the United Kingdom was the only belligerent country in Europe which has thought it expedient to restore the pre-war value of its currency, and its debt per head is higher than in any of the other members of this group of nations. But it is at least highly improbable that the redistribution of national income which domestic debt payments involve is even the major cause of the protracted depression. Deflation was more detrimental in England than elsewhere, because other countries made the necessary adjustments to their whole machinery of production—and we did not.

It remains to show that the trade of these countries, other than England, which have deflated their currencies, has developed more than that of the "inflaters," about whose machiavellian competition so much has been written. The position in 1927, the most favourable year for the latter group, was as follows:—

GOLD VALUE OF EXPORTS IN 1927 AS PER CENT. OF EXPORTS IN 1913.

France	163	Denmark	226
Germany	101	Norway	173
Italy	169	Sweden	198
		Switzerland	146

The only comment which these figures demand is that the trade of Switzerland in recent years has apparently been under-estimated owing to the manner in which the statistics are compiled.*

It may be hoped that the evidence produced has been sufficient to substantiate the three points it was intended to make—that British trade in the last few years has not been primarily affected by the unsettlement of Europe; that it has not been specially influenced by the competition of countries with debased currencies; and that, if domestic deflation has been unfavourable to it, the detriment suffered has been due to some inherent and peculiar defect in British economy.

Old and New Industries.

Another school of thought has attributed the depression in British trade largely to the coincidence of a number of fortuitous events which could neither have been foreseen nor prevented—to the stimulus the war

* It should be added, however, that in a number of cases the quantum indices of the deflationary countries were lower than those of the inflationary. But the higher prices obtained more than offset this relative drop in quantity.

gave to the cotton industry in the Far East and South America, to the influence of disarmament on the heavy metal industry, to the excess of subsidised tonnage, to the check which the progress in heat conservation gave to the demand for coal. There is no doubt much truth in this argument. Free trade necessarily involves industrial specialisation, and if the industries on which a free trade country specialises are adversely affected by external events, that country must suffer temporarily and readapt itself. It must readapt itself. Its mechanism must be sufficiently supple to permit that readaptation. It must face, recognise and cut its losses; it must turn its attention to other products. If it fails to do this it will suffer all the losses and reap none of the profits of free trade. And, to-day, what is really important and significant in England is not the depression of the depressed industries, but the relatively small progress made by the relatively prosperous. It is the growing, not the decaying, which require watching.

[Mr Loveday proceeds to illustrate this point by an analysis of Britain's share of production and trade in different industries.—Ed., Econ.]

In short, the trade of the world has increased; the share of the United Kingdom has decreased and is decreasing. It is decreasing in the world; it is decreasing in Europe; and as we examine one group of industries after another the same phenomenon presents itself. It is due neither to inflation here, nor to deflation there, nor to poverty nor to tariffs. If high tariffs were the cause of our difficulties they should have curtailed the trade of other nations more than ours; for the United Kingdom receives most-favoured-nation treatment wherever it is granted and, in addition, imperial preference. Relatively to other countries her position in this respect is more and not less favourable than it was in 1913.

In the report of the British Mission to the Argentine it is remarked that "in South America, while in some departments—particularly old-established businesses—we have retained our original position, in new departments of trade we have been completely outdistanced. In new forms of transport it is the same. We have excelled in railroad construction and shipbuilding, others have taken the place which might have been ours in aviation, road construction and motor transport."*

Likewise, others have taken the place which might have been ours in, for instance, the markets for wireless or photographic apparatus, scientific instruments, agricultural machinery, etc. It is on these new and growing industries that the prosperity of highly industrialised countries must ultimately depend. But between 1925 and 1928 the Netherlands increased her exports of wireless apparatus by over £1½ millions, while British exports declined; and Sweden, Switzerland and the Netherlands, whose total sales of scientific instruments aggregated less than one-half of the British in the earlier of these two years, raised that total by over £250,000, against approximately £100,000 in the case of Great Britain.

Why Britain Declines.

It is unnecessary further to multiply examples. The evidence is, it may be hoped, adequate at least to suggest that the difficulties are confined to no particular type of industry, major or minor, new or old; that they are due primarily neither to special conditions in the Far East (or West) nor to the chaos in Europe which is past, neither to inflation nor to deflation; and that our successful competitors are drawn from all quarters of the globe and have pursued currency policies wholly dissimilar. Disorder and prosperity, depreciating and appreciating exchanges, tariffs and dumping, subsidies and prohibitions may all, in fact, have proved damaging; but there must surely have been some special reason connected with our internal economy which rendered them more disastrous to the United Kingdom than to other countries. But this view is too rarely expressed.

"Lancashire," wrote Professor Siegfried in 1924, "is perfectly sanguine of success once normal conditions have been restored."† She "asks for no assistance from the

* "Report of British Economic Mission to Argentine," page 6.
† "Post War Britain," page 110.

State so long as she is buoyed up by the prosperity of the world"—by a prosperous world requiring in 1928, for instance, exactly the same products from exactly the same markets as fifteen years earlier. But in the process of being restored to prosperity the world changed its tastes. Lancashire waited, like Sir Richard Strachan, and the new markets were supplied by others. Similarly, Professor Pigou, writing in 1927, found "it improbable that the weakness of the post-war trend is due to circumstances peculiar to this country."* The analysis made by, at any rate, a very large proportion of the business men in the country was similar to the opinions recorded by these economists, and, like a famous recent Committee, they substituted for constructive proposals or constructive action, "earnest hope."

All mass movements are more easily perceptible from without, and it is, perhaps, not surprising, therefore, that it should have been a French economist who first drew attention to the striking parallelism which exists between the fluctuations in unemployment and in real wages. Professor Rueff has calculated† for the period 1919-1925 the relationship between the number of unemployed and the relationship of wholesale prices to average salaries and set out his results in diagrammatic form. If the year 1926 and part of 1927, when all other factors were subordinate to the coal dispute and its effects, be ignored, the consilience of the two curves he gives is very remarkable. "On est, par là, fondé à penser," says Professor Rueff, "que la cause immédiate du chômage généralisé—non la cause profonde—consiste dans le défaut d'adaptation des salaires au niveau général des prix." This view has frequently been attacked on the ground that the unemployment in 1920 was not caused by falling prices, but that the fall both in prices and in employment was due to a common cause, be it deflation or the natural bursting of a turgid boom. In fact, the causes which put men out of employment may well be different from those which prevent them finding new employment subsequently. It is the latter—even to-day when unemployment is increasing—which are ultimately important; for if Professor Rueff is correct in his analysis, and if wages remain as rigidly inflexible after the price fall of 1929-30 as they have remained in recent years, then, unless prices rise once more, the numbers permanently unemployed may increase from an average of some one million or more to an average of two.

Wages and Costs.

Professor Rueff's curve conceals no mystery and illustrates no new theory. If the price of apples is too high, some will remain unsold; of labour, some will remain unhired. Professor Pigou has expressed the view that there is "at least 5 per cent. of extra unemployment which it is reasonable to attribute to the maintenance of rates of real wages above the level that would establish equilibrium between the demand for and the supply of labour."‡ But, it is sometimes urged, wages are higher in the United States and the trade and exports of that country have expanded; in England wages are lowest in the most depressed industries. Between 1923 and 1928 the United States maintained relatively stable prices, while the national productivity rapidly increased; wages had to rise. Between 1923 and 1928 the United Kingdom allowed prices to fall, while national productivity per head has remained almost unchanged. Wages had to fall, but actually rose; and unemployment increased.

Wages are lowest where the pressure is greatest; but the total costs of any particular industry depend not only on the rates paid by it, but on those paid in all other industries whose products or services it requires. Hence the importance which is attached to the high rates ruling in sheltered industries—in transport and public services, in building, etc. But the contrast between the sheltered

* "The Economic Position of Great Britain," page 25.

† Actually Professor Rueff takes not the ratio of money wages to cost of living which gives what is normally considered as real wages, but of money wages to wholesale prices. Professor Pigou has shown that both ratios give roughly similar results—so that the point need not be elaborated. But there are sound theoretical reasons for Professor Rueff's choice. (See *Revue Politique et Parlementaire*—10/XI/25, and *Economic Journal*—IX/27.)

‡ The *Economic Journal*, Vol. XXXVII, No. 147, page 356.

and the depressed may be over-emphasised. The mal-adjustment which exists is damaging to the one and to the other, and it is equally damaging to those industries which are neither sheltered nor shrivelling. Unemployment is as great as it is to-day because the "prosperous" industries are not sufficiently prosperous, because the industries whose exports are increasing are not maintaining their share either in world production or in world trade. It is our successes, not simply our failures, which demand attention.

"Her whole history," says Professor Siegfried, writing of Lancashire some years ago, "has been a continual adaptation, from one decade to another, to meet the changing requirements of the world situation." Is this true of Lancashire or any other part of England during the last decade? Is not the essential defect lack of mobility and lack of adaptation? It is inevitable in a world that is growing richer year by year, and richer per head of population, that the basic industries supplying the primary needs of the people should constitute an ever-diminishing proportion of the national dividend; that the industries satisfying secondary needs, the smaller and the new industries—those which exist to-day and those which will come into being tomorrow—should constitute an ever-increasing proportion. The future lies with the countries whose whole economic organisation is the most mobile, with those which have the imagination to foresee future needs, the courage to scrap obsolete plant and the skill to adopt and adapt new inventions.

But in England "the recorded number of insured persons unemployed does not represent the number of persons unable to find any kind of remunerative work, but the number unable to find work more or less of a kind to which they have been accustomed, at rates of pay not substantially reduced." "We are convinced," says the Committee on Industry and Trade, "that no scheme of compulsory insurance . . . would be acceptable or workable if framed on any other basis."* The sociologist or the politician may further be convinced that this basis is desirable, and the economist that so long as it is adopted, as the rate of change in the world increases, and increase it must, unemployment may be expected to increase likewise.

The World Sweeps By.

For the lack of mobility and adaptability is not a characteristic of wages and labour alone. The height of wages is not absolute, but is relative to the productivity of labour, and the productivity of labour depends not on labour only but upon the whole organisation of production—and taxation. In all the industrial countries of Europe and America industry has been largely re-equipped and reorganised during the last ten years. In some cases this re-equipment was necessitated by war damage, in others stimulated by inflation, in others—as in Sweden or in Switzerland—the result of a simple recognition of the necessity for change. To one inflation, to another deflation, gave the required pressure. To such pressure all responded in varying degrees, and in England too, no doubt, much reorganisation is now being undertaken. But the view sometimes expressed on the Continent of Europe that the world swept by while the British industrialist sat in hope and the banker in contemplation of the overdrafts he had granted, is perhaps not simply picturesque. In the contest between hope and contemplation, contemplation won because, as prices fell, the value of the overdrafts increased.

The Balfour Committee "after looking at their six volumes as a whole" found "the outstanding feature on which there was good reason for satisfaction" lay in their unanimity, and then decided to draw no formal conclusions. But this same Committee thought "it abundantly clear that the first step towards putting British industry in a position to compete successfully in overseas markets is to subject their organisation and equipment to a thorough process of reconditioning." If this conclusion is not formal, it is at least forceful.

* "Committee on Industry and Trade." Summary Vol., page 131.

About the necessity for reorganisation, only those can judge who are in constant touch with the daily facts of business. The point is raised here because, in so far as the necessity exists, the question of the height of wages is not one which should be solved by changes in wage rates alone. But the need for reorganisation and readaptation is constant, and as the world grows richer per head of population, and secondary, shifting wants grow in importance, this need must become the more imperative. It is not simply to the success of the effort which is being made at the moment, therefore, that attention should be turned, but to the general adaptability of the whole machine. The demand for capital to-day for the opening up of new countries, for the laying of railway lines, for the cutting of canals or the irrigation of land may be relatively less than it was in the nineteenth century, but the life of capital is likely to be shorter. It will depend less on its physical durability and more on new inventions and changing demand. Not the old but the out-of-date must be scrapped. Obsolescence receives a new significance—almost a new meaning. All plant is obsolete which cannot compete successfully, and all labour is crippled whose power or willingness to work is limited to one job. The future lies with those who have the courage to scrap and the courage to move and change. But before plant can be scrapped it must be written off; and gross profits must be earned and allocated, not to dividends or the fisc, but to reserves. To the extent to which amortisation and re-equipment is prevented by the taxation of gross profits, it may be expected that unemployment and the demand for revenue, on account of unemployed benefits, will increase; but the source of revenue—the wealth produced—must decrease.

The Real Need.

Scrapping demands the courage to scrap, and reorganisation the courage possibly even to sacrifice overdrafts. England in the nineteenth century evolved an economy of maximum profits derived from maximum risks. She can scarcely feed four persons in ten of her population; she is dependent on foreign sources for a very large proportion of her raw material requirements. Her imports of foodstuffs in 1928 amounted to £531 millions and of raw materials to £335 millions, a total of £866 millions—while the value of her total exports was only £724 millions. She is dependent, not for her prosperity but for her existence, on the sales of her manufactures abroad. She is dependent, therefore, on a changing foreign demand, over which she can have no control, for which she can find no substitute.

Is it a paradox or a consequence that in this economy of national risk so much pains should have been taken during the last ten years to insure each individual, rich and poor, against all the manifold hazards of life. Against the national risk the only insurance possible is production. But more attention is paid to-day to the distribution of the national income than to its creation. Some urge on the country "safety first," but safety lies only in enterprise. Others commend inflation, to be taken, like cocktails, in small doses. But by such inflation the worker is relieved of part of his wages and the entrepreneur of the obligation to reorganise and re-equip. Inflation and cocktails may both stimulate for the moment—but the one leads to cirrhosis of the liver and the other prevents the cure of a gouty economic system. However serious the position at the moment may be, it is never the momentary situation which ultimately matters. The real problem is that of restoring elasticity to the whole organism. To-day is anything free excepting the importation of commodities and is a solution more likely to be found in the restoration of freedom or in placing a coping-stone to false logic?

Is it really impossible to restore the fluidity of labour and wages, to cut losses, to "subject the organisation and equipment of industry to a thorough process of re-conditioning"? Is it met by these methods and the courage they demand that the status of British industry and trade can best be restored? Is it not certain that, whatever may be achieved by the measures now being adopted, in the ultimate test of time the most adaptable will prove the most progressive?

THE STATE OF TRADE—(Continued.)

HOME INDUSTRIES.

Coal.—Export business is still restricted by the uncertainty regarding the marketing schemes to be prepared in accordance with the new Coal Mines Act. Demand for house coal and for fuel for gas and electricity works is improving seasonally, but sales of industrial coal remain disappointing.

Iron and Steel.—No change has occurred in the situation. The depression in the shipbuilding industry and the limited purchasing power of important overseas markets, such as Australia, India and the Argentine, is having a serious effect. There is no better demand for pig iron, and the most that can be said is that no further reduction in the total number of furnaces in blast occurred last month. At a meeting of British steel-makers held ten days ago it was decided not to countenance any further reduction in prices, but so far this has done little to restore confidence or stimulate demand.

Engineering.—Unemployment has again increased, and the most that can be said is that the decline in activity is no worse than that experienced last month by business generally. Makers of prime movers and power equipment remain relatively active, and builders of agricultural machinery have lately obtained a few sporadic orders. The machine tool and textile machinery branches of the industry are dull, and the marine engineering section is now at a very low ebb.

Electrical Industry.—The following index of production in the electrical industry is copyright by the Economical and Statistical Department of the British Electrical and Allied Manufacturers' Associations. An explanation of the manner in which it has been computed was given on page 888 of the *Economist* of November 28, 1925.

INDEX OF ACTIVITY IN THE ELECTRICAL INDUSTRY.
(1920 = 100.)

1927.	Home.	Export.	Total.	1928.	Home.	Export.	Total.
January.....	95	152	109	December.....	93	103	96
February.....	92	159	108	1929.			
March.....	89	165	107	January.....	92	122	99
April.....	90	181	112	February.....	92	128	101
May.....	88	200	116	March.....	88	126	97
June.....	94	234	128	April.....	86	145	100
July.....	93	231	126	May.....	84	143	99
August.....	90	236	126	June.....	84	149	101
September.....	87	230	122	July.....	90	151	106
October.....	81	208	112	August.....	88	140	102
November.....	80	192	107	September.....	76	130	99
December.....	69	160	92	October.....	71	121	108
1928.				November.....	71	121	108
January.....	68	148	88	December.....	60	228	102
February.....	68	143	87	1930.			
March.....	71	141	89	January.....	68	220	107
April.....	70	122	84	February.....	69	240	112
May.....	68	108	79	March.....	71	236	113
June.....	68	105	78	April.....	72	214	108
July.....	71	80	74	May.....	70	209	105
August.....	74	86	78	June.....	59	212	98
September.....	81	102	88	July.....	55	232	100
October.....	83	107	91	August.....	63	245	109
November.....	85	105	93	September.....	63	221	103

While actual business on home account remains unsatisfactory, a fairly large number of inquiries from industrial consumers are coming to hand. Export orders are now falling off, and it seems that the world depression is at last beginning to affect foreign consumption of electrical power.

Motor Industry.—Although favourable results are expected from the exhibition, so far there has been no material improvement in the private car section. Demand from abroad is quiet and below last year's level. The commercial section is also quiet, with a disappointing decline in exports. Cycle and motor cycle makers are active in anticipation of the forthcoming show, but here again export trade is disappointing.

Cotton.—Demand for yarn and cloth has broadened, and there is now greater confidence in current prices. Inquiry in piece-goods for India has been better, and there has been some activity in light bleaching goods for Madras and Karachi. Most of the trade with China has been in fancies and specialities, but a few more lines in white shirtings have lately been booked. Trade with Egypt has been restricted by financial difficulties, and South American business has been affected by the political troubles, but home and Continental demand has improved. Sales of American and Egyptian yarns have increased, but prices remain poor. Still if the present improvement continues, it should be possible to restart some idle machinery.

Wool.—The recent London sales ended with declines of 5 to 10 per cent. in wool as compared with the previous sales, but there is a general feeling, confirmed by cable advices from overseas, that bottom has been reached. Deliveries of merino tops against previous contracts have lately been fairly good, but new orders are only being placed sparingly, and business in crossbreds is disappointing.

Linen.—Only small quantities of new season Irish flax have been marketed. Quality is disappointing, with prices favouring buyers. There is a better inquiry for yarn and cloth,

and although prices remain unremunerative, several bulk contracts have been placed.

Rayon.—There has been a fair demand for high-class specialities, but there has been a considerable amount of price-cutting at the lower end of the trade, and stocks have tended to increase. Demand for acetate yarns has been slow.

Boots and Shoes.—Business remains quiet and production of moderate dimensions. There is a fair demand for the better qualities of ladies' goods.

Pottery.—Trade is quiet, and overseas demand has lately shown signs of decreasing in volume.

Chemical Industries.—The recent improvement in the rayon industry has helped certain trades, but makers of hydrochloric and sulphuric acids are adversely affected by the depression in the metal industries. Demand for fertilisers, though small, is normal for the time of year.

Building Trades.—Employment has undergone a slight seasonal decline, though it remains fairly good in some districts. Employment at Peterborough in the brick industry remained good.

Agriculture.—Corn harvesting was delayed by the bad weather and in many areas had not been completed by the end of September. Much of the corn, too, was gathered in a damp and soft condition. The lifting of potatoes has also been retarded by the wet, and quality is affected. Some progress has been made with ploughing, but cleaning of the stubbles has been largely impracticable. Livestock has done fairly well and milk yields were well maintained.

Shipping.—The seasonal recovery in freights which began in August and already showed signs of being arrested in September, underwent a definite reaction during the past month. The temporary activity of Black Sea chartering has died down, and all the homeward markets have relapsed into conditions of extreme dullness. Outward coal business continues quiet.

Retail Trade.—Business has not been too good, but the cold spell of weather experienced early in October stimulated demand in certain sections, and it is hoped that here activity will be maintained until the early Christmas business begins.

UNITED STATES OF AMERICA.

Some seasonal improvement in business is reported. Steel mills have lately operated at 61 per cent. of capacity, as against 54 per cent. reported the previous month. Construction contracts have expanded in volume, especially as regards residential building. Textile shipments and sales have been in excess of production, and stocks have been reduced. Automobile output, however, has fallen to the lowest point for the year, but stocks are relatively small. Freight movements have expanded slightly, and the distributive trades are improving. The recent fall in commodity prices reflects the break in the wheat markets.

The following indices of American economic conditions have been forwarded to us by Moody's Investors' Service, of New York and London.

AMERICAN TRADE STATISTICS—SEPTEMBER, 1930.

	Aug.	Sept.	Sept. '29.
EMPLOYMENT†—(June, 1914=100)	98.0	99.0	15.3
PRODUCTION—			
Bituminous coal (Thous. tons).....	35,661	38,580	5,935
Pig-iron (" ").....	2,524	2,277	1,190
Steel (" ").....	3,095	2,868	1,643
Unfilled orders, U.S.			
Steel Corporation (Thous. tons)....	3,580	3,424	477
Building permits (Thous. \$).....	132,878*	145,436*	38,432

	Aug.	Sept.	Sept. '29.
FOREIGN TRADE—			
Imports (Thous. \$).....	218,359	227,000*	124,365
Exports (" ").....	293,871	318,000*	119,680

	Aug.	Sept.	Sept. '29.
TRANSPORT—			
Monthly average of weekly car loadings (Thous. cars).....	934	931	...

	Aug.	Sept.	Sept. '29.
SECURITIES—			
20 industrial stocks—Highest quotations\$... 240.42	245.09	136.08	
Lowest quotations\$... 217.24	204.90	138.55	
Thous. shares sold during month (—New York)....	39,870	53,345	46,711
New securities issued (Thous. \$) ...	484,982	469,826	253,434

	Aug.	Sept.	Sept. '29.
BANK CLEARINGS—			
New York (Million \$).....	24,006	25,410	13,543
Other cities (" ").....	14,385	14,501	4,869

	Aug.	Sept.	Sept. '29.
RETAIL BUSINESS—			
Total sales, mail order houses\$ (Thous. \$).....	49,022	49,363*	29,893

* Preliminary estimates made by Messrs Moody, subject to revision. † Based on reports of U.S. Labour Bureau and of Bureau of the States of New York, Wisconsin, and Pennsylvania. ‡ Average of actual prices. § Partly estimated.

BRITISH EMPIRE.

Australian weather conditions are reported to be generally favourable. The wheat export surplus may possibly amount to 4,000,000 tons. Voluntary pools are operating on the lines of last year, the suggestion of compulsory pools having been rejected.

Canadian trade continues to decline in volume under the influence of the world depression, and current statistics of production, employment and car loadings are disappointing. It is clear that purchasing power both in the agricultural areas and among industrial workers remains restricted. Money is cheap and easy.

In India, mail reports from Bombay state that Japanese spinners have been increasing their purchases of raw cotton. The trade outlook generally is better, and according to cable advices there have been good clearances of home-made goods. The latest weather reports state that satisfactory rains have fallen and that crop prospects are good in most areas.

South African trade has improved slightly, but competition remains keen and the outlook is still very uncertain. Good rains have fallen in the Cape Province, and winter crops have consequently improved. The cotton crop is one of the best yet produced, while the final estimate of the maize crop is given as 23,075,000 bags.

ELECTRICAL PRODUCTION.

In the *Economist* of July 10, 1926 (pages 57–8), we published a new index of electrical production in the chief industrial areas of Great Britain. We show below a résumé of the results achieved during recent periods:—

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

Date.	Britain, excluding London and Wales.	Coal Mining, Iron and Steel, Shipbuilding, Heavy Engineering.	General Engineering and Automobile Construction.	Chemicals.	Marine Transport, Docks, etc.	Textiles, Cotton, and Wool.
1927.						
January.....	158	155	167	212	179	151
February.....	157	156	165	212	169	150
March.....	147	152	153	187	155	146
April.....	144	144	146	208	151	136
May.....	138	139	151	198	150	129
June.....	126	128	136	206	131	114
July.....	123	118	135	184	149	119
August.....	123	124	130	201	142	113
September.....	138	133	157	228	159	131
October.....	152	146	166	228	175	146
November.....	166	155	190	236	192	162
December.....	180	170	200	220	210	172
1928.						
January.....	174	164	195	232	199	172
February.....	170	162	188	249	195	164
March.....	170	165	192	252	195	169
April.....	149	149	164	226	164	132
May.....	140	136	170	223	163	125
June.....	141	138	160	248	158	130
July.....	131	127	149	248	151	124
August.....	130	131	127	147	116	116
September.....	150	145	164	263	175	138
October.....	161	153	185	245	189	154
November.....	178	164	215	240	206	169
December.....	181	171	210	195	210	176
1929.						
January.....	187	172	234	236	220	180
February.....	195	182	248	250	222	188
March.....	173	169	215	268	192	162
April.....	165	158	201	321	185	152
May.....	156	150	182	321	170	135
June.....	156	151	192	318	172	141
July.....	146	140	187	282	166	130
August.....	148	151	167	206	175	124
September.....	156	153	194	241	178	140
October.....	179	170	224	243	207	166
November.....	203	192	250	252	240	192
December.....	192	182	235	186	228	190
1930.						
January.....	192	176	255	250	231	182
February.....	198	183	260	257	237	184
March.....	184	171	240	250	226	172
April.....	160	150	204	214	202	146
May.....	157	146	192	235	193	143
June.....	140	130	177	208	175	127
July.....	143	127	193	220	182	137
August.....	133	117	165	192	184	111
September.....	156	137	223	282†	203	144

† Increase due to special causes.

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

Since August there has been a sharp recovery, which was most marked in Lancashire and Yorkshire. The shipbuilding, iron and steel and heavy engineering areas remain depressed.

EUROPE.

The French coalfields report a fair demand for both industrial and domestic fuel. Export trade in iron and steel is depressed, and home trade is less active. The textile trades are still in a most unsatisfactory condition.

The Belgian coal trade remains dull, and foreign competition is intense. There have been further reductions in iron and steel prices, but these have failed to stimulate demand. Steps are being taken to reorganise the glass industry, with the object of reducing costs and stimulating sales.

German trade news remains discouraging. Unemployment continues to increase, and the wage dispute in the metal trades is having an unsettling effect. The September export figures at 1,001,000,000 marks, however, show an improvement of 30,000,000 marks over the preceding month, and allowing for the fall in prices compare very favourably with those of 1,200,000,000 marks recorded in September of last year. The figures include reparations deliveries.

Dutch industrial activity is well maintained in the face of the world depression, but some anxiety is felt as to the difficulties planters in the Dutch East Indies are passing through as the result of the collapse of sugar and rubber prices.

In Scandinavia, the timber trade is dull, and Denmark reports prices of butter and bacon again to have weakened.

Industrial reports from Switzerland are not encouraging, with the single exception of the electrical trades, which appear to be fairly busy. Money is very plentiful and cheap, but security prices, including those of bonds, are lower.

Recent Austrian reports show that the situation was no worse in September than in the preceding month. In certain trades a moderate seasonal revival occurred.

In Czechoslovakia, the autumn Leipzig Fair proved a disappointment to the Bohemian glass industry. Makers of china goods are well employed, but the textile industries are sharing in the general world depression. The steel trades

have been adversely affected by the breakdown last July of the price control formerly imposed by the International Steel Cartel.

SOUTH AMERICA.

Argentine crop conditions are favourable, and the area under cultivation is larger than last year. Maize sowing has been completed. The exchange fell to 36½d. on October 13th, but has since recovered to 38½d., partly on the Provisional Government's decision to allow gold to be exported to meet the service of the external debt.

Chilean business remains dull, but the reorganisation of the nitrate industry is proceeding, and sales of the fertiliser, both prompt and forward, are progressing normally.

Brazilian news is still indefinite, and it is too early to tell when a definite outcome to the political disturbances will be reached.

In Peru, the general economic and exchange situation is still difficult.

Colombian trade is slightly better. Transport conditions have improved, and the tone of the coffee market is more hopeful.

FAR EAST.

The Shanghai market has lately become a little more active, and prices are steadier. Stocks of piece-goods are also falling to a low level. The slight improvement in the exchange that has taken place since August has been of assistance. The Hong Kong market in cotton piece-goods has also improved, and there is now a fairly good demand for certain specialities.

The return of the yen to parity with the pound is evidence of the steady improvement in the economic condition of Japan, and the report that Japanese spinners have recently been buying Indian cotton more heavily is additional proof. The news that a "Bankers' Committee of Industrial Research" has been formed to receive rationalisation schemes put forward by basic industries and to consider means of financing them is also indicative of the efforts being made in the direction of commercial reorganisation.

INDICES OF BUSINESS ACTIVITY.

1924 = 100.

Period.	Net Imports.		Consumption of		Consumption of Power.		Volume of Employment.				Merchandise on Railways.	Provincial Bank Clearings.	Postal Traffic.	Shipping Movements.	London Bank Clearings.	Exports British Manufactures.	Foreign Trade Turnover. (Quarterly Figs.)
	Raw Materials.	Non-Ferrous Metals.	Iron and Steel.	Cotton.	Rubber.	Coal.	Elec. tricity.	Heavy Industry.	"General" Industry.	Miscellaneous Services.	Total.						
Monthly Average.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
1919.....	113	74	96	109	143	89	...	...	...	...	...	109	92	...	596	54	74
1920.....	106	71	99	113	134	91	...	...	...	...	...	100	113	...	696	65	101
1921.....	56	50	43	74	79	69	...	...	...	...	...	81	82	...	66	76	87
1922.....	89	63	34	99	58	87	...	...	...	...	...	84	97	...	91	97	88
1923.....	88	92	69	93	118	91	...	...	...	...	...	97	98	...	101	97	95
1924.....	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
1925.....	107	107	89	116	137	93	101	90	103	103	101	98	102	103.5	98	104	101.5
1926.....	107a	100	57	98	175	72	92	57	101	104	95.5	88	94	103.5	90	109	94
1927.....	113a	106	133	113	197	106	109	87	108	108	105	99	102	109.5	105	117	104.5
1928.....	101	113	88	103	212	99	110	82	108	110	105	93	100.5	114	106.5	125	108
1929.....	113	120	103.5	106	271	106	116	84.5	109.5	112	107	95	99	115.5	111.5	130	109
"Corrected" average for 3 months ended:																	
1929—Sept. ...	96	117	118	76	354	96	102	84.5	110.5	114	108	95	94	113	123	129	111
Oct. ...	104	117	119	85	358	99	109	84.5	110	113.5	108	98	92	114	121	125	109
Nov. ...	116	114	122	110	339	107	121	84.5	110	113	108	99	95	115	116	131	108
Dec. ...	128	117	120	122	309	111	130	84.5	109.5	113	107.5	99	99.5	116	111	132	110
1930—Jan. ...	135	131	126	120	226	114	132	84.5	108.5	112.5	107	97	99	120	107	133	106
Feb. ...	126	134	123	102	309	114	131	84.5	107	112.5	106	93	100	121	102	132	100
March ...	117	119	126	98	356	117	130	84	105.5	111.5	105	93	100	121	102	132	100
April ...	103	119	124	88	489	111	122	83	104.5	111.5	104.5	90	98	119	101	143	94
May ...	103	116	123	85	387	111	113	80	104	111.5	103.5	92	95	118	109	147	93
June ...	97	129	118	71	350	100	104	77.5	103	112	103	87	91	116	112	143	87
July ...	97a	121	102	61	303	96	98	74.5	102	112	102	87	90	115	117	144	89c
August ...	91c	116	90	58	314	96	93	73	101	112	101.5	...	88	114	117	138	84c
Sept. ...	88c	108	85	53	370	102	96	72	100	111.5	101	...	85	114	118	135	82c
1924.....	92	105	99	81	187	93	92	98.5	100	100.5	100	100	96	100	108	96	103
1925.....	78	108	78	95	191	90	92	86	102.5	104	100.5	97	96	102.5	102	97	100
1926.....	87a	92	40	79	202	46	78	31	99	104	91	81	86	101	94	103	94
1927.....	90a	105	113	102	135	98	95	86	108.5	109.5	105.5	98	98	107.5	113	109	106
1928.....	84	104	83	87	181	89	96	79	107	110	104	90	95	111	114	123	108
1929.....	96	117	118	76	354	96	102	84.5	110.5	114	108	95	94	113	123	129	111
1930.....	88c	108	85	53	370	102	96	72	100	111.5	101	...	85	114	118	135	82c

a Excluding coal imports.

b Excluding Government War Movements.

c Provisional figures.

PRODUCTION. (Thousands of Metric Tons.)

COAL.													LIGNITE.					
Period. Monthly Average.	United Kingdom.	Belgium.	Czecho- slovakia.	France.	Germany.	Nether- lands.	Poland.	Canada.	South Africa.	India.	Japan.	United States.	Austria.	Czecho- slovakia.	Germany.	Hun- gary.		
	<i>d</i>		<i>k</i>		<i>g</i>				<i>f</i>	<i>e</i>				<i>k</i>	<i>g</i>			
1913	24,337	1,903	1,189	3,338	15,842	156	748	1,119	665	1,311	1,776	43,088	218	1,927	7,269	460		
1925	20,590	1,925	1,047	3,921	11,052	571	2,423	719	983	1,693	2,622	43,988	255	1,551	11,644	460		
1926	10,692	2,110	1,181	4,283	12,114	721	2,979	974	1,038	1,703	2,619	49,729	247	1,543	11,596	485		
1927	21,355	2,298	1,168	4,315	12,800	777	3,174	1,028	1,006	1,790	2,794	45,197	256	1,365	12,542	520		
1928	20,129	2,295	1,213	4,280	12,573	891	3,385	1,036	1,014	1,826	2,650	43,052	272	1,704	13,852	543		
1929	21,736	2,244	1,396	4,486	13,620	960	3,851	1,022	1,052	1,875	2,663	45,510	294	1,880	14,598	587		
1929—September.....	21,225	2,132	1,439	4,299	13,480	958	3,951	928	1,039	1,905	2,499	46,545	295	1,871	14,220	592		
October.....	23,358	2,280	1,556	4,858	14,835	1,071	4,401	978	1,091	1,948	2,687	54,038	325	1,919	16,050	702		
November.....	22,613	2,306	1,585	4,603	14,157	1,002	4,115	924	1,013	1,566	2,804	46,919	301	2,142	15,623	662		
December.....	21,764	2,237	1,443	4,363	13,652	958	4,023	995	995	1,894	2,886	48,859	296	2,017	14,530	667		
1930—January.....	24,150	2,489	1,308	4,884	14,398	1,060	3,806	958	1,054	2,057	2,601	51,543	314	1,850	14,008	672		
February.....	22,066	2,274	1,179	4,481	12,168	985	2,990	824	969	2,278	2,520	41,469	248	1,572	11,372	645		
March.....	22,784	2,333	1,197	4,695	12,539	997	2,827	809	1,025	2,016	2,748	36,581	268	1,565	11,303	649		
April.....	20,023	2,258	1,174	4,459	11,481	977	2,643	729	977	2,086	2,527	36,991	235	1,514	10,826	432		
May.....	21,683	2,299	1,106	4,526	11,953	1,017	2,671	913	1,017	2,115	2,576	38,012	238	1,463	12,315	436		
June.....	17,225	2,054	1,054	4,126	10,805	916	2,951	925	993	1,782	2,434	35,287	211	1,349	11,746	414		
July.....	19,163	2,212	1,180	4,599	11,605	1,097	2,975	872	1,060	1,617	...	36,626	245	1,458	12,250	436		
August.....	18,199	2,223	1,200	4,441	11,471	1,010	3,062	856	987	1,607	...	37,967	242	1,557	12,285	...		
September.....	18,514	...	...	...	...	...	...	...	...	...	...	41,000	...	...	...	...		
PIG IRON.																		
STEEL.																		
Period. Monthly Average.	United King- dom.	Bel- gium.	France.	Saar.	Ger- many.	Luxem- burg.	Sweden.	Canada.	United States.	United King- dom.	Bel- gium.	France.	Saar.	Ger- many.	Luxem- burg.	Sweden.	Canada.	United States.
	<i>b</i>				<i>g</i>	<i>a</i>								<i>g</i>	<i>a</i>			<i>e</i>
1913	869	207	434	114	1,397	212	61	85	2,601	649	206	391	159	1,467	101	62	88	2,564
1925	530	212	708	121	848	197	36	48	3,058	625	212	332	132	1,016	174	43	64	3,737
1926	208	283	786	135	804	213	39	64	3,277	304	278	703	145	1,028	187	44	66	3,794
1927	617	313	772	148	1,092	228	35	60	3,036	770	307	692	158	1,359	206	44	77	3,675
1928	560	325	832	161	984	231	33	88	3,167	722	325	791	173	1,210	214	51	105	4,222
1929	642	341	871	175	1,117	242	41	92	3,580	817	344	805	184	1,369	225	60	117	4,599
1929—September.....	675	347	851	174	1,109	240	38	100	3,554	862	347	763	185	1,231	224	61	101	4,601
October.....	700	361	894	179	1,157	259	43	93	3,646	904	369	847	200	1,277	242	70	118	4,607
November.....	642	340	852	169	1,091	241	39	84	3,239	828	333	786	179	1,286	231	65	95	3,578
December.....	653	340	879	173	1,100	245	37	84	2,862	672	323	812	168	1,156	217	56	84	2,950
1930—January.....	660	343	875	174	1,092	250	37	88	2,873	783	340	800	185	1,275	216	52	117	3,857
February.....	617	315	815	162	965	231	38	72	2,884	789	321	772	175	1,176	215	56	108	4,144
March.....	676	342	898	182	1,008	249	41	76	3,290	839	359	848	188	1,201	225	54	119	4,369
April.....	630	313	854	168	901	221	42	74	3,233	707	313	787	168	1,033	198	56	104	4,221
May.....	624	300	901	176	860	212	42	82	3,285	704	294	855	179	1,034	189	59	93	4,089
June.....	572	265	841	168	767	178	29	67	2,981	610	263	753	148	859	150	42	97	3,495
July.....	572	265	841	168	767	178	29	67	2,981	610	263	753	148	859	150	42	97	3,495
August.....	433	247	845	157	739	197	38	58	2,564	459	245	775	152	897	177	62	59	3,145
September.....	423	...	...	...	...	190	...	...	2,314	590	...	...	...	...	186	...	...	2,311

FINANCE.

Notes in Circulation. (000,000's omitted.)

Period.	United Kingdom.	Austria.	Belgium.	Bulgaria.	Czechoslovakia.	Denmark.	Finland.	France.	Germany.	Greece.	Hungary.	Jugoslavia.	Netherlands.
End of	Bank of England Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Reichsbank Notes.	"Rentenbank" Notes.	Bank Notes.	Bank Notes.	State Notes.
	£	Schilling.	Francs.	Leva.	Koruna.	Kron.	Markat.	Francs.	Reichsmark.	Reichsmark.	Drachma.	Pengö.	Gulden.
1913	29-6	...	1,067	189	...	152	113	5,714	2,742	...	245	...	313
1924	397-6	839	7,873	4,530	8,810	478	1,250	40,604	1,941	1,835	4,866	4,513,990	935
1925	385-3	890	7,814	4,535	8,408	438	1,309	49,993	2,960	1,476	5,395	6,002	975
1926	381-0	947	7,646	4,485	8,203	385	1,346	52,469	3,736	1,164	4,865	5,173	819
1927	382-3	1,005	7,817	4,535	8,417	354	1,314	56,301	4,564	1,164	4,966	5,173	819
1928	378-3	1,067	12,358	4,713	8,466	360	1,513	62,181	4,930	530	5,690	5,173	819
1929	369-8	1,094	13,933	3,609	8,230	367	1,361	68,571	5,044	397	5,193	5,173	819
1929-Aug.	364-0	1,046	13,871	4,121	7,500	361	1,448	66,468	4,897	432	5,214	480	844
Sept.	363-3	1,079	13,890	4,222	7,697	353	1,440	66,639	4,914	433	5,414	478	852
Oct.	358-8	1,081	14,360	4,255	7,763	372	1,377	68,267	4,833	407	5,364	526	826
Nov.	354-6	1,072	14,221	4,250	7,689	370	1,347	68,159	4,916	394	5,173	473	861
Dec.	369-8	1,094	14,175	4,309	8,230	367	1,361	68,571	5,044	397	5,193	501	818
1930-Jan.	348-0	981	13,841	3,260	6,923	347	1,259	70,339	4,653	373	4,907	476	824
Feb.	346-8	974	13,992	3,148	6,838	352	1,269	71,116	4,722	365	4,842	461	826
Mar.	357-3	980	14,341	3,350	7,011	357	1,447	70,826	4,806	362	4,890	431	828
Apr.	358-8	982	14,658	3,302	6,854	362	1,440	72,373	4,664	362	4,991	461	828
May	356-1	1,022	14,547	3,364	6,896	371	1,392	73,079	4,812	353	4,943	441	847
June	363-6	1,028	14,857	3,396	7,196	366	1,373	72,594	4,685	437	4,894	449	843
July	368-4	1,021	15,416	3,435	6,897	347	1,355	74,008	4,638	435	4,816	466	809
Aug.	360-9	1,018	15,278	3,583	7,077	350	1,352	73,677	4,707	443	4,761	440	844
Sept.	359-4	1,008	15,618	3,660	7,198	345	1,350	73,053	4,744	443	4,077	430	831

Period.	Italy.	Norway.	Poland.	Roumania.	Russia.	Sweden.	Switzerland.	Australia.	Canada.	South Africa.	Egypt.	United States.	Japan.
End of	Bank Notes.	State Notes.	Bank Notes.	Token Notes and Coins.	Bank Notes.	State Notes.	Bank Notes.	Bank Notes.	Bank Notes and Dominion Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.
	Lire.	Lire.	Kroner.	Zloty.	Zloty.	Leu.	Gd. Rbls.	Rbls.	Kronor.	Francs.	£	Dollars.	Yen.
1913	2,284	499	108	...	437	...	234	314	116	2-3	2-2	726	426
1924	18,114	2,400	391	551	15,197	229	411	537	914	7-2	33-5	2,458	297
1925	19,349	2,100	363	381	16,022	388	727	530	876	7-2	33-5	2,458	297
1926	18,340	1,793	337	593	14,221	398	797	525	874	7-2	33-5	2,458	297
1927	17,992	1,783	331	1,003	13,009	460	1,003	526	917	7-2	33-5	2,458	297
1928	17,295	1,611	316	1,295	12,244	730	1,091	546	953	7-2	33-5	2,458	297
1929	16,774	80	318	1,340	11,444	1,028	1,501	569	999	7-2	33-5	2,458	297
1929-Aug.	16,701	96	314	1,359	11,444	907	1,330	549	911	7-2	33-5	2,458	297
Sept.	16,916	90	316	1,354	11,444	983	1,428	580	944	7-2	33-5	2,458	297
Oct.	16,977	83	307	1,392	11,444	1,068	1,527	554	944	7-2	33-5	2,458	297
Nov.	16,828	80	303	1,366	11,444	1,092	1,538	573	928	7-2	33-5	2,458	297
Dec.	16,774	80	318	1,340	11,444	1,028	1,501	569	999	7-2	33-5	2,458	297
1930-Jan.	16,329	76	298	1,247	11,444	976	1,466	521	890	7-2	33-5	2,458	297
Feb.	16,095	73	297	1,282	11,444	1,050	1,508	534	893	7-2	33-5	2,458	297
Mar.	16,322	73	305	1,324	11,444	1,097	1,532	575	918	7-2	33-5	2,458	297
Apr.	16,062	73	310	1,326	11,444	1,184	1,613	545	916	7-2	33-5	2,458	297
May	15,944	68	308	1,333	11,444	1,230	1,671	557	944	7-2	33-5	2,458	297
June	15,846	68	316	1,317	11,444	1,349	1,843	594	929	7-2	33-5	2,458	297
July	16,182	...	315	1,321	11,444	...	1,855	551	928	7-2	33-5	2,458	297
Aug.	16,074	...	315	1,355	11,444	...	1,877	570	943	7-2	33-5	2,458	297
Sept.	...	...	309	1,373	11,444	...	1,877	613	987	7-2	33-5	2,458	297

a Until November, 1928, including State notes, then transferred to Bank. d In terms of new lire = 8,373 millions. e Excluding Government notes. f Millions. g Marks = Reichsbank and Darlehenkassenscheine. h Excluding notes held by Reichsbank. i Until end 1924 paper kronen. (One pengö = 12,500 paper kronen.) m Token coin 223 million Zloty. n Gross issue. o Excluding notes held as reserve by Chartered Banks. p State notes. q Since January, 1926, excluding notes held by Bank of Poland. r Since 1920, including Austria-Hungarian and other notes converted after the war into National Currency. s Since 1926, excluding notes held by the State Bank. t In terms of new lire = 1,829 millions. u In terms of new francs. v Since May, 1922, including Luxembourg. Since Oct., 1926, including Government Notes of 5 and 10 francs to value of 700 to 750 million francs, replacing similar bank notes.

LONDON RATES OF EXCHANGE.

Period.	Paris.	Brussels.	Milan.	Zurich.	Madrid.	Amsterdam.	Stockholm.	Oslo.	Copenhagen.	Berlin.	Vienna.	New York.	Buenos Aires.
End of	Francs to £1.	Belgas to £1.	Lire to £1.	Francs to £1.	Pesetas to £1.	Florins to £1.	Kronor to £1.	Kronor to £1.	Kronor to £1.	Marks to £1.	Schillings to £1.	Dollars to £1.	Pence to £1.
Par level	124-21	35-00	92-46	25-22	25-22	12-107	18-159	18-159	18-159	20-43	34-58	4-85	47-62
Highest, 1929	124-37	34-96	93-27	25-24	25-24	12-13	18-182	18-182	18-182	20-58	34-75	4-88	47-7
Lowest, "	123-68	34-84	92-52	25-08	25-08	12-05	18-08	18-18	18-17	20-31	34-41	4-84	47-4
Beginning of—													
July, 1914	25-15	25-35	25-25	21-16	26-10	12-11	18-30	18-25	18-30	20-49	24-55	4-87	47-1
January, 1924	87-85	99-45	100-4	24-63	11-36	16-26	29-82	24-44	24-44	19-19	305,500	4-29	40-4
January, 1925	87-40	94-79	112-35	24-34	11-71	17-62	31-37	26-85	26-85	19-94	337,500	4-74	40-4
January, 1926	129-31	107-00	120	25-08	34-31	12-05	18-08	25-83	19-60	20-37	34-37	4-85	46-6
January, 1927	122-81	34-89	109-62	25-14	31-23	12-12	18-15	19-04	18-20	20-43	34-42	4-85	46-6
January, 1928	124-00	34-92	109-62	25-27	28-24	12-09	18-11	18-34	18-20	20-43	34-42	4-85	46-6
January, 1929	124-10	34-88	92-64	25-18	29-74	12-08	18-13	18-19	18-17	20-43	34-42	4-85	46-6
January, 1930	123-91	34-82	93-22	25-13	29-62	12-09	18-13	18-20	18-20	20-43	34-42	4-85	46-6
June, "	123-91	34-81	92-75	25-09	40-02	12-08	18-10	18-15	18-16	20-36	34-43	4-85	46-6
July, "	123-74	34-81	92-82	25-06	42-29	12-09	18-10	18-15	18-16	20-39	34-43	4-85	46-6
August, "	123-81	34-80	92-98	25-04	43-64	12-08	18-10	18-16	18-16	20-38	34-43	4-85	46-6
September, "	123-79	34-84	92-87	25-04	46-02	12-07	18-09	18-16	18-16	20-39	34-43	4-85	46-6
October, "	123-80	34-84	92-78	25-03	47-02	12-04	18-09	18-16	18-15	20-41	34-42	4-85	46-6
Par level	16	51	40	1 3/4	1 1/2	2 1/2	2 1/2	2 1/2	2 1/2	4-85	4-85	4-85	4-85
Highest, 1929	5 1/2	51 1/2	39-79	1 6 1/2	1 5 1/2	2 1/2	2 1/2	2 1/2	2 1/2	4-85	4-85	4-85	4-85
Lowest, "	5 1/2	45 1/2	39-37	1 5 1/2	1 4 1/2	2 1/2	2 1/2	2 1/2	2 1/2	4-85	4-85	4-85	4-85
Beginning of—													
July, 1914	16 1/2	51 1/2	40	1 3/4	1 1/2	2 1/2	2 1/2	2 1/2	2 1/2	4-85	4-85	4-85	4-85
January, 1924	5 1/2	43 1/2	40-30	1 5 1/2	1 4 1/2	2 1/2	2 1/2	2 1/2	2 1/2	4-85	4-85	4-85	4-85
January, 1925	5 1/2	40-30	40-30	1 5 1/2	1 4 1/2	2 1/2	2 1/2	2 1/2	2 1/2	4-85	4-85	4-85	4-85
January, 1926	5 1/2	50 1/2	39-65	1 6 1/2	1 5 1/2	2 1/2	2 1/2	2 1/2	2 1/2	4-85	4-85	4-85	4-85
January, 1927	5 1/2	50 1/2	39-65	1 6 1/2	1 5 1/2	2 1/2	2 1/2	2 1/2	2 1/2	4-85	4-85	4-85	4-85
January, 1928	5 1/2	51 1/2	39-35	1 6 1/2	1 5 1/2	2 1/2	2 1/2	2 1/2	2 1/2	4-85	4-85	4-85	4-85
January, 1929	5 1/2	51 1/2	39-64	1 6 1/2	1 5 1/2	2 1/2	2 1/2	2 1/2	2 1/2	4-85	4-85	4-85	4-85
January, 1930	5 1/2	51 1/2	39-80	1 6 1/2	1 5 1/2	2 1/2	2 1/2	2 1/2	2 1/2	4-85	4-85	4-85	4-85
May, "	5 1/2	45 1/2	39-92	1 5 1/2	1 4 1/2	2 1/2	2 1/2	2 1/2	2 1/2	4-85	4-85	4-85	4-85
June, "	5 1/2	45 1/2	39-93	1 5 1/2	1 4 1/2	2 1/2	2 1/2	2 1/2	2 1/2	4-85	4-85	4-85	4-85
July, "	5 1/2	42 1/2	39-96	1 5 1/2	1 4 1/2	2 1/2	2 1/2	2 1/2	2 1/2	4-85	4-85	4-85	4-85
August, "	5 1/2	41 1/2	39-96	1 5 1/2	1 4 1/2	2 1/2	2 1/2	2 1/2	2 1/2	4-85	4-85	4-85	4-85
September, "	5 1/2	40 1/2	39-72	1 5 1/2	1 4 1/2	2 1/2	2 1/2	2 1/2	2 1/2	4-85	4-85	4-85	4-85
October, "	5 1/2	39 1/2	39-96	1 5 1/2	1 4 1/2	2 1/2	2 1/2	2 1/2	2 1/2	4-85	4-85	4-85	4-85

† Francs to £1.

§ Pence to £1.

‡ Krone to £1.

* Daily rates.

The Economist

MONTHLY SUPPLEMENT.

New Series.

SATURDAY, NOVEMBER 29, 1930.

No. 90.

In the following pages we have aimed at compiling tables which will show summary figures for as many nations of the world as possible, and have endeavoured to combine brevity with comprehensiveness. The greater number of the figures are taken from the Monthly Statistical Bulletin of the League of Nations,* supplemented from our statistical records. We propose in these columns to give our own appreciation of the trade position, fortified by informed opinion, and to leave the figures to be interpreted by our readers each in his own way.

* "League of Nations Monthly Bulletin of Statistics." 1s. 6d.

THE STATE OF TRADE AT HOME AND ABROAD.

CURRENT indicators of the state of trade have lately become a little more conflicting than they were earlier in the autumn; and this on the whole is a good sign, for it means that one or two sporadic rays of light have begun to penetrate the general depression. To summarise the good and bad signs, among the former come the slight improvement over previous months shown by the October trade returns, the greater stability of some wholesale prices that has developed since early October, and the improvement in tone and also in employment in most of the textile trades. Bad signs include the poor October iron and steel production figures, the increase in unemployment in the heavy industries, and the uncertainties over the coal and railway wage negotiations. To these must be added such adverse foreign developments as the recent French and American bank failures, and the further break in wheat prices.

If these indicators be considered in greater detail, it must be admitted that in so far as the total dead-weight of unemployment is concerned, the increase in the heavy industries—coupled with the seasonal increases in unemployment in such trades as building, transport, distribution and hotel services—has outweighed the improvement in the textile industries, with the result that the total figure has risen. Fortunately the upward trend of unemployment was checked early in November, but the check was purely temporary, and there is little ground for hoping that the approaching winter is not going to be a hard one, both at home and abroad.

The October trade returns received full consideration in the *Economist* of November 15th. Here it is only necessary to repeat that too much reliance must not be placed upon the results of a single month, and that probably the most that can be deduced is that in October at least the normal seasonal up-swing in trade was sufficiently powerful to overcome the weight of the depression. In short, the returns provide a basis only for a very qualified optimism.

The trend of wholesale prices is in some respects more encouraging. According to weekly calculations published in this country, the net movement between October 1st and November 19th amounted to less than one per cent.; nor did intervening figures exceed the limits

of this range. Home industrial reports supplement the general impression given by these statistics, for in one or two trades greater confidence is now felt in prices, with the result that a better tone has developed. Unfortunately, contemporary foreign wholesale piece index numbers do not afford quite such definite evidence of the establishment of stability, and in view of such recent events as the bank failures in France and the Southern American States, and the November break in wheat prices,

it is difficult to feel confident that the world collapse in wholesale prices has yet been definitely and permanently arrested.

The wage negotiations begun between the railway men and their employers can fortunately still be regarded as containing no more than potential elements of danger. In so far as the railways are concerned, there is good reason for hoping that discussions will pursue their normal course, and will end in a settlement by compromise. The coal situation is more serious, because something definite has to be settled before December 1st, when the shorter hours come into force. Looking back over the past few months, it is clear that in view of the delays and difficulties that have attended the attempts to bring into force the marketing provisions of the new Coal Mines Act, and considering the set-back in our coal export trade, it would have been wiser to postpone the shortening of hours.

A general survey of the reports of home industries given upon a subsequent page is still rather discouraging in the conclusions to which it leads. Except for certain branches of engineering, the heavy industries are badly situated. The textile trades on the whole have made some headway, but even so they still remain in the majority of cases at so low an ebb that it is difficult to derive much satisfaction from the small improvement that so far has taken place. Seasonal expansions of limited dimensions have occurred in certain other industries, such as pottery and the motor trade, but the general impression—confirmed by reports from the retail trades—is that the trade depression has definitely reduced spending power, and that this year's Christmas trade is likely to prove disappointing.

Empire and foreign news show that the depression is still widespread. Countries such as France and Holland,

CAPITAL ISSUES.—(000,000's omitted.)														
Period.	United Kingdom.	Austria.	Czechoslovakia.	France.	Germany.	Italy.	Netherlands.	Poland.	Roumania.	Sweden.	Switzerland.	India.	Japan.	United States.
Monthly Average.	£	Schilling.	Koruna.	Francs.	Mark.	Lire.	Gulden.	Zloty.	Lei.	Kroner.	Francs.	Rupia.	Yen.	Dollars.
1913.....	16.3	...	...	...	...	...	...	...	...	...	...	...	...	...
1924.....	17.4	26.992	31	605	15.0	504	30	...	...	...	...	...	...	...
1925.....	19.4	2.3	21	329	55.1	746	33	7.7	219	16	56	29	209	466
1926.....	19.2	2.7	24	412	74.8	473	48	6.1	541	13	59	16	228	529
1927.....	29.6	10.5	31	626	114.1	264	43	17.7	282	22	73	17	255	649
1928.....	30.8	12.0	60	896	110.0	450	50	27.5	384	31	57	24	338	676
1929.....	23.8	8.6	55	1,250	80.2	607	29	4.6	318	23	81	56	...	850
1929.....	32.3	14.5	35	1,072	118.8	492	49	14.1	318	14	104	37	216	931
Jan.-Mar.	25.8	1.9	108	1,393	112.5	794	20	26.5	479	29	143	127	332	859
Apr.-June	25.8	1.9	108	1,393	112.5	794	20	26.5	479	29	143	127	332	859
July-Sept.	30.6	14.8	51	1,741	34.6	594	33	24.3	179	32	47	25	139	566
Oct.-Dec.	30.6	14.8	51	1,741	34.6	594	33	24.3	179	32	47	25	139	566
1930.....	31.3	4.0	32	2,309	73.5	474	52	15.9	379	17	134	34	133	715
Jan.-Mar.	25.6	5.7	51	1,561	31.3	836	66	...	702	16	148	18	...	906
Apr.-June	33.7	2.5	85	1,210	27.3	1201	40	...	959	11	212	17	424	1109
July-Sept.	20.4	3.5	11	2,610	94.1	350	104	17.4	358	49	110	18	116	704
Oct.-Dec.	19.1	10.4	72	980	94.1	350	104	...	190	49	67	23	...	554
1930.....	1.5	3.7	18	837	27.3	558	...	...	1,288	15	...	...	...	204
Sept.	3.8	...	...	...	...	...	...	...	...	15	...	...	...	...

Unless otherwise stated, the figures represent authorised share issue of new joint stock companies at home, and the increase of capital of existing companies. Bonus shares are excluded from the figures of the U.S.A., Roumania, Switzerland and Czechoslovakia. In the case of the Netherlands and the U.K. both bonus shares and conversions are included. *a* Until end 1924. *b* Excluding Treasury Bills. *c* Ex. large railway issues. *d* "Rivista Bancaria." *e* Issues exceeding Fls. 100,000 on the Dutch market including Colonial, and since Jan., 1925, foreign issues. *f* Since 1924, excluding amalgamations and conversions. *g* Until end 1922 paper mark. *h* Société de Banque Suisse. *i* Invitation for subscriptions on Swiss market including obligations and Local Govt. loans. *j* India, compiled by "Commercial & Financial Chronicle." *k* Up to 1928, authorised issues, excluding western departments; since 1929 amounts actually issued, whole territory.

BANK RATES.														
Period.	United Kingdom.	Austria.	Czechoslovakia.	France.	Germany.	Italy.	Netherlands.	Poland.	Roumania.	Sweden.	Switzerland.	India.	Japan.	United States.
Monthly Average.	£	Schilling.	Koruna.	Francs.	Mark.	Lire.	Gulden.	Zloty.	Lei.	Kroner.	Francs.	Rupia.	Yen.	Dollars.
1913.....	16.3	...	...	...	...	...	...	...	...	...	...	...	...	...
1924.....	17.4	26.992	31	605	15.0	504	30	...	...	...	...	...	...	...
1925.....	19.4	2.3	21	329	55.1	746	33	7.7	219	16	56	29	209	466
1926.....	19.2	2.7	24	412	74.8	473	48	6.1	541	13	59	16	228	529
1927.....	29.6	10.5	31	626	114.1	264	43	17.7	282	22	73	17	255	649
1928.....	30.8	12.0	60	896	110.0	450	50	27.5	384	31	57	24	338	676
1929.....	23.8	8.6	55	1,250	80.2	607	29	4.6	318	23	81	56	...	850
1929.....	32.3	14.5	35	1,072	118.8	492	49	14.1	318	14	104	37	216	931
Jan.-Mar.	25.8	1.9	108	1,393	112.5	794	20	26.5	479	29	143	127	332	859
Apr.-June	25.8	1.9	108	1,393	112.5	794	20	26.5	479	29	143	127	332	859
July-Sept.	30.6	14.8	51	1,741	34.6	594	33	24.3	179	32	47	25	139	566
Oct.-Dec.	30.6	14.8	51	1,741	34.6	594	33	24.3	179	32	47	25	139	566
1930.....	31.3	4.0	32	2,309	73.5	474	52	15.9	379	17	134	34	133	715
Jan.-Mar.	25.6	5.7	51	1,561	31.3	836	66	...	702	16	148	18	...	906
Apr.-June	33.7	2.5	85	1,210	27.3	1201	40	...	959	11	212	17	424	1109
July-Sept.	20.4	3.5	11	2,610	94.1	350	104	17.4	358	49	110	18	116	704
Oct.-Dec.	19.1	10.4	72	980	94.1	350	104	...	190	49	67	23	...	554
1930.....	1.5	3.7	18	837	27.3	558	...	...	1,288	15	...	...	...	204
Sept.	3.8	...	...	...	...	...	...	...	...	15	...	...	...	...

* Federal Reserve. † 5% as from Oct. 9. ‡ 5-11% as from Oct. 6.

LONDON BANKERS' CLEARING RETURNS.				
(000's omitted.)				
Period.	Town.	Metropolitan.	Country.	Total.
1913.....	14,191,275	855,648	1,389,481	16,436,404
1923.....	32,270,373	1,546,565	2,810,654	36,627,592
1924.....	35,038,605	1,594,114	2,900,145	39,532,864
1925.....	33,611,264	1,678,508	2,937,119	38,226,891
1926.....	35,346,429	1,660,757	2,817,868	39,825,054
1927.....	36,819,682	1,758,032	2,972,827	41,550,541
1928.....	39,311,177	1,854,190	3,039,422	44,204,729
1929.....	31,680,879	1,497,978	2,447,991	35,626,848
1930 (Oct. 15).....	31,262,428	1,446,611	2,369,675	35,078,714

U.K. IMPORTS AND EXPORTS.—(000,000's omitted.)														
Food.					Raw Materials.					Manufactures.				
Imports.					Exports.					Imports.				
Period.	£	£	£	£	£	£	£	£	£	£	£	£	£	£
1913.....	24.2	2.7	23.5	5.8	16.1	34.3	8.8	1.8	0.7	34.9	0.4	1.1	0.6	6.1
1923.....	42.5	3.7	27.1	10.9	21.4	48.3	8.4	1.1	0.6	34.9	0.4	1.1	0.6	6.1
1924.....	47.6	4.7	33.4	8.9	25.0	51.5	9.9	1.3	0.6	37.0	0.36	1.3	0.6	6.6
1925.....	47.6	4.6	35.4	7.0	26.7	51.4	8.1	1.6	0.6	37.0	0.32	1.3	0.6	5.1
1926.....	41.9	4.2	32.7	5.9	26.3	44.9	8.1	1.5	0.7	31.9	0.26	1.3	0.6	4.2
1927.....	44.9	4.4	29.3	4.4	26.4	47.0	9.2	1.3	0.7	34.3	0.35	1.3	0.6	4.3
1928.....	44.3	4.5	27.9	5.8	25.7	48.2	8.6	1.1	0.7	32.2	0.36	1.3	0.6	4.2
1929.....	44.7	4.6	28.3	6.6	27.9	47.8	9.3	1.3	0.7	30.6	0.36	1.3	0.6	5.0
1930.....	36.7	3.2	20.7	5.4	25.6	36.7	5.8	0.8	0.9	21.7	0.27	1.3	0.6	4.4
Jan.-Mar.	39.6	3.8	23.1	5.8	27.7	39.8	8.3	1.0	0.9	21.8	0.29	1.3	0.6	5.1
Apr.-June	37.7	3.2	20.4	4.7	24.5	33.8	7.2	0.6	0.7	15.9	0.25	1.3	0.6	4.1
July-Sept.	39.2	4.4	19.1	5.2	26.0	39.7	9.6	0.4	0.5	16.8	0.30	1.3	0.6	4.7
Oct.-Dec.	37.2	4.0	17.5	4.4	24.2	35.1	8.1	0.5	0.4	16.8	0.22	1.3	0.6	3.9
1930.....	36.7	4.2	16.5	5.0	24.6	32.1	11.1	0.6	0.3	142.7	0.20	1.3	0.6	4.6

RAILWAY STATISTICS.—(000,000's omitted.)														
Great Britain (g).														
	Gross Receipts.				Freight Traffic (f).									
	Passengers.		Freight.	Tons.	Merchandise.*		Coal, &c.	Minerals and Other Merchandise.		Tons.	Tons.	Tons.	Tons.	Tons.
	£	£			Tons.	Tons.		Tons.	Tons.					
1926—June	4.4	5.3	4.7	1.9	3.6	10.2	704	1,202	4,695	1,132	2,846	439,237	...	...
December	4.7	8.5	4.9	15.9	4.1	24.8	1,392	1,321	5,641	1,094	5,641	440,096	...	...
1927—June	6.1	8.8	5.1	15.5	5.8	26.4	1,401	1,249	5,126	1,095	5,398	438,483	...	...
December	4.8	8.7	5.1	17.2	4.8	27.2	1,400	1,209	5,126	1,095	5,398	438,483	...	...
1928—June	5.5	8.3	4.8	14.9	5.3	25.0	1,324	1,325	5,528	1,038	5,129	434,580	...	...
December	4.6	8.3	4.7	16.1	4.8	25.6	1,324	1,325	5,528	1,038	5,129	434,580	...	...
1929—June	5.2	8.4	4.8	15.7	5.6	26.1	1,324	1,325	5,528	1,038	5,129	434,580	...	...
December	4.5	8.2	4.7	17.6	5.0	27.3	1,324	1,325	5,528	1,038	5,129	434,580	...	...
1930—January	3.8	9.1	5.3	18.9	5.4	29.5	1,324	1,325	5,528	1,038	5,129	434,580	...	...
February	3.2	8.4	4.7	17.4	5.0	27.1	1,324	1,325	5,528	1,038	5,129	434,580	...	...
March	3.7	8.9	5.1	17.6	5.4	28.1	1,324	1,325	5,528	1,038	5,129	434,580	...	...
April	4.8	8.2	4.8	15.6	5.1	25.5	1,324	1,325	5,528	1,038	5,129	434,580	...	...
May	5.7	8.6	5.0	16.2	5.6	26.8	1,324	1,325	5,528	1,038	5,129	434,580	...	...
June	5.7	7.3	4.4	13.2	4.7	22.2	1,324	1,325	5,528	1,038	5,129	434,580	...	...
July	6.9	8.2	4.8	14.8	4.8	24.4	1,324	1,325	5,528	1,038	5,129	434,580	...	...

• Inc. live-stock. † Provisional figure.

operating revenues of at least \$500,000.

(u) " R. h. b. b. h. n. " B. c. free-hauled.

(d) Ton-miles. (e) Including free-hauled.

(h) Gross tonnage. (i) Excl

which previously had escaped the full effects of the depression, are now beginning to feel its weight, while in other countries, such as Australia and Germany, the depression is still unabated. Competent observers in the United States anticipate a hard winter, and the most they can say is that inventories are now very low, with the result that any revival in the public demand for goods will quickly be reflected in increased production. In short, the world seems now to be at a low point in the trade curve. There are, it is true, certain signs that the curve is beginning to flatten out, and that the bottom may have been reached, but there is as yet no certainty that the next turn in the curve will be upwards, or that recovery can be expected at an early date.

HOME INDUSTRIES.

Coal.—Apart from a fair export trade in Welsh anthracite, business remains very restricted, mainly because of the uncertainty regarding the outcome of the wage negotiations necessitated by the reduction in working hours due to take place on December 1st. The cold weather has stimulated a better demand for house coal, but other sections of the trade are still stagnant.

Iron and Steel.—The October production figures quoted on another page show that the industry has again lost ground. The depression in the shipyards has deprived steelmakers of one of the most important outlets for their products, and it is illustrative of the general absence of demand that the extremely low prices now being quoted for Continental "semis" are failing to bring out fresh business.

Engineering.—Structural engineers have improved their position, largely as a result of overseas contracts, such as the Zambesi bridge and the new Pretoria steelworks. The machine-tool industry will also benefit from the recent receipt of a Russian order of the value of £600,000. Locomotive builders can always rely upon a fair amount of business, and makers of power-house equipment, boilers and lifting machinery are holding their ground. Other sections of the industry are depressed, and unemployment became more intensified during October.

Electrical Industry.—The following index of production in the electrical industry is copyright by the Economical and Statistical Department of the British Electrical and Allied Manufacturers' Associations. An explanation of the manner in which it has been computed was given on page 888 of the *Economist* of November 28, 1925.

INDEX OF ACTIVITY IN THE ELECTRICAL INDUSTRY. (1920 = 100.)

1927.	Home.	Export.	Total.	1929.	Home.	Export.	Total.
January.....	95	152	109	January.....	92	122	99
February.....	92	159	108	February.....	92	128	101
March.....	89	163	107	March.....	88	126	97
April.....	90	181	112	April.....	86	145	100
May.....	88	200	116	May.....	84	143	99
June.....	94	234	128	June.....	84	149	101
July.....	93	231	126	July.....	90	151	106
August.....	90	236	126	August.....	88	140	102
September.....	87	230	122	September.....	81	150	89
October.....	81	208	112	October.....	76	191	106
November.....	80	192	107	November.....	71	216	109
December.....	69	160	92	December.....	60	228	102

The home market remains depressed, and unfortunately October witnessed a marked decline in export activity. Only one large order was placed during the month, this coming from Denmark.

Motor Industry.—Private car manufacturers are busier as a result of the Show, and exports have improved. Commercial vehicle builders are also more active, with a better overseas demand. It is too early to gauge the results of the Motor Cycle Show, but this should produce an encouraging volume of business. Regarding the industry as a whole, the last few weeks have witnessed a definite improvement.

Cotton.—The improvement noticed at the end of October has been succeeded by a quieter feeling, this being partly due to the reaction in raw cotton prices and to uncertainty as to the effects on prices of Federal Farm Board policy. Trade with Madras and Karachi is improving, but the boycott is still operative at Bombay, and the Indian demand as a whole is very limited. More inquiries are coming from China, but conditions are still unsettled. Other markets, both at home and abroad, are a little more active, and a few more looms are now running than was the case a month ago. Spinners have benefited from the revival in demand that occurred at the end of October. This has steadied prices and reduced stocks.

Wool.—The demand for tops is still limited, but makers of merino tops have lately been able to quote slightly higher prices. A substantial amount of business has lately been done in botany pieces, but it is noticeable that much of this has passed at prices which do not permit of any advance in raw wool or tops.

Linen.—Demand for yarns is still confined to immediate requirements, even though prices are now lower than they have been for years. A good volume of inquiry has been maintained for all grades of cloth, but only a small number of orders have materialised.

Rayon.—Business generally has improved considerably, and export trade has lately been better than for some time. In yarns the bulk demand is for fine filament viscose. Specialties have sold briskly, but among the cheaper yarns much price-cutting has been in evidence, and stocks are large. An official reduction in acetate prices caused a temporary disturbance, but demand has since improved.

Boots and Shoes.—Production, though unevenly distributed, is well maintained, and a few firms are very busy. Prices, however, have to be cut very fine, and export demand is relatively poor.

Pottery.—Some sections of the trade reported a seasonal improvement in employment during October, but short time remains general, and the outlook is still very obscure.

Chemical Industries.—Some slight improvement in the general tone is reported, and one or two manufacturers are fairly busy. The outlook, however, is far from settled, and the latest foreign trade returns are disappointing.

Building Trades.—Employment underwent a further seasonal decline during October, and, except in one or two districts, is now only moderate in the skilled trades and less satisfactory in the unskilled trades. Employment in the brick industry, though still fair, also declined seasonally during October.

Agriculture.—Potato lifting has been retarded by bad weather, but in the drier areas at least the bulk of the crop had been secured by the end of October. Disease was fairly prevalent, and some doubt exists as to the keeping qualities of the tubers. Yield, also, was slightly under average. Root crops are expected to turn out below average, but sugar-beet appears satisfactory. Drilling has proved difficult, and in many areas satisfactory seed beds could not be obtained. Grass makes good progress, and the outlook for winter keep seems satisfactory. Apart from sheep in wet and low-lying areas, livestock remained in good condition during October. Milk yields were normal.

Shipping.—Extremely dull conditions continue to rule in the freight market. Apart from a slight revival in demand from the Plate, chartering has been very restricted, and most of the seasonal improvement in rates witnessed in August-September has been lost.

Retail Trade.—A leading London store reports that the Christmas gift season has begun fairly well, and that certain sections have benefited from the recent cold weather. Business in general, however, is hardly coming up to expectations, and is undoubtedly being affected by the trade depression.

BRITISH EMPIRE.

Australian trade remains depressed, and unemployment continues to increase. Agricultural and pastoral prospects are good, and at the October wool sales demand for the better classes was well sustained and slightly higher prices were obtained. Even so, current prices, both of wheat and wool, are so low as to neutralise all the good effects of the present excellent season.

A few weeks ago a slight improvement in the general business tone was noticeable in Canada, but since then confidence has received a further shock from the November break in wheat prices. In view of the dependence of Canadian industries upon the Western farmers for their market, it is clear that the corner has not yet been turned, especially as activity in the construction, mining and lumber trade is still restricted.

As regards Indian trade, mail reports from Bombay state that demand for imported piece-goods was still restricted by the boycott. There was a fair sale for local goods, and Bombay mills were able to reduce their stocks, but trade was disturbed by the political situation, which leads to frequent interruptions of business.

South Africa reports some improvement in business in the Cape Province Coastal areas, but that conditions generally remain quiet. Good rains have fallen in the winter rainfall area. Maize prices are now the lowest recorded for many years past. The revised estimate of the season's sugar crop gives a raw mill production of 370,000 tons. This leaves a surplus of 170,000 tons available for export. Business in the motor trade is slow and difficult.

UNITED STATES OF AMERICA.

Irregular conditions prevailed during October, and, although some seasonal improvement is indicated by current statistics, it was slightly below normal. Steel mill operations have receded to 50 per cent. of capacity, and automobile production is extremely slack. On the other hand, commodity prices have become more stable, and retail trade is expanding towards its holiday peak. Consumption is in excess of current production, and inventories are being reduced. Greater activity is now noticeable in the textile industries.

The following indices of American economic conditions have been forwarded to us by Moody's Investors' Service, of New York and London.

AMERICAN TRADE STATISTICS—OCTOBER, 1930.

	Sept. 99.0	Oct. 97.6	Compared with Oct. '29. 17.3
EMPLOYMENT †—(June, 1914=100)			
PRODUCTION —			
Bituminous coal (Thous. tons).....	38,632	44,337	— 6,863
Pig-iron (" ").....	2,277	2,165	— 1,423
Steel (" ").....	2,868	2,720	— 1,792
Unfilled orders, U.S.			
Steel Corporation (Thous. tons)...	3,424	3,482	— 605
Building permits (Thous. \$).....	143,406	127,000*	— 86,089
FOREIGN TRADE —			
Imports (Thous. \$).....	226,312	248,000*	— 144,000
Exports (" ").....	311,889	328,000*	— 202,000
TRANSPORT —			
Monthly average of weekly car loadings (Thous. cars).....	931	954	...
SECURITIES —			
20 industrial stocks—Highest quotations‡... 245.09		214.18	— 138.68
Lowest quotations‡... 204.90		183.35	— 46.72
Thous. shares sold during month			
—(New York)...	53,345	65,497	— 76,171
New securities issued (Thous. \$) ...	469,826	425,566	— 557,038
BANK CLEARINGS —			
New York (Million \$).....	25,410	28,884	— 25,316
Other cities (" ").....	14,501	16,099	— 7,908
RETAIL BUSINESS —			
Total sales, mail order houses‡ (Thous. \$).....	54,803	67,882*	— 9,374

* Preliminary estimates made by Messrs Moody, subject to revision. † Based on reports of U.S. Labour Bureau and of Bureaux of the States of New York, Wisconsin, and Pennsylvania. ‡ Average of actual prices. § Partly estimated.

EUROPE.

Some seasonable improvement is noticeable in the French coal trade, but iron and steel manufacturers are meeting with intense competition in export markets. Variable conditions are reported in the textile industries. Cotton is, on the whole, depressed, but some improvement is apparent in the flax and jute industries, and Roubaix top-makers and wool-combers are fairly busy, being still engaged on overtaking arrears arising out of last August's dispute.

The Belgian coal trade remains depressed, and heavy stocks are still being held. There is a slightly better tone in the iron and steel industries. Glass production is still very limited, but stocks are being reduced and prices are steadier.

Dutch industries are at last being affected by the depression, and short time is being extended to avoid dismissals of staff. Money remains easy, and the capital issue market inactive.

German trade is no better, and the unemployment figure had risen to 3,253,000 by October 31st. Export trade, however, is well maintained. Following the wage award in favour of the employees in the metal industries, numerous other awards are pending. The Government is endeavouring to prepare the ground for these by means of energetic action directed towards reducing the cost of living.

Scandinavia reports that the timber trade remains dull, partly because of Russian operations. In Denmark there has been a further fall in butter prices, and huge stocks of bacon are available for export.

In Switzerland the textile trades are dull, and most industries report a pronounced falling-off in exports. Money is very cheap and abundant.

In Austria no improvement took place during October, and trade was further restricted by the imminence of the elections. These, on the whole, had a reassuring result, but it is still too early to see what their effect will be upon trade.

In Czechoslovakia the coal trade reports a seasonal improvement in demand. The glass industry states that Christmas orders are now coming forward. Belgium is a keen competitor in foreign markets.

SOUTH AMERICA.

The agricultural situation in Argentina remains satisfactory. Apart from vague reports of rust damage to the wheat in the northern areas, cereals are in excellent condition. The commercial situation is still dull, and the low level of the exchange is restricting imports. Special arrangements, however, have recently been made for the export of gold from the Conversion Office, partly to meet the service of the external debt, and in this connection it is reported that gold to the total value of U.S. \$10,000,000 has already arrived in New York. The revolution in Brazil having ended by a *coup d'état* in Rio de Janeiro, the anxiety felt regarding the situation in that Republic has been considerably relieved. The appointments to the new Provisional Government inspire confidence, and a gradual improvement in the present depressed trade situation may be expected. For the time being, however, it has been found necessary to extend the moratorium in the Republic for a further period of 15 days, i.e., until December 15th. Commercial conditions in Chile show no appreciable signs of improvement. The Chilean Government is instituting economies in national expenditure, and negotiations are continuing in New York for the financing of the Cia. de Salitre de Chile, the national nitrate company, into which practically all the Chilean nitrate undertakings will be centralised. In Peru, trade continues to be extremely dull, although the local cotton and sugar markets have lately been firmer. Peru, however, has passed through a long period of economic depression, and, for the moment, the outlook is obscure. Credit conditions in Colombia are slightly better, although the general trade situation there continues dull. In Guatemala, Ecuador and Salvador an improved tone has been in evidence in the local coffee markets, although prices of the commodity are still at a comparatively low level.

FAR EAST.

Latest reports from China state that the Shanghai market is dull. It is true that prices are a little steadier, and that rather more inquiries for cotton goods are coming forward, but the outlook is still very unsettled.

In Japan stocks of raw silk are being reduced, and a better tone is in evidence. Production of printing papers is being curtailed. The restriction of output now in force in the spinning section of the cotton industry is serving to place business upon a more profitable basis. Gold shipments during October totalled 39,000,000 yen.

ELECTRICAL PRODUCTION.

In the *Economist* of July 10, 1926 (pages 57-8), we published a new index of electrical production in the chief industrial areas of Great Britain. We show below a *résumé* of the results achieved during recent periods:—

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

Date.	Britain, excluding London and Wales.	Coal Mining, Iron and Steel, Ship- building, Heavy Engi- neering.	General Engi- neering and Auto- mobile Construc- tion.	Chem- icals.	Marine Transport, Docks, etc.	Textiles, Cotton, and Wool.
1928.						
January.....	174	164	195	232	199	172
February.....	170	162	188	249	195	164
March.....	170	165	192	252	196	169
April.....	149	149	164	226	164	132
May.....	140	136	170	223	163	126
June.....	141	138	160	248	158	130
July.....	131	127	149	248	151	124
August.....	130	131	131	227	147	116
September.....	150	145	164	263	175	138
October.....	161	153	185	245	189	154
November.....	178	164	216	240	206	169
December.....	181	171	210	195	210	176
1929.						
January.....	187	172	234	236	220	190
February.....	195	182	248	250	222	198
March.....	173	169	215	268	192	162
April.....	165	158	201	321	185	152
May.....	156	150	182	321	170	135
June.....	156	151	192	318	172	141
July.....	146	140	187	282	166	130
August.....	148	151	167	206	175	124
September.....	156	153	194	241	178	140
October.....	179	170	224	243	207	166
November.....	203	192	250	252	240	192
December.....	192	182	235	186	228	190
1930.						
January.....	192	176	255	250	231	182
February.....	198	183	260	257	237	184
March.....	184	171	240	250	226	172
April.....	160	150	204	214	202	146
May.....	157	146	192	235	193	143
June.....	140	130	177	208	175	127
July.....	143	127	193	220	182	137
August.....	133	117	165	192	184	111
September.....	156	137	223	282†	203	144
October.....	161	150	195	244	222	158

† Increase due to special causes.

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

No real improvement is revealed by the October results, and in the Birmingham area and on the North-East Coast the depression remains very marked. Lancashire and the West of Scotland appear to be more active.

INDICES OF BUSINESS ACTIVITY.

With few exceptions our indices of business activity continue to convey the impression of an unabated slump in trade. In several cases the latest figures show a small improvement over those for the previous month, but it should be borne in mind that the method by which the three-monthly moving averages are compiled means that in the three months' period forming the basis for the figures published as relating to October, data belonging to that month replace those appertaining to July—a month in which summer seasonal slackness is nearing its maximum. Thus the October figures ought to show a strongly marked seasonal improvement, but in few of the cases where such an improvement is recorded can it be said that the recovery is of normal dimensions.

Turning to the index numbers in detail, it will be seen that both net imports of raw materials and exports of British manufactures continue to show a pronounced decline. In the case of manufactured exports the index figure for October was over 26 per cent. lower than a year ago, and the fall was only a little smaller in the case of net imports of raw materials, in whose case the downward movement of last month conflicts directly with the usual seasonal trend. In the case of both of these indices the figures for the third quarter have been revised in the light of the price changes revealed by the Board of Trade's latest revaluation of overseas trade. The following table shows quarterly averages for the past four years, together with those of our index of total foreign trade turnover—a weighted average of imports and exports:—

QUARTERLY AVERAGE, 1924 = 100.

	Net Imports	Exports	British Foreign Trade
	Raw Materials.	Manufactures.	Turnover.
July-September, 1927	90	105.5	102.5
1928	84	108.5	102.5
1929	95	112	109
1930	84	84	96

The figure of retained imports of non-ferrous metals is less unsatisfactory by comparison with that for September.

ber, but in this case also a substantial decline is recorded as against the corresponding month of last year.

Coming to the consumption indices, it will be seen that in the case both of iron and steel and cotton a slight recovery occurred in October, but the current level is significantly lower than a year ago. The same setback is to be seen in the consumption of electricity, the October figure for which is 9 per cent. lower than for October, 1929. Curiously, the index of consumption of coal showed last month an increase which conforms, it is true, to normal seasonal trend, but is much larger in extent than might be expected. It seems necessary here to bear in mind the possible qualification that, in view of foreshadowed wage difficulties, pit-head stocks, as well as stocks in large consumers' hands, may have been increased, thus exaggerating the apparent consumption.

The indices of the volume of employment have been revised in the light of the Ministry of Labour's census of the insured population last July, the results of which reflected the statistical disturbances caused by the modifications in the Unemployment Insurance Act which became effective last March. As a result of this revision, the index of the volume of employment in heavy industry is slightly higher for the past six months than was previously shown to be the case. But both in this case and that of general industry the fall which has taken place since the beginning of the year is very grave. When the latest figures are compared with those of a year ago, the discrepancy between the movements of the index of miscellaneous services and those of heavy and general industry prompts the reflection that production in a time of depression is carrying a heavy burden of ancillary employed persons.

With regard to the remainder of the indices, little comment seems necessary. Postal traffic is surprisingly well maintained, and London bank clearings are substantially higher than a year ago. Shipping movements, on the other hand, register a fairly marked recession, and provincial bank clearings, whose index, it may be added, is adjusted to allow for changes in the price level, continue to record a significant decline.

1924 = 100.

Period.	Net Imports.		Consumption of		Consumption of Power.		Volume of Employment.					Merchandise on Railways.		Provincial Bank Clearings.		Postal Traffic.		Shipping Movements.		London Bank Clearings.		Exports British Manufactures.		Foreign Trade Turnover.	
	Raw Materials.	Non-Ferrous Metals.	Iron and Steel.	Cotton.	Rubber.	Coal.	Electricity.	Heavy Industry.	"General" Industry.	Miscellaneous Services.	Total.	Merchandise on Railways.	Provincial Bank Clearings.	Postal Traffic.	Shipping Movements.	London Bank Clearings.	Exports British Manufactures.	Foreign Trade Turnover.	Merchandise on Railways.	Provincial Bank Clearings.	Postal Traffic.	Shipping Movements.	London Bank Clearings.	Exports British Manufactures.	Foreign Trade Turnover.
Monthly Average.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
1919	113	74	96	109	143	89	...	...	...	...	...	109	92	...	59b	54	74	79	109	92	...	59b	54	74	79
1920	106	71	99	113	134	91	...	...	...	...	...	100	113	...	66	67	68	85	100	113	...	66	67	68	85
1921	56	50	43	74	79	69	...	...	...	...	...	81	82	...	66	67	68	85	100	113	...	66	67	68	85
1922	89	63	34	99	58	87	...	...	...	...	...	84	97	...	91	97	88	85	100	113	...	91	97	88	85
1923	88	92	69	93	118	91	...	...	...	...	...	84	97	...	91	97	88	85	100	113	...	91	97	88	85
1924	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
1925	107	107	89	116	137	93	101	90	103	103	101	100	100	100	100	100	100	100	100	100	100	100	100	100	100
1926	107a	100	57	98	175	72	92	57	101	104	101	98	102	103.5	98	104	101.5	102	100	100	100	100	100	100	100
1927	113a	106	133	113	197	106	109	87	108	108	105	99	102	109.5	105	117	104.5	107.5	100	100	100	100	100	100	100
1928	101	113	88	103	212	99	110	82	108	110	105	93	100.5	114	106.5	125	108	106	100	100	100	100	100	100	100
1929	113	120	103.5	106	271	106	116	84.5	109.5	112	107	95	100.5	115.5	111.5	130	109	112	100	100	100	100	100	100	100
"Corrected" average for 3 months ended:																									
1929-Oct.	104	117	119	85	358	99	109	84.5	110	113.5	108	98	92	114	121	125	109	119	100	100	100	100	100	100	100
Nov.	116	114	122	110	339	107	121	84.5	110	113	108	99	95	115	116	131	108	119	100	100	100	100	100	100	100
Dec.	128	117	120	122	309	111	130	84.5	109.5	113	107.5	99	99.5	116	111	132	110	119	100	100	100	100	100	100	100
1930-Jan.	135	131	126	120	226	114	132	84.5	108.5	112.5	107	99	99	120	107	133	106	119	100	100	100	100	100	100	100
Feb.	126	134	123	102	309	114	131	84.5	107	112.5	106	93	100	121	102	142	100	119	100	100	100	100	100	100	100
March	117	119	126	98	356	117	130	84.5	105.5	112	105	93	100	121	102	142	100	119	100	100	100	100	100	100	100
April	103	119	124	88	489	111	122	83.5	104.5	112	105	90	98	119	101	143	94	119	100	100	100	100	100	100	100
May	103	116	123	85	387	111	113	81.5	104	112.5	104.5	92	95	118	109	147	93	119	100	100	100	100	100	100	100
June	97	129	118	71	350	100	104	79	103	113	104.5	87	91	116	112	143	87	119	100	100	100	100	100	100	100
July	95d	121	102	61	303	96	98	76.5	102	113.5	104	87	90	115	117	144	89	119	100	100	100	100	100	100	100
August	88d	116	90	58	314	96	93	75.5	101	113.5	103	83	88	114	117	138	85d	119	100	100	100	100	100	100	100
Sept.	84d	108	85	53	370	102	96	74.5	100.5	113	101.5	85	85	114	118	135	84d	119	100	100	100	100	100	100	100
Oct.	81c	110	89	65	454	109	100	74	99.5	112.5	101	...	84	114.5	116	136	81c	119	100	100	100	100	100	100	100
Oct., 1924	96	99	103	98	223	97	94	97	100	100.5	100	103	96	100	107	93	100	...	100	100	100	100	100	100	100
Oct., 1925	85	101	71	96	158	91	100	85	103.5	104	100.5	99	97	103	102	99	103	...	100	100	100	100	100	100	100
Oct., 1926	90a	97	55	88	167	57	85	34.5	99.5	104	91.5	84	87	101.5	93	104	90	...	100	100	100	100	100	100	100
Oct., 1927	95	102	111	107	197	101	103	86.5	108.5	109.5	105.5	100	100	108.5	112	111	105	...	100	100	100	100	100	100	100
Oct., 1928	86	104	83	92	257	95	103	79	107	109.5	104	95	91	114	117	122	110	...	100	100	100	100	100	100	100
Oct., 1929	104	117	119	85	358	99	109	84.5	110	113.5	108	98	92	114	121	125	109	...	100	100	100	100	100	100	100
Oct., 1930	81c	110	89	65	454	109	100	74	99.5	112.5	101	...	84	114.5	116	136	81c	...	100	100	100	100	100	100	100

a Excluding coal imports.

b Excluding Government War Movements.

c Provisional figures.

d Revised figures.

PRODUCTION. (Thousands of Metric Tons.)

COAL.													LIGNITE.			
Period. Monthly Average.	United Kingdom.	Belgium.	Czechoslovakia.	France.	Germany.	Nether- lands.	Poland.	Canada.	South Africa.	India.	Japan.	United States.	Austria.	Czechoslovakia.	Germany.	Hun- gary.
1913	24,337	1,903	1,189	3,338	15,842	156	748	1,119	665	1,311	1,776	43,088	218	1,927	7,269	460
1925	20,590	1,925	1,047	3,325	11,052	571	2,423	719	983	1,693	2,622	43,988	253	1,550	11,644	460
1926	20,592	2,105	1,181	4,283	12,108	717	2,979	974	1,038	1,703	2,619	49,729	246	1,543	11,596	485
1927	21,272	2,296	1,168	4,316	12,800	777	3,174	1,028	1,006	1,790	2,794	45,197	255	1,635	12,542	520
1928	20,107	2,298	1,213	4,280	12,572	891	3,385	1,037	1,013	1,826	2,822	43,052	272	1,704	13,799	543
1929	21,837	2,244	1,377	4,486	13,620	m965	3,851	1,023	1,052	1,893	2,663	45,510	294	1,880	14,598	587
1929-October.....	23,358	2,280	1,556	4,858	14,835	1,071	4,401	978	1,091	1,948	2,687	54,038	325	1,919	16,050	702
November.....	22,613	2,306	1,585	4,603	14,157	1,002	4,115	924	1,013	1,566	2,804	46,919	301	2,142	15,623	662
December.....	21,764	2,237	1,443	4,363	13,652	958	4,023	895	995	1,894	2,886	48,859	296	2,017	14,530	667
1930-January.....	24,150	2,489	1,308	4,484	14,398	1,060	3,806	960	1,054	2,057	2,601	51,543	314	1,850	14,008	672
February.....	22,066	2,274	1,179	4,481	12,168	985	2,990	831	969	2,278	2,520	41,469	248	1,572	11,372	645
March.....	22,784	2,333	1,197	4,695	12,539	997	2,827	810	1,025	2,016	2,748	36,581	268	1,565	11,303	549
April	20,023	2,258	1,174	4,459	11,481	977	2,643	729	977	2,086	2,527	36,991	235	1,514	10,826	452
May	21,683	2,259	1,106	4,526	11,953	1,017	2,671	913	1,017	2,115	2,576	38,012	238	1,463	12,315	436
June.....	17,225	2,054	1,054	4,126	10,805	916	2,591	925	933	1,782	2,434	35,287	211	1,349	11,746	414
July.....	19,163	2,212	1,180	4,599	11,605	1,097	2,975	872	1,060	1,619	2,389	36,626	245	1,458	12,250	437
August.....	18,199	2,223	1,200	4,356	11,471	1,010	3,062	856	987	1,607	2,256	37,967	242	1,557	12,285	446
September.....	19,878	2,261	1,261	4,603	11,729	1,052	3,417	831	996	...	...	39,848	264	1,711	12,820	...
October.....	19,072	...	...	...	...	...	...	...	...	...	...	45,600	...	...	...	...

PIG IRON.										STEEL.								
Period. Monthly Average.	United King- dom.	Bel- gium.	France.	Saar.	Ger- many.	Luxem- burg.	Sweden.	Canada.	United States.	United King- dom.	Bel- gium.	France.	Saar.	Ger- many.	Luxem- burg.	Sweden.	Canada.	United States.
1913	869	207	434	114	1,397	212	61	85	2,601	649	206	391	159	1,467	101	62	88	2,564
1925	530	212	709	121	841	197	36	48	3,058	625	212	322	132	1,016	174	43	64	3,737
1926	208	281	786	135	805	213	39	64	3,277	305	278	718	145	1,028	187	44	66	3,794
1927	617	309	775	148	1,091	228	35	80	3,036	770	307	696	158	1,359	206	44	77	3,675
1928	560	321	832	161	984	231	33	88	3,167	722	325	792	173	1,210	214	51	105	4,222
1929	642	341	864	175	1,117	242	41	92	3,580	817	344	808	184	1,369	225	60	117	4,599
1929-October.....	700	361	894	179	1,157	259	43	93	3,646	904	369	847	200	1,377	242	70	118	4,607
November.....	642	340	852	169	1,091	247	41	88	3,232	828	333	786	179	1,286	231	65	95	3,578
December.....	653	340	879	173	1,100	245	37	84	2,882	672	323	812	168	1,156	217	56	84	2,950
1930-January.....	660	343	875	174	1,092	250	37	88	2,875	773	340	800	185	1,275	216	52	117	3,857
February.....	617	315	815	162	965	231	39	72	2,984	689	321	772	175	1,176	215	56	108	4,144
March	676	342	898	182	1,008	249	41	76	3,298	839	359	848	188	1,201	225	54	119	4,369
April	630	313	864	168	901	221	42	74	3,233	707	313	787	168	1,033	198	56	104	4,221
May	624	300	801	176	860	212	42	82	3,285	703	294	855	179	1,034	189	59	93	3,995
June	624	265	841	158	767	178	29	67	2,981	610	253	755	148	863	150	42	77	3,495
July	572	260	845	160	771	185	38	66	2,682	631	264	790	169	906	165	53	70	2,980
August.....	423	247	845	157	739	197	38	58	2,564	459	245	775	152	897	177	62	59	3,145
September.....	432	251	801	147	653	190	37	49	2,313	530	255	767	147	814	186	55	57	2,914
October.....	422	...	...	...	...	...	...	...	2,200	520	...	...	...	...	...	...	...	2,760

FINANCE.

Notes in Circulation. (000,000's omitted.)

Period.	United Kingdom.	Austria.	Belgium.	Bulgaria.	Czechoslovakia.	Denmark.	Finland.	France.	Germany.	Greece.	Hungary.	Yugoslavia.	Netherlands.
End of	Bank of England Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Reichsbank Notes.	"Rentenbank" Notes.	Bank Notes.	Bank Notes.	Bank Notes.
	£	Schilling.	Francs.	Leva.	Koruna.	Kron.	Markat.	Francs.	Reichsmark.	Reutenmark.	Drachma.	Dinars.	Gulden.
1913	29-6	...	1,067	189	...	152	113	5,714	2,742	...	245	...	313
1924	397-6	839	7,873	4,530	8,810	478	1,250	40,604	1,941	1,855	4,866	6,002	935
1925	385-3	890	7,814	3,555	8,408	438	1,309	49,993	1,941	1,476	5,339	6,002	935
1926	381-0	947	9,646	3,481	8,203	386	1,346	52,449	1,941	1,164	4,865	471	817
1927	382-3	1,005	10,951	3,727	8,417	354	1,514	56,301	1,941	716	4,966	487	797
1928	378-3	1,067	12,358	4,173	8,466	360	1,513	62,181	1,941	530	5,690	513	854
1929	369-8	1,094	14,683	3,609	8,230	367	1,361	68,571	1,941	397	5,193	501	851
1929-Sept.	363-3	1,079	13,890	4,222	7,697	353	1,440	66,639	4,914	433	5,414	478	852
Oct.	358-8	1,081	14,360	4,255	7,763	372	1,377	68,267	4,833	407	5,354	478	852
Nov.	354-6	1,072	14,221	3,900	7,689	370	1,347	68,159	4,916	394	5,193	473	851
Dec.	359-8	1,094	14,683	3,609	8,230	367	1,361	68,571	5,044	397	5,193	501	851
1930-Jan.	348-0	981	13,890	3,260	6,923	347	1,259	70,339	4,653	373	4,907	476	824
Feb.	348-0	974	13,890	3,260	6,923	347	1,259	70,339	4,653	373	4,907	476	824
Mar.	357-3	980	13,890	3,260	6,923	347	1,259	70,339	4,653	373	4,907	476	824
Apr.	358-8	982	13,890	3,260	6,923	347	1,259	70,339	4,653	373	4,907	476	824
May	358-1	1,022	14,547	3,354	6,896	371	1,392	73,079	4,864	362	4,991	461	829
June	363-6	1,028	14,857	3,396	7,196	366	1,373	72,594	4,812	353	4,943	441	847
July	368-4	1,021	15,416	3,435	6,897	347	1,355	74,008	4,812	437	4,894	449	843
Aug.	360-9	1,018	15,278	3,383	7,077	350	1,352	73,677	4,707	443	4,761	440	844
Sept.	359-4	1,008	15,648	3,660	7,198	345	1,350	73,053	4,744	443	5,077	430	831
Oct.	355-6	1,035	15,637	3,656	7,144	370	1,313	74,787	4,675	438	5,055	500	815

Period.	Italy.	Norway.	Poland.	Romania.	Russia.	Sweden.	Switzerland.	Australia.	Canada.	South Africa.	Egypt.	United States.	Japan.
End of	Bank Notes.	State Notes.	Bank Notes.	Token Notes and Coins.	Bank Notes.	State Notes.	Bank Notes.	Bank Notes.	Bank Notes and Dominion Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.
	Lire.	Lire.	Kroner.	Zloty.	Leu.	Dr. Rbls.	Rbls.	Kronor.	Francs.	£	£	Dollars.	Yen.
1913	2,284	499	108	...	437	...	...	234	314	10-0	116	2-3	426
1924	18,114	2,400	391	551	151	19,756	229	411	537	914	56-9	177	1,662
1925	19,350	2,100	364	381	140	20,126	288	727	530	876	53-9	176	1,632
1926	18,340	1,793	337	381	428	20,951	398	797	525	874	49-9	190	1,570
1927	17,992	1,783	331	1,003	309	21,025	440	1,007	526	817	51-8	192	1,582
1928	17,295	161	315	1,295	244	21,211	730	1,091	548	853	48-7	193	1,739
1929	16,774	80	318	1,340	259	21,144	1,028	1,501	569	999	45-3	188	1,942
1929-Sept.	16,916	80	316	1,354	260	21,393	983	1,428	580	944	41-9	206	1,286
Oct.	16,977	83	307	1,332	270	21,774	1,058	1,527	554	944	42-9	201	1,385
Nov.	16,828	80	303	1,366	267	21,387	1,028	1,501	569	999	45-3	188	1,942
Dec.	16,774	80	318	1,340	259	21,144	1,028	1,501	569	999	45-3	188	1,942
1930-Jan.	16,329	76	298	1,247	238	19,717	976	1,466	521	890	42-6	172	1,395
Feb.	16,045	73	297	1,282	235	19,957	1,050	1,508	534	893	43-3	174	1,287
Mar.	16,322	73	305	1,324	234	19,709	1,057	1,532	575	918	44-0	173	1,287
Apr.	16,322	73	310	1,326	230	19,080	1,184	1,613	545	916	44-4	168	1,263
May	15,944	68	308	1,333	227	18,521	1,230	1,671	557	908	44-9	174	1,186
June	15,846	68	316	1,317	222	18,190	1,349	1,643	594	929	44-8	176	1,291
July	16,182	...	315	1,321	223	18,684	1,534	2,055	551	923	44-8	180	1,182
Aug.	16,074	...	315	1,355	230	19,134	...	2,177	570	943	44-8	180	1,182
Sept.	16,172	...	309	1,373	233	19,307	...	2,146	613	987	44-4	...	1,165
Oct.	...	...	312	1,408	231	18,860	...	2,105	581	989	...	...	1,072

^a Until November, 1928, including State notes, then transferred to Bank.
^b Marks—include Reichs- and Darlehenskassenscheine. ^c Excluding notes held by Reichsbank. ^d Until end 1924 paper kronen. (One pengö = 12,500 paper kronen.)
^e Token coin 228 million zloty. ^f Gross issue. ^g Excluding Government notes.
^h Notes held by Bank of Poland. ⁱ Since 1920, including Austria-Hungarian and other notes converted after the war into National Currency. ^j State notes.
^k In terms of new franc = 1,829 millions. ^l In terms of new francs. ^m Since 1926, excluding notes held by the State Bank.
ⁿ In terms of new franc = 1,829 millions. ^o Since May, 1922, including Luxembourg. Since Oct., 1926, including Government Notes of 5 and 10 francs to value of 700 to 750 million francs, replacing similar bank notes.

LONDON RATES OF EXCHANGE.

Period.	Paris.	Brussels.	Milan.	Zurich.	Madrid.	Amsterdam.	Stockholm.	Oso.	Copenhagen.	Berlin.	Vienna.	New York.	Buenos Aires.
End of	Francs to £1.	Belgas to £1.	Lire to £1.	Francs to £1.	Pesetas to £1.	Florins to £1.	Kronor to £1.	Kronor to £1.	Kronor to £1.	Marks to £1.	Schillings to £1.	Dollars to £1.	Pence to £1.
Par level	124-21	35-00	92-46	25-22½	25-22½	12-107	18-159	18-159	18-159	20-43	34-58½	4-86½	47-62
Highest, 1929	124-37	34-98½	93-27½	25-24½	25-24½	12-13	18-18½	18-21½	18-22½	20-58	34-75	4-88½	47½
Lowest, "	123-68	34-84½	92-52	25-08½	29-67	12-05½	18-08½	18-18½	18-17½	20-51½	34-41	4-84½	44
Beginning of—													
July, 1914	25-15	+ 25-35½	25-25½	21-16½	26-10	12-11½	18-30	18-25	18-30	20-49½	34-55	4-87½	47½
January, 1924	87-85	+ 99-45	100-35	24-63½	33-58½	11-36½	16-26½	29-82½	24-44½	19-94½	30-55	4-29½	40½
January, 1925	87-40½	+ 94-79½	112-35	24-34½	33-95½	11-71½	17-62½	21-37½	26-85½	19-94½	30-55	4-29½	40½
January, 1926	129-31½	+ 107-00	120	25-08½	34-31½	12-05	18-08	23-83½	19-60½	20-37½	33-70½	4-74½	46½
January, 1927	122-81½	+ 84-89	109-62½	25-14½	31-23½	12-12½	18-15½	19-04½	18-20	20-43½	34-37½	4-85½	46½
January, 1928	124-00	+ 84-92½	92-32½	25-27½	28-24	12-09½	18-11½	18-34½	18-20½	20-45½	34-42½	4-85½	46½
January, 1929	124-10½	+ 84-88½	92-34½	25-18½	29-74	12-08	18-13	18-19	18-17½	20-38½	34-44½	4-87½	47½
January, 1930	123-91	+ 84-89	92-32½	25-18½	29-74	12-08	18-13	18-19	18-17½	20-38½	34-44½	4-87½	47½
July	123-74½	+ 84-81½	92-82½	25-13½	26-62½	12-09½	18-13½	18-20½	18-16	20-39½	34-65½	4-87½	47½
August	123-81	+ 84-80½	92-98	25-04½	43-64½	12-09½	18-10	18-15½	18-16	20-39½	34-43½	4-86½	47½
September	123-79	+ 84-84½	92-87½	25-04½	46-02	12-07½	18-09	18-16	18-16	20-39½	34-43½	4-86½	47½
October	123-80	+ 84-84	92-78	25-03½	47-02½	12-04½	18-09	18-16	18-16	20-41	34-42½	4-85½	39½
November, "	123-69	+ 84-83½	92-80½	25-02½	42-92½	12-06½	18-11½	18-15½	18-16	20-38½	34-42½	4-85½	38½

Period.	Rio de Janeiro.	Monte Video.	Valparaiso.	Bombay.	Hong Kong.	Shanghai.	Japan.	Singapore.	Place.	Method of Quoting.	October Quotations.
End of	Pence to £1.	Pence to £1.	Pence to £1.	Pence to Rupee.	Sterling to Dollar.	Sterling to Tael.	Sterling to Yen.	Sterling to Dollar.			Highest. Lowest. Average.
Par level	16	51	40	s. d. 1 6	s. d. 1 6	s. d. 1 6	s. d. 2 0	s. d. 2 0	New York.	Dollars to £1.	4-88½ 4-85½ 4-869
Highest, 1929	5½	51½	39-79	1 6½	1 6½	1 6½	2 0½	2 0½	Oct., 1929	to £1.	4-86½ 4-85½ 4-861
Lowest, "	5	45½	39-37	1 5½	1 5½	1 5½	2 1½	2 1½	Sept., 1930	to £1.	4-86½ 4-85½ 4-859
Beginning of—									Oct., 1930	to £1.	
July, 1914	16½	51½	40	1 3½	1 10½	2 6½	2 0½	2 0½	Paris.	Francs to £1.	123-99 123-81 123-885
January, 1924	5½	43½	40-30	1 5½	2 4½	3 4½	2 1½	2 1½	Oct., 1929	to £1.	123-87 123-66 123-775
January, 1925	5½	50½	40-30	1 6½	2 4½	3 1½	1 7½	2 4½	Sept., 1930	to £1.	123-96 123-77 123-848
January, 1926	5½	50½	40-30	1 6½	2 4½	3 1½	1 7½	2 4½	Amsterdam.	Florins to £1.	12-10½ 12-08½ 12-098
January, 1927	5½	50½	39-65	1 6½	2 0½	2 7½	1 10½	2 4½	Oct., 1929	to £1.	12-08½ 12-04½ 12-067
January, 1928	5½	51	39-35	1 6½	2 0½	2 7½	1 10½	2 4½	Sept., 1930	to £1.	12-07½ 12-04 12-061
January, 1929	5½	51	39-64	1 6½	2 0½	2 7½	1 10½	2 4½	Berlin.	Rehmkas to £1.	20-40½ 20-37½ 20-397
January, 1930	5½	46½	39-80	1 5½	1 8½	2 1½	2 0½	2 4½	Oct., 1929	to £1.	20-43 20-38½ 20-407
June	5½	45½	39-93	1 5½	1 8½	2 1½	2 0½	2 4½	Sept., 1930	to £1.	20-45 20-37½ 20-412
July	5½	42½	39-96	1 5½	1 8½	2 1½	2 0½	2 4½			
August	5½	41	39-96	1 5½	1 8½	2 1½	2 0½	2 4½			
September	5½	40½	39-72	1 5½	1 8½	2 1½	2 0½	2 4½			
October	5½	39½	39-96	1 5½	1 8½	2 1½	2 0½	2 4½			
November, "	5	39	39-97	1 5½	1 8½	2 1½	2 0½	2 4½			

† Francs to £1.

§ Pence to £1.

‡ Kronen to £1.

• Daily rates.

FOREIGN TRADE.

IMPORTS for Domestic Consumption—Merchandise Only. (000's omitted

CAPITAL ISSUES.—(000,000's omitted.)

UNEMPLOYMENT.

Percentage of persons unemployed in trade unions or in official unemployment insurance schemes (Belgium and U.K.).

Period.	United Kingdom.	Austria.	Czechoslovakia.	France.	Germany.	Italy.	Netherlands.	Poland.	Romania.	Sweden.	Switzerland.	British India.	Japan.	United States.
Monthly Average.	£	Schilling.	Koruna.	Francs.	Mark.	Lire.	Gulden.	Zloty.	Lei.	Kroner.	Francs.	Rupia.	Yen.	Dollars.
1913.....	16.3	b	...	a	m	23	ch	...	20	18	...	56	45	...
1924.....	17.4	26,992	73	565	15.0	504	30	...	262	20	...	51	19	219,466
1925.....	19.4	2.3	43	307	55.1	746	33	...	219	16	...	56	29	204,518
1926.....	19.2	2.7	37	401	74.8	473	48	...	516	13	...	59	16	228,529
1927.....	29.6	10.5	31	616	114.1	264	43	...	271	22	...	73	17	255,649
1928.....	30.8	12.0	60	876	110.0	450	50	...	27.1	384	...	67	24	335,676
1929.....	23.8	8.6	55	1,259	80.2	607	29	...	17.8	318	...	81	56	222,850
1930.....	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Jan.-Mar. 1930.....	32.3	14.5	35	1,072	118.8	492	49	...	13.6	318	...	14	104	37,216
Apr.-June.....	25.8	1.0	27	1,199	112.5	794	20	...	22.9	479	...	143	127	332,859
July-Sept.....	6.2	3.9	108	993	54.9	546	15	...	11.3	295	...	30	34	200,677
Oct.-Dec. 1930.....	30.6	14.8	51	1,741	84.6	594	33	...	23.4	179	...	47	25	139,566
Jan.-Mar. 1931.....	31.3	4.0	32	2,309	73.5	474	52	...	15.2	379	...	17	134	133,715
Apr.-June.....	25.6	5.7	51	1,582	31.3	836	66	...	21.9	702	...	148	18	218,906
July.....	20.4	3.5	11	2,610	21.3	390	104	...	17.7	358	...	110	18	704
August.....	19.1	10.4	72	980	94.1	613	35	...	9.3	190	...	67	23	188,554
September.....	1.5	3.7	18	887	27.3	558	19	...	16.2	1,288	...	61	16	116,204
October.....	3.8	2.9	26	1,351	30.0	432	21	...	30.3	15	...	184	15	...
Nov. 1930.....	26.2	...	...	...	...	...	...	...	...	...	...	...	...	...

Unless otherwise stated, the figures represent authorised share issues of new joint stock companies at home, and the increase of capital of existing companies. Bonus shares are excluded from the figures of the U.S.A., Roumania, Switzerland and Czechoslovakia. In the case of the Netherlands and the U.K. both bonus shares and conversions are included. *b* Until end 1924, Kroner. *c* Excluding Treasury Bills. *d* Excl. large railway issues. *e* "Rivista Bancaria." *f* Issues exceeding £100,000 on the Dutch market including Colonial, and since Jan., 1925, foreign issues. *g* Since 1924, excluding amalgamations and conversions. *h* Until end 1922, paper mark. *i* "Société de Banque Suisse," invitation for subscriptions on Swiss market including obligations and Local Govt. loans. *j* India, compiled by "Commercial & Financial Chronicle." *k* Up to 1927, authorised issues, excluding western departments; since 1928 amounts actually issued, whole territory.

BANK RATES.

	1925.	1926.	1927.	1928.	1929.	1930.
	End of June	End of Dec.	End of June	End of Dec.	End of June	End of Dec.
London.....	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2
Paris.....	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2
Berlin.....	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2
New York.....	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2	3 1/2
Amsterdam.....	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
Brussels.....	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2
Rome.....	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2
Switzerland.....	11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	11 1/2
Vienna.....	12 1/2	12 1/2	12 1/2	12 1/2	12 1/2	12 1/2
Warsaw.....	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2
Tokyo.....	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2
Calcutta.....	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2

* Federal Reserve.

LONDON BANKERS' CLEARING RETURNS.

	Town.	Metropolitan.	Country.	Total.
1913.....	14,191,275	855,648	1,389,481	16,436,404
1923.....	32,270,373	1,546,565	2,810,654	36,627,592
1924.....	35,038,605	1,594,114	2,900,145	39,532,864
1925.....	35,801,264	1,578,347	2,957,508	40,347,119
1926.....	35,346,429	1,560,429	2,817,868	39,825,054
1927.....	36,819,682	1,758,032	2,970,827	41,550,541
1928.....	39,311,117	1,854,190	3,039,422	44,204,729
1929 (Nov. 18).....	35,603,476	1,678,776	2,749,425	40,031,676
1930 (Nov. 19).....	34,901,957	1,617,476	2,652,563	39,171,996

U.K. IMPORTS AND EXPORTS.—(000,000's omitted.)

	Food.		Raw Materials.		Manufactures.		Imports of		Exports of	
	Imports.	Exports.	Imports.	Exports.	Imports.	Exports.	Wheat.	Raw Cotton.	Sheep's & Lambs' Wool.	Cotton Piece Goods.
Monthly Average.	£	£	£	£	£	£	Cwts.	Centals.	Centals.	Sq. Yds.
1913.....	24.2	2.7	23.5	5.8	16.1	34.3	8.8	1.8	0.7	589
1923.....	42.5	3.7	27.1	10.9	21.4	48.3	8.4	1.8	0.6	345
1924.....	47.6	4.7	33.4	8.9	25.0	51.5	9.9	1.3	0.6	370
1925.....	47.6	4.6	35.4	7.0	26.7	51.4	8.1	1.6	0.6	370
1926.....	41.9	4.2	32.7	3.9	26.3	44.9	8.1	1.5	0.7	319
1927.....	44.9	4.4	29.3	6.4	26.9	47.0	9.2	1.3	0.7	343
1928.....	44.3	4.5	27.9	5.8	25.7	48.2	8.6	1.1	0.7	322
1929.....	44.7	4.6	28.3	6.6	27.9	47.8	9.3	1.3	0.7	306
1930-May.....	39.7	3.8	23.1	5.8	23.1	39.8	8.3	1.0	0.7	218
June.....	37.2	3.2	20.4	4.7	24.5	33.8	7.2	0.6	0.7	159
July.....	39.2	4.4	19.1	5.2	26.0	39.7	9.6	0.4	0.5	197
August.....	37.2	4.0	17.5	4.4	24.2	33.1	8.1	0.5	0.5	168
September.....	36.7	4.2	16.5	5.0	24.6	32.1	11.1	0.6	0.3	142
October.....	44.1	4.3	18.1	5.3	27.7	35.9	9.8	1.0	0.3	150

* Yards.

RAILWAY STATISTICS.—(000,000's omitted.)

	Great Britain (g).				Austria.		Germany.		Italy.		Canada.		United States.	
	Gross Receipts.		Freight Traffic (f).		Passengers.		Freight.		Merchandise.		Coal, &c.		Total.	
	£	£	Tons.	Tons.	£	£	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.
1926-June.....	4.4	5.3	4.7	1.9	3.6	10.2	704	1,202	4,695	1,132	2,846	439,237	...	...
December.....	4.7	5.5	4.9	1.9	4.1	24.8	1,392	1,321	5,641	1,094	2,641	440,096	...	...
1927-June.....	6.1	8.8	5.1	15.5	5.8	26.4	1,401	1,249	5,126	1,095	2,611	438,483	...	...
December.....	4.8	8.7	5.1	17.2	4.8	27.2	1,400	1,209	5,398	1,038	2,611	434,580	...	...
1928-June.....	5.5	8.3	4.8	14.9	5.3	25.0	1,324	1,325	5,528	1,038	2,611	437,304	...	...
December.....	4.6	8.3	4.7	16.1	4.8	25.6	1,352	1,282	4,715	1,030	2,611	437,304	...	...
1929-June.....	5.2	8.4	4.8	15.7	5.6	26.1	1,392	1,335	5,603	1,087	2,611	437,304	...	...
December.....	4.5	8.2	4.7	17.6	5.0	27.3	1,426	1,323	4,874	1,031	2,611	437,304	...	...
1930-February.....	3.2	8.4	4.7	17.4	5.0	27.1	1,436	1,082	4,469	966	2,611	437,304	...	...
March.....	3.7	8.9	5.1	17.6	5.4	28.1	1,516	1,242	5,013	1,116	2,611	437,304	...	...
April.....	4.3	8.2	4.8	15.6	5.1	25.5	1,367	1,197	4,297	1,041	2,611	437,304	...	...
May.....	4.3	8.2	4.8	15.6	5.1	25.5	1,367	1,197	4,297	1,041	2,611	437,304	...	...
June.....	5.7	8.4	4.8	15.6	5.1	25.5	1,367	1,197	4,297	1,041	2,611	437,304	...	...
July.....	6.9	8.2	4.8	14.8	4.8	24.4	1,196	1,306	4,502	1,044	2,611	437,304	...	...
August.....	7.5	7.5	4.1	14.3	4.1	22.5	1,295	1,355	4,602	...	...	4,602	...	...

* Inc. live-stock. (a) "Reichsbahn." Excl. free-hauled. (b) State and private railways, including freight on foreign lines. (c) Railway with annual operating revenues of at least \$500,000. (d) Ton-miles. (e) Including free-hauled. (f) Excluding free-hauled. (g) Long ton = kg. 1,016.05; mile = metres 1,609.34. (h) Gross tonnage. (i) Fiscal year ending June 30.

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The Economist

MONTHLY SUPPLEMENT.

New Series.

SATURDAY, DECEMBER 27, 1930.

No. 91.

In the following pages we have aimed at compiling tables which will show summary figures for as many nations of the world as possible, and have endeavoured to combine brevity with comprehensiveness. The greater number of the figures are taken from the Monthly Statistical Bulletin of the League of Nations,* supplemented from our statistical records. We propose in these columns to give our own appreciation of the trade position, fortified by informed opinion, and to leave the figures to be interpreted by our readers each in his own way.

* "League of Nations Monthly Bulletin of Statistics." 1s. 6d.

THE STATE OF TRADE AT HOME AND ABROAD.

THE main inference to be deduced from the past few weeks is that the faint promise of greater stability held out by some of the October and November trade statistics has once more ended in disappointment. More than once during the past twelve months the bottom of the trade depression has appeared to have been reached, but each time, after a few weeks' interval of hope, the curve has once more turned unmistakably downwards. The month of December has sadly repeated past history.

Wholesale prices, after a period of six or seven weeks' relatively greater stability, began to fall with renewed precipitancy at the end of November; and it seems highly probable that New Year's Day will coincide with the return of the *Economist* index number to its pre-war level. The unemployment returns, which for one week in November registered a slight decrease, have lately continued to grow, in contrast to the normal pre-Christmas tendency, and the last available weekly figure is no less than 2,306,962. Overseas trade, which in October showed signs of a little improvement, receded again in the following month; and here too there is no sign that the general trend of the curve has ceased to be downwards. Finally, the iron and steel production returns for November bear witness to a further contraction of activity; the coal industry has been hampered by uncertainty as to the outcome of the disputes over working hours; and the further weakness of raw material prices has deepened depression in Lancashire.

From the table, on a later page, of indices of business activity, equally little encouragement is to be derived. Net imports of raw materials show a further decline in volume; the apparent improvement in the in-take of non-ferrous metals represents little more than the generally recognised, though not statistically measurable, increase in stocks; and the indices of consumption of cotton, iron and steel, of employment, railway goods traffic, and exports of manufactured goods are all eloquent of an acute state of depression. The fractional rise in the highly significant index of provincial bank clearings is a purely seasonal movement, which leaves the current figure 10 per cent. below the level of a year ago; shipping traffic is substantially lower than at this time last year;

and the maintenance of the index of apparent consumption of coal at a figure somewhat higher than in November, 1929, must be largely discounted as a reflection mainly of higher factory stocks accumulated against the possibility of a stoppage in the mines.

The financial history of the past few weeks is equally disappointing. Early in November it looked as if there might at last be a chance of dealing comprehensively with the burden of the 5 per cent. War Loan, but with the

reaction in the gilt-edged market caused by the outflow of gold to France and Germany, these hopes have dwindled. The efflux of gold to France, which began early in November, shows no sign of abating, and each day that it continues increases the maldistribution of the world's stocks of monetary gold, and so renders it more unlikely that the fall in world prices can be rapidly arrested, much less redressed. For the moment, London is well able to stand the steady loss of gold without there being any need for a higher Bank rate, but this is mainly because the brunt of the loss falls ultimately upon such countries as Australia, Japan and South America, and the further restriction in these countries' purchasing power caused by their bullion losses—to which must be added the depressing effect of the fall in the price of silver on Eastern markets—must inevitably react unfavourably upon our foreign trade. Finally,

the recent banking and financial difficulties in France and the United States show that the process of liquidating the slump is still some way from completion.

The following pages contain a brief survey of the way in which the different countries of the world have been affected by the trade depression of the past twelve months. It shows very clearly that the field in which this country has suffered most is in that of its foreign trade. From this consideration two inferences follow which have an important bearing on the outlook for this country's industry and commerce. The first is that we, more than other nations, are dependent upon a general world recovery. The second is that we must use the interval in placing our costs upon a competitive basis. These are the two lessons which we all must take to heart at the opening of the New Year.

HOME TRADE STATISTICS—NOVEMBER, 1930.

	Compared with		
	Oct.	Nov.	Nov. '29.
UNEMPLOYMENT—			
(State Insurance %)	18.7 ...	19.1 ...	+ 8.2
PRODUCTION—			
Coal (million tons)*	4.7 ...	4.9 ...	- 0.4
Iron (thous. ")	415 ...	384 ...	- 247
Steel (" ")	513 ...	434 ...	- 381
FOREIGN TRADE—			
Imports (million £'s)	90.9 ...	79.4 ...	- 28.8
Re-exports (" ")	7.2 ...	6.8 ...	- 1.4
British Exports (" ")	46.9 ...	44.1 ...	- 2.8
TRANSPORT—			
Railway Receipts* (£0,000)	325 ...	308 ...	- 22
Shipping Freights (av. level ¹)	81.7 ...	79.3 ...	- 9.0
COMMODITY PRICES (" ")	72.4 ...	70.9 ...	- 17.4
TRADE DISPUTES (thous. working days lost)	41	64	- 75
SECURITY VALUES (av. level ²)	117.6 ...	116.8 ...	- 4.1
FINANCIAL DATA—			
Bank of Eng. Notes (mill. £'s)*	357 ...	354 ...	- 3
Bank Deposits (" ")*	1,828 ...	1,838 ...	+ 49
Bank Advances (" ")*	939 ...	935 ...	- 55
Banks Cash Ratio (%) (%)	10.5	10.4	- 0.2
Bank Clearings :			
London (million £'s)*	846 ...	821 ...	- 89
Manchester (" ")*	9.5 ...	9.8 ...	- 2.6
Three months' Bank Drafts (Discount Rate %)*	2 1/4 ...	2 1/4 ...	- 3 1/2
Day-to-day Loans (%)	1 1/2 ...	2 1/4 ...	- 3 1/2
(¹) 1913 = 100.	(²) Economist Index No. ; 1927 = 100.		
(³) Bankers' Magazine Index No. of 365 securities; December, 1921 = 100. (⁴) Cash in hand and at Bank of England as % of total current, deposit, and other accounts.			
* Average weekly figures.			

THE WORLD DEPRESSION.

International Comparisons.

THE end of the calendar year affords a convenient opportunity to take stock, and though it is only possible to carry the international statistical record for 1930 up to the end of October, returns extending even up to that date render it possible to form some idea of how the different countries of the world have fared in face of the almost universal depression. With this object in view, brief summaries, firstly, of comparative production indices and, secondly, of some of the statistics given on the later pages of our Trade Supplement have been compiled, and are reproduced below. The tables are self-explanatory, and it is only necessary to add the caveat that, owing to divergencies in methods of compilation, statistics obtained from different countries may not be exactly comparable in all respects. This consideration applies with particular force to the index numbers of production, set out in the first table, since the forms of output used as basic data in various countries, and the methods of "weighting," differ somewhat widely:—

PRODUCTION INDICES (1924 = 100).

	United Kingdom.	France.	Germany.	Canada.	United States.
	Board of Trade.	Statistique Générale.	Institut für Konjunkturforschung.	Monthly Review of Business Statistics.	Federal Reserve Board.
1929.		(a)	(b)		(a)
First Quarter...	110.5	125.8	137.7	174.5	123.5
Second Quarter...	112.0	128.1	158.0	168.3	130.2
Third Quarter...	110.6	127.2	149.6	160.6	129.5
Fourth Quarter...	113.9	130.9	144.4	158.9	113.0
1930.					
First Quarter...	110.9	131.9	135.8	149.2	109.8
Second Quarter...	103.1	132.2	130.0	150.7	108.4
Third Quarter...	99.5	127.5	(c) 117.5	136.5	(c) 96.8
October.....	...	124.7	(c) 117.0	123.4	...

(a) Adjusted for seasonal variations. (b) Partly adjusted for seasonal variations. (c) Provisional.

With the foregoing qualifications the inference seems permissible that the depression hit Canada and the United States harder and earlier than England and Germany, while France, up to the end of September, had done no more than lose the ground gained in 1929. Much the same story is told by the detailed production statistics for the heavy industries quoted in the next three tables:—

COAL PRODUCTION (THOUSANDS OF METRIC TONS).

	United Kingdom.	Belgium.	France.	Germany.	Poland.	United States.
January, 1929.....	22,792	2,454	4,528	13,490	4,043	53,275
January, 1930.....	24,150	2,489	4,884	14,398	3,806	51,543
October, 1930.....	21,375	2,486	4,695	12,217	3,662	46,517

Percentage of change:						
Jan., 1929-Jan., 1930	+5.9	+1.4	+7.8	+6.7	-5.8	-3.3
Jan., 1929-Oct., 1930	-6.2	+1.3	+3.7	-9.5	-9.4	-12.7

PIG IRON PRODUCTION (THOUSANDS OF METRIC TONS).

	United Kingdom.	Belgium.	France.	Germany.	Luxemburg.	United States.
January, 1929.....	573	351	905	1,098	242	3,498
January, 1930.....	660	343	875	1,092	250	2,873
October, 1930.....	422	249	830	687	194	2,200

Percentage of change:						
Jan., 1929-Jan., 1930	+15.2	-2.3	-3.3	-0.5	+3.3	-17.9
Jan., 1929-Oct., 1930	-26.4	-29.1	-8.3	-37.4	-19.8	-37.2

STEEL PRODUCTION (THOUSANDS OF METRIC TONS).

	United Kingdom.	Belgium.	France.	Germany.	Luxemburg.	United States.
January, 1929.....	774	357	837	1,470	225	4,562
January, 1930.....	783	340	800	1,275	216	2,857
October, 1930.....	521	252	796	856	195	2,764

Percentage of change:						
Jan., 1929-Jan., 1930	+1.2	-4.7	-4.5	-13.2	-4.0	-15.5
Jan., 1929-Oct., 1930	-25.3	-29.4	-4.9	-41.7	-13.3	-39.4

With the exception of Poland, European coal production gained ground in 1929, whereas the curve of American output had already begun to turn downwards; and in the iron and steel trades the British experience of 1929 compares very favourably with that of the rest of the world. During 1930, in common with most other countries, we have lost

ground seriously. Taking the last twenty-two months as a whole, the reduction in British coal output shows up badly against the figures for Belgium and France, but compares favourably with the recession in Germany, Poland and the United States. In the iron and steel trades we have not suffered such proportionate losses as have Belgium, Germany and the United States, but the absolute amount of decline is very substantial. France, it will be noted, easily makes the best showing of all.

Coming now to unemployment, it is unfortunate that complete international statistics are not available, especially as France and the United States are among the missing countries. So far as the table goes, the British figures are bad, both absolutely and relatively to those of all the other countries listed in the table, except Germany, but doubts arise whether the official figures in many foreign countries are so comprehensive as ours.

UNEMPLOYMENT (per cent.).

	United Kingdom.	Belgium.	Germany.	Holland.	Sweden.	Canada.
Jan., 1929.....	12.3	3.5	19.4	18.9	14.9	6.3
Jan., 1930.....	12.6	3.5	22.0	13.9	14.2	10.8
Oct., 1930.....	18.7	4.3	23.6	9.4	9.7*	9.4*

* September, 1930.

Foreign trade figures of the various countries show a marked divergence. In some cases the comparison between January, 1929, and October, 1930, is partly vitiated by seasonal influences, and in all cases due allowance must be made for the fall in prices. For this reason the wholesale price index numbers for the countries concerned are conveniently included here, but the consideration should be borne in mind that wholesale price changes affect principally those components of the trade returns which consist of primary materials as opposed to finished goods.

IMPORTS NET VALUES. (IN MILLIONS).

	United Kingdom.	Belgium.	France.	Germany.	Holland.	Italy.	Sweden.	U.S.A.
January 1929.....	£ 106	Fr. 2,393	Fr. 5,173	Mks. 1,319	Fl. 233	Lire. 1,813	Kr. 123	\$ 358
January, 1930.....	94	2,934	4,778	1,305	220	1,505	137	317
October, 1930.....	84	2,520	4,520	834	198	1,345	151	248

% change:—								
January, 1929—January, 1930...	-11.3	+12.2	-7.6	-1.1	-5.6	-16.5	+11.1	-11.4
January, 1929—October 1930...	-20.8	+5.0	-12.6	-36.8	-15.0	-25.8	+22.8	-30.7

EXPORTS NET VALUES. (IN MILLIONS).

	United Kingdom.	Belgium.	France.	Germany.	Holland.	Italy.	Sweden.	U.S.A.
January, 1929.....	£ 67	Fr. 2,069	Fr. 3,702	Mks. 1,036	Fl. 152	Lire. 1,000	Kr. 109	\$ 480
January, 1930.....	58	2,206	3,714	1,032	152	975	112	404
October, 1930.....	47	2,219	3,503	1,012	151	1,069	136	328

% change:—								
January, 1929—January, 1930...	-13.4	+6.6	+0.3	-0.4	...	-2.5	+2.8	-15.8
January, 1929—October 1930...	-29.8	+7.3	-5.4	-2.3	-0.7	+6.9	+21.1	-31.7

WHOLESALE PRICES.

	United Kingdom.	Belgium.	France.	Germany.	Holland.	Italy.	Sweden.	U.S.A.
January, 1929.....	100	100	100	100	100	100	100	100
January, 1930.....	90.8	93.2	89.4	95.3	89.8	90.5	91.1	95.9
October, 1930.....	76.5	81.3	80.7	86.5	76.8*	79.1	82.1	84.9

* September, 1930.

During 1929, there was a definite similarity between British and American experience, with the majority of the European returns making a better showing. For the twenty-two months as a whole the British figures are not good. Exports have lost more ground than have imports, and all that can be said is that America has fared even worse than Great Britain. The divergence between the German export and import percentage changes is indicative of the efforts Germany is making to finance reparations payments, while a similar tendency is observable, though not for the same cause, in the case of Italy. The maintenance of the overseas trade of Belgium and Sweden is a noteworthy feature.

A conspectus of these statistics suggests that production in Great Britain has been maintained fairly well, when allowance is made for the intensity of the world depression. Though the export trades have suffered severely, and unemployment has consequently risen to a disquieting figure, British internal trade seems to have held its ground relatively well during recent months, thanks partly to the liberality with which unemployment "benefit" has been administered; and it should not be forgotten that a small proportion of the total numbers unemployed represents the results of rationalisation. At the same time, apart from the peculiar depression of so many of our basic industries, Great Britain as a whole is so dependent upon foreign markets that it is difficult to view with equanimity the changes in the direction and value of world trade revealed in the statistics summarised above. Here, both absolutely and relatively, we have lost ground, and it is no coincidence that it is in the export trades that unemployment is the most severe. In short, the crucial anxiety to-day is whether our competitive power can be sufficiently improved to enable us to regain the place in foreign markets which we have lost. Moreover, it should always be remembered that the developments of the 1930 slump found Britain in a situation very different from that of the United States and other countries in which the previous two years had been those of expansion. That is to say, even if in some directions we have lost less ground, we had much less ground to lose.

HOME INDUSTRIES.

Coal.—The threat of labour troubles stimulated a certain amount of "prompt" business at the end of last month, but the general labour uncertainty is still having a restrictive effect upon forward export business.

Iron and Steel.—The industry continues to lose ground, and the November production figures are the worst recorded for a

very long time. Stocks of pig iron are growing, and there is little demand even for attractively-priced foreign steel.

Engineering.—Marine engineering is more depressed than ever, but builders of locomotives, rolling-stock and prime movers are fairly well engaged.

Electrical Industry.—The following index of production in the electrical industry is copyright by the Economical and Statistical Department of the British Electrical and Allied Manufacturers' Associations. An explanation of the manner in which it has been computed was given on page 888 of the *Economist* of November 28, 1925.

INDEX OF ACTIVITY in the ELECTRICITY INDUSTRY.
(1920 = 100.)

	1929.	Home.	Export.	Total.	1930	Home.	Export.	Total.
January.....	92	122	99	107	January.....	68	220	107
February.....	92	128	101	112	February.....	69	240	112
March.....	88	126	97	113	March.....	71	236	113
April.....	85	145	100	108	April.....	72	214	108
May.....	84	149	101	105	May.....	70	209	105
June.....	90	151	106	98	June.....	59	212	98
July.....	88	140	102	100	July.....	55	232	100
August.....	81	150	99	109	August.....	63	245	109
September.....	76	191	106	103	September.....	63	221	103
October.....	71	216	109	94	October.....	64	181	94
November.....	60	228	102	89	November.....	61	171	89

November proved a disappointing month in both the home and export branches of the industry. Fortunately there are indications that December will prove more satisfactory.

Motor Industry.—Although trade is irregular, some car manufacturers are very busy as the result of the show. The motor and pedal cycle trades are experiencing their usual seasonal slackness, but the former should improve in January when the new licensing year begins.

Cotton.—Demand has fallen away after the improvement of the early autumn. The specific causes of the setback are the further decline in raw cotton prices, and the fall in the price of silver to a new record low level.

Wool.—The fall in prices recorded at the opening of the London sales came as a further shock to Bradford. Prices, however, remained steady at their new low level as the sales progressed. This has helped to restore confidence, but trade at Bradford is still very quiet.

INDICES OF BUSINESS ACTIVITY.

1924 = 100.

Period.	Net Imports.		Consumption of			Consumption of Power.		Volume of Employment.				Merchandise on Railways.	Provincial Bank Clearings.	Postal Traffic.	Shipping Movements.	London Bank Clearings.	Exports British Manufactures.	Foreign Trade Turnover. (Quarterly Figs.)
	Raw Materials.	Non-Ferrous Metals.	Iron and Steel.	Cotton.	Rubber.	Coal.	Electricity.	Heavy Industry.	"General" Industry.	Miscellaneous Services.	Total.							
Monthly Average.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
1919	113	74	96	109	143	89	...	...	...	...	...	109	92	...	59 ^b	54	74	79
1920	106	71	99	113	134	91	...	...	...	...	...	100	113	...	69 ^b	65	101	87
1921	56	50	43	74	79	69	...	...	...	...	...	81	82	...	66	76	67	68
1922	89	63	34	99	58	87	...	...	...	...	...	84	97	...	91	97	88	85
1923	88	92	69	93	118	91	...	...	...	...	...	97	98	...	101	97	95	94
1924	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
1925	107	107	89	116	137	93	101	90	103	103	101	98	102	103.5	98	104	101.5	102
1926	107 ^a	100	57	98	175	72	92	57	101	104	95.5	88	94	103.5	90	109	94	100
1927	113 ^a	106	133	113	197	106	109	87	108	108	105	99	102	109.5	105	117	104.5	107.5
1928	101	113	88	103	212	99	110	82	108	110	105	93	100.5	114	106.5	125	108	106
1929	113	120	103.5	106	271	106	116	84.5	109.5	112	107	95	99	115.5	111.5	130	109	112
"Corrected" average for 3 months ended:																		
1929—Nov.	116	114	122	110	339	107	121	84.5	110	113	108	99	95	115	116	131	108	...
Dec.	128	117	120	122	309	111	130	84.5	109.5	113	107.5	99	99.5	116	111	132	110	...
1930—Jan.	135	131	126	120	226	114	132	84.5	108.5	112.5	107	97	99	120	107	133	106	...
Feb.	126	134	123	102	309	114	131	84.5	107	112.5	106	93	100	121	102	132	100	107.5
March.....	117	119	126	98	356	117	130	84.5	105.5	112	105	93	100	121	102	142	100	...
April.....	103	119	124	88	489	111	122	83.5	104.5	112	105	90	98	119	101	143	94	...
May.....	103	116	123	85	387	111	113	81.5	104	112.5	104.5	92	95	118	109	147	93	99
June.....	97	129	118	71	350	100	104	79	103	113	104.5	87	91	116	112	143	87	...
July.....	95	121	102	61	303	96	98	76.5	102	113.5	104	87	90	115	117	144	89	...
August.....	88	116	90	58	314	96	93	75.5	101	113.5	103	83	88	114	117	138	85	96
Sept.	84	108	85	53	370	102	96	74.5	100.5	113	101.5	85	85	114	118	135	84	...
Oct.	81 ^c	110	89	65	454	109	100	74	99.5	112.5	101	...	84	114.5	116	136	81 ^c	...
Nov.	78 ^c	115	89	68	337	109	112	73.5	99	112	100.5	...	86	116	111	141	81 ^c	...
Nov., 1924	103	93	105	110	167	104	103	96.5	100.5	100	100	105	97	100	104	96	99	...
Nov., 1925	102	101	71	112	165	95	108	86.5	104	103.5	101	102	99	103.5	101	104	103	...
Nov., 1926	102 ^a	98	64	104	209	63	100	39.5	100	104	92.5	89	89	104.5	89	105	94	...
Nov., 1927	103	105	104	111	233	105	114	86.5	108	109	105.5	103	102	110	107	115	112	...
Nov., 1928	96	107	79	101	314	102	115	79	107.5	110	104	97	91	115.5	114	125	110	...
Nov., 1929	116	114	122	110	339	107	121	84.5	110	113	108	99	95	115	116	131	108	...
Nov., 1930	78 ^c	115	89	68	337	109	112	73.5	99	112	100.5	...	86	116	111	141	81 ^c	...

Linen.—Russian flax is now being sold for shipment early next year. Fair yarn sales have been effected, and damask cloths are in request, but prices are not remunerative.

Rayon.—The recent reduction in viscose yarn prices has brought out a larger demand for the finer filament yarns. Acetate yarns are in poor request, and output is being limited.

Boots and Shoes.—Business is quiet, and only a few manufacturers were pressed for deliveries before Christmas. A few satisfactory orders for spring goods have already been received.

Chemical Industries.—Sales of heavy chemicals are still restricted. Prices are unchanged.

Agriculture.—Outdoor work has lately been seriously interrupted by rain. Autumn-sown corn appears healthy, but potato disease is prevalent. Cattle are in good condition, and milk yields normal. Supplies of winter keep are adequate.

Shipping.—Apart from a moderate improvement in demand from the Plate, homeward cargo business remains at a low ebb, and outward coal freights are weak.

Retail Trade.—Christmas trade this year appears to have been slow in developing. Purchases have tended to be concentrated more than usual on the less expensive lines.

BRITISH EMPIRE.

In Australia pastoral conditions are excellent; wool is selling well, but at unprofitable prices; and there is no improvement in the general business position. It now seems likely that the wheat harvest will be below the original estimate. In most parts of India November rainfall was seasonable, and standing crops were doing well. Canada is undergoing an increasing strain owing to the further slump in wheat, but the latest news is that sentiment is better. The financial situation is healthy, and plenty of credit and capital is available for business so soon as it arrives. No marked improvement in South African trade is reported, but weather conditions were favourable, and farming prospects good, except in a few areas where rain was needed.

UNITED STATES OF AMERICA.

Retail trade gained ground during November, but industry suffered a further setback. Steel-mill operations declined to 41 per cent. of capacity, but textile mills were more active. Freight movements showed a more than seasonal decline, and commodity prices continued to fall.

The following indices of American economic conditions have been forwarded to us by Moody's Investors' Service, of New York and London.

AMERICAN TRADE STATISTICS—NOVEMBER, 1930.

	Oct. 97.6	Nov. 95.2	Compared with Nov. '29. 16.1
EMPLOYMENT †—(June, 1914=100)			
PRODUCTION —			
Bituminous coal (Thous. tons)	44,337	...	...
Pig-iron (" ")	2,165	1,867	— 1,314
Steel (" ")	2,720	2,234	— 2,279
Unfilled orders, U.S.			
Steel Corporation (Thous. tons)	3,482	3,640	— 485
Building permits (Thous. \$)	126,660	113,064	— 52,962
FOREIGN TRADE —			
Imports (Thous. \$)	248,296*	204,700*	— 133,853
Exports (" ")	327,120*	289,200	— 146,513
TRANSPORT —			
Monthly average of weekly car loadings (Thous. cars)	954	825	...
SECURITIES —			
20 industrial stocks—Highest quotations[...]	214.18	190.30	— 67.38
Lowest quotations[...]	183.35	171.60	— 27.09
Thous. shares sold during month			
—(New York)...	65,497	51,950	— 20,505
New securities issued (Thous. \$)	425,566	240,499	— 102,586
BANK CLEARINGS —			
New York (Million \$)	28,884	22,183	— 20,907
Other cities (" ")	16,099	13,574	— 8,068
RETAIL BUSINESS —			
Total sales, mail order houses\$ (Thous. \$)	67,882	57,366	— 16,332

* Preliminary estimates made by Messrs Moody, subject to revision. † Based on reports of U.S. Labour Bureau and of Bureau of the States of New York, Wisconsin, and Pennsylvania. ‡ Average of actual prices. § Partly estimated.

EUROPE.

The French coal trade is experiencing a better demand for domestic than for industrial fuel. The pig-iron market is weak and foreign competition severe, but there are signs of improvement in the steel trade. The textile trades are dull and depressed. The further fall in cotton prices has had a bad effect in Lille, and Roubaix weavers are finding demand restricted.

In Belgium the coal trade is still depressed, but a better tone is apparent in the iron and steel industries. Dutch industrial news remains fairly reassuring, and the unemployment

figures are, under present circumstances, not excessive. Home agriculture and shipping and the Dutch colonies are seriously affected by the depression.

The German steel industry reports the receipt of fresh export orders, but the general position of the trade remains unsatisfactory. November coal deliveries were restricted by the prospect of the price reductions due to be made early in the following month. The outlook remains obscure, both on account of the general trade depression and because of the uncertainty arising from impending wage adjustments.

In Scandinavia, a better tone is evident in Sweden. Danish farmers are hard hit by the renewed decline in prices of agricultural produce, especially in those of Bacon, and some anxiety is felt as to their position.

There has been a further trade setback in Austria, and at the end of November the number of unemployed stood at 210,000, an increase of 70,000 on the year. Production is being reduced in certain branches of the heavy industries.

SOUTH AMERICA.

Good crops are being secured in the Argentine under favourable conditions. The damage to the wheat crop is less than had been feared, and, including last season's carry-over, 5,500,000 tons will be available for export. The Uruguayan agricultural situation is favourable, but business in wool and cattle is quiet. Apart from a more active movement in nitrate, Chilean trade is also quiet.

FAR EAST.

The fall in the price of silver to new record low levels, and the consequent depreciation of the tael, have had an adverse effect upon trade in China. Still later cables report the Shanghai market to be steady, and that there is a good demand for spring goods.

The adverse trade balance of Japan for the first eleven months of this year was only Yen 94,000,000, and, allowing for invisible items, it is estimated that the year's deficit will be only Yen 100,000,000. Against this gold shipments to November 30th had reached Yen 310,000,000. The Government are considering the issue of bonds to finance unemployment schemes, and long-term credits and other financial assistance are being granted by the Industrial Bank of Japan. Production of cotton yarn is to remain restricted until March, but yarn prices, together with those of raw silk and rice are now steadier. A brighter tone is in evidence on the bond and share market.

ELECTRICAL PRODUCTION.

In the *Economist* of July 10, 1926 (pages 57-8), we published a new index of electrical production in the chief industrial areas of Great Britain. We show below a résumé of the results achieved during recent periods:—

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

Date.	Britain, excluding London and Wales.	Coal Mining, Iron and Steel, Ship- building, Heavy Engineering.	General Engineering and Auto- mobile Construc- tion.	Chemical.	Marine Transport, Docks, etc.	Textiles, Cotton, and Wool.
1928.						
January	174	164	195	232	199	172
February	170	162	188	249	195	164
March	170	165	192	252	195	164
April	149	149	164	226	164	132
May	140	136	170	223	163	125
June	141	138	160	248	158	130
July	131	127	149	227	175	134
August	130	131	131	248	151	124
September	150	145	164	263	147	116
October	161	153	185	245	189	154
November	178	164	215	240	206	169
December	181	171	210	195	210	176
1929.						
January	187	172	234	236	220	190
February	195	182	248	250	222	198
March	173	169	215	268	192	162
April	165	158	201	321	185	152
May	156	150	182	321	175	135
June	156	151	192	318	170	141
July	146	140	187	282	162	130
August	148	151	167	206	175	124
September	156	153	194	241	178	140
October	179	170	224	243	207	160
November	203	192	250	252	240	192
December	192	182	235	186	228	190
1930.						
January	192	176	255	250	231	182
February	198	183	260	257	237	184
March	184	171	240	250	226	172
April	160	150	204	214	202	146
May	157	146	192	235	193	143
June	140	130	177	208	175	127
July	143	127	193	220	182	137
August	133	117	165	192	184	111
September	156	137	223	282†	203	144
October	161	150	195	244	222	158
November	188	167	226	246	255	185

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

PRODUCTION. (Thousands of Metric Tons.)

COAL.													LIGNITE.			
Period. Monthly Average.	United Kingdom.	Belgium.	Czecho- slovakia.	France.	Germany.	Nether- lands.	Poland.	Canada.	South Africa.	India.	Japan.	United States.	Austria.	Czecho- slovakia.	Germany.	Hun- gary.
1913	24,337	1,903	1,189	3,336	15,842	156	748	1,119	665	1,311	1,776	43,088	218	1,927	7,269	460
1926	20,590	1,925	1,047	3,925	11,052	571	2,423	719	983	1,693	2,622	43,988	253	1,550	11,644	460
1926	10,692	2,105	1,181	4,283	12,108	717	2,979	974	1,038	1,703	2,619	49,729	246	1,543	11,596	485
1927	21,271	2,296	1,168	4,316	12,800	777	3,174	1,028	1,006	1,790	2,794	45,197	255	1,635	12,542	520
1928	20,107	2,298	1,213	4,280	12,372	891	3,385	1,037	1,013	1,826	2,822	43,052	272	1,704	13,799	543
1929	21,837	2,244	1,377	4,486	13,620	m965	3,851	1,023	1,052	1,893	2,663	45,510	294	1,880	14,598	587
1929—November..	22,613	2,306	1,585	4,603	14,157	1,002	4,115	924	1,013	1,566	2,804	46,919	301	2,142	15,623	662
December...	21,764	2,237	1,443	4,363	13,652	958	4,023	895	995	1,894	2,886	48,859	296	2,017	14,530	667
1930—January	24,150	2,489	1,308	4,884	14,398	1,060	3,806	960	1,054	2,057	2,601	51,543	314	1,850	14,008	672
February	22,066	2,274	1,179	4,481	12,168	985	2,990	831	969	2,278	2,520	41,469	248	1,572	11,372	545
March	22,784	2,333	1,197	4,695	12,539	997	2,827	810	1,025	2,036	2,748	56,581	268	1,565	11,303	459
April	20,023	2,258	1,174	4,459	11,481	977	2,643	729	977	2,086	2,527	36,991	235	1,514	10,826	452
May	21,683	2,290	1,106	4,526	11,953	1,017	2,671	913	1,017	2,115	2,576	38,012	238	1,463	12,315	436
June	17,225	2,054	1,054	4,126	10,805	916	2,591	925	993	1,782	2,434	35,287	211	1,349	11,746	414
July	19,163	2,212	1,180	4,599	11,605	1,097	2,975	872	1,060	1,619	2,389	36,626	245	1,458	12,250	437
August	18,199	2,223	1,200	4,356	11,471	1,010	3,062	856	987	1,607	2,256	37,967	242	1,567	12,285	446
September	19,878	2,293	1,261	4,513	11,729	1,052	3,417	831	996	1,927	2,146	39,848	264	1,711	12,820	528
October	21,375	2,486	1,284	4,785	12,217	...	3,662	928	1,002	...	...	46,117	275	1,779	13,141	...
November...	24,788	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...

PIG IRON.										STEEL.								
Period. Monthly Average.	United King- dom.	Bel- gium.	France.	Saar.	Ger- many.	Luxem- burg.	Sweden.	Canada.	United States.	United King- dom.	Bel- gium.	France.	Saar.	Ger- many.	Luxem- burg.	Sweden.	Canada.	United States.
1913	869	207	434	114	1,397	212	61	85	2,601	649	206	391	159	1,467	101	62	88	2,564
1925	530	212	709	121	841	197	36	48	3,058	625	212	622	132	1,016	174	43	64	3,737
1926	208	281	786	135	803	213	39	64	3,277	306	278	718	145	1,028	187	44	66	3,794
1927	617	309	775	148	1,091	228	35	60	3,036	770	307	696	158	1,359	206	44	77	3,675
1928	560	321	832	161	984	231	33	88	3,167	722	325	792	173	1,210	214	51	105	4,222
1929	642	341	864	175	1,117	242	41	92	3,580	817	344	808	184	1,369	225	60	117	4,599
1929—November...	642	340	852	169	1,091	247	41	88	3,232	828	333	786	179	1,286	231	65	95	3,578
December...	653	340	879	173	1,100	245	37	84	2,882	672	323	812	168	1,156	217	56	84	2,950
1930—January	660	343	875	174	1,092	250	37	88	2,873	783	340	800	185	1,275	216	52	117	3,857
February	617	315	815	162	965	231	39	72	2,884	789	321	772	175	1,176	215	56	108	4,144
March	676	342	898	182	1,008	249	41	76	3,298	839	359	848	188	1,201	225	54	119	4,089
April	630	313	854	168	901	221	42	74	3,233	707	313	787	168	1,033	198	56	104	3,722
May	624	300	901	176	860	212	42	62	2,985	703	294	855	179	1,034	189	59	93	3,489
June	572	265	841	158	767	178	29	66	2,682	631	264	790	169	906	165	53	70	3,980
July	423	247	845	157	739	197	38	58	2,564	459	245	775	152	897	177	62	59	3,145
August	432	251	801	147	653	190	37	49	2,313	590	255	767	147	814	186	55	57	3,214
September	422	249	830	146	687	194	42	41	2,200	521	252	796	141	856	195	62	66	3,764
October	432	...	...	...	...	...	...	...	1,897	441	...	...	...	...	169	...	...	4,278
November...	390	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...

FINANCE.

Notes in Circulation (000,000's omitted.)

Period.	United Kingdom.	Austria.	Belgium.	Bulgaria.	Czechoslovakia.	Denmark.	Finland.	France.	Germany.	Greece.	Hungary.	Italy.	Japan.	Netherlands.
End of	Bank of England Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Reichsbank Notes.	"Rentenbank" Notes.	Bank Notes.	Bank Notes.	Bank Notes.	State Notes.
	£	Schilling.	Francs.	Leva.	Koruna.	Kron.	Markka.	Francs.	Reichsmark.	Reutenmks.	Drachma.	Pengö.	Dinars.	Gulden.
1913.....	29.6	...	1,067	189	...	152	113	5,714	2,742	...	...	...	...	...
1924.....	397.6	839	7,873	4,530	8,810	478	1,250	40,604	2,742	...	...	...	...	...
1925.....	385.3	890	7,814	3,655	8,408	438	1,309	49,993	2,960	...	...	...	...	...
1926.....	381.0	947	9,646	3,481	8,203	386	1,346	52,449	3,736	...	...	...	...	...
1927.....	382.3	1,005	10,951	3,727	8,417	354	1,514	56,301	4,564	...	...	...	...	...
1928.....	378.3	1,067	12,358	4,173	8,466	360	1,513	62,181	4,930	...	...	...	...	...
1929.....	369.8	1,094	14,683	3,609	8,230	367	1,361	68,571	5,044	...	...	...	...	...
1929-Oct.....	358.8	1,081	14,360	4,255	7,763	372	1,377	68,267	4,833	...	...	...	...	...
Nov.....	354.6	1,072	14,221	3,900	7,689	370	1,347	68,159	4,916	...	...	...	...	...
Dec.....	369.8	1,094	14,683	3,609	8,230	367	1,361	68,571	5,044	...	...	...	...	...
1930-Jan.....	348.0	981	13,841	3,260	6,923	347	1,259	70,339	4,653	...	...	...	...	...
Feb.....	348.6	974	13,992	3,148	6,838	352	1,369	71,116	4,722	...	...	...	...	...
Mar.....	357.3	980	14,341	3,350	7,011	357	1,447	70,826	4,866	...	...	...	...	...
Apr.....	358.8	982	14,658	3,302	6,854	362	1,440	72,373	4,664	...	...	...	...	...
May.....	356.1	1,022	14,647	3,196	6,856	371	1,392	75,079	4,812	...	...	...	...	...
June.....	363.6	1,028	15,457	3,396	7,196	366	1,373	72,594	4,894	...	...	...	...	...
July.....	368.4	1,021	15,816	3,435	7,697	347	1,355	74,008	4,638	...	...	...	...	...
Aug.....	360.9	1,018	15,278	3,683	7,077	350	1,352	73,677	4,707	...	...	...	...	...
Sept.....	359.4	1,008	15,648	3,660	7,198	345	1,350	73,053	4,744	...	...	...	...	...
Oct.....	355.6	1,035	15,637	3,656	7,144	370	1,313	74,787	4,675	...	...	...	...	...
Nov.....	359.2	1,042	15,783	3,562	7,278	374	1,263	75,951	4,601	...	...	...	...	...

Period.	Italy.	Norway.	Poland.	Romania.	Russia.	Sweden.	Switzerland.	Australia.	Canada.	South Africa.	Egypt.	United States.	Japan.
End of	Bank Notes.	State Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.	Bank Notes.
	Lire.	Lire.	Kroner.	Zloty.	Leu.	Rbls.	Kronor.	£	Dollars.	£	£	Dollars.	Yen.
1913.....	42,284	499	108	...	437	...	234	314	10-0	2-3	2-2	726	426
1924.....	18,114	2,400	391	551	151	19,366	229	411	537	177	9-1	40-2	1,662
1925.....	19,350	2,100	363	381	440	20,126	388	727	530	876	5-5	3-3	1,632
1926.....	18,340	1,793	337	593	428	20,951	398	797	525	876	6-2	2-8	1,570
1927.....	17,992	783	331	1,003	309	21,025	480	1,002	526	917	5-1	2-7	1,682
1928.....	17,295	161	316	1,295	244	21,211	730	1,091	546	953	4-8	2-3	1,739
1929.....	16,774	80	318	1,340	259	21,144	1,028	1,501	569	999	4-5	2-6	1,642
1929-Oct.....	16,977	83	307	1,392	270	21,774	1,068	1,527	554	944	4-2	2-4	1,385
Nov.....	16,828	80	303	1,366	267	21,387	1,092	1,538	573	928	4-2	2-3	1,346
Dec.....	16,774	80	318	1,340	259	21,144	1,028	1,501	569	999	4-5	2-6	1,642
1930-Jan.....	16,329	76	298	1,247	238	19,717	976	1,466	521	890	4-2	2-3	1,444
Feb.....	16,095	73	297	1,282	235	19,957	1,050	1,508	534	893	4-3	2-3	1,287
Mar.....	16,322	73	305	1,324	234	19,709	1,097	1,532	575	918	4-4	2-3	1,291
Apr.....	16,062	73	310	1,326	230	19,080	1,184	1,613	545	916	4-4	2-3	1,186
May.....	15,944	68	308	1,333	227	18,190	1,349	1,671	557	908	4-4	2-3	1,291
June.....	15,846	68	316	1,317	222	18,190	1,349	1,671	557	908	4-4	2-3	1,291
July.....	16,182	...	315	1,371	223	18,684	1,534	2,055	561	928	4-4	2-3	1,182
Aug.....	16,074	...	315	1,355	230	19,134	1,737	2,177	570	943	4-4	2-3	1,165
Sept.....	16,172	...	309	1,373	233	19,307	...	2,146	613	987	4-4	2-3	1,072
Oct.....	15,738	...	312	1,408	231	18,860	...	2,105	581	989	4-5	2-2	1,151
Nov.....	15,678	...	303	1,332	...	18,726	...	2,080	568	968	...	...	...

a Until November, 1928, including State notes, then transferred to Bank. b Marks—including Reichs- und Darlehenkassenscheine. c Excluding notes held by Reichsbank. d In terms of new lire = £373 millions. e Excluding Government notes. f Token coin 228 million lire. g Gross issue. h Excluding notes held as reserve by Chartered Bank. i Since January, 1926, excluding notes held by Bank of Poland. j Since 1920, including Austria-Hungarian and other notes converted after the war into National Currency. k Since 1926, excluding notes held by the State Bank. l In terms of new lire = 1,829 millions. m Since May, 1922, including Luxemburg. n Since Oct., 1926, including Government Notes of 5 and 10 francs to value of 700 to 750 million francs, replacing similar bank notes.

LONDON RATES OF EXCHANGE.

Period.	Paris.	Brussels.	Milan.	Zurich.	Madrid.	Amsterdam.	Stockholm.	Oslo.	Open-hagen.	Berlin.	Vienna.	New York.	Buenos Aires.
End of	Francs to £1.	Belgas to £1.	Lire to £1.	Francs to £1.	Pesetas to £1.	Florins to £1.	Kronor to £1.	Kronor to £1.	Kronor to £1.	Marks to £1.	Schillings to £1.	Dollars to £1.	Pence to £1.
Par level.....	124.21	35.00	92.46	25.22½	25.22½	12.107	18.159	18.159	18.159	20.43	4.86½	4.87½	47.62
Highest, 1929.....	124.37	34.98½	93.27½	25.22½	36.92	12.13	18.18½	18.22½	18.22½	20.58	4.88½	4.89½	47.7
Lowest,	123.68	34.84½	92.52	25.08½	29.67	12.05½	18.08½	18.18½	18.17½	20.31½	4.84½	4.84½	44
Beginning of—													
July, 1914.....	25.15	125.35½	25.25½	21.16½	26.10	12.11½	18.30	18.25	18.30	20.49½	4.87½	4.87½	47.62
January, 1924.....	87.85	100.45	100.45	24.63½	33.58½	12.11½	18.30	18.25	18.30	20.49½	4.87½	4.87½	47.62
January, 1925.....	87.40½	99.74½	112.35	24.34½	33.95½	11.71½	17.62½	17.62½	17.62½	19.94½	4.87½	4.87½	47.62
January, 1926.....	129.31½	107.00	120	25.08½	34.31½	12.05	18.08	18.25	18.30	20.49½	4.87½	4.87½	47.62
January, 1927.....	122.81½	34.89	109.62½	25.14½	31.23½	12.12½	18.15½	18.20½	18.20½	20.43½	4.87½	4.87½	47.62
January, 1928.....	124.00	34.82½	92.32½	25.27½	28.24	12.09½	18.11½	18.34½	18.20½	20.45½	4.87½	4.87½	47.62
January, 1929.....	124.10½	34.88½	92.64	25.18½	29.74	12.08½	18.13½	18.19½	18.17½	20.38½	4.87½	4.87½	47.62
January, 1930.....	123.91	34.88½	93.22	25.13½	29.74	12.08½	18.13½	18.20½	18.20½	20.43½	4.87½	4.87½	47.62
August,	123.81	34.80	92.98	25.04½	43.64½	12.08½	18.13½	18.20½	18.20½	20.43½	4.87½	4.87½	47.62
September,	123.79	34.84½	92.87½	25.04½	46.02	12.07½	18.09½	18.16½	18.16½	20.38½	4.87½	4.87½	47.62
October,	123.80	34.84	92.78	25.03½	47.02	12.07½	18.09½	18.16½	18.16½	20.38½	4.87½	4.87½	47.62
November,	123.69	34.83½	92.80½	25.02½	42.92½	12.06½	18.11½	18.15½	18.16½	20.38½	4.87½	4.87½	47.62
December,	123.55	34.79½	92.66	25.06½	43.60	12.06½	18.09½	18.15½	18.16½	20.38½	4.87½	4.87½	47.62
Par level.....	16	51	40	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	New York.	Method of Quoting.	November Quotations.	
Highest, 1929.....	5½	51½	39.79	1 6½	2 0½	2 7½	2 0½	2 0½	2 4½	Dollars to £1.			4.878
Lowest,	5½	45½	39.37	1 9½	1 7½	2 1½	2 0½	2 0½	2 3½	Dollars to £1.			4.857
Beginning of—													
July, 1914.....	16½	51½	40	1 3½	1 10½	2 6½	2 0½	2 0½	2 4½	123.91	123.80	123.856	
January, 1924.....	5½	43½	40.30	1 5½	2 4½	1 10½	2 0½	2 0½	2 4½	123.96	123.77	123.848	
January, 1925.....	5½	50½	40.30	1 6½	2 3½	1 10½	2 0½	2 0½	2 4½	123.81	123.50	123.653	
January, 1926.....	7½	50½	39.80	1 6½	2 4½	1 10½	2 0½	2 0½	2 4½				
January, 1927.....	5½	50½	39.65	1 6½	2 1½	2 5½	2 0½	2 0½	2 4½				
January, 1928.....	5½	51	39.35	1 6½	2 2½	2 1½	2 0½	2 0½	2 4½				
January, 1929.....	5½	51	39.64	1 6½	2 0½	2 7½	2 0½	2 0½	2 3½				
January, 1930.....	5½	46½	39.80	1 6½	1 8	2 1½	2 0½	2 0½	2 3½				
July,	5½	42½	39.96	1 5½	1 3½	1 6½	2 0½	2 0½	2 3½				
August,	5½	41½	39.66	1 5½	1 3½	1 6½	2 0½	2 0½	2 3½				
September,	5½	39½	39.72	1 5½	1 3½	1 6½	2 0½	2 0½	2 3½				
October,	5½	39½	39.96	1 5½	1 3½	1 6½	2 0½	2 0½	2 3½				
November,	5½	39½	39.97	1 5½	1 3½	1 6½	2 0½	2 0½	2 3½				
December,	4½	38½	39.69	1 5½	1 2½	1 6½	2 0½	2 0½	2 3½				

† Francs to £1.

‡ Pence to £1.

§ Kroner to £1.

• Daily rates.

FOREIGN TRADE.

IMPORTS for Domestic Consumption—Merchandise Only. (000's omitted.)

Period.	U.K.	Irish Free State.	Belgium.	Bul- garia.	Den- mark.	Estonia.	France.	Fin- land.	Greece.	Italy.	Juco- Slavia.	Nether- lands.	Poland.	Swed'n.	Switzer- land.	Egypt.	United States.	
Monthly Average.	£	£	Francs.	Leva.	Kroner.	Ekr.	Francs.	Markka.	Mark.	Drach- ma.	Lira.	Dinars.	Golden.	Zloty.	Kronor.	Francia.	Dollars.	
1913	54,931	...	386,384	15,775	64,784	...	701,778	1,43,231	897,474	14,828	303,803	...	325,231	...	70,545	159,985	2,271	147,932
1924	94,789	5,612	1,475,062	463,109	184,874	683,584	3,346,901	392,956	756,901	669,914	1,615,056	685,145	196,961	211,875	118,708	238,706	4,068	297,926
1925	97,223	5,612	1,488,378	606,959	161,351	8,046	3,712,700	459,959	1,030,171	844,069	2,183,374	729,407	204,583	229,589	120,535	219,427	4,676	348,018
1926	92,935	5,043	1,920,460	595,578	121,518	7,964	4,968,932	472,309	833,454	837,745	2,156,571	635,982	203,495	128,242	124,151	201,299	4,191	367,340
1926	92,935	5,043	1,920,460	595,578	121,518	7,964	4,968,932	472,309	833,454	837,745	2,156,571	635,982	203,495	128,242	124,151	201,299	4,191	367,340
1927	91,822	5,012	2,622,468	586,745	135,350	10,948	4,552,963	667,742	1,166,772	1,035,760	1,826,702	652,944	232,659	280,180	142,335	228,723	4,122	346,924
1928	89,610	4,928	2,658,927	586,745	135,350	10,948	4,552,963	667,742	1,166,772	1,035,760	1,826,702	652,944	232,659	280,180	142,335	228,723	4,122	346,924
1929	92,654	5,020	2,951,467	690,702	141,305	10,247	4,857,052	833,026	1,106,294	1,106,294	1,775,002	632,928	239,528	259,246	147,708	231,987	4,453	360,940
1929—Oct.	101,150	5,423	3,203,741	668,369	157,718	10,597	4,515,576	653,513	1,106,701	1,203,316	1,579,358	748,061	257,688	257,247	176,120	244,133	5,128	396,227
Nov.	99,981	5,058	2,841,291	655,248	155,315	9,606	4,783,413	571,187	1,161,002	1,207,637	1,530,362	621,862	237,720	243,448	166,904	260,027	5,235	332,635
Dec.	98,637	4,281	2,904,253	628,244	139,855	8,404	5,019,755	533,444	1,020,312	1,116,092	1,995,769	599,604	214,464	212,807	160,405	268,338	4,920	302,692
1930—Jan.	93,680	4,359	2,934,499	401,026	142,003	9,240	4,777,565	308,986	1,304,815	918,944	1,505,483	560,912	219,970	216,668	136,682	208,159	5,267	316,705
Feb.	79,563	4,603	2,699,088	357,149	130,948	7,859	4,807,926	296,906	981,624	852,938	1,494,582	521,070	200,732	181,669	126,415	204,856	5,286	283,713
Mar.	85,760	5,498	2,687,668	387,588	138,368	9,022	4,311,115	347,643	883,860	1,063,932	1,504,830	658,473	226,204	194,960	130,515	227,456	5,210	282,345
Apr.	76,076	4,691	2,844,639	373,064	146,349	8,406	4,555,779	412,575	888,921	842,605	1,576,928	624,534	203,978	178,415	149,215	204,335	5,259	305,970
May	81,362	4,985	2,865,465	403,704	132,462	8,646	4,102,929	548,859	830,150	832,511	1,489,611	568,444	204,741	177,358	124,101	200,818	2,976	282,474
June	75,363	4,514	2,486,836	332,109	133,076	7,981	4,165,326	453,421	813,539	895,855	1,584,315	504,201	201,441	174,175	120,848	201,331	2,512	282,474
July	78,567	4,780	2,543,336	328,921	126,756	8,543	4,119,972	457,225	809,174	849,297	1,161,636	571,767	196,504	188,491	130,384	204,281	3,308	218,059
Aug.	73,563	4,209	2,325,984	360,248	131,247	8,556	4,067,877	447,225	736,541	1,001,196	1,281,855	649,250	196,049	190,443	146,102	221,805	3,752	226,312
Sept.	73,528	4,751	2,378,737	420,062	153,979	8,094	4,205,116	488,839	736,541	1,001,196	1,281,855	649,250	196,049	190,443	146,102	221,805	3,752	226,312
Oct.	83,651	...	2,520,217	...	144,377	8,924	4,520,134	556,912	883,592	1,027,872	1,345,094	...	198,003	202,201	150,755	251,245	3,731	248,000
Nov.	72,564	...	...	...	...	...	...	...	...	...	1,300,727	...	...	...	...	210,615	...	204,700

CAPITAL ISSUES.—(000,000's omitted.)

Period.	United Kingdom.	Austria.	Czechoslovakia.	France.	Germany.	Italy.	Netherlands.	Poland.	Romania.	Sweden.	Switzerland.	British India.	Japan.	United States.
Monthly Average.	£	Schilling.	Koruna.	Francs.	Mark.	Lire.	Guilder.	Zloty.	Lei.	Kroner.	Francs.	Rupies.	Yen.	Dollars.
913	16.3	...	...	...	...	...	...	...	...	...	...	...	...	...
924	17.4	26,992	73	565	15.0	504	30	3.1	262	20	51	19	219	466
925	19.4	2.3	43	307	55.1	746	33	7.7	219	16	56	29	204	518
926	19.2	2.7	37	401	74.8	473	48	6.1	516	13	59	16	228	529
927	22.6	10.5	31	616	114.1	264	43	17.7	271	22	73	17	255	649
928	30.8	12.0	60	876	110.0	450	50	27.1	384	31	87	24	335	876
929	23.8	8.6	55	1,259	80.2	607	29	17.8	318	23	81	56	222	850
1929.														
Jan.-Mar.	32.3	14.5	35	1,072	118.8	492	49	13.6	318	14	104	37	216	931
Apr.-June	25.8	1.0	27	1,199	112.5	794	20	22.9	479	29	143	127	332	859
July-Sept.	6.2	3.9	108	993	54.9	546	15	11.3	295	15	30	34	200	677
Oct.-Dec.	14.8	4.8	51	1,741	34.6	594	33	23.4	179	32	47	25	139	566
1930.														
Jan.-Mar.	31.3	4.0	32	2,309	73.5	474	52	15.2	379	17	134	34	133	715
Apr.-June	25.6	5.7	51	1,582	31.3	836	66	21.9	702	16	148	18	183	379
July-Sept.	24.4	5.6	38	1,073	50.4	534	25	...	594	24	104	16	116	204
August	1.5	3.7	18	887	27.3	558	19	16.2	1,288	15	61	16	115	204
Sept.	3.8	2.9	26	1,351	30.0	432	21	...	803	15	184	15	246	379
Oct.	26.2	1.9	28	3,650	45.5	245	...	...	365	14	71	...	...	394
Nov.	16.6	...	...	1,134	...	...	...	...	...	11	...	...	...	...

Unless otherwise stated, the figures represent authorised share issues of new joint stock companies at home, and the increase of capital of existing companies. Bonus shares are excluded from the figures of the U.S.A., Roumania, Switzerland and Czechoslovakia. In the case of the Netherlands and the U.K. both bonus shares and conversions are excluded. *a* Until end 1924, kronen. *c* Excluding Treasury Bills. *d* Excl. large railway issues. *f* "Rivista Bancaria." *h* Issues exceeding Fls. 100,000 on the Dutch market including Colonial, and since Jan., 1925, foreign issues. *m* Since 1924, excluding amalgamations and conversions. Until end 1922 paper mark. *o* "Société de Banque Suisse," invitation for subscriptions on Swiss market including obligations and Local Govt. loans. *p* India, compiled by "Commercial & Financial Chronicle." *q* Up to 1927, authorised issues, excluding western departments; since 1928 amounts actually issued, whole territory.

UNEMPLOYMENT.

Percentage of persons unemployed in trade unions or in official unemployment insurance schemes (Belgium and U.K.).

End of Month.	U.K.	Belgium.	Denmark.	Germany.	Netherlands.	Norway.	Sweden.	Australia.	Canada.
1921—June	17.8	9.9	16.8	3.0	8.1	20.6	27.7	12.5	13.2
December	16.2	6.6	25.2	1.6	16.6	23.4	33.2	9.5	15.1
1925—June	11.9	1.0	9.3	3.5	...	8.9	8.2	10.2	6.1
December	10.4	2.8	31.1	19.4	...	23.7	19.4	8.1	7.9
1926—June	14.6	0.9	15.6	18.1	...	22.6	9.6	6.7	4.1
December	11.9	2.6	32.2	16.7	...	22.7	19.0	5.7	5.9
1927—June	8.8	1.4	18.0	6.3	...	22.5	9.5	6.4	3.2
December	9.5	0.6	31.6	12.9	...	14.9	28.0	8.9	6.6
1928—June	10.7	0.6	13.6	6.2	...	4.4	14.4	7.6	11.2
December	11.1	1.9	28.4	16.7	...	11.5	22.1	17.3	9.9
1929—June	9.6	0.4	10.0	8.5	...	2.6	11.3	7.3	10.0
December	11.1	2.4	22.4	20.1	...	12.3	18.9	16.9	13.1
1930—January	12.6	3.5	20.3	22.0	...	13.9	19.0	14.2	...
February	13.1	2.6	21.0	23.5	...	12.5	18.9	13.2	...
March	14.0	2.2	15.6	21.7	...	8.6	17.8	12.5	14.6
April	14.6	2.2	11.8	20.3	...	6.9	15.8	11.1	...
May	14.6	1.9	19.5	12.2	...	3.2	8.2	...	10.3
June	15.8	1.9	8.7	19.6	...	5.5	10.8	8.3	18.5
July	17.1	2.4	9.3	20.5	...	6.7	10.8	7.9	...
August	17.5	3.0	9.1	21.7	...	7.6	13.4	8.4	...
September	17.6	3.8	9.4	22.5	...	18.4	15.7	9.7	20.5
October	18.7	4.3	11.4	23.6	...	...	...	...	...
November	19.1	...	15.3	...	...	...	...	...	...

Number of Workers Covered by Last Returns.

Millions.....	12.1	0.6	0.3	4.5	10.4	0.04	0.3	0.4	0.2
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† Ex. Irish Free State since Mar., 1923.

* Workpeople in the coal-mining industry, who ceased work on account of the dispute, are not included in this figure. † Provisional figure.

BANK RATES.

	1925.	1926.	1927.	1928.	1929.	1930.
	End of June	End of Dec.	End of June	End of Dec.	End of June	End of Dec.
London	4.75	4.75	4.75	4.75	4.75	4.75
Paris	5.20	5.20	5.20	5.20	5.20	5.20
Berlin	9.90	9.90	9.90	9.90	9.90	9.90
New York	34.37	34.37	34.37	34.37	34.37	34.37
Amsterdam	4.34	4.34	4.34	4.34	4.34	4.34
Brussels	5.17	5.17	5.17	5.17	5.17	5.17
Rome	7.77	7.77	7.77	7.77	7.77	7.77
Switzerland	11.90	11.90	11.90	11.90	11.90	11.90
Vienna	12.12	12.12	12.12	12.12	12.12	12.12
Warsaw	7.37	7.37	7.37	7.37	7.37	7.37
Tokyo	5.64	5.64	5.64	5.64	5.64	5.64
Calcutta	5.64	5.64	5.64	5.64	5.64	5.64

* Federal Reserve.

LONDON BANKERS' CLEARING RETURNS.

	Town.	Metropolitan.	Country.	Total.
	£	£	£	£
1913	14,191,275	855,648	1,389,481	16,436,404
1923	32,470,373	1,595,565	2,810,554	36,876,492
1924	35,039,605	1,590,114	2,810,554	39,440,273
1925	35,801,264	1,678,347	2,957,508	40,437,119
1926	35,346,429	1,660,757	2,817,868	39,825,054
1927	36,819,682	1,758,032	2,972,827	41,550,541
1928	39,511,117	1,854,190	3,039,422	44,404,729
1929 (Dec. 16)	38,739,496	1,826,306	2,992,740	43,558,542
1930 (Dec. 17)	37,571,794	1,752,900	2,876,162	42,200,856

U.K. IMPORTS AND EXPORTS.—(000,000's omitted.)

	Food.		Raw Materials.		Manufactures.		Imports of		Exports of	
	Imports.	Exports.	Imports.	Exports.	Imports.	Exports.	Wheat.	Raw Cotton.	Sheep's & Lambs' Wool.	Cotton Piece Goods.
Monthly Average.	£	£	£	£	£	£	Cwts.	Centals.	Centals.	Sq. Yds.
1913	24.2	2.7	23.5	5.8	16.1	34.3	8.8	1.1	0.7	589
1923	42.5	3.7	27.1	10.9	21.4	48.3	8.4	1.1	0.6	345
1924	47.6	4.7	33.4	8.9	25.0	51.5	9.9	1.3	0.6	370
1925	47.6	4.6	35.4	7.0	26.7	51.4	8.1	1.6	0.6	370
1926	41.9	4.2	32.7	3.9	26.3	44.9	8.1	1.5	0.7	319
1927	44.9	4.4	29.3	6.4	26.9	47.0	9.2	1.3	0.7	343
1928	44.3	4.5	27.9	5.8	25.7	48.2	8.6	1.1	0.7	322
1929	44.7	4.6	28.3	6.6	27.9	47.8	9.3	1.3	0.7	306
1930—June	37.7	3.2	20.4	4.7	24.5	44.5	9.2	0.6	0.7	306
July	39.2	4.4	19.1	5.2	26.0	39.7	9.6	0.4	0.7	159
August	37.2	4.0	17.5	4.4	24.2	33.1	8.1	0.5	0.5	197
September	36.7	4.2	16.5	5.0	24.6	32.1	11.1	0.6	0.4	168
October	44.1	4.3	18.1	5.3	27.7	35.9	9.8	1.0	0.3	143
November	40.6	4.8	16.5	4.7	21.6	32.7	10.4	1.4	0.4	150

* Yards.

RAILWAY STATISTICS.—(000,000's omitted.)

	Great Britain (g).						Austria.	Germany.	Italy.	Canada.	United States.
	Gross Receipts.		Freight Traffic (f).								
	Passengers.	Freight.	Merchandise.	Coal, &c.	Minerals and Other Merchandise.	Total.	(b) (h)	(a)	(e) (i)	(c) (e)	(e)
	£	£	Tons.	Tons.	Tons.	Ton-Miles.	Tonnes-Km.	Tonnes-Km.	Tonnes-Km.	Tonnes-Km.	Tonnes-Km.
1926—June	4.4	5.3	4.7	1.9	3.6	10.2	1,202	4,695	1,132	d2,846	d39,237
December	4.7	8.5	4.9	15.9	4.1	24.8	1,392	1,321	5,641	d3,641	d40,096
1927—June	6.1	8.8	5.1	15.5	5.8	26.4	1,401	1,249	5,126	d2,611	d38,483
December	4.8	8.7	5.1	17.2	4.8	27.2	1,400	1,209	5,095	d4,128	d34,580
1928—June	5.5	8.3	4.8	14.9	5.3	25.0	1,324	1,325	5,528	d3,129	d37,304
December	4.6	8.4	4.8	16.1	5.8	25.6	1,352	1,282	4,715	d3,129	d37,304
1929—June	5.2	8.4	4.7	17.6	5.0	27.3	1,392	1,335	5,603	d3,129	d37,304
December	4.5	8.2	4.7	17.6	5.4	28.1	1,426	1,323	4,874	d3,129	d37,304
1930—March	3.7	8.9	5.1	17.6	5.4	28.1	1,426	1,323	4,874	d3,129	d37,304
April	4.8	8.2	4.8	15.6	5.1	25.5	1,516	1,242	5,013	d3,129	d37,304
May	4.3	8.6	5.0	16.2	5.6	26.8	1,567	1,278	4,849	d3,129	d37,304
June	5.7	7.3	4.4	13.2	4.7	22.2	1,196	1,278	4,502	d3,129	d37,304
July	6.9	8.2	4.8	14.8	4.8	24.4	1,357	1,376	4,723	d3,129	d37,304
August	7.5	7.5	4.1	14.3	4.1	22.5	1,295	1,365	4,602	d3,129	d37,304
September	5.2	8.2	4.7	15.3	4.6	24.6	1,369	1,329	4,804	d3,129	d37,304

* Inc. live-stock. (a) "Reichsbahn." Excl. free-hauled. (b) State and private railways, including freight on foreign lines. (c) Railways with annual operating revenues of at least \$500,000. (d) Ton-miles. (e) Including free-hauled. (f) Excluding free-hauled. (g) Long ton = kg. 1,016.05; mile = metres 1,609.34. (h) Gross tonnage. (i) Fiscal year ending June 30.

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GOLD AND THE PRICE LEVEL

A Memorandum

on the
Economic Consequences
of Changes in the
Value of Gold.

By

Sir HENRY STRAKOSCH, G.B.E.

London:
Supplement to *The Economist*,
July 5, 1930.

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MEMORANDUM

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The Economic Consequences of Changes in the Value of Gold

By Sir Henry Strakosch, G.B.E.

THE RETURN TO THE GOLD STANDARD.

WHEN the International Economic Conference, which was held at Genoa in the spring of 1922, enjoined countries that had abandoned the Gold Standard to revert to it, it did so not because it regarded gold as a measure of value which could be relied upon to remain stable in all circumstances, but because it considered the obligation to exchange national currencies for fixed weights of gold (or their equivalents in money of other Gold Standard countries) as the most efficacious means of limiting the monetary circulations to the legitimate needs of exchange, and because it regarded stability of the exchanges—which this convertibility assures—as indispensable for the restoration and development of international trade, upon which the prosperity of the world largely depends. The Conference clearly perceived that, if left to the free play of supply and demand, the value of gold was in danger of being subjected to wide fluctuations. It was to obviate this that led the Conference to recommend the co-ordination of the “demand for gold” . . . “to avoid those wide fluctuations in the purchasing power of gold, which might otherwise result from the simultaneous and competitive efforts of a number of countries to secure metallic reserves.” It envisaged close co-operation of the central banks, and the regulation of credit “not only with a view to maintaining the currencies at par with one another, but also with a view to preventing undue fluctuations in the purchasing power of gold.”

The first of these recommendations, *i.e.*, the general adoption of the Gold Standard, has been carried out in a

measure and with a rapidity which probably far exceeds the most sanguine expectations of those days. Though the movement started in 1923 with the restoration of the Austrian currency, followed, in 1924, by the Hungarian, real progress only began to be made in April, 1925, when Great Britain, and, soon after, the Dominions re-established the Gold Standard. The movement made such rapid progress that, by the end of the following year, practically the whole of the civilised world inhabited by some 1,200,000,000 people—or 60 per cent. of the world's population—were handling money linked to gold. Being by law exchangeable into fixed weights of gold, or their equivalents, the money they handle will buy, either at home or abroad, what the weight of gold into which it is exchangeable will buy. It follows that the purchasing power of all the currencies of the Gold Standard world is determined, within a slight margin, by what gold will buy. If a stable value of gold, that is, a stable level of commodity prices, is beneficial to economic progress—as it is hoped to show in these notes—then such stability will bring economic progress and prosperity to these 1,200,000,000 people, and if, conversely, instability is an impediment to economic progress, then their progress will be impeded and their well-being detrimentally affected. It is well to bear this in mind if the importance and scope of the second set of the Genoa Resolutions are to be viewed in their proper perspective.

THE EFFECT ON COMMODITY PRICES.

The movement of the general level of wholesale commodity prices in this country since the end of 1925 may be taken to be a pretty faithful reflection of the fluctuations to which the purchasing power of gold was subject during that period. It would have been more satisfactory to take for this purpose the average of a wholesale commodity price index of this country and a similarly constructed index of the U.S.A. But this, unfortunately, is not possible, because none of the well-known American indices are constructed and weighted in the same manner as any of the recognised indices in this country. The American indices all include prices of more or less manufactured goods, whereas ours, such as the one regularly published by the *Economist*, are indices essentially of raw materials that have a wide international market. For the measurement of the purchasing power of gold internationally, the *Economist* index certainly seems more appropriate.

Taking the index numbers of wholesale commodity prices of the *Economist*, we get the following picture:—

	<i>Economist</i> Index Wholesale Com- modity Prices; 1913 = 100.	Corresponding Purchasing Power of Gold, 1913 = 100.
End of December, 1925	153.0	65.4
“ “ 1926	145.1	68.9
“ “ 1927	141.9	70.5
“ “ 1928	136.5	73.3
“ “ 1929	126.9	78.8
“ May, 1930	115.8	86.4

It will be seen that the general level of prices fell steadily, but moderately, from the end of 1925 to the end of 1928, while the subsequent 15 months showed a much more accentuated drop which, towards the end of the period, degenerated into a slump.

Gold may thus be said to have appreciated:—

During the year ending 1926 by 5.4 per cent.	
“ “ 1927 “ 2.3 “	
“ “ 1928 “ 4.0 “	
“ “ 1929 “ 7.6 “	
and during the five months ending May 31, 1930 “ 9.6 “	
or for the whole period from end December, 1925, to end May, 1930	32.1 “

It is clear, then, that “the wide fluctuations in the purchasing power of gold,” which the Genoa Conference enjoined the Gold Standard world to avoid, have not been prevented.

The appreciation of gold, as expressed in the fall of the general level of commodity prices during the period under review, is popularly being ascribed to “over-production” brought about in the main—so it is said—by the rationalisation of industries the world over. The fact that this fall of prices has been accompanied by substantial accumulations of unsold stocks of practically all the great staple commodities lends, on a superficial view, support to this interpretation. A closer examination, however, makes this thesis untenable.

T P

"Over-production."

Though the word "rationalisation" has found its way into our vocabulary comparatively recently, there is every evidence to show that rationalisation has been practised to a greater or lesser extent ever since industry has existed. The incentive to augment the gains of industry is an ever-present stimulus to improve, that is, to cheapen and intensify the production of industry. The twenty years immediately preceding the war were probably as prolific a period of scientific progress and of intensified production as any in the economic history of the world. Quantitative measurements, though unfortunately based on material of a comparatively scanty character, leave little room for doubt that production during that period increased at a rate far exceeding the increase of population. Mr. Carl Snyder (the Statistician of the Federal Reserve Bank of New York), measuring the progress of the United States of America by a wealth of statistical data, comes to the conclusion that the trade of the United States—that is, broadly, its production—has been increasing steadily during the last 50 years at a compound rate of 4 per cent. per annum; while his compilations respecting the production of the world at large led him to conclude that that has proceeded at a compound rate of 3 per cent. per annum. Mr. Joseph Kitchin, measuring the economic progress of the world by figures of the physical production of the chief commodities, arrives at a somewhat similar conclusion. The League of Nations, in a recently published volume entitled *Memorandum on Production and Trade*, gives figures of world production which correspond broadly to an increase for the period from 1923-27 of the same figure of 3 per cent. per annum compound. The population of the world, on the other hand, has increased during those periods at a rate of about 1 per cent. per annum. It is true to say, then, that there was an excess of production equivalent to about 2 per cent. per annum over and above the needs to maintain that increased population at a stationary standard of life. Yet, except for a brief period in 1907, none of the phenomena by which the last five years are characterised had made their appearance. Indeed, the general level of commodity prices rose steadily from the year 1896 to the outbreak of war.

A Popular Fallacy.

On this evidence alone, one is entitled to question the validity of the popular notion that the accumulation of stocks of commodities coincident with the fall of the general level of prices of recent times is due to an unduly rapid increase of production of industry. Indeed, it is self-evident that an increase of production, extending over the whole range of commodities in an orderly and symmetrical fashion, cannot lead to what is commonly called "over-production." An increase of production, in these circumstances, simply makes available to the population a greater amount of all the goods it currently consumes. Thus, if the volume of production of the whole range of commodities that enter into the economic life of the nations is, on an average, increased by 3 per cent. per annum, then the producers of the individual commodities will all, on an average, have 3 per cent. more of the goods they produce to exchange with each other. The farmers would exchange their greater production for the greater production of those who produce the things the farmers need, and the producers of these and other things would exchange them for the greater production of the farmers. A symmetrical increase of production of this kind in effect raises the standard of life of the people, and that, it is almost unnecessary to say, is capable of practically infinite expansion. No disturbance in the exchange of the greater output of commodities need, or does, arise in these circumstances, provided there are available media of exchange in the form of money of all kinds to an amount that corresponds to the increased volume of exchanges that this greater production necessitates. If it is available the general level of commodity prices will remain stable. It is only when the available amount of money is either less or more than is needed to effect these exchanges that

the general level of commodity prices will fall or rise, as the case may be.

Symmetry in the production of the various classes of goods is not a matter of accident; it is constantly forced upon producers by the movement of prices of individual commodities relative to one another. If one or other of the commodities is being produced in quantities relatively greater than the production of the rest of the commodities, stocks of those commodities accumulate, their price falls, and so compels a reduction of their production until they once more conform symmetrically to the production of the rest of the commodities. In the reverse case, a reverse reaction on the price and consequently on the volume of production of individual commodities takes place and restores symmetry of production. The inter-play of relative prices—that is, of price movements of individual commodities relative to one another—is thus an automatic and infallible corrective of deviations from the line of symmetric production.

An Invisible Impediment?

Let us now observe the course of individual prices in this country during the period from the end of December, 1928, to the end of May, 1930. The Table in Annex "A" sets out the individual commodities on the prices of which the *Economist* index is based, and shows the percentage rise and fall in the price of each commodity for the period in question. In summary, the table shows that:—

	Falls.	Rises.	Un- changed.
13 commodities of the cereals and meat group had	10	2	1
9 commodities of other foods group had	8	1	—
11 commodities of the textiles group had	11	—	—
11 commodities of the minerals group had	5	5	1
14 commodities of the miscellaneous group had	7	3	4
58 commodities had	41	11	6

Of the 58 commodities included in the index given, 41, or 71 per cent., show falls, 11, or 19 per cent., show no change, while 6, or 10 per cent., show rises.

If it were true that the fall in the price of 71 per cent. of the principal raw materials that enter into our daily life is due to their "over-production," then the producers of each of these commodities would have on hand, and would be anxious to exchange, the surplus of the particular commodities they produce for the commodities they do not produce but need to maintain or improve their material comforts. Moreover, most of these other goods also are in superabundant supply, and the producers of these other goods would be equally anxious to exchange them for the goods they do not produce but need. There is thus a superabundance in nearly three-quarters of the various kinds of raw materials the world needs currently, there is an anxiety of the producers of each of these materials to exchange them for others, and yet they are not exchanged.

We are, in these circumstances, entitled to conclude that these exchanges failed to be made, not because goods generally were in excessive supply, but because the process of exchange was in some way impeded. And if—as is the case—there are no observable impediments of a physical or moral character, the theory of "over-production" fails and we are driven for an adequate explanation to the only remaining factor affecting the process of exchange—viz., the adequacy of the amount of money that is available to effect these exchanges.

The Money Factor.

It is clear that an increase of production, involving as it does an increased turnover of goods and services, calls for a corresponding increase in the amount of money and credit to effect this turnover, if the general level of commodity prices is to remain stable. If the amount of currency and credit that the Gold Standard world as a whole will permit to be created on a given amount of gold remains the same; if, in other words, the ratio of currency and credit to monetary gold reserves remains the same

then the general level of commodity prices, i.e., the value of gold, will only remain stable if there is an increase of monetary gold reserves corresponding to the increase of production. Conversely, if the increase of monetary gold reserves does not keep pace with the increase of production, then general prices will only remain stable if the ratio of currency and credit to monetary gold reserves is appropriately increased. But as the national currencies of Gold Standard countries are all by law exchangeable for fixed weights of gold (or their equivalents in currencies of other Gold Standard countries) price stability can only be achieved by co-operative action, if not of all, yet of the principal Gold Standard countries. Supposing the production of the world increases at a compound rate of 3 per cent. per annum, and supposing the monetary gold reserves of the Gold Standard world were to increase at a similar rate, then the general level of prices will only remain stable if every member of the great Gold Standard partnership does, in fact, build upon the gold reserves they have, and may be receiving, a structure of currency and credit which, regard being had to the state of development of the credit system in each country, is appropriate. To the extent to which they fail to do so, they are depriving the Gold Standard world of the additional currency and credit it needs to exchange its greater production, with the effect of increasing the value of gold, that is, of depressing the general level of commodity prices. Gold upon which an appropriate structure of currency has not been built in these circumstances ceases to perform monetary functions, to the detriment, not alone of the country responsible for it, but of the whole Gold Standard world. It is rather extraordinary how widely spread the belief still is that the Gold Standard leaves the country adopting it in a position of independence, and that the benefits it confers can be had without any responsibilities. The truth that the Gold Standard has bound together the civilised world for good or evil in the greatest international partnership ever known in history, that this partnership, while conferring benefits on each partner, also imposes upon them stern duties, and that transgressions by any one partner inflict hardships on the rest, is hardly realised.

Maldistribution of Gold.

The exigencies of the war have disorganised the monetary systems of most countries. Much of their monetary gold found its way to America and neutral countries. When they restored their currencies after the war and returned to the Gold Standard, they found the free flow of commerce impeded by barriers of the most diverse kind, and with it the flow of gold. This, coupled with an ill-directed monetary policy pursued by some of the Gold Standard countries, accounts for the persistence of the maldistribution of the world's gold reserves and their partial sterilisation. That sterilisation is most pronounced in the case of America, the Argentine Republic, and, since 1928, of France, these countries having accumulated gold reserves far in excess of their reasonable needs. Any gold that flows into the reserves of these countries is not used as a basis for the expansion of currency and credit, and therefore does not perform its monetary functions. The Gold Standard world is, to that extent, deprived of the currency and credit it needs to exchange its increasing production.

In a table (Annex "B") which is appended, are set out in the order of their size, the gold holdings of the central banks (and treasuries) in the principal Gold Standard countries of the world, at the close of each year since the end of 1925. In separate columns appear the changes, from year to year, in those holdings. In another part of the table, figures are given showing what the gold holdings represent per head of the population of each country, and, finally, figures are furnished of the new supplies of gold which have become available for monetary purposes year by year.

To assess the bearing, from a monetary point of view, of the changes recorded in the principal table, it is necessary to consider their effect on the currency and credit structure of the Gold Standard world as a whole in relation to its needs for currency and credit. It being generally accepted that the production of the world increases at the rate of 3 per cent. per annum, an increase of the world's monetary

gold reserves at the same rate would, in the absence of any economy in the use of gold for monetary purposes, provide an amount of currency and credit adequate to maintain prices. But when we consider the gold movements recorded in the table, we have to distinguish between gold that serves truly monetary purposes and gold that does not. The table showing the gold holdings per head of the population in the several countries is of particular interest in that connection. It shows that whereas the amount of Great Britain's gold reserves per head of her population was £3.3, that of the U.S.A. was, on an average, about £6.7, and that of France £6.1 in 1928 and £8.0 in 1929. Though their credit systems have attained a state of efficiency which cannot be said to be much inferior to that of Great Britain, the gold reserves per head of the population in the U.S.A. were roughly 100 per cent. greater than those of Great Britain, while those of France in 1928 were roughly 85 per cent., and, in 1929 no less than 140 per cent. greater than those of Great Britain. The gold reserves of the Argentine Republic, at an average of about £9.4, even if the fullest allowance is made for the less efficient credit system in that country, are far and away in excess of its legitimate requirements. Any gold, therefore, that flowed into America, Argentina and, since the beginning of 1928, into France, serves no monetary purpose, for in none of these countries is it permitted to support a structure of currency and credit that it would be permitted to support if it had flowed into other countries whose credit systems are in as high a state of development as theirs. In the appended table (Annex "C") account has been taken of this fact when comparing the amount of monetary gold needed to increase gold reserves by 3 per cent., and so support an increase of production at the same rate, with the amount of monetary gold that has actually become available in each year.

The Gold Deficiency.

The correlation of the figures of the last two columns, and particularly the figures for the year 1929, is significant. The deficiency of supply of monetary gold in relation to the assumed requirements of 3 per cent. per annum was moderate in the three years to the end of 1928, and so was the fall of the general level of commodity prices during that period. But when we come to the year 1929, we find a deficiency of well over 100 per cent. of requirements, accompanied by a sharp fall of prices which continued into the present year. Not only was the whole of the new gold that had become available for monetary purposes in 1929 absorbed by the U.S.A. and France, but the two countries have, in addition, managed to deplete the reserves of some of the other Gold Standard countries to the extent of £14,000,000, after due allowance has been made for the release of £36,000,000 by the Argentine. Together they have in this manner sterilised gold to the value of £110,000,000, and deprived the Gold Standard world of the possibility of augmenting the amount of currency and credit that was needed for the exchange of its increased production. That sufficiently explains the catastrophic fall of the general level of commodity prices in 1929 and the beginning of this year. It also suggests that co-operative action for the purpose of co-ordinating the demand for gold by the central banks of the principal Gold Standard countries, which the Genoa Conference so strongly advocated, was either absent or ill-directed.

The Economic Repercussions.

The fall in the general level of commodity prices clearly can have no effect on the physical equipment of the world. The lands, houses, factories, roads, railways and harbours remain, for all practical purposes, what they were when prices were higher. Nor can it have any effect on the possibility of and the need for employing that physical equipment for productive purposes. The population has remained the same and so have its wants. Indeed, the experience of the past leaves little room for doubt that, whatever the movement of general prices, production as a whole increases at a remarkably steady rate, though that rate of increase is perhaps accentuated in times of rising prices and somewhat retarded in times of falling prices.

Whence, then, arises the disturbance that impedes the smooth course of exchange of the commodities the world produces?

We all know that, in our complex economic organisation, the vast majority of transactions are not settled when they are concluded, but that they almost always involve contracts expressed in money amounts, the settlement of which is deferred over widely varying periods. In our Gold Standard world, it is the purchasing power of gold, as expressed in the general level of commodity prices, that determines the real obligations (in terms of goods, in which only they can be met) of all these contracts. If the general level of commodity prices falls by 20 per cent., or, in other words, if the purchasing power of money increases by 25 per cent., then a contract entered into before that fall has taken place will compel the debtor to give to the creditor a title to goods 25 per cent. greater than the two parties had bargained for when they concluded the contract. The total available volume of goods, that is, broadly the income of the community, has thus to be divided among the creditor and debtor sections of the community in different proportions than before. But, as the total volume of production increases relatively slightly from year to year, the greater title to goods of the creditor class can only be met by the share of the National Income falling to the debtor class being curtailed. It is this re-distribution of wealth, and the fact that the greater title to goods in the hands of the creditor section of the community is, in times of falling prices, exercised haltingly and in a class of goods quite different from that which the debtor class foregoes, that causes the profound disturbances in the exchange of goods.

The Distribution of Wealth.

It will be easier to appreciate the reactions brought about by such a redistribution of wealth if we examine a concrete case. Professor Bowley and Sir Josiah Stamp published in 1927 a monograph on the "National Income" of Great Britain in 1924. Largely based on the figures given in this publication, Mr. Joseph Kitchin has compiled for the writer an account in which the national income of that year is apportioned among the principal classes of the community who are particularly affected by a redistribution of wealth due to a change of the general price level. The account does not pretend to represent statistical facts (and the authors of the monograph must not be held responsible for the allocations made), but they are put forward as the best estimate that the available data permit to be made. They are believed to be sufficiently near the truth to serve the present purpose. The account is set out below:—

NATIONAL INCOME AND DISTRIBUTION ACCOUNT.

Income. Money Value, £ Millions.	Distribution.	
	Money Value, £ Millions.	% of Total Income.
4,060	(a) Public debt service.....	405 10.0
	(b) Interest and rent.....	665 16.4
	Fixed money obligations	1,070 26.4
	(1) Other governmental expenditure	285 7.0
	(2) Profits of Enterprise (<i>entrepreneur</i>)	685 16.8
	(3) Wages and salaries	2,020 49.8
	Residue	2,990 73.6
4,060		4,060 100.0

The distribution of the national income has been split up, it will be observed, into the constituents of (a) public debt service and (b) interest and rent, which are grouped together under the main heading of "Fixed Money Obligations," and (1) Other Governmental Expenditure, (2) Profits of Enterprise, and (3) Wages and Salaries, grouped under the main heading of "Residue." The first group, as the heading implies, comprises the obligations in respect of contracts involving fixed money payments. It includes, apart from interest and redemption charges on the National Debt, the debts of public bodies and private undertakings, also rent on landed and house property and pensions. These obligations may be said to constitute a first charge

on the national income. They have to be met whatever the income may be, if default is to be avoided. The second group, headed "Residue," represents the balance of the national income that is available to meet (a) Governmental Expenditure other than debt charges; (b) Profits of Enterprise (*entrepreneur*)—which includes all dividends of a variable type, such as accrue to holders of ordinary or deferred shares of companies—and, finally (c) Wages and Salaries.

Rentier and Entrepreneur.

A fall of the general level of prices increases immediately and automatically the share of the national income which falls to the section of the community that has fixed money claims. That increase takes place without any apparent friction as between that section and the rest of the community; indeed, most people do not realise that it has taken place. But, even if it were realised, it is not likely to be resented. The greater purchasing power of money is regarded as a windfall to the lucky ones who have claims to it, and is generally thought to be due, if not to an act of God, then to the folly of the *entrepreneur* class for having increased production unduly. There are few who realise that the greater purchasing power of the money in the hands of those having fixed money claims can only be satisfied by a corresponding increase of production, or, failing that, by a curtailment of the income of the remaining sections of the community, or (using the global term employed for the purpose of the account) of the "Residue." It is here that the fiercest friction at once and automatically arises. There is less to be divided among the *entrepreneur* and the wage-earning classes. Sacrifices have to be made. Who is to bear them, and if they are to be borne by both sections, in what proportions? The wage-earner resists having his money wage reduced, even if that wage were to buy correspondingly more goods. But we know that a fall of the general level of wholesale prices does not at once bring down the prices of the goods the wage-earner needs and buys. The cost of living, in other words, does not, except very sluggishly, follow wholesale prices. Besides, the reduction of wages is, in any case, a long and difficult process, often involving strikes which reduce production when increased production is the only means to restore the income in terms of goods of the classes comprising the "Residue."

The whole of the burden of the fall has thus at first to be borne by the *entrepreneur* class. Those among them whose enterprises are less exposed to foreign competition will try to lighten their burden by combining for the purpose of maintaining or raising the prices of the commodities they produce or the services they render. The result is that the burden falling on the *entrepreneur* class whose industries are more exposed to foreign competition, and who are therefore less able to control the prices of the goods they have to sell, is further increased. Hence the well-known phenomenon of the unsheltered industries being the first to be badly crippled or put out of action by a fall of general prices. But even if both the sheltered and unsheltered industries were prepared to shoulder the burden rateably, they would only be able to support it if the fall of prices were relatively unimportant, simply because their share of the National Income, even in times of stability, is but a small proportion of the whole. The National Income and Distribution Account shows that their share in 1924 has amounted to just over 16 per cent.

Dividing the National Income.

To aid the reader in visualising the nature and the relative extent of the changes in the distribution of the National Income consequent on changes in the general level of prices, a diagram (coloured Annex I.) is inserted which attempts to show this. It is built up from the figures of the National Income and Distribution Account given earlier in this paper, the vertical line above the figure 100 at the bottom of the chart representing the National Income as distributed in that Account. To the left of this vertical line can be read off the effect which any given fall, and to the right any given rise, of the general level of commodity prices has on the distribution, on

the supposition that the National Income remains stationary, and that the "Residue" is divided between its constituents in exactly the same proportions as it is divided in the original account shown in the vertical line above the figure 100. It will, of course, be understood that the presentation in this form is a purely schematic one, and does not—indeed could not—take account of the innumerable subsidiary influences which are constantly at work in the direction of accelerating or retarding the re-distribution of the shares in the National Income as between one section of the community and another.

It, however, faithfully represents the change in the proportions of the National Income that fall to those having fixed money claims on the one hand, and to the "Residue" on the other, consequent upon changes in the general level of commodity prices on the assumption that the National Income neither increases nor decreases. But the division between the main constituents of the "Residue," viz., the wage-earning and *entrepreneur* classes shown in the diagram is an ideal one. The line denoting that division has been drawn simply to illustrate how each of these classes would be faring if they bore rateably the burden consequent on a fall, and enjoyed rateably the benefit consequent on a rise in the level of prices. In point of fact it is the process of dividing the "Residue" (especially if the "Residue" becomes smaller as a result of a falling price level) that causes the struggle and friction between the two classes which right through history has accompanied every violent change in the level of prices.

The Burden on Enterprise.

Of far greater significance in that connection are the lines shown on the diagram which denote the wage-earners' share of the National Income if money wages remain constant (*AB*) and their share if their standard of living is to be maintained stable (*CD*). The first, in particular, illustrates strikingly the friction that even a relatively small fall in the general level of commodity prices sets up between the wage-earning and *entrepreneur* classes. It shows how deeply the wage-earners' share cuts into "Profit of Enterprise" while money wages remain unaltered and how urgent, therefore, a re-adjustment of money wages becomes. Line *CD*—which pre-supposes a readjustment of money wages to a point at which the real wages, i.e., the standard of living, is maintained unaltered—shows that even this involves a rather substantial encroachment on "Profit of Enterprise." Conversely, if the latter is incapable of bearing the burden (and there is, of course, a limit beyond which "Profit of Enterprise" cannot be curtailed without killing enterprise), it shows that a fall of prices forces upon the wage-earning community a debasement of their standard of living. An increase of production alone is capable of mitigating that situation. But if it is considered that an annual increase of production of 3 per cent. will counteract the ill-effects of a fall in the general level of prices of only about 2.9 per cent. per annum, the profoundly disturbing effect of the fall of 16 per cent. during the last seventeen months will be appreciated.

Little imagination is required to visualise the many implications which spring from this state of things. Thus it is clear that industries which are most vulnerable to competition are the first to suffer, and that, failing very large resources to meet losses, they are quickly reduced to impotence and compelled to suspend operations. Unemployment is the result, but that unemployment is not merely confined to the particular industry that has to suspend operations but spreads over most other industries, for the suspension of operations by one industry immediately reacts on others through the curtailment of the requirements by the former of goods produced and services rendered by the latter. A reduction of money wages, possibly to a level constituting a debasement of the standard of living, becomes inevitable. Wage reductions of so drastic a character can hardly be expected to be accomplished without strikes. These in turn aggravate the evil; production is further curtailed and unemployment further increased and that at a time when an increase of production alone can remedy the disequilibrium!

Demand Curtailed.

Meanwhile, the greater title to goods which the fall of general prices gives to those having fixed money claims remains unexercised. While money appreciates, a reluctance to exchange it for goods is only natural; and that is particularly true of those having fixed money claims, for they can afford it, the greater title to goods they so acquire constituting, in fact, an increment over and above their accustomed standard of life. They are thus unlikely to exercise it until they believe that the fall of prices has come to an end, and when they do, it will be in goods of a different character from those in which it would be exercised if it were in the hands of the wage-earning community. The latter would exercise it mainly in the purchase of consumable goods, while the former would exercise it in the purchase of capital goods through the acquisition of bonds and shares.

In a period of falling prices, there is thus a falling-off in the demand for consumable goods owing to the reduction of income of the wage-earning classes, and of capital goods owing to the reluctance to exercise their increased purchasing power by those having fixed money claims. Added to this, there is the psychological factor of falling prices reacting on the *entrepreneur* class in the direction of limiting their purchases of commodities to their immediate needs. Hence the curtailment of demand for both classes of goods, and the consequent accumulation of stocks of most primary commodities.

This cursory analysis supplies—it is submitted—a far more cogent explanation of the phenomenon that is observable not merely in this country but, to a greater or lesser extent, the Gold Standard world over. The phenomenon is due, not to "over-production," but to the retardation in the process of exchange, and therefore of consumption, caused by a drastic redistribution of wealth resulting from the fall in the general level of commodity prices which, in turn, owes its origin to an inadequate supply of currency and credit.

The Real Shortage.

Before concluding this part of our analysis, let us consider the monetary aspect of the developments just referred to. The fact that the general level of prices has fallen and that production and trade have suffered a curtailment reduces the need for currency and credit. The amount that was insufficient before the fall occurred will probably be substantially in excess of the needs of exchange in the altered circumstances. The fact, moreover, that the increased purchasing power in the hands of those having fixed money claims is not being exercised in the purchase of capital goods through the investment market, but is being temporarily diverted to the short credit market, is a sufficient explanation of the abundance of the supply of credit in periods of rapidly falling prices. This abundance is the one element in the situation which can, and invariably does, set into motion a trend in the reverse direction. Cheap credit revives confidence, and with it enterprise. The fall of general prices is stayed. Those who have temporarily diverted their surplus purchasing power to the short credit market take heart and direct it to the investment market, and through it, to the production of capital goods. Employment increases, and so does the demand for consumable goods. General prices take an upward trend and the spirit of enterprise broadens until both are once more checked by currency and credit having reached the limit to which the central banks consider it prudent to expand them in view of the available supply of monetary gold.

It is well to restate these well-known phases of a trade cycle in order to show that there is ample ground for the contention that such cyclic movements are of monetary origin and by no means beyond control. Our analysis shows that the recent fall in the general level of prices has its origin in an insufficiency in the supply of currency and credit, and that that insufficiency was brought about by the very reverse of economy in the use of the monetary gold that became available. It showed that a drastic redistribution of wealth was thus forced upon the world, that this caused the free flow of exchange to become badly clogged, with the result that the fall of general prices was

accentuated and that the available amount of currency and credit became superabundant.

It is legitimate to conclude that, if the Gold Standard world had been supplied with an adequate amount of currency and credit by the exercise of reasonable economy in the use of its monetary gold supply, there would have been no fall of general prices. If there had been no fall there would have been no redistribution of wealth, no clogging of the flow of exchange, no superabundance of currency and credit to supply the stimulus for a reversal of the movement, and therefore no trade cycle.

The Diagram on p. 9 and the figures in Annex "D" strikingly illustrate the close correlation of the deficiency in the supply of monetary gold (on the assumption that an addition to the monetary gold reserves of 3 per cent. per annum is needed to meet the requirements of an increase of production at the same rate), with the movement of the general level of prices and the state of unemployment in the period under review. A graph is added showing the movement of the Bank of England's liabilities in respect of other deposits, together with the total note circulation (currency notes in issue being added to the Bank of England notes before the former were taken over by the Bank). When examining the unemployment chart, it should be remembered that the coal stoppage in 1926, and its repercussions in 1927, are no doubt largely responsible for the violent movements shown in that period.

If Prices Rise.

Not much space need be devoted to the analysis of the consequences of a rise in the general level of prices. They are pretty well the reverse of those of a fall. The diagram (coloured Annex I.) clearly shows how the share in the national income accruing to those who have fixed money claims is reduced, how the "Residue" is correspondingly increased, and how the "ideal" division of the "Residue" among the wage-earning and *entrepreneur* classes (i.e., its division in the same proportions as those of the original National Income and Distribution Account) raises the standard of living of the former and yet leaves the latter with a greater profit. The need for a readjustment of money wages is again strikingly illustrated by the lines AB and CD, but it will be apparent that the readjustment, though no doubt liable to cause friction, is a much less difficult matter than in the case of falling prices. To divide the benefit of a surplus is a much less unpleasant affair than to divide the burden of a deficiency.

The increased title to goods which accrues to the "Residue" is exercised at once, both consumable and capital goods are in brisk demand, the former mainly by the wage-earning community and the latter by the *entrepreneur* class, as well as by those having fixed money claims. The exchange of goods proceeds unchecked and at an accelerated rate. This, and the psychological effect of rising prices, stimulates enterprise, sometimes much beyond its legitimate limits, until it is fiercely checked by the supply of currency and credit being no longer capable of expansion owing to the limitation put upon it by the available supply of monetary gold. The trend in the reverse direction is set in motion with all the evil consequences to which reference has been made.

Stable Prices.

Having illustrated diagrammatically (coloured Annex I.) the effect on the distribution of the National Income of fluctuations of the general level of commodity prices, it may be helpful to show, in similar form, the development of things when general prices are stable. A further diagram (coloured Annex II.) has been drawn for the purpose. Like the earlier diagram, it is built up from the figures of the original account, the vertical line above the figure 0 at the bottom of the chart representing the distribution in that account. It assumes that the National Income increases at the rate of 3 per cent. per annum compound, that the Public Debt service remains at a constant figure, but that "Interest and Rent" (Private Debt) increases at the same rate as the National Income, viz., 3 per cent. per annum, it being assumed that the additional capital equipment needed to produce

the 3 per cent. increase of the National Income will be provided by a rateable increase of Private Debt. The "Residue" is divided in the constant proportions of the original account, viz., Other Government Expenditure (9.5 per cent.), Profits of Enterprise (22.8 per cent.) and wage-earners (67.7 per cent.).

It will be seen that (except for the increase of Private Debt on the assumption made) those having fixed money claims will be receiving the same amount of real income right through the period, and that practically the whole of the increase of the National Income accrues to the "Residue." It would be difficult to show that this distribution does not do full justice to all sections of the community; those having fixed money claims will be receiving the same amount of money of the same purchasing power they bargained to receive when the Creditor and Debtor position was created. In accepting a fixed money claim and receiving in return for it the superior security of a first charge on the income, they clearly gave up their claim to a share in any increase of income that arises from greater productivity. Those, on the other hand, to whose enterprise, energy and willingness to bear risks the greater productivity is in the main due, i.e., the wage-earners and *entrepreneurs*, are justly entitled to share between them the fruits of having created it. The division of the "Residue" between wage-earners and *entrepreneurs* in the constant proportions of the original account, secures to both an increase of income at a rate somewhat greater than 3 per cent. per annum. The line AB drawn across the diagram indicates the proportion of the National Income that is needed to give to the wage-earners a constant standard of living, on the assumption that the population increases at the rate of 1 per cent. per annum. That line brings out in a particularly striking manner how an increase of production in conditions of monetary stability makes available for the improvement of the standard of life of the wage-earners a steadily increasing margin, and yet satisfies the just claims of the *entrepreneur* class to a rateable share in the increased production.

The Smoother Flow.

The diagram thus indicates that, in the conditions assumed, the standard of life of the wage-earners would be doubled in thirty years, indeed, that no section of the community benefits as much from an increase of production as they do. That increased production does not reach the wage-earner unless money wages are increased accordingly. Friction may, but need not arise in the process, for, as in the case of rising prices, it is a question of dividing between wage-earners and *entrepreneurs* not the burden of a deficiency, but the benefit of a surplus. Besides, in conditions of stability, it should not be beyond the wit of man to devise a system by which the wage-earner's due proportion of the increased production is currently—almost automatically—transferred to him. But even if friction were to arise here and there, it can affect but slightly the immeasurable benefits which arise from the fact that in conditions of price stability a re-distribution of wealth is avoided, and, with it, the profound disturbances that spring from it. There would be no check to the smooth flow of goods, the steadily increasing income accruing to the "Residue" being currently exercised in the purchase of consumable as well as capital goods. There would be no undue stimulus or deterrent to enterprise, nor would the smooth flow of savings to the capital market be interfered with. In a word, there would be no check to economic progress.

The Hope for the Future.

The conquest of the forces of nature by the human race is increasing at a rate undreamt of only a little while ago. We are justly proud of it, and also of our achievements in the direction of co-operation for the purpose of "rationalising" physical production. Yet the world permits itself to be robbed of much of the fruits of this conquest by the failure to "rationalise," by co-operative action, the monetary use of gold, though that alone can secure for it the undisturbed economic progress which is the very foundation of social and political peace.

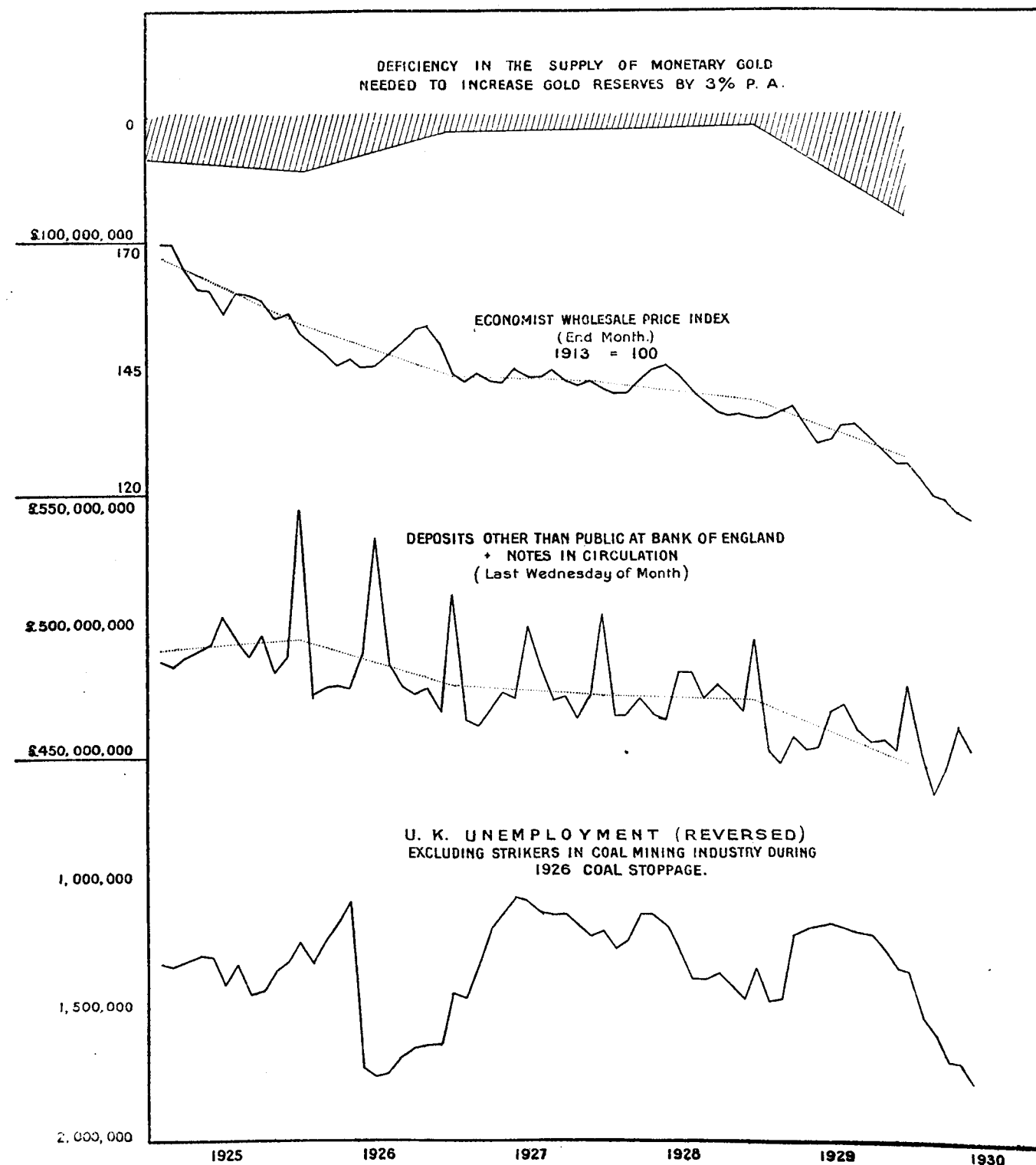
There are some—alas, probably many—who will deny the possibility of controlling, or even of influencing, the course of the general level of prices by co-operative action of the central banks. In their eyes, it is an ideal unattainable in practice—a Utopian dream. In holding that view they must be suppressing their sense of humour, for, in denying the possibility of influencing the general level of prices, they deny the possibility of the very existence of the Gold Standard. They forget that no country could remain on the Gold Standard unless its credit policy were constantly directed to suitably increasing or decreasing the purchasing power of the national currency (that is, of lowering or raising the general level of commodity prices in that country), so as to keep it in step with the purchasing power of the national currencies of other Gold Standard countries (i.e., their general level of prices). Their attitude of mind vividly reminds one of the arguments not infrequently adduced, even in the best circles, in the countries that allowed themselves to be nearly overwhelmed by monetary

inflation. The increase of the monetary circulation was, in their view, a necessary consequence—and not the cause—of the rise of prices. The same line of reasoning, but in the reverse direction, seems to possess those who regard the disastrous fall of prices in recent times (which, as has been shown, is clearly traceable to the deflationary effect of the sterilisation of gold) as an inevitable evil due to forces beyond human control.

We can only hope that the inquiry into the gold question, which is at present being carried on by a Delegation of the Financial Committee of the League, will achieve results no less effective than those yielded by the Report of the Brussels Conference, and that the Bank of England will once more lead the other principal central banks along the path of intelligent co-operation towards the common objective—economy in the use of gold, which alone can obviate the otherwise inevitable recurrence of disturbances such as those which are so grievously afflicting the world to-day.

DIAGRAM.

GOLD, CREDIT, PRICES, AND UNEMPLOYMENT.



WHOLESALE PRICES OF INDIVIDUAL COMMODITIES.

Increase (+) or decrease (-) per cent. between December 31, 1928, and May 31, 1930.

Wheat, foreign	- 1.1	Flax	- 36.9
Wheat, English	- 9.7	Hemp	- 31.3
Flour	- 1.4	Jute	- 26.7
Barley	- 28.7		
Oats	- 27.1	Textiles	- 29.5
Maize	- 33.7		
Rice	- 12.7	Pig iron	+ 2.3
Potatoes	- 50.0	Steel rail-	+ 4.9
Beef, English	...	Iron bars	+ 0.9
Beef, Argentine	+ 2.9	Timplates	+ 3.3
Mutton, English	+ 9.6	Coal, Welsh exp.	+ 8.5
Mutton, New Zealand	- 21.6	Coal, Durham gas	- 4.8
Bacon, Danish	- 2.0	Coal, household	- 12.4
		Lead	- 37.7
Cereals and meat	- 13.5	Tin	- 27.0
		Copper	- 36.3
Tea	- 20.0	Spelter	- 8.9
Coffee	- 3.1	Minerals	...
Cocoa	- 6.6		
Sugar, cane	- 12.4	Timber, English	- 5.3
Sugar, refined	- 11.5	Timber, Swedish	...
Cheese, Canadian	- 7.1	Cement	- 27.3
Butter, Danish	- 34.0	Hides	- 17.3
Coco oil	- 14.1	Leather	+ 14.8
Tobacco	+ 2.3	Petrol No. 1	+ 14.3
		Petroleum oil	+ 46.6
Other foods	- 11.8	Fuel oil	- 6.5
		Linseed oil	- 22.3
Cotton, A.	- 18.9	Tallow	...
Cotton, E.	- 30.3	Rubber	- 24.1
Cotton yarn	- 21.0	Soda, crystals	- 46.1
Cotton cloth	- 14.3	Sulphate of ammonia	...
Wool, English	- 41.8	Creosote	- 5.2
Wool, Australian	- 38.6		
Wool tops	- 37.0	Miscellaneous	...
Silk	- 27.8		

GOLD HOLDINGS OF CENTRAL BANKS AND TREASURIES.

ANNEX B.

	In millions of pounds sterling.							Popula- tion, 1929 (millions)	Per head (£).				
	End 1925.	End 1926.	Change, 1926.	End 1927.	Change, 1927.	End 1928.	Change, 1928.		End 1925.	End 1926.	End 1927.	End 1928.	End 1929.
	1925.	1926.	1926.	1927.	1927.	1928.	1928.		1925.	1926.	1927.	1928.	1929.
United States...	819	838	+19	818	-20	770	-48	802	+32	-17	121	6.8	6.9
France...	164	(175)	+11	(202)	+27	258	+56	336	+78	+172	42	3.9	4.2
Great Britain...	145	151	+6	152	+1	153	+1	146	-7	+1	46	3.2	3.3
Germany...	59	90	+31	91	+1	134	+43	112	-22	+53	64	0.9	1.4
Japan...	123	118	-5	115	-3	109	-6	110	+1	-13	89	1.4	1.3
Spain...	101	101	...	103	+2	101	-2	102	+1	+1	23	4.4	4.4
Argentina...	95	95	...	111	+16	127	+16	91	-36	-4	11	8.6	10.1
Italy...	68	66	-2	69	+3	75	+6	76	+1	+8	44	1.5	1.6
	1,574	1,634	+60	1,661	+27	1,727	+66	1,775	+48	+201	440	3.6	3.7
Netherlands...	37	34	-3	33	-1	36	+3	37	+1	...	8	4.6	4.2
Brazil...	11	12	+1	21	+9	30	+9	31	+1	+20	34	0.3	0.4
Belgium...	11	18	+7	21	+3	26	+5	34	+8	+23	8	1.4	2.2
Canada...	46	47	+1	47	...	39	-8	31	-8	-15	10	4.6	4.7
Switzerland...	18	19	+1	20	+1	21	+1	24	+3	+6	4	4.5	4.7
Australia...	26	22	-4	22	...	22	...	18	-4	-8	6½	4.0	3.4
Poland...	5	5	...	12	+7	14	+2	16	+2	+11	31	0.2	0.2
Java...	15	16	+1	15	-1	14	-1	14	...	-1	55	0.3	0.3
Uruguay...	12	12	...	12	...	14	+2	14	...	+2	2	6.0	6.0
Sweden...	13	12	-1	13	+1	13	...	13	...	...	6	2.1	2.0
Denmark...	12	12	...	10	-2	10	...	10	...	-2	3½	3.4	3.4
South Africa...	9	9	...	9	...	9	...	8	-1	-1	7½	1.2	1.2
Czechoslovakia...	6	6	...	6	...	7	+1	8	+1	+2	14½	0.4	0.4
Norway...	8	8	...	8	...	8	...	8	...	...	3	2.7	2.7
Other countries	78	85	+7	91	+6	93	+2	102	+9	+24	605	0.1	0.1
	1,881	1,951	+70	2,001	+50	2,083	+82	2,143	+60	+262	1,238	1.5	1.6

SOURCE OF INCREASES OF GOLD HOLDINGS IN CENTRAL BANKS AND TREASURIES.

(Millions of pounds sterling.)

	World's Stock of Gold Money (end of year).	In Central Banks and Treasuries (end of year).	Difference (in other banks, in circulation or hoarded) (end of year).	Increase in Central Banks and Treasuries.		
				From new gold.	From other banks, circulation or hoards.	Total increase.
1925	2,129	1,881	248	...	...	...
1926	2,180	1,951	229	51	+19	70
1927	2,232	2,001	231	52	-2	50
1928	2,282	2,083	199	50	+32	82
1929	2,336	2,143	193	54	+6	60
				207	+55	262

ANNEX C.

SUPPLY AND DEFICIENCY OF MONETARY GOLD.

End of	New Gold becoming available for monetary purposes.	Gold sterilised : - Gold released from sterile reserves : +	Net additions to monetary gold reserves.	Addition of 3% needed.*	Deficiency.	Economist Wholesale Price Index, 1913 = 100.
In £ millions.						
December, 1924	74	U.S.A. - 54 Argentina + 7	- 47	27	62	35 56.5%
December, 1925	- 4	U.S.A. + 23 Argentina - 1	+ 22	18	63	45 72.6%
December, 1926	70	U.S.A. - 19	51	64	13	20.3%
December, 1927	50	U.S.A. + 20 Argentina - 16	+ 4	54	65	11 17.0%
December, 1928	82	U.S.A. + 48 Argentina - 16 France - 56	- 24	58	67	9 13.4%
December, 1929	60	U.S.A. - 32 Argentina + 36 France - 78	- 74	- 14	68	82 121.0%
May, 1930						126.9 - 7.0 115.8 - 8.7

* Reckoned on stock of gold money at end of previous year.

ANNEX D.

STATISTICS USED IN DIAGRAM ON PAGE 9.

	Whole- sale Price Index, 1913=100	Unem- ployed. 000	B. of E. Other Deposits.	Notes in circula- tion.	Treasury Notes in circula- tion.	Total.	Whole- sale Price Index, 1913=100	Unem- ployed. 000	B. of E. Other Deposits.	Notes in circula- tion.	Treasury Notes in circula- tion.	Total.
			Last Wednesday of month.						Last Wednesday of month.			
1925.			£ millions.						£ millions.			
Jan.	170.1	1,320	107.3	97.6	281.2	486.1	1928.	141.5	1,261	98.7	78.4	288.0
Feb.	170.1	1,331	105.5	97.9	281.2	484.6	Jan.	141.5	1,228	98.5	79.1	287.5
Mar.	165.7	1,308	105.9	97.5	284.3	487.7	Feb.	141.5	1,228	98.2	79.2	287.5
April	161.9	1,292	105.5	94.5	289.8	488.8	Mar.	143.5	1,128	98.2	79.2	289.5
May	160.8	1,294	106.7	94.3	291.5	492.5	April	145.7	1,128	94.8	78.5	292.0
June	157.0	1,406	118.3	92.7	292.3	503.3	May	146.7	1,168	89.6	79.8	293.7
July	160.8	1,327	103.3	90.3	301.0	494.6	June	144.5	1,273	105.6	80.1	296.0
Aug.	160.3	1,441	104.2	88.1	295.1	487.4	July	141.9	1,377	106.8	79.8	295.1
Sept.	159.0	1,424	114.5	88.6	293.0	496.1	Aug.	139.4	1,375	95.3	79.2	296.9
Oct.	156.3	1,354	102.6	86.8	291.6	481.0	Sept.	137.5	1,355	103.7	78.3	293.9
Nov.	156.7	1,314	111.4	85.8	290.1	487.3	Oct.	136.9	1,404	103.5	78.3	291.6
Dec.	153.0	1,243	160.7	88.5	296.8	546.0	Nov.	136.9	1,453	99.6	367.0	466.6
							Dec.	136.5	1,334	107.0	388.2	495.2
1926.			£ millions.				1929.			£ millions.		
Jan.	151.6	1,318	101.3	85.3	286.2	472.8	Jan.	136.1	1,466	96.1	355.7	451.8
Feb.	149.3	1,248	106.2	84.9	284.1	475.2	Feb.	137.3	1,454	93.7	352.3	446.0
Mar.	147.1	1,171	93.6	86.6	295.3	475.5	Mar.	138.1	1,204	94.6	361.8	456.4
April	147.8	1,093	95.6	84.9	294.5	475.0	April	135.0	1,181	94.1	357.3	451.4
May	146.5	1,719	103.0	84.4	300.3	487.7	May	131.5	1,177	91.6	360.1	451.7
June	146.8	1,751	154.7	85.5	294.0	534.2	June	131.7	1,164	103.6	362.7	466.3
July	148.7	1,737	105.5	85.8	293.9	485.2	July	134.6	1,178	98.0	371.8	469.8
Aug.	151.1	1,684	102.1	84.1	290.8	477.0	Aug.	134.5	1,199	94.1	365.4	459.5
Sept.	153.6	1,648	101.2	84.3	287.9	473.4	Sept.	131.9	1,203	93.4	361.1	454.5
Oct.	154.2	1,636	104.8	82.9	287.6	475.3	Oct.	129.6	1,254	96.2	358.8	455.0
Nov.	151.3	1,630	100.8	81.8	284.7	467.3	Nov.	126.9	1,326	96.4	354.6	451.0
Dec.	145.1	1,432	131.3	84.6	296.5	512.4	Dec.	126.9	1,344	106.8	369.8	476.6
1927.			£ millions.				1930.			£ millions.		
Jan.	143.1	1,451	102.8	80.8	280.2	463.8	Jan.	123.7	1,520	103.4	348.0	451.4
Feb.	144.7	1,315	98.5	80.4	281.5	460.4	Feb.	121.0	1,583	86.9	346.8	433.7
Mar.	143.5	1,188	97.5	81.8	288.1	467.4	Mar.	119.4	1,694	90.8	352.3	443.1
April	142.8	1,133	98.6	81.3	294.8	474.7	April	117.2	1,698	102.7	358.8	461.5
May	145.4	1,059	98.4	79.7	293.6	471.7	May	115.8	1,770	94.9	356.1	451.0
June	144.1	1,069	119.0	81.8	298.3	499.1	June					
July	144.1	1,114	103.5	81.8	298.5	483.8	July					
Aug.	145.1	1,130	93.2	81.2	295.9	470.3	Aug.					
Sept.	143.4	1,126	97.5	80.3	294.8	472.6	Sept.					
Oct.	142.5	1,156	90.8	79.6	292.5	462.9	Oct.					
Nov.	143.1	1,210	95.2	80.7	295.8	471.7	Nov.					
Dec.	141.9	1,194	124.0	82.5	299.8	506.3	Dec.					

Sources:—Unemployment L. of N. Bulletin.
 Bank of England—Other Deposits
 Notes in Circulation Economist.
 Treasury Notes
 Price Index

, 1930.

NNE A.
906

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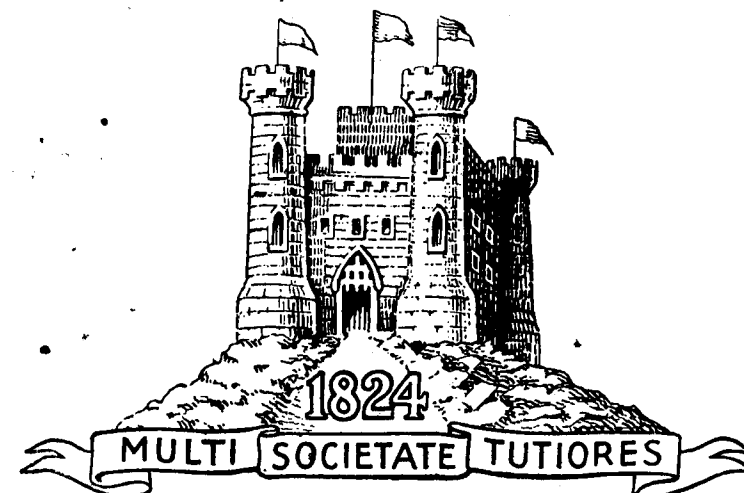
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SATURDAY, JULY 12, 1930.



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INSURANCE IN 1929. A Review of Progress and Prospects.

Vol. CXI.

SATURDAY, JULY 12, 1930.

No. 4,533.

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GENERAL RESULTS OF THE YEAR.

In accordance with our custom, we propose in this introductory article to pass in review the results of the year and to consider them as a whole, reserving for the separate sections of this review the more detailed analysis of the progress of each department. This method of treatment is more suited to a general understanding of the extremely technical and complicated character of insurance business; and the fact that the figures have been extracted on a uniform basis facilitates comparison between one office and another, and with the results achieved in former years.

The 1929 results as a whole may be considered most conveniently from three main aspects:—

- (1) The total underwriting surplus in relation to the premium income from which it has been earned;
- (2) the relation between interest earnings and the cost of the dividend;
- (3) the strength of the departmental and general reserves in relation to the premium income.

The first five columns of the appended table are concerned with the presentation of the underwriting results. It should be explained that the figures in the table do not necessarily agree with those in the accounts of the companies, since accounting methods vary greatly between different concerns. In order to ensure uniformity, the departmental profits have been calculated on the assumption

tion of a reserve for unexpired risks of 40 per cent. of the premium income, whereas some companies maintain a 45 per cent. or a 50 per cent. standard, while others are content with less, and, again, additional reserves in some cases are kept, fluctuating from year to year. It is not possible to adopt a uniform system for the marine department owing to the nature of the business, and, in this case, therefore, the company's own method has been followed. The departmental accounts for the most part relate only to the business of each department, but the net trading surplus shown in column (2) takes account not only of the aggregate of the departmental profits, calculated in the manner described above, but also of the balance of the items charged to profit and loss and properly regarded as appertaining to the business of the whole company.

Column (4) indicates the amount of the contribution to profits available for distribution from the life and sinking fund. It is scarcely necessary to explain that life profits are ascertainable on a different method by reference to the difference between the value of the assets constituting the fund and the present value of the liabilities as determined by the actuary. In accordance with the requirements of the Assurance Companies Act, 1909, these periodical investigations must be made at least once in every five years. Modern practice tends increasingly to more frequent stocktakings, in some case triennial and even annual. Thus in some instances the figures given represent five

Company.	Total Premium Income (excluding Life, Annuity, and Sinking Fund).	Net Trading Surplus after deducting all items charged direct to Profit and Loss Account (excluding Life, Annuity, and Sinking Fund).	Ratio of Net Trading Surplus to Premiums.	Contribution to Net Trading Surplus from Life, Annuity, and Sinking Fund.	Total Net Trading Surplus.	Net Interest Earnings after deducting Debenture Interest and Preference Dividends.	Cost of Dividend on Ordinary Shares.	Proportion of Dividend met by Interest Earnings.	Funds (excluding Life, Annuity, and Sinking Fund), including all General Reserve Funds, but excluding outstanding liabilities.	Ratio—Funds to Premium Income.
	(1) £	(2) £	(3) %	(4) £	(5) £	(6) £	(7) £	(8) %	(9) £	(10) %
Alliance	3,875,097	180,937	4.7	...	180,937	360,215	495,250	73.0	6,722,258	173
Atlas	2,965,834	120,636	4.1	21,689	142,325	148,820	176,000	85.0	3,439,264	116
Caledonian	1,406,972	27,047	1.9	...	27,047	88,779	99,400	89.0	2,011,864	143
Commercial Union	17,111,436	405,376	2.4	113,088	518,464	1,000,089	1,149,784	87.0	19,058,704	111
Eagle Star and British Dominions	3,199,482	9,669	.3	71,487	61,818	128,105	128,484	100.0	3,078,343	96
Employers' Liability	7,686,002	80,553	1.0	...	80,553	291,291	307,818	95.0	5,730,912	75
General Accident	7,715,510	81,231	1.1	...	81,231	245,790	172,224	143.0	4,000,203	51
Guardian	2,106,059	96,774	4.6	36,000	60,774	159,634	174,446	92.0	3,176,886	151
Liverpool and London and Globe	11,119,035	306,735	2.8	23,000	329,735	508,840	547,645	93.0	10,128,184	91
London Assurance	2,721,061	103,402	3.8	12,500	90,902	247,738	226,067	110.0	3,960,963	146
London and Lancashire	7,354,871	540,019	7.3	33,337	573,356	527,412	561,818	94.0	10,518,744	143
North British and Mercantile	6,381,709	449,543	7.0	35,000	484,543	492,057	473,564	104.0	11,330,703	178
Northern	4,961,850	87,000	1.6	...	87,000	218,239	270,744	81.0	5,687,485	115
Norwich Union	4,261,494	129,982	3.1	...	129,982	190,168	211,200	90.0	3,115,978	73
Pearl	649,090	8,797	1.4	511,033	519,830	20,960	475,815	4.0	1,339,594	206
Phoenix	7,883,314	53,629	.7	123,174	176,803	529,934	554,006	96.0	9,759,055	124
Prudential	1,622,622	18,412	1.1	12,742	31,154	112,913	66,667	169.0	4,146,721	256
Royal	13,754,647	518,500	3.8	40,000	558,500	1,337,190	1,388,158	96.0	15,602,100	113
Royal Exchange	3,775,527	156,745	4.1	24,646	132,099	218,463	205,764	106.0	3,891,975	103
Scottish Union & National	1,924,279	50,720	2.6	...	50,720	155,667	151,725	103.0	2,857,812	149
Sun	4,291,030	213,573	5.0	...	213,573	254,890	248,633	103.0	5,908,730	138
Yorkshire	2,967,989	874	...	9,610	8,736	131,732	134,662	98.0	3,376,766	114
Totals	119,734,910	2,851,132	2.4	1,067,306	3,918,438	7,368,926	8,219,274	90.0	138,843,244	116

years' or three years' profits, though it is sometimes the practice for the quinquennial contribution to be set aside after ascertainment and for one-fifth or one-third, as the case may be, to be credited each year to profit and loss. It follows also from what has been said that where there is no contribution in the table from life profits in 1929 it merely means that no valuation was due to be made last year. The Prudential is in a special position owing to the fact that the table is concerned only with the "B" shareholders, whose interest is confined to the other departments and who have no rights to any portion of the life profits.

Columns (6) and (7) exhibit the extent to which dividends have been met out of interest earnings. By custom and tradition, insurance companies seek to confine dividend distributions to interest earnings, so as to leave underwriting surpluses available for strengthening of reserves. The custom has much to recommend it since, on the one hand, it tends to free dividend rates from undesirable fluctuations and, indeed, conduces towards steady increases corresponding with the growth of the business and, on the other hand, helps to build up general resources for meeting any exceptional losses.

Year.	Total Premium Income ex Life and Sinking Fund.	Net Trading Surplus ex Life and Sinking Fund.		Total Net Interest Earnings.	Cost of Ordinary Share Dividend.	Proportion of Dividend Met Out of Interest Earnings.	Total Departmental Fund plus General Reserves and Profit and Loss Account Balances.	
		Amount.	Percentage of Premium Income.				Amount.	Percentage of Premium Income.
1926	£ 114,537,122	£ 3,347,358	2.9	£ 6,466,932	£ 6,949,787	93	£ ...	% ...
1927	117,497,744	3,652,059	3.1	6,698,877	7,438,554	90	...	...
1928	119,033,070	4,784,189	4.0	7,021,928	7,963,381	88	135,288,563	114
1929	119,734,910	2,851,132	2.4	7,368,926	8,219,274	90	138,843,244	116

LIFE ASSURANCE.

GENERAL FEATURES OF THE YEAR.

THE year 1929 was overshadowed by happenings on the Stock Exchanges of the world, and these in their turn had their inevitable repercussions on the business of life assurance. The effect was twofold: firstly, a general slowing down in the rate of expansion of new business, and secondly, the universal depreciation which overtook the values of invested funds of all corporate investors. The substantial losses suffered by individual investors naturally reduced the amount available for life assurance; there was in particular a scarcity of large policies; and this tendency was aggravated later in the year as the ominous signs of trade depression manifested themselves.

In a very real sense the collapse of stock exchange values was in itself an object lesson in the value of insurance, and the moral was quickly drawn to point out the advantages of endowment assurance policies as investments contrasting favourably with the vagaries of stock exchange securities. Again, a strong case can be made out for life policies payable at the end of a term of years or on previous death as a species of sinking fund to replace stock exchange losses. The issue last autumn of Mr Snowden's 5 per cent. Conversion Loan provided an additional opportunity for the transaction of profitable business taking the form of twenty-year endowment assurance policies payable in 5 per cent. Conversion Loan at the end of the term, or previous death, or on redemption at par. At least one office is known to have issued a considerable number of policies on this plan. The difficulties of securing an accretion of business were, notwithstanding, very real and formidable, and the fact that increases were general, as will be shown later, is creditable to the vitality and efficiency of new business organisations.

The year 1929 was the first, since prices reached their bottom in the post-war slump of 1919 and 1920, in which life offices in general have not experienced profits on their invested funds. It is safe to say, however, that profits earned in previous years were on such a scale that not a

The two final columns, (9) and (10), furnish a valuable criterion for measuring the cumulative effect of financial prudence in the past. There is inherent in the conduct of fire and accident insurance a catastrophic and conflagration hazard, and the existence of this requires reserves in excess of the usual 40 per cent. departmental fund. The ideal position is generally considered to have been attained when total resources are equal to one year's premium income, and it will be seen that this exacting standard has in many cases now been surpassed.

In order to assist comparison with results of previous years, a table has been added to show the aggregate figures of each of the past four years. From the figures in this table the unfavourable features of 1929 are clearly reflected in the decline in the total net trading surplus. The years' operations have resulted in a total net trading surplus of only 2.4 per cent. of the premiums, which is the lowest figure in any of the last four years and seems an inadequate return for the vast liabilities assumed for a premium income of £120 millions. It is satisfactory to observe, however, that a smaller proportion of underwriting profits has been drawn on for dividend purposes and that, as a consequence of this, the relative reserve position is in the aggregate stronger than a year ago.

single company found itself at the end of the year without adequate free resources wherewith to write off all losses incurred. The traditional policy of carrying investment profits as hidden reserves has meant, in fact, that no hint of the existence of 1929 losses is to be found from a perusal of published accounts, the effect merely being to reduce the previously accumulated hidden reserves.

NEW BUSINESS.

The table which follows exhibits the new business secured by forty-nine British offices and six Dominion offices, the former being grouped into mutual, proprietary, industrial-cum-ordinary, and composite offices.

The total results of the British offices show an increase of about £1½ millions, equal to under 1 per cent., this being the smallest rate of increase recorded for two or three years. It is noticeable that the mutual offices show in the aggregate a falling off, and that the best showing is made by the composite group. The good results of that group are a recurring feature each year and indicate an awakening on their part to the great natural advantages for the acquisition of life business afforded by their fire and accident organisations.

Turning to the individual offices, it will be seen that the results are curiously mixed, for twenty-seven offices have achieved an increase and nearly as many, namely, twenty-two, record a decrease. In so difficult and distracting a year as 1929 an increase of as much as 10 per cent. is highly creditable. Only one purely life office, namely, the Scottish Provident, achieved this distinction. The Wesleyan and General figures are very satisfactory, with an increase of nearly 20 per cent., while in the composite group the Atlas, the British Equitable, the Eagle Star and British Dominions, the General Accident, the Law Union and Rock, the London Assurance and the Northern, all show increases in excess of 10 per cent.

The Dominion offices are inserted in the table for the sake of completeness, but their figures relate in all cases to total business, by far the greater proportion of

which is transacted outside the United Kingdom. In this group the Sun Life of Canada stands out with a striking total of £134½ millions, in itself greater by almost 50 per cent. than the corresponding total of 1928.

NET NEW BUSINESS.

	1928.		1929.	
	No. of Policies.	Sums Assured.	No. of Policies.	Sums Assured.
Mutual Offices—		£		£
Equitable	1,703	1,002,328	2,623	965,264
Friends' Provident and Century	2,550	1,567,483	2,675	1,645,844
London Life and Metropolitan	2,038	2,744,020	2,031	2,927,608
Marine and General	837	380,911	681	333,606
National Mutual	682	906,089	709	859,635
National Provident	2,327	1,511,950	2,089	1,215,234
Norwich Union	13,304	8,143,370	12,896	7,891,661
Provident Mutual	21,088	2,273,214	17,643	1,941,265
Scottish Amicable	1,539	1,267,028	1,484	1,235,527
Scottish Equitable	1,589	1,477,292	1,667	1,530,047
Scottish Provident	3,717	2,789,686	3,888	3,098,580
Scottish Temperance	1,951	1,210,194	1,888	1,221,840
Scottish Widows	4,528	3,173,220	4,498	2,899,759
Standard	4,604	2,989,766	4,548	2,800,470
United Kingdom	5,156	3,109,870	5,239	3,335,080
	67,673	34,546,621	64,559	33,901,420
Proprietary Offices—				
Clerical, Medical and General	2,124	2,027,955	2,111	1,700,842
Equity and Law	557	1,807,749	459	1,646,345
Graham	5,578	2,310,575	5,738	2,240,359
Scottish Life	1,333	1,241,384	1,319	1,339,441
Sun Life	19,419	15,274,880	21,165	16,014,342
	29,011	22,662,543	30,792	22,941,339
Industrial-cum-Ordinary Offices—				
Britannic	15,827	2,520,333	15,347	2,514,360
Co-operative	11,315	1,236,288	12,236	1,233,900
Pearl	42,133	12,080,366	40,308	11,652,887
Provident Association	1,391	593,375	1,296	620,700
Prudential	80,374	17,401,001	80,532	17,606,949
Refuge	49,160	6,377,442	50,454	6,479,796
Wesleyan and General	7,068	969,236	7,918	1,149,558
	207,268	41,183,041	208,090	41,258,150
Composite Offices—				
Atlas and General	2,912	794,482	2,915	790,288
Alliance	4,139	2,922,678	4,503	3,027,438
Atlas	5,413	3,482,611	5,233	3,919,560
British Equitable	779	466,164	874	516,325
British General	1,012	702,996	1,101	482,131
Caledonian	1,886	1,344,891	1,913	1,361,265
Commercial Union	7,592	4,105,082	7,440	3,975,946
Eagle Star and British Dominions	2,125	1,801,946	3,348	2,613,125
General Accident	2,792	1,757,538	2,959	1,985,540
Guardian	1,683	1,303,188	1,989	1,332,700
Law Union and Rock	3,160	1,977,388	3,198	2,161,004
Legal and General	13,276	7,646,900	14,820	7,953,864
Liverpool and London and Globe	3,379	1,704,571	3,364	1,715,731

	1928.		1929.	
	No. of Policies.	Sums Assured.	No. of Policies.	Sums Assured.
Composite Offices (continued)—		£		£
London and Scottish	1,481	888,910	1,400	778,634
London Assurance	2,095	1,745,180	2,258	1,976,653
North British and Mercantile	8,656	4,257,232	8,830	4,020,453
Northern	1,399	825,139	1,771	950,586
Phoenix	4,021	3,043,304	3,965	2,965,830
Royal	6,020	3,634,190	6,123	3,699,593
Royal Exchange	3,871	2,496,040	3,934	2,273,907
Scottish Union and National	2,830	2,025,887	3,165	2,085,022
Yorkshire	2,534	1,750,212	2,737	1,570,160
	83,255	50,657,529	87,840	52,177,825
Total of British Offices	358,196	149,049,734	360,489	150,278,734
Dominion Offices—				
Australian Mutual Provident	30,564	16,078,671	28,457	14,951,065
Canada Life	...	28,322,934*	...	28,234,702*
Manufacturers' Life	...	17,943,002*	...	19,191,109*
National Mutual of Australasia	20,728	9,807,645	20,078	9,868,350
Southern Life	4,177	2,093,216	4,870	2,710,278
Sun Life of Canada	112,376	90,666,655	161,391	134,476,262
		165,518,323		209,431,764

* Gross Figures.

SINGLE PREMIUM POLICIES.

Once again policies effected by single premiums contributed a considerable proportion of total new business in 1929, although the table which follows indicates a slight diminution in volume. By far the greater part of these special policies are created as paper assets subject to initial loans of 90 per cent. or more of the single premiums and for the express purpose of saving surtax on the annual payments of interest in connection with the loans. Negotiations with the Inland Revenue have, as is well known, resulted in a clause in the new Finance Bill for the purpose of stopping this loss of revenue.

SINGLE PREMIUMS.

	1927.	1928.	1929.
Mutual Offices—			
Equitable	£ 54,738	£ 67,843	£ 87,835
Friends' Provident and Century	42,727	121,326	121,605
London Life and Metropolitan	172,447	252,348	217,373
Marine and General	48,988	59,332	55,123
National Mutual	31,082	89,378	62,738
National Provident	67,516	187,914	33,703
Norwich Union	130,664	167,636	139,373
Provident Mutual	4,875	6,940	568

£6,669,000—

paid in claims to LIVERPOOL & LONDON & GLOBE policyholders in 1929!

This vast claim figure was distributed as follows:—

Fire	£2,306,000
Accident, Employers' Liability, Burglary and Miscellaneous	£2,214,000
Motor	£1,314,000
Life	£ 505,000
Marine	£ 330,000

Total claim payments in 1929 .. £6,669,000

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	1927.	1928.	1929.
Mutual Offices (continued)—			
Scottish Amicable	156,266	88,579	115,081
Scottish Equitable	133,000	138,931	143,440
Scottish Provident	46,734	107,835	63,311
Scottish Temperance	73,018	64,089	92,716
Scottish Widows	54,801	89,057	243,184
Standard	189,626	145,447	57,660
United Kingdom	168,454	160,449	201,736
	1,374,936	1,737,101	1,615,447
Proprietary Offices—			
Clerical, Medical and General	52,715	86,345	24,984
Equity and Law	256,045	673,110	558,373
Gresham	10,300	4,724	4,500
Scottish Life	140,352	161,572	138,167
Sun Life	4,649,131	5,016,980	5,340,740
	5,108,543	5,942,731	6,066,764
Industrial-cum-Ordinary Offices—			
Britannic	5,182	79,734	10,243
Co-operative	3,972	13,718	10,552
Pearl	297,325	512,105	673,398
Provident Association	Nil	Nil	Nil
Prudential	676,750	1,146,810	1,049,769
Refuge	66,268	96,872	170,518
Wesleyan and General	2,305	1,114	799
	1,051,802	1,850,353	1,915,279
Composite Offices—			
Abstainers' and General	1,043	280	4,370
Alliance	182,317	220,083	222,818
Atlas	72,494	99,044	82,128
British Equitable	15,135	9,453	11,579
British General	3,595	5,312	9,284
Caledonian	127,444	81,919	130,492
Commercial Union	188,342	211,994	185,855
Legal and General	419,518	410,468	507,188
Liverpool and London and Globe	81,465	148,178	109,847
London and Scottish	2,159	10,375	24,871
London Assurance	64,242	145,926	127,034
North British and Mercantile	551,928	360,460	119,618
Northern	10,543	14,946	22,033
Phoenix	118,984	114,923	104,363
Royal	187,624	185,333	213,898
Royal Exchange	14,671	41,109	56,290
Scottish Union and National	49,364	113,849	93,999
Yorkshire	53,074	88,286	11,032
	2,143,942	2,261,938	2,036,699
Total of all Classes	9,679,223	11,792,123	11,634,189

EXPENSE RATIOS.

Of all the factors by means of which comparison is commonly made between one office and another, there is none so treacherous as the expense ratio. The published expense ratio of an office is merely the crude percentage resulting from the ratio of expense and commission to premium income. Obviously this calculation will produce

a high or a low figure according as the rates of premium charged are lower or higher than the average, or according to whether the existing business includes a larger or a smaller proportion of low-rated policies, such as temporary or non-profit policies. Again, an office which is pursuing an aggressive new business policy will, owing to heavy initial commission and other charges, show a higher expense ratio than one which is expanding but slowly.

The actual course of expense ratios in each of the past three years may be studied in the following table, in which is included a column showing, for comparative purposes, the corresponding figures in 1913. The figures in the table differ from published figures in that one of the more obviously disturbing factors, namely, the incidence of single premiums, has been eliminated. It is evident that little change has occurred in the last three years, and the figures appear to exhibit a tendency to stabilise themselves around 15 per cent., though the proprietary group seem to be definitely higher and the industrial-cum-ordinary group slightly lower than the average of all.

EXPENSE RATIOS (Adjusted for Single Premiums by deducting 4% of their Amount from the Expenses).

	1913.	1927.	1928.	1929.
Mutual Offices—				
Equitable	6.5	7.9	7.8	7.5
Friends' Provident and Century	13.1	19.0	20.9	20.8
London Life and Metropolitan	5.0	5.6	5.5	5.7
Marine and General	16.4	18.0	18.6	18.9
National Mutual	15.4	15.4	15.3	14.8
National Provident	11.4	12.9	13.6	13.3
Norwich Union	16.2	16.8	15.7	15.0
Provident Mutual	16.8	14.0	14.6	13.7
Scottish Amicable	13.4	13.9	14.3	14.6
Scottish Equitable	13.9	13.9	13.5	13.3
Scottish Provident	14.0	16.7	17.4	18.9
Scottish Temperance	16.0	13.7	15.0	14.6
Scottish Widows	10.8	12.2	12.2	12.3
Standard	19.5	20.4	19.2	18.7
United Kingdom	11.5	13.8	13.7	14.2
	13.3	14.2	14.5	14.4
Proprietary Offices—				
Clerical, Medical and General	13.5	15.9	16.0	16.3
Equity and Law	11.3	14.9	14.9	14.4
Gresham	22.6	24.5	25.0	24.6
Scottish Life	16.2	15.4	16.0	16.3
Sun Life	15.1	14.7	12.2	12.1
	15.7	17.1	16.8	16.7

	1913.	1927.	1928.	1929.
Industrial-cum-Ordinary Offices—				
Britannic	14.6	14.6	13.8	13.4
Co-operative	14.3	12.2	11.8	14.1
Pearl	14.7	11.7	11.3	11.5
Provident Association	19.0	13.1	14.0	13.6
Prudential	8.3	11.6	11.6	11.6
Refuge	10.4	16.4	16.5	16.1
Wesleyan and General	15.9	18.9	17.4	18.0
	13.9	14.1	13.8	14.0
Composite Offices—				
Abstainers' and General	21.3	21.1	20.2	20.2
Alliance	9.9	10.8	10.9	11.0
Atlas	13.5	13.3	14.6	14.4
British Equitable	23.5	18.8	19.1	19.3
British General	...	10.2	12.5	12.6
Caledonian	14.6	13.9	14.8	16.2
Commercial Union	12.8	13.5	14.2	13.3
Legal and General	12.1	21.0	20.8	22.3
Liverpool and London and Globe	10.0	10.7	11.3	11.4
London Assurance	12.1	15.8	15.0	15.8
North British and Mercantile	14.3	17.7	17.3	16.9
Northern	10.0	11.8	12.0	12.3
Phoenix	13.1	13.2	13.0	12.9
Royal	15.5	16.8	16.9	16.1
Royal Exchange	17.4	14.9	15.5	15.9
Scottish Union and National	14.5	14.3	14.4	13.2
Yorkshire	14.2	14.8	15.0	15.1
Average of British Offices	13.9	14.7	14.9	14.9
Domestic Offices—				
Australian Mutual Provident	12.7	12.7	12.3	12.8
Canada Life	26.0	23.2*	21.9*	20.7*
Manufacturers' Life	...	26.2*	25.6*	24.9*
National Mutual of Australasia	17.9	13.4	13.7	14.1
Southern Life	...	21.0	21.9	22.8
Sun of Canada	28.6	28.5	28.5*	...
	21.3	20.9	20.6	19.1

* Unadjusted figures.

RATES OF INTEREST.

The rate of interest earned is the most important criterion of comparison between offices, as it is also by far the most important source of what may be termed trading profits, *i.e.*, profits arising from interest, mortality, and expenses, and excluding profits from investments, which are discussed in a separate article.

Correctly interpreted, interest profit arises if the rate earned exceeds that allowed for in calculating the premiums. But in actual practice profits are distributed as a result of periodical valuations of liabilities conducted at a conventional rate of interest, usually 3 per cent., and from this point of view, therefore, interest over and above 3 per cent. is referred to as profit. As will be seen from the appended table of interest rates earned by

the different offices, profits from this source now average 1½ per cent. and upwards on the funds, whereas the margin before the war was little more than 1 per cent. The table shows also that the margin has again risen during the past year by about 1s. per cent. Even this small increase represents an additional £5,000 per annum on a fund of £10 millions.

It is probable that interest rates have now reached their zenith, although possibly the average may be sustained to some extent by increases among those offices which have hitherto earned less favourable rates than the majority. The rise in the standard rate of income tax to 4s. 6d. in the £ will inevitably be reflected in lower net rates of interest as will also the higher value of all fixed interest securities. The effect of the former is somewhat mitigated by the peculiar basis of assessment of life offices under which the effective rate corresponding to the standard of 4s. 6d. works out to about 3s., but, allowing for this, the rise in the standard rate will reduce the net yield in the case of an office formerly earning £4 15s. per cent. to about £4 13s. 6d. per cent.

NET RATE OF INTEREST.—Life and Annuity Funds (including Reversions).

	1913.	1927.	1928.	1929.
Mutual Offices—				
Equitable	£ s. d. 3 18 6	£ s. d. 4 10 10	£ s. d. 4 14 7	£ s. d. 4 12 8
Friends' Provident and Century	3 18 0	5 1 7	5 1 1	5 4 0
London Life and Metropolitan	4 1 6	4 10 11	4 13 3	4 13 2
Marine and General	4 3 6	4 17 11	4 17 10	4 19 1
National Mutual	4 18 6	4 15 2	4 15 7	4 19 9
National Provident	4 1 4	4 13 7	4 14 2	4 14 6
Norwich Union	4 4 9	5 2 0	5 1 7	5 1 9
Provident Mutual	4 2 7	4 14 11	4 12 0	4 16 8
Scottish Amicable	4 0 1	4 13 4	4 15 10	4 15 3
Scottish Equitable	4 0 3	4 12 4	4 13 4	4 13 5
Scottish Provident	4 2 0	4 13 9	4 16 2	4 19 9
Scottish Temperance	4 0 8	4 16 10	4 17 5	4 17 7
Scottish Widows	4 0 0	4 12 9	4 13 6	4 14 8
Standard	4 5 6	5 0 9	5 0 10	5 1 4
United Kingdom Provident	3 19 6	4 6 6	4 10 4	4 11 11
	£4 2 5	£4 14 11	£4 15 10	£4 17 0
Proprietary Offices—				
Clerical, Medical and General	3 19 7	4 17 1	4 19 3	4 18 8
Equity and Law	4 7 4	4 11 8	4 11 1	4 16 1
Gresham	4 2 7	5 1 2	5 5 6	5 0 6
Scottish Life	4 5 0	4 15 7	4 15 0	4 15 10
Sun Life	4 2 8	4 12 2	4 15 7	4 13 7
	£4 3 5	£4 15 6	£4 17 3	£4 16 11



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	1913.	1927.	1928	1929.
Industrial-cum-Ordinary—	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Britannic	4 8 10	4 19 4	4 19 3	5 2 0
Co-operative	3 15 2	4 16 3	4 17 5	4 18 2
Pearl	3 19 4	4 12 6	4 13 1	4 13 1
Provident Association	4 4 2	4 9 8	4 5 4	4 6 7
Prudential	4 0 3	4 14 8	4 16 6	4 19 7
Refuge	4 0 6	4 19 4	4 19 4	4 19 4
Wesleyan and General	3 10 4	4 14 8	4 11 8	4 19 2
	£3 19 5	£4 15 3	£4 14 8	£4 16 10
Composite Offices—				
Abstainers' and General	3 14 5	4 17 10	4 19 11	4 18 4
Alliance	4 2 2	4 9 0	4 11 9	4 10 4
Atlas	4 0 4	5 8 11	5 9 9	5 10 3
British Equitable	4 0 0	4 8 0	4 10 7	4 12 0
British General	...	4 14 3	4 7 9	4 16 6
Caledonian	4 7 5	5 3 2	5 5 11	5 3 5
Commercial Union	4 4 1	4 14 1	4 13 3	4 14 4
Eagle Star and British Dominions	...	4 15 5	4 15 9	4 15 3
General	3 12 6	4 6 10	4 8 2	4 15 1
Guardian	4 13 7	4 13 7	4 14 5	4 16 1
Law Union and Rock	4 4 7	4 10 11	4 13 8	4 15 6
Legal and General	4 15 0	4 16 1	4 15 10	4 17 7
Liverpool and London and Globe	3 16 6	4 13 0	4 11 6	4 10 5
London and Scottish	4 2 8	4 11 3	4 12 6	4 13 9
London Assurance	3 19 8	4 12 6	4 15 0	4 15 2
North British and Mercantile	4 5 2	4 12 3	4 10 9	4 12 9
Northern	3 14 0	4 7 7	4 9 1	4 9 4
Phoenix	4 1 10	4 12 7	4 12 7	4 15 6
Royal	3 18 8	4 7 7	4 8 0	4 8 5
Royal Exchange	4 0 11	4 19 4	5 0 3	5 0 0
Scottish Union and National	4 0 10	4 7 6	4 7 10	4 9 0
Yorkshire	4 3 10	4 15 9	4 17 11	4 16 1
	£4 1 3	£4 13 6	£4 14 2	£4 15 3
Average of British Offices	£4 1 8	£4 14 1	£4 15 1	£4 16 2
Dominion Offices—				
Australian Mutual Provident	4 12 3	5 12 10	5 13 7	5 10 3
Canada Life	5 11 3	6 0 6	6 0 6	6 0 6
Manufacturers' Life	...	5 10 6	6 2 5	5 14 2
National Mutual of Australasia	4 18 3	5 13 11	5 14 1	5 8 11
Southern Life	...	5 9 5	5 9 8	5 7 10
Sun of Canada	6 7 8	6 2 7	6 4 10	6 12 0
	£5 7 4	£5 14 11	£5 17 5	£5 15 7

* Adjusted figures. Reversionary Securities are assumed to earn 6 per cent. net.

LIFE OFFICE INVESTMENTS.

It used to be considered that profits of a life office arose from three main sources, all connected with its trading operations, namely, interest, mortality and expenses. Any profits which happened to emerge from investments were more or less an act of God and were rigorously set aside and conserved and their amount, or even their existence, rarely disclosed. The depreciation caused by the war and the subsequent rise in prices have made this attitude no longer possible, but traditional caution in the disposal of capital profits continues to be observed, and nearly every office has, as a consequence, large surplus resources accumulated from this source during the past ten years.

A feature of the annual meetings held this spring has been the frank disclosure of capital losses suffered last year with, in many instances, an indication of their amount. These have naturally varied very greatly and range from about 2 per cent. to about 6½ per cent. of total funds. That they have not been larger, seeing that British Government long-term securities alone lost 6 per cent. of their value during the year, is due to the fact that some 40 per cent. of the funds are invested in securities not subject to temporary fluctuations in value.

The broad nature of Life Office investments is depicted in the appended table which groups the assets under four main heads:—

- (1) Mortgages and Loans, i.e., Mortgages on Properties at home and abroad, Loans on Rates, Loans on Securities and Policy Loans.
- (2) British Government Securities.
- (3) Stock Exchange Securities other than British Government Securities.
- (4) Reversionary Interests, Properties, Ground Rents, Uninvested Assets.

It will be seen that all types of investment policy are represented in the table, and each of the groups has its particular devotees. The marked preference of the Composite Offices for Mortgages is accounted for by the opportunities which such investments yield for insurance business. Some of the Life Offices, especially those with a predominantly legal flavour, specialise in mortgages, and also in reversionary investments. Those Offices which pursue a forward investment policy find scope for their activities by confining themselves more particularly to Stock Exchange securities.

The comparison between the grouping of 1929 and of 1928 again exhibits the same characteristics that have been apparent for a number of years past. Further illustration of these is afforded by the following table, which carries the figures back to 1925.

	1925.	1926.	1927.	1928.	1929.
Mortgages and Loans	25.3	26.3	27.7	28.1	29.2
British Government Securities	28.7	26.6	23.4	19.6	17.1
Other Stock Exchange Securities	33.8	36.2	38.5	42.3	44.2
Reversionary Interests, Properties, &c.	12.2	10.9	10.4	10.0	9.5

The increasing importance of the first group is, of course, largely artificial, being simply the result of loans set up in connection with single-premium surtax-saving policies. The gradual realisation of British Government securities and the reinvestment of the proceeds in higher yielding stocks is a movement which has clearly not yet exhausted itself. The tendency has been given added impetus by the increasing popularity of ordinary stocks and shares, which in 1928 accounted for 5.7 per cent. of total assets against 3.1 per cent. in 1922.

ASSETS.—CHANGES IN LIFE OFFICE INVESTMENTS. Percentage of Total Balance-Sheet Assets.

	1928.					1929.				
	Mortgages, Incld. Loans on Policies.	British Government Securities.	Stock Exchange Securities other than British Govt.	Reversionary Interests, Properties, and Other Assets.	Mortgages, Incld. Loans on Policies.	British Government Securities.	Stock Exchange Securities other than British Govt.	Reversionary Interests, Properties, and Other Assets.	Mortgages, Incld. Loans on Policies.	British Government Securities.
Mutual Offices—										
Equitable	29.5	3.1	40.0	27.4	28.6	4.9	40.6	25.9	28.6	4.9
Friends' Provident	45.5	6.9	38.1	9.5	48.6	5.3	36.6	9.5	48.6	5.3
London Life and Metropolitan	31.4	15.6	45.5	7.5	34.5	12.6	45.7	7.2	34.5	12.6
Marine and General	13.7	17.1	67.9	1.3	14.5	16.4	67.5	1.6	14.5	16.4
National Mutual	11.0	26.5	50.6	11.9	12.5	11.4	63.4	12.7	12.5	11.4
National Provident	40.8	16.3	31.9	11.0	39.9	14.4	35.0	10.8	39.9	14.4
Norwich Union	41.5	7.4	43.8	7.3	43.2	7.1	42.7	7.0	43.2	7.1
Provident Mutual	11.5	14.6	64.8	9.1	11.0	12.0	67.7	9.3	11.0	12.0
Scottish Amicable	18.3	28.7	47.9	5.1	17.9	21.7	54.7	5.7	17.9	21.7
Scottish Equitable	17.1	24.6	51.7	6.6	17.3	23.8	51.6	7.3	17.3	23.8
Scottish Provident	16.1	23.5	55.7	4.9	15.8	18.7	60.7	4.8	15.8	18.7
Scottish Temperance	43.9	33.3	32.4	18.4	38.8	6.3	35.1	19.8	38.8	6.3
Scottish Widows	13.8	33.3	48.6	4.8	13.9	28.2	53.2	4.7	13.9	28.2
Standard	19.2	25.0	51.3	4.5	18.2	18.6	52.2	6.0	18.2	18.6
United Kingdom	18.8	20.2	41.6	19.4	19.2	18.9	44.5	17.4	19.2	18.9
Proprietary Offices—										
Clerical, Medical and General	48.4	5.0	27.6	19.0	45.4	6.1	36.5	12.0	45.4	6.1
Equity and Law	52.2	12.3	18.8	16.7	59.2	6.3	17.2	17.3	59.2	6.3
Gresham	18.3	21.8	46.7	13.2	18.2	22.0	47.1	12.7	18.2	22.0
Scottish Life	16.9	18.7	58.7	5.7	19.0	17.9	57.9	5.2	19.0	17.9
Sun Life	40.4	9.6	45.5	4.5	45.8	7.8	42.6	3.8	45.8	7.8
Industrial-cum-Ordinary	35.2	13.5	39.5	11.8	37.5	12.0	40.3	10.2	37.5	12.0
Britannic	18.2	20.2	55.1	6.5	19.2	18.7	56.5	5.6	19.2	18.7
Co-operative	23.1	13.0	55.3	8.6	19.2	16.5	57.5	6.5	19.2	16.5
Pearl	8.0	38.4	46.4	7.2	8.7	36.1	48.3	6.9	8.7	36.1
Provident Association	54.8	6.7	35.5	3.0	57.3	6.8	32.9	3.0	57.3	6.8
Prudential	15.3	26.4	50.9	7.4	17.9	20.9	53.7	7.5	17.9	20.9
Refuge	24.4	23.6	46.0	6.0	24.2	22.9	48.5	4.4	24.2	22.9
Wesleyan and General	33.7	33.3	26.6	6.4	34.6	31.8	27.1	6.5	34.6	31.8
Composite Offices—										
Alliance	25.4	23.1	45.1	6.4	25.9	22.0	46.3	5.8	25.9	22.0
Atlas	44.6	10.2	39.8	5.4	45.1	6.4	42.9	5.6	45.1	6.4
British Equitable	17.0	11.7	66.0	5.3	15.4	11.7	66.8	6.1	15.4	11.7
Caledonian	14.4	14.2	40.9	30.5	14.5	13.7	44.3	27.5	14.5	13.7
Commercial Union	22.9	13.2	52.6	11.3	25.5	12.9	51.9	9.7	25.5	12.9
Eagle, Star and British	34.2	42.7	21.0	2.1	34.8	42.0	20.8	2.4	34.8	42.0
Dominions	29.2	40.8	21.4	8.6	36.4	33.7	21.4	8.5	36.4	33.7
Guardian	43.1	15.6	33.0	8.3	46.2	13.0	32.4	8.4	46.2	13.0
Law Union and Rock	35.5	30.8	23.8	9.9	36.2	28.6	24.7	10.5	36.2	28.6
Legal and General	55.0	10.8	14.7	19.5	58.6	6.9	15.0	19.5	58.6	6.9
London Assurance	31.0	26.8	25.9	16.3	34.4	24.4	26.9	15.3	34.4	24.4
North British & Mercantile	33.9	24.6	35.3	6.2	34.6	22.3	36.9	6.2	34.6	22.3
Phoenix	29.0	18.4	44.4	8.2	28.7	16.0	47.6	7.7	28.7	16.0
Royal Exchange	13.6	21.9	50.2	14.3	15.9	17.2	52.2	14.7	15.9	17.2
	31.0	21.7	36.1	11.2	32.7	19.2	37.2	10.9	32.7	19.2
Average of all offices...	28.1	19.6	42.3	10.0	29.2	17.1	44.2	9.5	29.2	17.1

VALUATION RESULTS.

Our customary analysis has been made of the results of the valuations made in the case of all those offices where periodical investigations were due to take place last year. In order to facilitate convenient reference and comparison, the analysis has been made by the same method in every case. In cases where effect has been given in the Revenue Accounts to any profits or losses on investments, these items have been separated from what may be termed trading profits resulting from the ordinary conduct of the business. The distinction is important because it is the traditional policy of British Life Offices to conserve all capital profits, and to limit bonus distributions to trading profits only. While information has not been made available in every case, the cost of interim bonuses, where known, has been included in

the cost of the declared bonuses, while transfers to reserve and to staff pension funds have been treated as allocations out of profits.

While in every case of offices valuing quinquennially or triennially the surplus earned shows a considerable increase, it is not without significance that not a single office valuing annually has seen fit to increase its rate of bonus. An increase in the trading surplus does not, of course, necessarily connote increased prosperity, since it is often largely a reflection of quantitative expansion in the business. A truer measure of prosperity would be a comparison between the rate of bonus earned in each valuation period, but for various reasons it is not always possible to institute such an investigation from the published figures.

Once again, therefore, we are led to the general conclusion that the factors making for trading profits cannot be expected indefinitely to favour bonus increases, and the future is likely to see a stabilisation of existing bonuses rather than any further increases, although in some cases even this may not be found to be practicable.

Quinquennial Valuations.

	1920-1924.	1925-1929.
Trading surplus earned during quinquennium	£ 487,201	£ 816,421
Profits on investments and on reversions	272,983	190,603
Brought forward from previous quinquennium	33,357	116,635
	793,541	1,123,659
Allocations—		
To Bonuses to policyholders	539,451	798,285
Shareholders' account	59,939	88,698
Investment reserve fund	50,000	...
Staff pension fund	27,516	33,047
Carried forward to next quinquennium	116,635	203,629
	793,541	1,123,659

The with-profits policyholders and the shareholders alike have cause for gratification with these results. The policyholders' share of profits amounts to 90 per cent., and this is allotted in accordance with a special system as reversionary bonuses at rates varying both with age

at entry and with duration in force. On this occasion the average rate of reversionary bonus works out at 53s. 11d. per cent. per annum for the quinquennium, compared with 49s. 2d. per cent. per annum for the preceding valuation period.

The shareholders' one-tenth share is also greatly increased, and has enabled the dividend for the ensuing five years to be fixed at 8s. 6d. per share free of tax, which gives a yield on the shares now valued at 10½ of 5 per cent. gross.

	1920-1924.	1925-1929.
Friends' Provident and Century.	£	£
Trading surplus earned during quinquennium	377,441	682,552
Brought forward from previous quinquennium	86,885	24,402
	464,326	706,954
Allocations—		
To Bonuses to policyholders	439,924	676,626
Carried forward to next quinquennium	24,402	30,328
	464,326	706,954

For the quinquennium just ended, a reversionary bonus at the rate of 42s. per cent. per annum has been declared, this being 6s. per cent. higher than the bonus for the quinquennium 1920-1924. This increase has only been made possible by distributing almost the entire profits earned, and it will be noticed further that the bonus paid for the preceding quinquennium was not wholly earned out of profits.

	1920-1924.	1925-1929.
Gresham.	£	£
Trading surplus earned during quinquennium	480,082	702,125
Investment profits realised during quinquennium	36,515	56,946
Brought forward from preceding quinquennium	546	11,549
	517,143	770,620
Allocations—		
To Bonuses to policyholders	405,000	630,000
Shareholders	50,594	75,594
Staff pension fund	50,000	50,000
Carried forward to next quinquennium	11,549	15,026
	517,143	770,620

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ASSURANCE

The increase in the surplus earned is really a good deal greater than appears from a comparison of the figures above, since the 1929 valuation was made on a much more stringent basis, the exact effect of which has not been disclosed. The Gresham has suffered hitherto from the handicap of a relatively low bonus, and it is therefore pleasurable to record not only the strengthening of the valuation basis, but an increase in the rate of bonus from 25s. per cent. per annum to 35s. per cent. per annum.

The shareholders are entitled to one-tenth of the divisible surplus.

	1920-1924.	1925-1929.
Surplus earned during quinquennium	£ 655,667	£ 909,273
Investment profits taken credit for	12,223	8,075
Brought forward from previous quinquennium	18,974	39,864
	686,864	957,212

Allocations—	1920-1924.	1925-1929.
To Bonuses to policyholders	500,000	720,000
„ Shareholders	125,000	180,000
„ Investment reserve fund	22,000	...
„ Carried forward to next quinquennium	39,864	57,212
	686,864	957,212

The system of bonus distribution employed for many years by the Guardian has the effect of allotting reversionary bonuses varying according to both age at entry and duration in force, and exact comparison with the more usual simple or compound reversionary bonus is not possible. However, the range of reversionary bonuses now declared compared with that for the preceding quinquennium is as follows:—

	1920-1924.	1925-1929.
Whole Life Assurances	Per cent. 26/- to 72/-	Per cent. 30/- to 95/-
Endowment Assurances	28/- to 79/-	33/- to 95/-

Hitherto, almost alone among the proprietary offices, the shareholders have been entitled to as much as 20 per cent. of the profits, but it has now been announced that this percentage will in future be brought into line

with modern practice and will be limited to 10 per cent. Furthermore bonuses will in future vest immediately on declaration instead of only after payment of five years' premiums.

	1920-1924.	1925-1929.
Trading surplus earned during quinquennium	£ 596,206	£ 999,748
Brought forward from previous quinquennium	355,696	70,351
	951,902	1,070,099
Allocations—		
To Bonuses to policyholders	785,861	857,862
„ Shareholders	95,690	103,138
„ Carried forward to next quinquennium	70,351	109,099
	951,902	1,070,099

Although the rate of bonus of 45s. per cent. per annum compound previously declared has not been increased the rate was already so high that further increase could hardly be expected. It is important to realise, however, that the maintenance of this high rate has been accomplished on this occasion with a large margin to spare, whereas five years ago the declaration necessitated a substantial inroad on carry-forward.

The shareholders' proportion is based not on the amount of surplus, but on a percentage of premium income, which on both occasions has yielded for them rather more than the customary 10 per cent. of profits.

	1920-1924.	1925-1929.
Surplus earned during quinquennium	£ 300,225	£ 474,785
Investment profits taken credit for	17,233	...
Brought forward from previous valuations	1,400	15,616
	318,858	490,401
Allocations—		
To Bonuses to policyholders	303,242	406,753
„ Carried forward to next valuation	15,616	83,648
	318,858	490,401

This fine society has largely increased its rates of bonus for the five years 1925-29, and has introduced also the now familiar principle of declaring higher rates of bonus

for whole-life policies in recognition of their superior bonus-earning power. The bonus for the previous quinquennium was 40s. per cent. per annum compound and those now declared are as follows:—

	Per cent.
Whole Life Assurances	50/-
Endowment Assurances—	
Original Term 30 years or over	50/-
„ 20 „ to 29 years	48/-
„ „ under 20 years	46/-

A further favourable feature is the considerable increase in carry-forward in spite of the more generous bonus distribution.

	1920-1924.	1925-1929.
Surplus earned during quinquennium	£ 1,516,357	£ 2,654,796
Brought forward from previous quinquennium	95,263	311,611
	1,611,620	2,966,407

Allocations—	1920-1924.	1925-1929.
To Bonuses to policyholders	1,170,009	1,854,879
„ Shareholders	130,000	200,000
„ Carried forward to next quinquennium	311,611	911,528
	1,611,620	2,966,407

The distribution of profits has always been on conservative lines and it is clear from the above table that this tradition has been maintained in the 1929 valuation. Nevertheless, the rate of bonus has been increased from 30s. per cent. per annum to 42s. per cent. per annum, and an interim bonus on claims occurring in the current year will be paid at the rate of 45s. per cent.

Triennial Valuations.

	1924-1926.	1927-1929.
Surplus earned from trading during triennium	£ 201,213	£ 225,736
Investment profits realised	12,124	— 18,096
Brought forward from previous triennium	27,229	1,824
	240,566	209,464

1924-1926. 1927-1929.
£ £

Allocations:—	1924-1926.	1927-1929.
To Bonuses to policyholders	153,173	205,947
„ Strengthening of reserves	57,000	...
„ Investment reserve fund	11,319	— 18,522
„ Staff pension fund	10,000	5,000
„ Shareholders' account	7,250	10,000
„ Carried forward to next triennium	1,824	7,039
	240,566	209,464

A reversionary bonus for the triennium 1927-1929 has been declared at the rate of 40s. per cent. per annum for whole life assurances, and 38s. per cent. per annum for endowment assurances, these rates comparing with 34s. per cent. per annum for the preceding triennium. Thus the *Abstainers and General* is another example of the many offices which now recognise the superior claims of whole life policies to special treatment.

United Kingdom Provident.

	1924-1926.	1927-1929.
Surplus earned during triennium from normal sources of profit, i.e., interest, mortality and expenses, &c.	1,361,641	1,512,186
Deduct depreciation on securities written down	126,544	...
	1,235,097	1,512,186
Add brought forward from previous valuation	160,822	148,206
Total amount available	1,395,919	1,660,392
Allocations—		
To Bonuses to policyholders	1,247,713	1,435,508
Carried forward to next valuation	148,206	224,884
	1,395,919	1,660,392

Higher bonuses are commonly declared in the Temperance Section than in the General Section, and the exact rates of compound bonus now declared for the past three

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On the 30th of June, 1929, the resources of the Company were:

Capital fully subscribed	RM	20,007,500
General Reserves	„	14,991,911
Premium- and Loss-Reserves	„	194,081,463
Carry-forward to new account	„	112,371

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years compared with those for the triennium 1924-1926 are as follows:—

	1924-1926. Per cent.	1927-1929. Per cent.
Temperance Section—		
Whole life assurances	40/-	45/-
Endowment Assurances—		
Original term 25 years or over	39/-	43/-
" " under 25 years	37/-	41/-
General Section—		
Whole life assurances	37/-	41/-
Endowment assurances	37/-	41/-

Annual Valuations.

	1928. £	1929. £
Britannic.		
Ordinary Branch—		
Surplus earned during year	237,709	289,602
Brought forward from previous year	61,327	96,073
	299,036	385,675

Allocations—		
To Bonuses to policyholders	182,667	201,130
" Shareholders' account	20,296	22,239
" Investment reserve fund	...	45,000
" Carried forward to next year	96,073	117,306
	299,036	385,675

Industrial Branch—		
Surplus earned during year	350,237	423,525
Brought forward from previous year	54,513	104,750
	404,750	528,275

Allocations—		
To Bonuses to policyholders	...	50,000
" Shareholders' account	100,000	200,000
" Staff pension fund	100,000	...
" Investment reserve fund	...	90,000
" Written off cost of British Legal	100,000	75,000
" Carried forward to next year	104,750	113,275
	404,750	528,275

The reversionary bonus in the Ordinary Branch has been maintained at the same rate as was declared in 1928, namely, 42s. per cent. In the Industrial Branch for the first time a modest sum has been set aside for distribution to the policyholders. This distribution is to take the form of a "mortuary" bonus at rates varying from 5 per cent. on policies ten years in force up to

20 per cent. on policies 40 years in force, and payable only on claims by death or maturity occurring prior to April 1, 1931.

Co-operative.

	1928. £	1929. £
Ordinary Branch—		
Surplus earned during year	269,765	340,488
Brought forward from previous year	45,150	50,065
	314,915	390,553

Allocations—		
To Bonuses to policyholders	264,850	339,268
" Carried forward to next year	50,065	51,285
	314,915	390,553

Industrial Branch—		
Surplus earned during the year	62,517	167,047
Brought forward from previous year	24,508	31,204
	87,025	198,251

Allocations—		
To Bonuses to policyholders	48,321	66,873
" Investment reserve fund	...	90,000
" General reserve fund	7,500	6,883
" Carried forward to next year	31,204	34,495
	87,025	198,251

The Ordinary Branch bonus for 1929 is at the rate of 42s. per cent.—the same as in 1928.

The amount allocated to policyholders in the Industrial Branch has been rapidly increasing in recent years. This year's appropriation permits of the maintenance of last year's rate of reversionary bonus, £1 per cent. in respect of certain classes of policies, together with a reversionary bonus allocated to policies issued since 1922 to bring them into line with those granted under the Society's current prospectus.

London Life.

	1928. £	1929. £
Reduction of Premium Fund—		
Surplus earned during year	153,361	164,551
Investment profits realised	25,523	77,393
Brought forward from previous year	33,450	34,076
	212,334	276,020

	1928. £	1929. £
Allocations—		
To Strengthening of valuation reserves	21,244	33,693
" Provision for increase in rates of reduction of premium	121,044	129,060
" Investment reserve fund	22,831	77,687
" Staff superannuation fund	13,138	3,581
" Carried forward to next year	34,077	31,999
	212,334	276,020

Reversionary Bonus Fund—		
Surplus earned during year	128,536	166,438
Investment profits realised	6,666	23,013
Brought forward from previous year	7,751	20,438
	142,953	209,889

Allocations—		
To Bonuses to policyholders	108,675	122,667
" Strengthening of valuation reserves	...	29,794
" Investment reserve fund	8,972	28,463
" Staff superannuation fund	4,868	1,317
" Carried forward to next year	20,438	27,648
	142,953	209,889

The bonus distribution in the Reduction of Premium Fund takes the form of a reduction in the full normal premium, commencing after seven full years' premiums have been paid and increasing thereafter. The rate of reduction applicable to the current year has again been increased on all series by 3 per cent., with the result that the full premium is subject to reductions varying from 51 per cent. in the most recent to 136 per cent. in the oldest series. The company announces, however, that these bonuses can no longer be extended to new entrants, and a new series is therefore to be opened with a commencing rate of reduction limited to 46 per cent.

The reversionary bonus in the other with-profits fund is again to be at the rate of 40s. per cent. compound.

	1928. £	1929. £
National Mutual.		
Trading profits earned during year	131,890	149,403
Profits on securities	117,555	317,420
Brought forward from previous year	751,246	877,524
	1,000,691	709,507

	1928. £	1929. £
Allocations—		
To Trading bonuses to policyholders	121,667	129,270
" Centenary bonus to policyholders	...	162,421
" Pension fund	...	18,417
" Valuation and centenary expenses	1,500	13,380
" Carried forward to next year	877,524	386,019
	1,000,691	709,507

This society has made two separate and distinct bonus distributions on this occasion. In the first place the normal bonus has been maintained at the high rate of 51s. per cent. compound for Whole Life Assurances, and 45s. per cent. for Endowment Assurances. In addition a special distribution has been made in order to mark the centenary of the society, which was reached at the end of 1929. This "centenary" bonus has been carefully devised in order to meet the interests of the older policyholders whose reserves have mostly contributed to the large carry-forward which has made the distribution possible. Accordingly 1929 policies have been entirely excluded, while the bonus for earlier policies commences at the modest rate of 4s. 6d. for 1928 policies, rising very steeply to a maximum of 200s. per cent. for all pre-1901 policies.

	1928. £	1929. £
Pearl.		
Ordinary Branch—		
Surplus earned during year	837,363	980,508
Brought forward from previous year	73,798	113,113
	911,161	1,093,621

Allocations—		
To Policyholders' bonus	617,375	684,132
" Shareholders' account	154,334	171,033
" Investment reserve fund	...	135,196
" Staff pension fund	26,329	26,905
" Carried forward to next year	113,113	76,355
	911,161	1,093,621

Industrial Branch—		
Surplus earned during year	359,334	1,004,895
Brought forward from previous year	86,296	96,959
	445,630	1,101,854

THE MERCANTILE & GENERAL INSURANCE COMPANY, LIMITED.

Reinsurance only— Home and Foreign

by Treaty and/or Facultatively.

FIRE. LIFE. ACCIDENT. MARINE.

Net Premium Income for 1929, £856,823

Investments and Cash at Bankers on 31st December, 1929, exceeded £900,000.

25-31, MOORGATE,
LONDON, E.C.2.

Accident Manager: CARLTON HALL.
Secretary: H. P. HEWITT.
Sub-Managers: FREDK. G. FOOK.
General Manager: ROLAND A. ELLIOT.

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After the payment of only one annual premium an immediate capital is created sufficient to meet the duties and a special clause in the policy provides for the proceeds being applied in payment of Death Duties before Probate is granted.

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APPLICATIONS FOR AGENCIES INVITED.

ALFRED SKEGGS, F.C.I.I., MANAGING DIRECTOR.

	1928. £	1929. £
Allocations—		
To Policyholders' bonus	...	506,671
„ Shareholders' account	275,000	340,000
„ Investment reserve fund	...	64,804
„ Staff pension fund	73,071	73,095
„ Carry forward to next year.....	96,959	117,284
	445,630	1,101,854

A bonus of 46s. per cent. has again been declared out of the 80 per cent. share of surplus belonging to the Ordinary Branch policyholders.

The new profit-sharing scheme for the Industrial Branch has been inaugurated by an appropriation of £506,671. This sum has been used for the purpose of a reversionary bonus to pre-1923 policies at the rate of 16s. per cent. for Whole Life Assurances, subject to weekly premiums of 1s. and 12s. per cent. for Endowment Assurances, subject to the same premium.

Prudential.

	1928. £	1929. £
Ordinary Branch—		
Surplus earned during year from trading....	2,884,124	3,203,959
Capital profits	...	51,490
Brought forward from previous year	194,889	201,743
	3,079,013	3,457,192
Allocations—		
To Bonuses to policyholders	2,365,902	2,477,808
„ Investment reserve fund	250,000	500,000
„ Shareholders' account	261,368	273,471
„ Carried forward to next year.....	201,743	205,913
	3,079,013	3,457,192
Industrial Branch—		
Surplus earned during year	5,444,404	5,739,419
Brought forward from previous year	264,847	276,572
	5,709,251	6,015,991

	1928. £	1929. £
Allocations—		
To Bonuses to policyholders	3,265,306	3,316,062
„ Investment reserve fund	250,000	500,000
„ Common contingency fund	250,000	250,000
„ Special contingency fund	483,333	483,333
„ Bonuses to outside staff	520,408	528,497
„ Shareholders' account.....	663,632	651,529
„ Carried forward to next year	276,572	286,570
	5,709,251	6,015,991

In the Ordinary Branch reversionary bonuses at the same rates as before have been declared, viz., 50s. per cent. for Whole Life Assurances, and 46s. per cent. for Endowment Assurances.

In the Industrial Branch all post-1922 policies share in bonus on the same lines as policies in the Ordinary Branch, except that the rate of bonus in their case is 34s. per cent. For pre-1923 policies an extended "mortality" bonus is declared at rates varying from 11 per cent. on policies seven years in force to 70 per cent. on policies seventy years in force and payable only on claims by death or maturity occurring during the next fifteen years. As compared with 1928, the rates have been increased somewhat on policies of short duration, while the term during which they are payable has been extended from fourteen years to fifteen years.

Refuge.

	1928. £	1929. £
Ordinary Branch—		
Surplus earned during year	1,077,630	1,089,490
Brought forward from previous year	726,447	725,592
	1,804,077	1,815,082
Allocations—		
To Bonuses to policyholders	880,636	924,535
„ Shareholders' account.....	97,849	102,726
„ Investment reserve fund	100,000	250,000
„ Carry forward to next year	725,592	537,821
	1,804,077	1,815,082

	1928. £	1929. £
Industrial Branch—		
Surplus earned during year	567,024	467,092
Brought forward from previous year	37,571	44,715
	604,595	511,807
Allocations—		
To Bonuses to policyholders	407,728	164,842
„ Shareholders' account.....	52,152	47,274
„ Investment reserve fund	100,000	250,000
„ Carry forward to next year	44,715	49,691
	604,595	511,807

The Ordinary Branch bonus is maintained at 44s. per cent. in respect of the 90 per cent. share of surplus belonging to the policyholders.

In the Industrial Branch a very greatly reduced amount has been applied for the purpose of increasing the sums assured under various tables in order to bring them into line with those now offered under the current prospectus.

Standard.

	1927-1928. £	1928-1929. £
Surplus earned during year	342,617	363,988
Surplus income transferred from Guarantee Fund	26,091	30,923
Brought forward from previous year	34,967	21,811
	403,675	416,722
Allocations—		
To Bonuses to policyholders	281,864	291,005
„ Guarantee fund.....	100,000	100,000
„ Carried forward to next year	21,811	25,717
	403,675	416,722

Though it is clear that surplus earned would have permitted an increase in the rate, the directors have elected to declare a compound reversionary bonus at the same rate as before, namely, 42s. per cent.

	1928. £	1929. £
Wesleyan and General.		
Ordinary Branch—		
Surplus earned during year	112,911	125,682
Investment profits realised	1,878	25,462
Transferred from Industrial Branch	16,600	18,739
Brought forward from previous year	69,056	74,890
	200,445	244,773
Allocations—		
To Bonuses to policyholders	104,555	111,256
„ Investment reserve fund	...	41,800
„ Staff pension fund	21,000	21,000
„ Carried forward to next year.....	74,890	70,717
	200,445	244,773
Industrial Branch—		
Surplus earned during year	113,223	139,462
Investment profits realised	2,061	28,452
Brought forward from previous year	26,333	34,617
	141,617	202,531
Allocations—		
To Bonuses to policyholders	49,800	56,216
„ Investment reserve fund	...	47,000
„ Staff pension fund	24,000	24,000
„ Bonus to outdoor staff	16,600	18,739
„ Ordinary branch.....	16,600	18,739
„ Carried forward to next year	34,617	37,837
	141,617	202,531

This company was the first among the Industrial Offices to give effect to differential rates of bonus for Whole Life and Endowment Assurance policies. The same rates of bonus have been declared in the Ordinary Branch as before, viz., 48s. per cent. for Whole Life policies, and 42s. per cent. for Endowment Assurances.

In the Industrial Branch, the policyholders were granted two years ago definite rights to three-fifths of the divisible surplus, the remainder being shared equally by the Ordinary Branch and the Outdoor Staff. It is the directors' declared intention to utilise the policyholders' share for the purpose of waiving ultimately payment of all premiums after age sixty-five, and so to bring existing contracts into line with those now offered in the

SCOTTISH AMICABLE LIFE ASSURANCE SOCIETY

Founded 1826.

President:
The Right Hon. LORD STAMFORDHAM,
P.C., G.C.B., G.C.I.E., G.C.V.O.

AN OLD MUTUAL OFFICE WITH A GREAT BONUS RECORD

At the latest Division of Profits on 31st December, 1925, the Bonus Additions to ordinary participating Policies ranged from
£2 to £5 13s. per cent.
on the original sums assured.

Interim Bonus increased from 1st January, 1929, to **£2 2s.** per cent. compound.

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Abstainers & General INSURANCE COMPANY LIMITED.

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ESTABLISHED 1809

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AND OTHER CLASSES OF INSURANCE

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ESTABLISHED 1808.



**INSURANCE BUSINESS OF
EVERY KIND TRANSACTED.**

current prospectus. This is necessarily a lengthy process. This year's allocation will have the effect of making premiums cease at age seventy-two after twenty-two years instead of at age seventy-three after twenty-three years as before.

FIRE INSURANCE.

The history of 1929 is one consisting for the most part of a declining premium income combined with mounting losses. At home, in the United States, and in most parts of the world, statistics of fire losses suffered show a heavy increase on those of previous years. Whatever may have been the cause elsewhere, it seems that in the United Kingdom the reason can be assigned largely to the effects of the severe winter and frost of 1928-29 followed by the succeeding drought in the summer, a combination of circumstances which led to an increase not only in the number of fires but more particularly in their severity. The result of all these factors is seen in the rate of underwriting profit; this, in the aggregate, is considerably lower than that earned in any of the past five years. For purposes of comparison the aggregate results of the past five years are set out below.

From this table it will be seen that every factor, broadly speaking, combined to operate against profits last year. A specially disquieting feature, to which attention has been previously drawn, is the recurrent tendency for commission and expenses each to absorb a larger proportion of premiums. That 43.8 per cent. of the total premiums should be absorbed in commission and expenses is not creditable to the offices, and still more difficult to justify is the fact that in order to collect a premium income of £780,000 more than in 1925 it was necessary to spend an additional sum of £1,353,000. There must surely be room for a great deal of economy by the application of the principles of rationalisation in conditions such as these.

An index of the trade situation can be gathered from the gradual decline, commencing from 1926, in total

premium income, due in part to the continuous fall in wholesale prices and in part also to the depressed condition of various important industries. The customary analysis has been made of the individual results of each office, and for this purpose the allocation to reserve has been made on the commonly accepted basis of 40 per cent. of the increase or decrease in premium income compared with the preceding year.

AMERICAN FIRE BUSINESS.

The fact that, according to credible estimates, approximately one-half of the total premium income of the British fire offices is derived from business in the United States, makes it necessary that particular attention should be paid to American business when considering fire underwriting results as a whole. While American losses were on a higher level last year than in previous years, the increase was probably not incommensurate with the natural rise in sums insured exposed to risk of fire. Hence American fire business in 1929 provided a satisfactory contribution to total underwriting profits. The aggregate results have been extracted for each of the past six years and recalculated on the British model, allowing for a 40 per cent. unexpired risk reserve. The figures are as follows:—

Year.	Premium Income.	Underwriting Profit. Amount.	Percentage of Premium Income.
1924	£ 31,085,285	£ 726,648	2.3
1925	32,814,506	392,925	1.2
1926	33,601,253	752,354	2.2
1927	31,710,646	2,110,373	6.7
1928	31,417,664	2,540,633	8.1
1929	31,224,583	2,236,280	7.1

A further decline in premium income is again noticeable, a result in part of a careful pruning policy, but more particularly due to the growth of competition from American offices.

FIRE.

Company.		Claims.		Commission.		Expenses.		Reserve for Unexpired Risk 40% of Increase in Premium Income.		Profit.		Premiums.
		Amount.	Per-centage of Pre-miums.	Amount.	Per-centage of Pre-miums.	Amount.	Per-centage of Pre-miums.	Amount.	Per-centage of Pre-miums.	Amount.	Per-centage of Pre-miums.	
Alliance.....	1928	705,710	34.5	218,225	10.7	661,989	32.4	9,495	0.5	447,361	21.9	2,042,780
	1929	851,032	41.3	327,048	15.9	543,369	26.4	6,812	0.3	331,548	16.1	2,059,809
Atlas	1928	1,133,799	47.4	550,039	23.1	440,797	18.4	43,055	1.8	221,854	9.3	2,389,544
	1929	1,168,846	50.1	542,409	23.3	449,414	19.3	23,190	1.0	194,090	8.3	2,331,569
Caledonian	1928	453,088	51.9	181,659	20.8	202,360	23.1	7,799	0.9	44,505	5.1	873,813
	1929	510,758	58.5	181,866	20.8	201,486	23.0	6,935	0.8	21,337	2.4	812,080
Century	1928	157,621	49.3	67,106	21.0	76,359	23.9	6,560	2.0	12,027	3.8	319,573
	1929	172,892	53.4	66,779	20.7	81,006	25.0	1,644	0.5	1,362	0.4	323,685
Commercial Union	1928	3,800,327	50.7	1,329,154	17.7	2,025,111	27.1	208,420	2.8	552,365	7.3	7,498,537
	1929	3,861,671	50.5	1,376,916	18.0	2,048,676	26.8	46,881	0.6	306,823	4.0	7,540,987
Eagle Star and British Dominions ...	1928	616,825	52.6	202,425	20.7	226,026	23.0	47,421	4.8	82,028	8.5	979,883
	1929	531,505	53.9	199,776	20.3	216,297	21.9	2,576	0.2	36,170	3.7	986,324
Employers' Liability	1928	220,519	54.0	66,008	16.1	74,212	18.2	2,768	0.7	45,053	11.0	408,560
	1929	259,103	59.0	91,338	20.8	71,430	16.3	12,100	2.8	4,839	1.1	438,810
Guardian	1928	451,294	42.3	168,814	15.6	308,363	28.9	5,082	0.5	146,600	13.7	1,067,989
	1929	597,222	53.9	175,601	15.8	320,814	28.9	8,469	0.7	108,960	17.0	1,108,845
General Accident.....	1928	271,913	42.4	115,949	18.0	125,499	19.6	19,357	3.0	64,678	12.2	641,678
	1929	327,030	49.8	118,558	18.0	125,319	19.1	6,076	0.9	79,886	12.2	656,869
Liverpool and London and Globe...	1928	2,226,001	47.4	868,613	18.5	1,289,226	27.4	19,411	0.4	294,848	6.3	4,698,099
	1929	2,317,735	47.8	933,320	19.3	1,275,736	26.3	59,289	1.2	260,242	5.4	4,846,322
London Assurance	1928	861,719	49.8	300,784	17.4	525,044	30.4	22,004	1.3	63,995	3.7	1,729,538
	1929	718,981	52.0	226,717	16.4	422,038	30.6	4,392	0.3	17,886	1.3	1,381,230
London and Lancashire	1928	1,529,612	44.0	487,963	14.2	920,793	26.7	2,000	0.4	507,079	14.7	3,447,447
	1929	1,602,176	47.0	496,693	14.5	928,122	27.2	14,500	0.4	397,548	11.7	3,410,039
Motor Union	1928	142,251	56.4	62,463	24.8	53,476	21.2	8,085	3.2	2,099	0.8	252,204
	1929	160,769	80.4	50,348	25.2	46,597	23.3	20,920	10.5	36,890	18.4	199,904
North British and Mercantile	1928	2,062,005	45.3	812,590	17.9	1,094,191	24.0	94,483	2.1	486,030	10.7	4,549,299
	1929	2,109,343	47.3	875,714	19.6	1,068,907	24.0	34,527	0.8	443,544	9.9	4,462,981
Northern	1928	1,319,257	50.8	490,682	18.9	689,287	26.5	36,228	1.4	136,325	5.2	2,599,323
	1929	1,390,256	54.5	482,974	19.0	671,329	26.4	21,050	0.8	23,188	0.9	2,546,697
Norwich Union	1928	1,119,276	49.6	425,662	18.9	571,528	25.3	5,797	0.2	144,847	6.4	2,255,516
	1929	1,149,094	52.7	408,120	18.7	552,105	25.4	30,576	1.4	100,333	4.6	2,179,076
Phoenix.....	1928	1,638,641	48.7	751,293	22.4	737,603	21.9	30,000	0.9	204,494	6.1	3,362,031
	1929	1,692,486	52.3	720,439	22.3	751,469	23.2	50,000	1.5	120,809	3.7	3,235,203
Prudential.....	1928	387,038	50.6	171,170	22.4	146,018	19.0	42,813	5.6	18,481	2.4	765,520
	1929	472,032	56.2	177,220	21.1	167,692	20.0	29,677	3.5	6,909	0.8	839,712
Royal	1928	3,139,654	45.8	1,133,363	16.6	1,746,400	25.5	15,135	0.3	818,066	11.9	6,852,618
	1929	3,335,759	47.9	1,272,212	18.3	1,749,308	25.1	44,801	0.6	562,541	8.1	6,964,621
Royal Exchange	1928	855,936	49.0	349,847	19.0	411,276	23.6	14,888	1.0	111,951	6.4	1,743,898
	1929	912,774	52.0	347,693	19.8	415,671	23.6	4,916	0.3	75,135	4.3	1,756,189
Scottish Union and National.....	1928	590,296	44.9	227,722	17.3	322,220	24.5	6,315	0.5	168,040	12.8	1,314,593
	1929	653,111	49.2	229,970	17.3	320,732	24.2	4,674	0.4	117,792	8.9	1,326,279
Sun	1928	1,210,370	45.8	391,090	14.8	737,450	27.9	19,940	0.8	281,916	10.7	2,640,766
	1929	1,244,740	48.4	387,868	5.1	742,232	8.9	27,528	1.1	224,633	8.7	2,571,945
Yorkshire	1928	517,497	48.6	146,044	13.7	267,828	25.2	14,904	1.4	148,354	13.9	1,064,819
	1929	577,396	54.0	146,543	13.7	268,971	25.2	1,423	0.2	74,044	6.9	1,068,377
Totals.....	1928	25,310,549	47.3	9,516,665	17.8	13,653,056	25.5	29,520	...	5,047,278	9.4	53,498,028
	1929	26,616,711	50.0	9,836,122	18.5	13,438,720	25.3	14,976	...	3,330,964	6.2	53,207,531

REFUGE ASSURANCE CO. LTD.

ESTABLISHED 1864

Chief Office :
OXFORD STREET
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ANNUAL INCOME EXCEEDS

£10,700,000

ASSETS EXCEED

£45,000,000

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£61,000,000

A LIFE POLICY THAT GROWS AFTER PAYMENTS CEASE

At the age of 30 you may obtain immediate life assurance cover for a minimum of £1,000 at little more than £30 a year.

After 20 years you make no further payments. Your policy will show Sum Assured and Bonuses £1,420. Ten years later it will amount to £1,630 and will keep increasing.

Ask for quotation at your own age.

(In the above example the present rate of Bonus and the existing Income Tax Abatement are assumed.)

BRITANNIC
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All classes of Life, Fire, Accident and General Insurances



THE HALL MARK OF
STERLING QUALITY IN
MUTUAL LIFE ASSURANCE

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BONUS YEAR 1930

Full particulars of
attractive policies
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FIRE.

	1925.		1926.		1927.		1928.		1929.	
	Amount.	Percentage of Premiums.	Amount.	Percentage of Premiums.	Amount.	Percentage of Premiums.	Amount.	Percentage of Premiums.	Amount.	Percentage of Premiums.
Claims	25,750,905	49.0	26,668,443	49.4	25,102,161	46.8	25,310,549	47.3	26,616,711	50.0
Commission	9,000,489	17.2	9,415,706	17.4	9,497,781	17.7	9,516,665	17.8	9,836,122	18.5
Expenses	12,920,934	24.6	13,113,696	24.3	13,473,217	25.2	13,653,056	25.5	13,438,720	25.3
Reserve for Unexpired Risk 40 per cent. of Increase in Premiums	761,299	1.5	607,755	1.1	— 606,462	— 1.1	— 29,520	—	— 14,976	—
Profit	4,036,795	7.7	4,239,223	7.8	6,114,575	11.4	5,047,278	9.4	3,330,954	6.2
Premiums	52,470,422		54,044,823		53,581,272		53,498,028		53,207,531	

MARINE INSURANCE.

Those companies which transact marine insurance only, or mainly, adopt the practice of presenting their accounts in a form which indicates the results of the underwriting of two years previously. The method adopted is to keep open each year's underwriting account for two years, and thereafter to close it by a transfer to suspense account, any balance remaining being regarded as profit. So it is that the 1929 reports of those companies exhibit results for the most part of the underwriting account of the year 1928. These results for a number of representative companies are shown below, and it is encouraging to find that in every case there has been an improvement in the situation.

Of the two main branches into which marine insurance is divided, namely, hull and cargo insurance, it is probable that the all-round increase in rates by 10 per cent. some two years ago has now begun to exercise an increasingly favourable effect, though it was doubtful at the time if so moderate a rise was sufficient for the purpose. Cargo insurance, on the other hand, is still suffering from the effects of unrestricted competition in a market too large for the business available. This, and the failure of the interests concerned to come to any sort of understanding,

combine to produce an unfavourable effect on the results.

In addition to the figures relating to marine companies the results of the marine departments of a number of large composite offices are also set out in detail. It is the usual practice for the marine account of a composite office to be drawn up on the same form as for fire and accident business, so that claims are completely unrelated to the premiums. Consequently it is only possible to contemplate the figures as a whole over a series of years.

Office.	Account.	Premiums.	Claims and Suspense.	Expenses.	Surplus or Deficit.
British and Foreign	1924	£ 592,961	£ 455,558	£ 123,395	£ 14,007
	1925	489,382	343,807	92,015	53,560
	1926	469,493	366,979	96,462	6,052
	1927	502,387	385,100	93,152	24,134
	1928	611,729	461,141	99,239	51,349
Indemnity	1924	750,229	718,123	33,995	Def. 1,889
	1925	613,170	611,621	32,106	Def. 30,558
	1926	611,516	714,929	31,587	Def. 135,000
	1927	630,100	597,984	32,116	None
	1928	458,016	424,511	33,505	None
Merchants	1924	395,466	450,985	45,734	Def. 101,253
	1925	335,557	388,656	43,644	Def. 96,743
	1926	325,939	472,049	41,501	Def. 187,411
	1927	396,295	533,169	38,902	Def. 175,776
	1928	367,999	365,871	42,128	Def. 40,000
Ocean	1924	395,723	363,977	31,746	None
	1925	393,045	362,760	30,285	30,000
	1926	435,227	376,309	33,918	25,000
	1927	418,262	359,442	33,820	25,000
	1928	406,428	336,710	34,718	35,000
Sea	1924	405,209	339,707	37,520	27,982
	1925	431,854	351,723	39,453	40,678
	1926	417,617	369,547	36,938	11,132
	1927	483,716	412,280	39,290	32,146
	1928	541,721	465,555	43,685	32,481

Office.	Premiums.	Claims.	Expenses.
British Dominions—	£	£	£
1924.....	567,249	537,787	85,087
1925.....	524,939	468,420	78,741
1926.....	665,386	529,370	89,808
1927.....	735,564	645,251	90,535
1928.....	791,343	730,600	90,702
1929.....	638,814	643,131	90,822
	3,923,295	3,554,559 = 90·6%	525,495 = 13·4%
Commercial Union—			
1924.....	440,990	262,854	73,872
1925.....	496,881	288,112	80,862
1926.....	560,181	329,427	89,263
1927.....	591,086	376,588	100,618
1928.....	636,926	369,237	110,956
1929.....	684,887	404,863	129,057
	3,410,951	2,031,081 = 59·5%	584,628 = 17·1%
Liverpool and London and Globe—			
1924.....	341,560	265,814	41,975
1925.....	356,666	278,933	42,509
1926.....	313,796	325,489	42,817
1927.....	368,501	291,615	43,703
1928.....	404,202	324,920	44,006
1929.....	401,947	330,376	41,786
	2,193,542	1,817,147 = 82·8%	256,796 = 11·7%
London and Lancashire—			
1924.....	1,096,764	946,378	163,900
1925.....	1,133,404	845,148	164,691
1926.....	1,194,205	948,756	152,582
1927.....	1,382,455	1,024,850	168,866
1928.....	1,475,945	1,074,395	177,065
1929.....	1,489,096	1,053,016	191,661
	7,771,869	5,892,544 = 75·8%	1,018,771 = 13·1%
Royal Exchange—			
1924.....	635,481	521,300	90,800
1925.....	639,867	573,846	88,252
1926.....	734,720	686,099	87,174
1927.....	651,496	827,746	92,415
1928.....	583,808	689,507	83,64
1929.....	743,507	610,721	89,36
	3,988,879	3,909,219 = 98·0%	531,646 = 13·3%

MISCELLANEOUS.

EMPLOYERS' LIABILITY, ACCIDENT, AND MISCELLANEOUS.

The attached table indicates the detailed results of the underwriting of each of the last two years for all the principal companies in respect of accident business, employers' liability business, and miscellaneous business. Accident business and employers' liability business are classes of insurance specifically brought under the provisions of the Insurance Companies Act, 1909, but no provision is made for miscellaneous business. Hence it has happened that while a number of companies publish separate accounts for the three classes of business, others again include all these types of business in one conglomerate account, though necessarily separate returns have to be made to the Board of Trade. The figures on which the table is based have been calculated on the commonly accepted standard reserve allocation of 40 per cent. of the increase or decrease as compared with the previous year's premiums, and the column showing this allocation includes also any increase or decrease in the provision for outstanding claims where such is separately mentioned.

Accident business, which in this connection means personal accident, has never made a wide appeal in this country and the premium income grows therefore but slowly. The results for the last year's underwriting, whilst slightly less favourable than those for 1928, produced a higher ratio of profit than in any year since 1925.

The figures for employers' liability business relate entirely to business transacted within the United Kingdom, where all such business is regulated by the terms of an agreement made some few years ago

between the Home Office and the Accident Offices' Association. The object of this agreement was to ensure that a rising proportion of premium income should be absorbed in claims, this result being produced by reduced charges for commission. The effect of the agreement, which has worked smoothly in practice, has been to stabilise the underwriting profit at around 10 per cent. of the premium income, and the result of the underwriting in 1929 is little different from the experience in 1928.

The term "miscellaneous" insurance is applied to cover all classes of insurance outside fire, personal accident and home employers' liability. It includes, therefore, burglary, motor car and all forms of casualty insurance, and comprises the vast business conducted in the United States under the heading of "casualty" insurance. Apart from the underwriting results it will be observed that the premium income shows a small decline, a fact of some significance since it is the first year for a long period during which the premiums have failed to expand. The circumstance is really a reflection in part of a deliberate policy to eliminate all undesirable risks, and partly of the tremendous growth in competition from native companies all over the world. The falling off in the rate of underwriting profit has been brought about largely by an unfavourable experience in America. The course of progress among the principal British offices doing business in the U.S.A. has been as follows:—

Year.	Premium Income.	Underwriting Profit.	
		Amount.	Percentage of Premiums.
	£	£	Per cent.
1926	25,939,085	— 206,014	— .8
1927	27,196,037	— 593,723	— 2.2
1928	28,126,188	774,478	2.8
1929	28,243,388	105,787	.4

INCREASED COMPOUND BONUSES
Triennium, 1927-1929.THE UNITED
KINGDOM PROVIDENT
INSTITUTION

announce that the results of the recent Valuation justify Further Increases in the rates of Compound Bonus

The Bonuses declared range from
£2 1 0 to £2 5 0

per annum on each £100 of
Sum Assured

as increased by existing Bonuses.

UNITED KINGDOM
PROVIDENT INSTITUTION
196, STRAND, LONDON, W.C.2.

Chairman: The Right Hon. Walter Runciman.

FUNDS EXCEED - £18,000,000

London & Manchester
Assurance Company, Ltd.

ESTABLISHED 1869.

CHIEF OFFICE:

50, FINSBURY SQUARE, LONDON, E.C.2.

YEARLY INCOME

£3,000,000

FUNDS EXCEED

£10,000,000

ORDINARY AND INDUSTRIAL BUSINESS
TRANSACTIONED.

LIFE AND ENDOWMENT ASSURANCES
AND ANNUITIES.

FIRE & GENERAL BUSINESS (except Marine).

CLAIMS PAID

£12,000,000

PROMPT SETTLEMENTS.

AMPLE SECURITY FOR POLICYHOLDERS.

Why can the "Pearl"
offer you a better
investment?

THREE REASONS:

Its management is strikingly efficient and economical.

EXPENSES, 1929, 10.47%

Skill in the control of its investments gives high interest with perfect security.

NET INTEREST YIELD, 1929, £4 : 13 : 1

The reserves are ample and profits are divided ANNUALLY.

PROGRESSIVE BONUSES DECLARED

1924 ...	£2	0	0	per cent.
1926 ...	£2	2	0	" "
1928 ...	£2	6	0	" "
1929 ...	£2	6	0	" "

PEARL

ASSURANCE COMPANY, LIMITED
HIGH HOLBORN, W.C.1.

Funds - - - £59,000,000

EMPLOYERS' LIABILITY.

Company.		Claims.		Commission.		Expenses.		Reserve for Unexpired Risk 40% of Increase in Premium Income.		Profit.		Premiums.
		Amount.	Per-centage of Pre-miums.	Amount.	Per-centage of Pre-miums.	Amount.	Per-centage of Pre-miums.	Amount.	Per-centage of Pre-miums.	Amount.	Per-centage of Pre-miums.	
Alliance.....	1928	125,952	54.6	20,516	8.9	55,656	24.1	5,205	2.2	33,668	14.6	230,587
	1929	111,305	49.2	20,180	8.9	53,387	23.6	13,708	6.1	27,579	12.2	225,159
Caledonian.....	1928	18,918	45.5	3,937	9.5	9,727	23.4	376	0.9	5,591	20.7	41,549
	1929	24,881	60.1	3,980	9.6	11,042	26.7	1,323	3.2	178	0.4	41,404
Hagie Star and British Dominions.....	1928	108,291	58.0	21,274	11.4	51,608	27.7	2,448	1.3	2,993	1.6	186,614
	1929	110,600	58.2	20,970	11.0	45,501	24.0	12,113	6.4	742	0.4	189,926
Liverpool and London and Globe.....	1928	85,940	49.5	15,564	9.1	47,170	27.0	13,472	7.8	11,550	6.6	173,560
	1929	87,868	50.4	15,903	9.5	47,034	27.1	3,298	1.9	20,142	11.6	174,381
London Assurance.....	1928	33,681	43.7	3,790	7.8	13,533	27.7	5,450	11.2	10,896	14.2	76,985
	1929	19,046	38.9	4,677	9.5	14,376	29.4	4,475	13.1	10,006	20.5	48,872
Motor Union.....	1928	15,419	29.8	5,537	10.7	14,638	28.3	1,072	2.2	14,992	29.0	51,658
	1929	137,985	54.0	22,287	8.7	75,329	29.5	16,470	6.4	3,283	1.3	255,354
Norwich Union.....	1928	149,128	59.2	23,276	9.2	74,361	29.5	12,372	4.9	17,682	7.0	252,075
	1929	95,169	58.8	13,291	8.2	42,137	26.0	4,000	2.4	15,268	9.4	161,865
Phoenix.....	1928	88,644	58.5	12,128	8.0	42,095	31.0	12,000	7.9	16,082	10.6	151,949
	1929	37,812	47.4	6,929	8.7	21,429	26.9	14,681	15.6	8,901	11.1	79,644
Prudential.....	1928	42,805	45.6	8,164	9.7	26,489	28.2	16,492	4.2	68,933	17.6	93,834
	1929	207,046	52.7	38,212	9.6	92,168	24.7	8,000	2.2	58,844	15.8	392,734
Royal.....	1928	194,378	52.1	35,337	9.6	16,204	30.4	1,907	3.6	4,432	15.8	33,337
	1929	23,921	44.1	5,407	10.0	16,271	30.0	4,429	8.2	4,172	7.7	54,200
Scottish Union and National.....	1928	110,143	74.5	13,900	9.4	39,225	26.5	18,375	12.4	2,982	2.0	147,875
	1929	81,967	55.7	13,839	9.4	38,637	26.3	7,276	4.9	5,504	3.7	147,223
Totals.....	1928	1,001,644	54.2	171,888	9.3	490,502	26.5	5,077	0.3	179,972	9.7	1,849,083
	1929	957,910	53.1	168,811	9.4	480,292	26.6	19,998	1.1	177,697	9.8	1,804,708

ACCIDENT.

Company.		Claims.		Commission.		Expenses.		Unexpired Risk Reserve 40% of Increase in Premiums.		Profit.		Premiums.
		Amount.	Per-centage of Pre-miums.	Amount.	Per-centage of Pre-miums.	Amount.	Per-centage of Pre-miums.	Amount.	Per-centage of Pre-miums.	Amount.	Per-centage of Pre-miums.	
Alliance.....	1928	14,912	40.0	8,977	24.2	8,326	22.3	2,999	8.0	2,048	5.5	37,262
	1929	21,549	50.4	11,316	26.5	7,453	17.4	2,411	5.7	12	...	42,717
Caledonian.....	1928	2,252	39.6	817	14.4	1,472	25.9	86	1.5	1,227	21.6	5,682
	1929	2,586	41.0	899	14.2	1,727	27.4	260	4.1	839	13.3	6,311
Hagie Star and British Dominions.....	1928	60,233	40.9	13,959	9.3	31,510	21.4	145	0.1	41,640	28.3	147,197
	1929	68,093	47.7	14,530	9.3	24,819	15.9	11,980	7.7	36,470	23.4	155,897
Liverpool and London and Globe.....	1928	122,396	47.2	72,568	28.0	51,126	19.6	13,615	5.2	297	...	259,408
	1929	141,404	52.6	72,580	27.0	51,040	19.0	2,767	1.0	900	4.4	268,691
London Assurance.....	1928	5,699	33.6	2,481	14.6	4,941	29.3	3,094	18.2	729	4.3	16,944
	1929	8,682	59.6	2,310	15.9	4,630	27.7	646	4.4	1,110	7.6	14,558
Motor Union.....	1928	13,394	34.9	6,013	15.7	13,910	36.3	27	...	5,031	13.1	38,321
	1929	13,039	32.7	6,690	16.8	12,893	32.3	632	1.6	6,646	16.6	39,900
Norwich Union.....	1928	75,677	55.9	23,475	17.8	33,981	25.8	2,351	1.8	3,045	2.3	131,827
	1929	82,600	52.7	23,496	13.1	35,987	19.9	2,287	1.6	2,287	1.8	130,215
Phoenix.....	1928	82,075	52.4	30,352	19.4	34,893	22.3	7,417	1.2	7,417	4.7	166,337
	1929	92,015	55.9	31,126	18.9	37,720	22.9	...	...	3,625	2.2	164,486
Royal.....	1928	114,943	51.4	54,267	24.2	42,183	18.8	6,444	2.9	6,152	2.7	223,989
	1929	117,074	53.2	53,324	24.2	44,167	20.1	626	3	4,800	2.2	219,991
Scottish Union and National.....	1928	13,045	53.6	3,661	15.0	6,088	25.0	391	1.6	1,166	4.8	24,351
	1929	12,929	50.7	3,950	15.5	6,016	23.6	1,678	6.5	952	3.7	25,525
Sun.....	1928	16,762	40.2	8,631	20.7	8,474	20.3	4,823	11.6	3,022	7.2	41,712
	1929	17,084	34.6	10,378	21.0	9,485	19.2	2,844	5.8	9,569	19.4	49,360
Totals.....	1928	519,388	47.9	225,201	20.8	236,904	21.9	30,757	2.8	71,180	6.6	1,083,430
	1929	563,055	50.4	230,599	20.6	233,043	20.9	25,988	2.3	64,966	5.8	1,117,651

MISCELLANEOUS.

Company.		Claims.		Commission.		Expenses.		Unexpired Risk Reserve 40% of Increase in Premiums.		Profit.		Premiums.
		Amount.	Per-centage of Pre-miums.	Amount.	Per-centage of Pre-miums.	Amount.	Per-centage of Pre-miums.	Amount.	Per-centage of Pre-miums.	Amount.	Per-centage of Pre-miums.	
Alliance.....	1928	388,682	49.4	117,650	15.0	165,710	21.1	36,150	4.6	78,134	9.9	786,326
	1929	490,667	51.1	153,313	16.0	181,211	18.9	69,014	7.2	65,255	6.8	958,860
Atlas.....	1928	207,702	47.3	59,955	13.7	117,556	26.8	21,850	5.0	31,836	7.2	438,899
	1929	231,427	49.6	65,242	14.0	122,776	26.3	28,049	6.0	19,445	4.1	466,940
Caledonian.....	1928	146,290	46.2	67,613	21.4	58,212	18.4	7,243	2.3	37,143	11.7	316,401
	1929	182,375	49.2	89,097	24.0	68,269	18.4	21,642	5.8	9,122	2.6	370,505
Century.....	1928	124,187	50.8	41,308	16.9	65,416	26.8	27,489	11.3	14,096	5.8	244,304
	1929	142,096	54.2	48,136	18.4	68,887	26.3	546	2.2	2,136	...	261,799
Commercial Union.....	1928	5,061,492	57.8	1,630,079	18.6	1,866,799	21.3	198,351	2.2	399,327	4.5	8,759,346
	1929	5,081,758	57.8	1,647,613	18.8	1,891,657	21.5	9,218	1.1	155,336	1.8	8,785,582
Eagle Star and British Dominions.....	1928	572,407	50.3	222,604	19.5	259,517	22.8	38,964	3.4	44,981	4.0	1,138,473
	1929	616,958	50.2	242,660	19.8	292,543	23.8	36,019	2.9	40,341	3.4	1,228,521
Employers' Liability.....	1928	4,093,430	61.0	1,231,478	18.3	868,475	12.9	291,944	4.4	225,715	3.3	6,711,042
	1929	4,316,374	62.9	950,887	13.7	1,267,287	18.5	59,940	1.0	266,603	3.9	6,860,891
Guardian.....	1928	334,870	47.2	116,233	16.4	193,597	27.3	17,093	2.4	47,920	6.7	709,713
	1929	376,256	47.2	136,730	17.1	210,058	26.3	28,449	3.6	46,819	5.8	798,312
General Accident.....	1928	3,816,925	57.0	1,362,865	20.4	800,196	12.0	483,448	7.2	231,728	3.4	6,695,162
	1929	4,068,930	58.4	1,377,601	19.9	893,818	12.8	377,466	5.4	246,267	3.5	6,964,022
Liverpool and London and Globe.....	1928	3,362,804	61.9	1,096,555	20.2	861,537	15.9	139,644	2.6	247,769	4.6	5,429,021
	1929	3,136,737	57.8	1,081,315	19.9	903,949	16.7	159,041	2.9	146,652	2.7	5,427,694
London Assurance.....	1928	207,242	50.8	74,235	18.2	118,206	29.0	12,899	3.2	4,765	1.2	407,817
	1929	210,836	58.2	64,041	17.7	100,085	27.7	42,624	11.8	55,675	15.4	361,711
London and Lancashire.....	1928	1,303,815	53.5	446,305	18.3	508,081	20.9	31,500	1.3	146,429	6.0	2,437,130
	1929	1,374,326	56.0	435,409	17.7	517,713	21.1	7,500	1.3	120,788	4.9	2,455,736
Motor Union.....	1928	865,560	53.1	310,277	19.0	312,368	19.2	103,188	6.3	39,651	2.4	1,531,044
	1929	1,037,539	61.2	348,510	20.5	291,364	17.2	26,272	1.5	6,961	...	1,596,724
North British and Mercantile (Railway Passengers).....	1928	537,489	46.4	193,236	16.7	265,938	22.9	50,531	4.4	111,381	9.6	1,158,578
	1929	605,465	50.2	197,544	16.4	273,472	22.7	32,052	2.7	96,613	8.0	1,205,146
Northern.....	1928	788,768	51.2	257,183	16.7	360,055	23.3	15,747	1.0	120,287	7.8	1,542,038
	1929	769,476	47.9	267,340	16.6	371,576	23.2	45,447	2.8	152,556	9.5	1,606,405
Norwich Union.....	1928	811,335	47.0	258,142	18.1	384,589	19.9	14,311	1.0	56,858	4.0	1,424,835
	1929	856,250	56.0	275,820	18.0	294,920	19.3	42,152	2.7	61,372	4.0	1,530,214
Phoenix.....	1928	2,032,396	56.9	692,827	19.4	753,288	21.3	7,000	...	93,638	2.6	3,571,149
	1929	2,101,041	58.0	712,288	19.7	755,579	20.8	21,000	...	34,321	8.6	3,624,228
Prudential.....	1928	147,232	44.1	63,259	19.1	79,727	24.0	17,443	4.2	27,973	...	331,934
	1929	201,104	44.2	86,747	19.0	101,511	22.3	49,391	10.9	16,269	3.6	455,022
Royal.....	1928	2,938,220	57.9	923,845	18.2	989,936	19.6	98,936	1.9	126,546	2.5	5,077,423
	1929	2,748,467	54.8	914,316	18.2	1,083,030	21.5	25,903	...	292,817	6.8	5,019,727
Royal Exchange.....	1928	595,878	52.7	188,806	16.7	240,656	21.3	71,107	6.7	34,758	3.1	1,311,205
	1929	627,224	49.2	221,729	17.4	274,888	21.5	110,508	8.2	41,482	3.2	1,275,831
Scottish Union and National.....	1928	73,313	49.1	19,602	13.1	39,182	26.3	6,601	4.4	10,587	7.1	149,265
	1929	79,863	48.2	22,393	13.5	42,954	25.9	9,714	5.9	10,616	6.4	165,540
Sun.....	1928	592,571	54.8	207,786	19.2	294,238	18.0	56,320	5.2	29,689	2.8	1,080,604
	1929	679,719	55.3	201,216	18.0	207,650	18.6	14,437	1.3	7,656	2.8	1,116,698
Yorkshire.....	1928	677,130	54.4	222,644	17.9	266,848	21.4	26,310	2.1	61,772	4.2	1,244,704
	1929	746,934	54.0	238,533	17.3	312,042	22.6	56,217	4.0	28,919	2.1	1,382,645
Totals.....	1928	29,680,336	56.6	9,804,387	18.7	9,676,127	18.5	1,061,518	2.3	2,194,102	4.2	52,416,470
	1929	29,581,493	56.5	9,429,470	18.0	10,235,885	19.6	1,194,523	2.0	1,873,650	3.6	52,315,029

BARCLAYS BANK

LIMITED.

Head Office - 54, Lombard Street, London, E.C.3.,

and over 2,050 Branches in England and Wales, and Agents and Correspondents in all the principal towns throughout the World.

FREDERICK CRAFTURD GOODENOUGH, Chairman.
SIR HERBERT HAMBLING, BART., Deputy-Chairman.
WILLIAM FAVILL TUKE, Vice-Chairman.

GENERAL MANAGERS:
EDWIN FISHER. HENRY THOMAS MITCHELL.
FOREIGN GENERAL MANAGER: WALTER OSBORNE STEVENSON.

Authorised Capital	£20,000,000
Issued and Paid-up Capital... ..	£15,858,217
Reserve Fund	£10,250,000
Deposits, etc. (30th June, 1930)	£338,796,470

EXECUTORSHIPS AND TRUSTEESHIPS UNDERTAKEN.

EVERY DESCRIPTION OF BRITISH AND FOREIGN BANKING BUSINESS TRANSACTED.

FOREIGN BRANCHES:

CHIEF FOREIGN BRANCH: 168, Fenchurch Street, London, E.C.3.

WEST-END (LONDON): 1, Pall Mall East, S.W.1. LIVERPOOL: 45, Castle Street. BRADFORD: 13, Market Street. MANCHESTER: 94, Portland Street. BIRMINGHAM: 63, Colmore Row.

Affiliated Banks:

BARCLAYS BANK (DOMINION, COLONIAL AND OVERSEAS).

Head Office: 54, LOMBARD STREET, LONDON, E.C.3.

BARCLAYS BANK (CANADA) MONTREAL.

BARCLAYS BANK (FRANCE), LIMITED.

Chief Office: PARIS. Branches in France and Algeria.

BARCLAYS BANK S.A.I.: ROME AND GENOA.

THE BRITISH LINEN BANK.

Head Office: EDINBURGH. 200 Branches in Scotland.

THE UNION BANK OF MANCHESTER LIMITED.

Head Office: MANCHESTER. 167 Branches in Lancashire, Cheshire and the West Riding of Yorkshire.



Hambros Bank Limited

41. Bishopsgate
London E.C.2

The Economist Banking Supplement

A SURVEY OF BRITISH AND FOREIGN BANKING

Vol. CXI.]

SATURDAY, OCTOBER 11, 1930.

[No. 4,546.]

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BROWN, SHIPLEY & COMPANY, LONDON.

FOUNDERS COURT, LOTHBURY, E.C.2.

OFFICE FOR TRAVELLERS:
123, PALL MALL, S.W.1.

ESTABLISHED 1810.

COMMERCIAL CREDITS
& CONSIGNMENTS.

FOREIGN EXCHANGE.

CABLE TRANSFERS.

FOREIGN COLLECTIONS.

TRAVELLING CREDITS.

DIVIDENDS COLLECTED.

COUPONS PURCHASED.

DEPOSIT and CURRENT
ACCOUNTS OPENED.AGENTS and CORRESPONDENTS
ALL OVER THE WORLD.

BROWN BROTHERS & COMPANY, NEW YORK.

59, Wall Street.

PHILADELPHIA.
1531, Walnut Street.BOSTON.
60, State Street.BALTIMORE.
(Alexr. Brown & Sons.)
ESTABLISHED 1800.

THE ENGLISH BANKING FIGURES.

In contradistinction to the high discount rates and stringent monetary position which prevailed right into the autumn of last year, unusually low money rates have characterised 1930. Indeed, there has been a plethora of short money, not only in London, but in New York, Paris and other centres. The causes of this are not far to seek. A year ago, almost to the day, the Hatry crisis in London and the collapse on Wall Street shook confidence throughout the world and precipitated the headlong fall in commodity prices for which the ground had already been prepared by the gold absorptions of France and the United States. Confidence suffered a shock, and as each month witnessed a further fall in the world price-level, enterprise disappeared, trade dwindled away, and unemployment became more and more intense.

Unemployment affects money as well as labour. Thus the nine English clearing banks' advances which had previously risen from £923 millions at the beginning of 1928 to the peak of £986 millions in April, 1929, had by August last fallen to £934 millions. During this latter period, deposits, with the exception of one or two isolated months, only fluctuated within narrow limits, and thus the contraction in advances threw money back upon the banks' hands, and so into the money market. Again, depressed trade and lower commodity prices combined to reduce the total volume of commercial bills coming forward for discount. Thus it is not surprising that as 1930 progressed the London discount market found itself choked with funds and starved of bills, while the banks in their turn had to invest money, which normally would have been put to other and more remunerative uses in financing industrial and Stock Exchange operations, in Treasury bills and in gilt-edged stock. During 1930 to date the clearing banks' bill portfolios have swollen in the aggregate from £243 to £279 millions, and their investments (including those in affiliated and subsidiary banks) from £260 to £276 millions.

The effect of these developments upon money rates, both in London and elsewhere, was very marked. At the beginning of 1930, Bank rate in London was 5 per cent., and the market rate for three months' bank bills 4½ per cent. By May, Bank rate had been reduced to 3 per cent., at which level it has since remained, while by the end of September, market rate was barely 2 per cent. Rates were just as low elsewhere—in New York, for example, at the end of September, the rediscount rate was 2½ per cent., call rate 2 per cent., and the discount rate of 90 days bank acceptances also 2 per cent.—and until trade revives, and short money can find its normal employment, rates cannot be expected to improve.

It is inevitable that these low rates should have affected the earnings of the banks. In normal times, advances carry interest at "one above Bank rate, minimum five," and this is the most remunerative way in which a bank can employ its resources. To-day, bank advances have dwindled to their lowest level for over two years, the banks can earn little more than 2 per cent. upon their swollen holdings of Treasury bills, and only 2 per cent. (namely, "one below Bank rate") on their weekly loans to the money market. Investments, it is true, are rather more remunerative, for British Government securities still yield about 4½ per cent. on the average. The ordinary deposit rate also is down to one per cent., but fixed deposits, which form an appreciable part of the banks' resources, have to be paid for at higher rates. In fact, last spring, when Bank rate and discount rates fell two points in five months, fixed deposits arranged at the beginning of that period must have involved the banks in an actual loss.

The banks have thus shared in the untoward effects of the trade depression, for Treasury bills at 2½ per

cent. are a poor exchange for advances to industry and commerce at 5 per cent. Bad trade has also deprived the banks of much of their acceptance business, for their liabilities on acceptances and endorsements have fallen from £164 millions in January to £122 millions in August. Fortunately deposits have been well maintained, with recent fluctuations mainly of a seasonal character. Thus there was a contraction in March due to tax payments, and another at the time of the August holidays.

The Bank of England has not had so anxious a year as it had in 1929, when London was being drawn upon by New York and Paris at once. The Wall Street collapse sent a certain amount of money back to Europe, and the dollar exchange was in favour of sterling for a large part of the year. Paris, however, has continued to draw upon London, but although the franc exchange has remained below the normal gold point, the outflow of gold from the Bank itself was checked by the Bank's decision, made at Whitsun, to exercise its legal right of delivering only standard gold. As was pointed out in the *Economist* at the time, this decision was inspired solely by the gradual exhaustion of the Bank's fine gold stocks, but, in practice, it has served to confine Paris demands on London mainly to the new gold arriving each week from the Cape.

Thus the Bank has been able to replenish and maintain its own gold holdings during the year, and at the end of September its stock of gold amounted to £157 millions. This has enabled the banking department's reserve to be increased to £62 millions, and its proportion of reserve to liabilities to the substantial figure of 55 per cent. This means that the Bank can view any likely losses of gold during the autumn with equanimity, while alternatively, should trade revive to the point where it absorbs existing funds now available in the banks and money market, the Bank can increase the supply of credit without driving the proportion down too low. Meanwhile, the supply of money, as measured by "Other Deposits" at the Bank and by "Cash" in the hands of the clearing banks, has been maintained at a constant level, through both the stringency of last year and the pronounced ease of this year, in a very striking fashion.

Among changes in British banking organisation must be mentioned the foundation of the Bankers' Industrial Development Company in the spring, and the absorption last summer by the Royal Bank of Scotland of Williams Deacon's Bank. The Royal Bank has also taken over the Bank of England's Western Branch. The object of the Bankers' Industrial Development Company is to establish closer contact between industry and the City, mainly with the object of facilitating the supply of new capital, but as a recent controversy with the cotton trade has shown, the task of building the necessary bridge is not so easy as some people imagined. The union between the Royal Bank and Williams Deacon's is a good move, for it will strengthen two institutions, both of which depend to some extent upon depressed areas and industries. The transfer by the Bank of England of its Western Branch simply means that it is confining itself more closely to its main function of acting as the nation's central bank.

The last few weeks have witnessed several changes in banking personnel both at home and abroad. The City of London is the poorer for the retirement of Mr John Rae from the active management of the Westminster Bank, though he still retains his seat on the Board. In Paris, M. Moreau has resigned the governorship of the Banque de France, and has been succeeded by the deputy-governor, M. Clément Moret. In the United States, Mr Eugene Meyer has succeeded Mr Roy Young as Governor of the Federal Reserve Board.

(In Million £.)

June 30.	Capital and Reserves.					Acceptances and Endorsements.					Deposits (including Undivided Profits, &c.).					Total Liabilities.						
	1914.	1921.	1926.	1927.	1928.	1929.	1930.	1914.	1921.	1926.	1927.	1928.	1929.	1930.	1914.	1921.	1926.	1927.	1928.	1929.	1930.	
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	
Barclays	10.8	23.8	24.9	26.1	26.1	26.1	26.1	1.3	6.6	10.7	10.2	15.9	23.3	14.1	105.3	332.2	304.2	308.5	318.0	331.4	338.8	379.0
Lloyds	11.1	24.7	25.8	25.8	25.8	25.8	25.8	5.6	15.3	15.7	15.7	43.0	53.5	40.6	148.3	342.0	336.6	353.9	348.5	351.3	352.9	419.3
Midland	12.1	21.4	24.4	25.4	26.6	26.9	28.2	9.8	16.3	33.3	32.0	46.4	64.3	26.7	132.3	371.3	349.4	376.5	382.7	383.6	382.0	436.9
National Provincial	10.4	18.2	19.0	19.0	19.0	19.0	19.0	5.5	3.4	8.4	11.2	15.4	19.3	12.7	116.8	265.6	255.2	258.7	268.1	272.9	276.6	311.1
Westminster	12.3	18.0	18.6	18.6	18.6	18.6	18.6	10.5	12.6	9.7	10.8	16.2	23.0	19.8	139.7	309.0	270.3	272.1	278.0	288.3	295.7	334.1
Coutts'	56.7	106.1	113.6	114.9	116.1	116.4	117.7	32.7	47.4	77.4	79.9	136.9	183.4	113.9	642.4	1,620.1	1,515.8	1,569.7	1,595.3	1,627.4	1,646.0	1,877.6
Glyn, Mills	1.0	1.6	1.6	1.6	1.6	1.6	2.0	0.3	0.4	...	0.3	0.4	0.6	0.6	9.5	18.7	16.7	18.2	17.2	18.1	18.1	20.7
District	1.5	1.5	1.6	1.6	1.6	1.6	1.6	1.3	0.9	1.6	1.1	2.0	2.5	2.5	17.7	24.5	26.9	32.0	29.8	33.0	32.6	36.8
Lancs. and Yorks.	3.5	3.4	3.8	3.8	3.9	4.2	4.2	1.4	0.4	0.2	0.4	1.7	1.1	1.0	25.3	57.9	51.6	50.8	51.6	51.5	50.2	56.8
Martins	1.5	1.9	2.2	2.2	2.4	7.6	7.6	0.1	0.2	0.2	0.2	6.8	5.7	6.1	11.7	29.2	24.2	23.3	81.1	80.2	77.5	91.2
Manchester and County	3.0	3.7	4.2	4.3	4.3	4.3	4.3	1.1	1.8	3.6	4.3	0.1	0.2	0.1	22.8	79.3	59.3	58.9	58.9	58.9	58.9	19.6
Williams, Deacon & Co.	1.9	1.9	2.1	2.1	2.2	2.2	2.2	0.1	1.2	1.6	0.9	1.5	1.0	0.8	16.2	36.0	31.4	32.1	31.9	31.5	31.5	35.2
Liabilities	71.0	123.0	132.3	133.9	136.6	137.2	138.2	37.4	52.3	84.6	87.1	149.5	194.4	125.0	756.3	1,891.6	1,746.3	1,804.1	1,826.3	1,861.0	1,873.3	2,136.4
% of Total Liabilities	8.2	6.0	6.7	6.6	6.5	6.3	6.5	4.3	2.5	4.3	4.3	7.1	8.9	5.8	87.5	91.5	89.0	89.1	86.4	84.8	87.7	...

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THE BANK FOR INTERNATIONAL SETTLEMENTS.

(BY A CORRESPONDENT.)

ON March 8, 1929, the Conference of Reparations Experts which was sitting in Paris announced that it had been agreed to propose the establishment of an international bank to take charge of reparations payments and to fulfil important functions in the domain of international finance. The announcement was received in banking circles with mixed feelings. While the scheme was welcomed as a means towards the solution of the reparations problem and of international monetary troubles in general, many quarters were inclined to regard the proposed institution as a dangerous rival to existing banks. These fears were not wholly dispelled by the publication of a detailed scheme in the Young Report in June, 1929, nor by the publication of the statutes of the bank in November, 1929, as although the latter precluded the bank from certain kinds of banking activities, such as the issue of notes or the granting of acceptance credits, it allowed the management a fairly wide freedom of action. This, however, was inevitable, as the scheme was entirely without precedent and it was difficult to determine the exact scope of the institution otherwise than on the basis of practical experience.

One of the main difficulties was the choice of the seat of the bank. London had a natural claim for it, being the most suitable banking centre for the purposes of the bank. For political considerations, however, the British claim met with the uncompromising opposition of other interests, and had to be abandoned. The selection of Switzerland as the home of the bank, though not ideal, was certainly the next best choice that could be made.

The scope of the bank may be divided into two sections: the reparations functions and the general international banking functions. The former are strictly determined by the statutes; in respect of the latter the statutes are necessarily vague. The bank is to provide the means, among others, for closer co-operation between central banks for mutual assistance; for facilitating the international circulation of capital; for preventing international transfers from interfering with the stability of the exchanges; and eventually, perhaps, for the prevention of excessive demands for gold. If it fulfils its task satisfactorily it will provide ample compensation to banking interests—and to the London market as a whole—for any loss of business it may possibly cause through its competition.

The statutes of the bank, elaborated by the Organisation Committee at Baden-Baden, were passed practically unaltered by the second Hague Conference in January, 1930, and after the ratification of the Hague Agreement the bank began to operate at Basle in May last. Its first important transaction was the issue of the first instalment of the Reparations Loan, which was negotiated under the auspices of the bank. The proceeds of this loan, pending their distribution between the creditor Governments, and the official deposits made by the interested Governments in virtue of the Young Plan, provided the bank with considerable initial funds. Its resources underwent a rapid increase in the course of the first three months of its existence, as is shown by the following table comparing the three monthly returns of the bank:—

(In Millions of Swiss Francs.)

	End of			
ASSETS.	June.	July.	August.	Sept.
Cash	5.1	6.8	3.3	5.6
Sight funds	23.0	80.5	107.6	68.9
Bills and acceptances:				
Commercial bills.....	239.3	184.1	152.5	203.7
Treasury bills	261.4	180.5	84.5	100.8
Time funds:				
Not exceeding 3 months	486.9	298.0	541.7	946.8
Between 3 and 6 months	...	353.7	441.0	154.0
Between 6 and 9 months	...	75.6	75.6	25.2
Sundry investments:				
Maturing within 2 years	68.4	107.9	150.4	185.8
Over 2 years	...	13.7	1.5	1.0
Other assets	1.6	2.8	5.5	8.6
Total assets	1,085.7	1,303.6	1,563.6	1,700.4

	End of			
LIABILITIES.	June.	July.	August.	Sept.
Capital paid up	102.5	102.5	102.5	102.5
Special deposits:				
Annuity trust account ...	151.2	154.6	154.5	154.3
German Government deposit fund	123.6	87.7	76.5	79.9
French Government guarantee fund	...	68.3	68.3	68.7
Time deposits of Central Banks:				
Between 3 and 6 months:				
For their own account	...	56.8	129.1	193.2
For account of others	...	272.4	393.9	39.1
Not exceeding 3 months:				
For their own account	...	160.4	262.4	268.9
For account of others	...	77.9	142.2	582.6
Other deposits	...	6.3	6.3	...
Sight deposits of Central Banks:				
For their own account ...	111.1	95.1	74.5	72.6
For account of others ...	153.7	217.9	146.4	128.0
Other deposits	3.6	...	...	0.1
Undistributed proceeds of Reparations Loan	438.2	...	...	...
Miscellaneous items	1.8	3.7	7.6	10.5
Total liabilities	1,085.7	1,303.6	1,563.6	1,700.4

These figures show that central banks have deposited with the bank considerable amounts, both for their own accounts and for the account of "others" (which is understood to indicate their respective Governments). As the bank is still at the initial stage of its development there is every reason to expect a further considerable increase of its resources in the course of the next twelve months or so. As to the reinvestment of its resources, in August it allowed its bill portfolio to run down, but the September return shows that this was merely a temporary tendency, due possibly to the decline of bill rates, and, it may be, to the desire of the bank to refrain from accentuating the present abnormal demand for bills.

Almost one of the first important decisions of the board was to emphasise the predominant importance of maintaining the liquidity of the bank. Although it is desirable to balance as far as possible assets and liabilities in the same currencies, the management is instructed to transfer the assets into another currency rather than invest them to the detriment of the bank's liquidity. Thus, if large Reichsmark deposits are received and there are no adequate short-term investment facilities in Germany, the funds have to be converted into another currency rather than reinvested in Reichsmarks in an illiquid form. Another important decision of the board was to agree that the bank should act as trustee to the new Austrian external loan. There is reason to believe that this precedent will be followed in regard to other international issues. This has the advantage of increasing the non-reparations activities of the bank, and incidentally of providing another source of revenue which is especially welcome at a time when low interest rates make it difficult for the bank to work profitably.

The bank has established relations with a number of European central banks, in addition to the founder institutions. For the time being it wishes to confine its activities to Europe, and has not invited central banks outside Europe to participate in its share capital. This restriction must be considered as essentially temporary; the bank has to settle down first and consolidate its position before expanding its activities to other continents. The ultimate end must be, however, to make it into a world bank, not merely a Bank of Europe.

Although it would be premature to form a definite judgment after such a short experience, the rapidity with which the bank has succeeded in establishing itself as an important factor in the international money market justifies the hope that it will fulfil the expectations of the authors of the scheme. With resources of little more than £60 millions, it has already begun to make itself felt in the foreign exchange market. It is in a position to assist central banks requiring support, and there is reason to believe that the next stabilisation scheme—that of the Yugoslav currency—will be

carried out with the assistance of the Bank of International Settlements.

At the same time, it would be unduly optimistic to expect the bank at this stage of its development to be able to exert a substantial influence upon the international price level and to check the downward trend of prices. Its resources will have to increase to a multiple of their present figure before it is in a position to influence the international volume of credit

in the desired direction. Meanwhile, its beneficial influence in that respect is confined to bringing about a closer co-operation between central banks. It is hoped that the personal intercourse of heads of central banks at the board meetings of the bank will lead to a better understanding as to the employment of the world's gold stocks and other problems affecting general prosperity.

THE WORLD'S MONETARY GOLD.

THE Gold Delegation of the Financial Committee of the League of Nations has just issued an Interim Report. This is concerned mainly with the future of the world's gold supply and with its effect upon the general long-term trend of prices. The main text of the report is followed by several annexes compiled by recognised authorities, both public and private, and reviewing in

In their subsequent deductions, the Committee have adopted the latter estimate.

The next point the Committee had to consider was the size of the non-monetary demand. Here, as the following table shows, the Committee anticipate a steady growth in this item of one per cent. per annum. They do not think it safe to count upon any material

TABLE I.—ESTIMATES OF FUTURE PRODUCTION OF GOLD.
(In millions of dollars.)

Year.	South Africa.	Canada.	U.S.A.	Australia.	India.	Others.	Total.	Total according to Mr. Kitchin.
1930.....	211.7	40.3	42.8	11.2	7.6	91	405	404
1931.....	207.3	40.9	42.2	12.4	7.5	91	401	402
1932.....	213.2	41.5	41.5	12.2	7.4	91	407	410
1933.....	206.8	42.1	41.0	11.9	7.3	90	399	407
1934.....	198.1	42.8	40.3	11.7	7.3	90	390	403
1935.....	189.8	43.4	38.9	11.4	7.2	90	381	398
1936.....	166.7	44.0	37.3	11.2	7.1	90	356	397
1937.....	167.4	44.7	36.7	10.9	7.0	90	357	392
1938.....	167.4	45.3	36.5	10.7	7.0	90	357	384
1939.....	133.3	45.9	36.3	10.5	6.9	90	323	370
1940.....	124.1	46.5	36.1	10.2	6.8	90	314	370

* Official or semi-official estimates furnished to the Gold Delegation.

detail the prospective output of gold up to 1940; the present and future world demand for monetary gold on the basis of central banking legislation and practice; and recent changes in and the present situation of the distribution of the world's monetary gold stocks.

The Committee's estimate of the world's probable gold output during the next ten years is summarised very clearly in the following table. Two totals are given, one derived from official or semi-official estimates for the countries concerned, and the other compiled by Mr Joseph Kitchin, a well-known private authority.

reduction in Indian absorption for many years to come, and they have no definite information as to the likely industrial demand for gold. Hence this section of the following table appears to be somewhat tentative.

The net result is that the amount of new gold available for monetary purposes is likely to fall away from \$226,000,000 in 1932 to \$170,000,000 in 1940. The Committee proceed to apply this to what they calculate to be the normal world needs of monetary gold in order to keep pace with the gradual increase in production, and to provide adequate cover, according to existing standards, for the notes and sight liabilities

TABLE II.—ESTIMATE OF FUTURE MONETARY DEMAND FOR GOLD IF NO ECONOMY IN ITS USE IS MADE.
(In millions of dollars.)

Year.	Estimated gold production.	Non-monetary demand.*	Available for monetary purposes.	Increments to gold reserves required to provide				Excess or deficit of amount of new monetary gold available compared with increment required to provide			
				33% cover for average increases in notes and sight liabilities of:		40% cover for average increases in notes and sight liabilities of:		33% cover if notes and sight liabilities increase at:		40% cover if notes and sight liabilities increase at:	
				2% p.a.	3% p.a.	2% p.a.	3% p.a.	2% p.a.	3% p.a.	2% p.a.	3% p.a.
1930.....	404	180	224	167	253	200	303	+57	-29	+24	-79
1931.....	402	182	220	170	260	204	313	+50	-40	+16	-93
1932.....	410	184	226	174	269	209	323	+52	-43	+17	-97
1933.....	407	186	221	178	276	213	332	+43	-55	+8	-111
1934.....	403	188	215	180	285	217	341	+35	-70	-2	-126
1935.....	398	190	208	184	294	221	352	+24	-86	-13	-144
1936.....	397	192	205	188	302	226	363	+17	-97	-21	-158
1937.....	392	194	198	192	311	230	373	+6	-113	-32	-175
1938.....	384	196	188	196	321	235	385	-8	-133	-47	-197
1939.....	370	198	172	200	330	240	396	-28	-158	-68	-224
1940.....	370	200	170	204	340	244	408	-34	-170	-74	-238

* On the assumption that the non-monetary demand for gold increases at the rate of 1 per cent. per annum.

required to be maintained by central banks in order to finance the world's business as it gradually expands. Two rates of expansion, amounting respectively to 2 and 3 per cent. per annum, have been postulated in the absence of any more definite evidence, while two gold ratios for the world's central banks have also been assumed. The first ratio of 33 per cent. corresponds to the average legal minimum requirements of the world's central banks as laid down in their constitutions; and the second one of 40 per cent. makes allowance for the extra 7 per cent. cover which in practice central banks maintain as a "cushion" to protect them from being suddenly forced down to or below their legal minimum.

Table II. thus contains four alternative estimates, together with "difference" columns which show how each estimate compares with the amount of gold likely to be available. The Committee's conclusions are that on every one of the estimates made, except the first, the supply of new gold available for monetary purposes will be inadequate in 1934, and they add that the assumption implied in the first estimate is incompatible with existing currency requirements and practice. Thus "the evidence points, in our opinion, conclusively to the prospect of a serious situation arising as soon as or shortly after business activity revives, unless steps to alleviate it are taken in time."

In addition to the actual shortage of monetary gold which the report envisages, there is also the question how far such gold as is available is equably distributed. Considerable light is thrown upon this question by a table prepared for the Committee by Mr A. Loveday, which is reproduced at the foot of the page.

This table, which divides the countries of the world into two groups, according to the relative importance of their gold holdings, shows very clearly the present maldistribution of the world's monetary gold stocks, and the Committee recognise that the question of the most effective distribution of gold is likely to become of increasing importance as the supplies of new gold diminish. The Committee, however, are rather inclined to hold that the present distribution is the

result of exceptional movements due to special causes which will gradually work themselves out. Thus the possibility of an optimum distribution being achieved later by means of intelligent co-operation should steadily increase.

As regards remedies, the Report points to the advantages already derived from the replacement of gold by notes for domestic use, and trusts that the concentration of monetary gold in central bank reserves and its limitation as a means of payment to international transactions may shortly become generalised. It looks for the gradual extension of the cheque habit and calls attention to the restrictive effect of stamp duties upon cheques. It also suggests the substitution of subsidiary coinage for bank-notes of small denomination.

These last recommendations are designed to reduce the demand for currency based directly upon gold, but the Report goes further and calls into question the size of the legal minimum reserves many central banks have to maintain. These minima, the Report roundly states, are the outcome of past tradition, convention and habit, and of the natural fear which each individual legislature has that a departure from general practice may impair confidence in the currency. The Committee believe that it should be possible to reach an international understanding whereby both the legal minima and also the extra proportion of gold cover which central banks hold in practice could be reduced without weakening the general credit structure. This would permit of a considerable economy in the need for monetary gold.

For the rest, the Committee favour the adoption of the gold-exchange standard by those countries that have still to stabilise their currencies. They warn those countries now upon the gold-exchange standard of the serious consequences that would arise from the conversion of foreign assets into gold upon any considerable scale. They suggest that reserves of foreign assets should be concentrated in central banks, and that they should be immune from seizure or confiscation in time of war.

RESERVES, OBLIGATIONS AND COVER IN CERTAIN COUNTRIES.

(In millions of dollars.)

Country.	Gold Reserves.		Notes and Sight Liabilities of Central Banks.		Percentage Ratio of Gold Reserves to Notes and Sight Liabilities of Central Banks.		Gold required for one-third Cover.		Surplus (+) or Deficiency (-).		Gold required for 40% Cover.		Surplus (+) or Deficiency (-).	
	1928.	1929.	1928.	1929.	1928.	1929.	1928.	1929.	1928.	1929.	1928.	1929.	1928.	1929.
Group A:														
Germany	666	560	1,539	1,520	43.2	36.8	513	507	+ 153	+ 53	616	608	+ 50	- 48
Italy	266	273	1,053	991	25.3	27.5	351	330	- 85	- 57	421	396	- 155	- 123
Spain	494	495	1,120	970	44.1	51.0	373	323	+ 121	+ 172	448	388	+ 46	+ 107
France	1,247	1,631	3,200	3,442	39.0	47.4	1,067	1,147	+ 180	+ 484	1,280	1,377	+ 33	+ 254
U.K.	746	711	2,544	2,580	29.3	27.6	848	860	- 102	- 149	1,018	1,032	- 272	- 321
U.S.A.	3,746	3,900	6,564	6,440	57.1	60.6	2,188	2,147	+ 1,558	+ 1,753	2,626	2,576	+ 1,120	+ 1,324
Argentina	473	405	593	510	79.8	79.4	198	170	+ 275	+ 235	237	204	+ 236	+ 201
Japan	541	542	1,022	1,071	52.9	50.6	341	357	+ 200	+ 185	409	428	+ 132	+ 114
Australia	109	89	222	206	49.1	43.2	74	69	+ 35	+ 20	89	82	+ 20	+ 7
Total, Group A...	8,288	8,606	17,857	17,730	46.4	48.5	5,952	5,910	+ 2,336	+ 2,696	7,143	7,092	+ 1,145	+ 1,514
Group B:														
Belgium	126	163	371	438	34.0	37.2	124	146	+ 2	+ 17	148	175	- 22	- 12
Netherlands ...	175	180	371	360	47.2	50.0	124	120	+ 51	+ 60	148	144	+ 27	+ 36
Switzerland ...	103	115	222	232	46.4	49.6	74	77	+ 29	+ 38	89	93	+ 14	+ 22
Canada	191	151	193	188	99.0	80.3	64	63	+ 127	+ 88	77	75	+ 114	+ 76
Brazil	149	150	407	386	36.6	38.9	136	129	+ 13	+ 21	163	154	- 14	- 4
India	124	128	690	655	18.0	19.5	230	218	- 106	- 90	276	262	- 152	- 134
Total, Group B...	868	887	2,254	2,259	38.5	39.3	752	753	+ 116	+ 134	901	903	- 33	- 16
Grand Total.....	9,156	9,493	20,111	19,989	45.5	47.5	6,704	6,663	+ 2,452	+ 2,830	8,044	7,995	+ 1,112	+ 1,498

IRISH FREE STATE BANKING.

(BY A CORRESPONDENT.)

BANKING conditions have been normal this year, and there are no outstanding events to be recorded. The new system of currency is working smoothly, and no shocks to the banking or credit system of the country have been administered as the result of the recent changes that have taken place. The average weekly amount of legal tender notes in circulation is greater than last year, and the average weekly circulation of bank-notes shows that the banks still exercise their right of note issue to its maximum extent. The volume of clearings in the Dublin Clearing House in the first six months of the present year shows a decline of less than one per cent. on the amount during the corresponding period last year. The general impression conveyed by these figures is that the Free State has escaped from the worst effects of the prevailing trade depression. The increase in the note circulation indicates that trade is active, and this conclusion is corroborated by the clearing returns, the percentage decrease in which is considerably less than the fall in prices during the period under review. Optimistic statements regarding the

rate is at present as low as 1½ per cent., while the rate charged for accommodation is at least five or six per cent. The proportion of bad debts to total advances is also comparatively small.

The Government has introduced a Bill to widen the class of securities which can be held against legal tender notes. Hitherto the Currency Commission has had to hold either gold coin or bullion, Bank of England notes, or British Government securities maturing within one year but, in future, it will be allowed to accept certain other classes of security, principally United States Government loans. This extension of the cover behind the currency is tentative and cautious, and there is no reason to fear any unorthodox step that might in any way weaken the security of the issue. Confidence on this matter has been confirmed by the attitude displayed by Mr Brennan, chairman of the Currency Commission, who gave evidence before the Committee on De-rating in opposition to certain proposals of an inflationary character that had been put forward. The principles enunciated by Mr Brennan on this occasion

IRISH FREE STATE BANKS.

	Year Ended.	Net Profit.	Dividend.	To Reserve, &c.	Pre-mises.	Staff Funds.	Carried Forward.	Profit and Dividend, Previous Year.
		£	£	%	£	£	£	£
Bank of Ireland	Dec. 31	542,088	411,923	17½	130,000	...	+ 165	564,667
Hibernian Bank	June 30	99,609	67,500	13½	20,000	10,000	+ 2,109	97,944
Munster and Leinster Bank	June 30	180,884	105,000	14*	20,000	35,000	+ 885	179,979
National Bank	June 30	261,803	210,000	14	30,000	20,000	+ 1,802	312,465
Provincial Bank of Ireland	June 30	103,758	61,661	14½	20,000	20,000	+ 2,097	112,989
Royal Bank of Ireland	Aug. 31	65,446	25,500	10	40,000	...	- 54	64,672
		1,253,588	881,584	...	260,000	85,000	+ 7,004	1,332,716

* Free of income tax.

present and future conditions of Irish trade characterised the statements of many of the bank chairmen at the half-yearly meetings of shareholders held during the last couple of months.

The decline in bank profits experienced in 1929 has been arrested, and has in many cases given place to an increase in earnings in the first half of this year. This is mainly accounted for by the reduction in bank rate, which has diminished the burden in respect of fixed deposits without effecting any equivalent reduction in the banks' earning capacity. Fixed deposits constitute a far higher percentage of the banks' total liabilities in Ireland than in Great Britain, owing to the habit of Irish farmers of keeping a large part of their loose funds on deposit account, and a high bank rate is therefore regarded as undesirable by Irish bankers. The deposit

were thoroughly in keeping with the highest standards of monetary orthodoxy, and the effectiveness of his evidence is best attested by the discomfiture displayed by his antagonists.

The long-standing complaint that the Irish banking system has not done its duty to the agricultural industry of the country can no longer be made in view of the excellent record of the Irish Agricultural Credit Corporation which was established in 1927 for the express purpose of catering for the needs of the farming community. The first report of this body, covering a full year's working, has recently been issued, from which it appears that business was conducted at a profit during a period of a very high bank rate. In spite of the adverse monetary conditions that prevailed, the rate of interest on loans was never raised above six per cent., and it is

JOINT-STOCK BANKS OF IRELAND.

Year.	Banks.	No. of Branches.	Capital and Reserves.	% of Liabilities.	Deposits.	% of Liabilities.	Notes.	% of Liabilities.	Total Liabilities.	Cash in Hand, Money at Call and Short Notice.	% of Liabilities.	Investments.	% of Liabilities.	Discounts and Advances.	% of Liabilities.
			£		£		£		£	£		£		£	
1890	9	456	10,374,000	18.5	38,521,000	68.8	6,642,000	11.8	56,132,000	9,086,000	16.1	17,144,000	32.2	28,791,000	51.0
1895	9	496	10,200,000	16.5	44,390,000	72.0	6,143,000	9.9	61,663,000	11,253,000	18.3	17,934,000	29.1	31,182,000	50.5
1900	9	543	10,894,000	16.0	49,449,000	72.8	6,708,000	9.9	67,988,000	11,697,000	17.2	17,719,000	26.1	37,464,000	55.0
1910	9	663	11,475,000	13.9	62,508,000	76.0	7,211,000	8.8	82,150,000	13,762,000	16.7	23,215,000	28.2	44,127,000	53.7
1920	9	912	12,899,000	5.4	200,441,000	83.2	24,717,000	10.3	240,391,000	46,698,000	19.4	80,959,000	33.5	109,623,000	45.5
1921	9	947	13,154,000	5.3	212,860,000	86.1	19,052,000	7.7	246,881,000	42,887,000	17.4	81,670,000	33.0	119,275,000	44.1
1922	9	986	13,779,000	5.7	209,777,000	86.0	17,321,000	7.1	242,199,000	31,834,000	13.1	103,019,000	42.5	104,554,000	43.1
1922	6*	719	10,429,000	5.9	153,091,000	86.6	12,332,000	7.0	176,603,000	23,660,500	13.4	79,797,500	45.1	70,982,000	40.2
1923	6*	736	11,029,000	6.4	149,695,000	86.4	11,688,000	6.7	173,320,000	27,192,000	15.7	73,788,000	42.6	69,885,000	40.8
1924	6*	764	11,259,000	6.5	147,105,000	86.0	12,025,000	7.0	171,164,000	24,510,000	14.3	72,053,000	42.1	72,158,000	42.2
1925	6*	766	12,356,000	7.5	140,569,000	85.3	11,276,000	6.8	164,957,000	19,573,000	11.9	72,592,000	44.0	70,452,000	42.7
1926	6*	773	12,743,000	8.1	133,035,000	84.6	10,690,000	6.8	157,377,000	17,974,000	11.4	68,437,000	43.5	68,483,000	43.6
1927	6*	786	13,053,000	8.6	127,593,000	84.0	10,579,000	7.0	151,997,000	18,540,000	12.2	63,914,000	42.0	67,144,000	44.2
1928	6*	784	13,319,231	8.7	128,280,338	83.9	10,467,485	6.8	153,020,542	20,603,358	13.6	62,921,757	41.5	66,980,637	43.7
1929	6*	798	13,549,231	9.0	128,212,719	85.0	8,384,891	5.5	151,006,928	19,097,681	12.6	63,327,301	41.9	66,109,058	43.7
1930	6	808	13,744,231	9.3	126,913,785	85.8	6,513,849	4.4	148,029,152	16,100,407	10.9	65,094,325	44.0	64,377,598	43.5

* Irish Free State.

hoped that easier conditions in the money market will enable loans to be granted in future on even cheaper terms. From the commencement of its business up to October 31, 1929, the Corporation issued loans amounting to £526,108. The number of loans comprised in the above total is 4,337, classified as follows:—Loans under £500, 4,240; loans between £500 and £1,000, 61; loans over £1,000, 36. The average amount per loan is £121, a position which, in the words of the chairman of the Corporation, "makes for a broad, stable and safe basis in lending operations." The loans are secured on land, and are in no case more than one-half of the estimated market value of the land on which they are secured. Advances are repayable by yearly or half-yearly instalments, the length of the repayment period varying with the purpose for which the advance is made. Thus loans for the purchase of machinery, seeds and manure are repayable in five years, loans for the purchase of live stock in seven years, loans for extensive repairs to buildings and land improvement in fifteen years, and loans for the erection of permanent buildings in twenty years. So far the repayment of instalments has been

most punctual, the amounts in default being less than two per cent.

The criticism has been heard in certain quarters that the Agricultural Credit Corporation has not done what might have been expected of it in the matter of encouraging the growth of co-operative credit. It is true that the development of co-operative credit societies on the approved Raiffeisen plan seems to have come to an end, but the Corporation has devised other and possibly more suitable methods of linking the granting of credit with the co-operative movement. One such method is the system of granting loans to farmers who supply milk to co-operative creameries, the repayment of the loan being effected by a stoppage from the sums due from the societies to their members. Loans of this kind have proved very popular, and they are exceptionally secure, inasmuch as they are granted only to applicants who are approved by the co-operative societies by which they are also directly repaid. Suggestions are being made that a similar system of lending should be provided for farmers marketing their poultry products through co-operative selling societies.

CANADIAN BANKING.

(BY A CORRESPONDENT.)

BANKING in Canada has, within the past twelvemonth, undergone a rigorous process of consolidation. Following the now historic "slump" of October, there was a period of feverish retrenchment. Apart from this, it is an open secret that in the preceding two and a-half years Canadian chartered banks had built up exceptionally strong reserves from which to draw abundantly.

wheat "pool" managers decided a year ago that if the 150 or 180 million bushels of the 1929 crop in their hands could be withheld from the prompt market, they might, because of a reported scarcity in other exporting lands, expect to get an enhanced price for the 140,000 farmers in the "pool." Throughout the winter the grain elevators (warehouses) and even the steamers ice-bound at the ports of the Great Lakes

	Year Ended	Net Profit.	Dividend.	To Reserve, &c.	Pre- mises.	Staff Funds.	Carried Forward.	Profit and Dividend for Preceding Year.
Bank of Montreal	Oct. 31	£ 1,414,178	£ 942,647	% 14	£ 287,173	£ 180,000	£ ...	£ 1,169,465
Bank of Nova Scotia	Dec. 31	552,223	320,000	16	20,000	80,000	+ 110,223	507,104
Canadian Bank of Commerce ...	Nov. 30	1,041,006	725,522	13	146,918	82,192	+ 35,092	*920,953
Dominion Bank	Dec. 31	304,562	177,053	13	37,057	60,000	+ 20,452	281,618
Royal Bank of Canada	Nov. 30	1,429,027	944,414	14	122,000	80,000	+ 242,613	1,176,251
Total		4,740,996	3,109,636	...	613,148	482,192	+ 412,738	4,055,391

* Includes profit and loss balance of the Standard Bank of Canada, now merged with the Canadian Bank of Commerce.

Apart from the general economic depression, Canadian banks have this year had a problem uniquely their own. It is the obligation they assumed of financing the extraordinarily unsettled wheat trade of the three prairie provinces of Manitoba, Saskatchewan and Alberta. The facts are brief. The Western Canadian

bulged with wheat. As is now well known, there was no shortage elsewhere, but, even so, it was late in June before wheat exports from Canada began. Meanwhile, prices continued to fall, and in the middle of August, with a heavy carry-over from 1929, the "pool" management fixed 60 cents a bushel as the

CANADIAN BANKS WITH OFFICES IN LONDON.

Year.	Banks.	No. of Branches.	Capital and Reserves.	% of Liabilities.	Notes.	% of Liabilities.	Deposits.	% of Liabilities.	Total Assets or Liabilities.	Cash in Hand, Money at Call and Short Notice.	% of Liabilities.	Invest- ments.	% of Liabilities.	Discounts and Advances.	% of Liabilities.
1890	4	75	£ 6,907,100	31.3	£ 1,934,700	8.6	9,182,400	41.3	22,200,300	£ 3,510,900	15.8	1,417,500	6.4	17,123,600	77.1
1900	4	95	6,679,100	21.8	2,448,500	8.0	17,584,600	52.6	30,544,200	4,567,900	14.9	2,099,600	6.9	23,488,000	77.0
1905	4	254	9,541,500	16.2	4,221,500	7.2	40,706,900	69.2	58,981,200	18,677,200	31.8	4,814,500	8.2	34,721,100	58.8
1910	5	590	13,122,300	12.1	6,670,700	6.7	83,600,500	72.4	107,995,700	42,605,600	39.5	9,799,100	9.1	54,269,400	50.3
1915	7	1,473	23,730,164	12.3	12,034,445	6.3	145,911,275	75.8	192,384,515	64,458,514	33.5	14,516,943	7.5	103,977,449	52.4
1920	8	2,653	36,524,247	7.5	35,302,963	7.2	386,047,299	79.1	487,330,996	149,427,464	30.5	78,768,170	15.2	242,618,337	49.8
1921	8	2,784	39,247,988	8.2	33,519,151	7.0	377,965,484	79.1	477,958,871	167,415,626	35.0	52,812,744	11.1	238,425,284	49.8
1922	7	2,724	37,564,384	8.8	25,620,491	6.0	344,088,345	80.7	426,239,292	150,734,764	35.3	50,518,770	11.8	209,336,821	49.0
1923	7	2,606	37,724,384	9.0	24,882,513	5.9	334,606,154	79.5	419,597,232	152,142,922	36.2	53,558,759	12.7	197,246,623	47.0
1924	7	2,649	38,929,178	8.8	25,965,566	5.9	352,144,276	79.4	443,435,332	144,569,111	32.6	72,210,490	16.3	201,044,015	45.4
1925	7	2,630	39,995,858	8.5	26,394,806	5.6	375,209,605	79.7	470,860,643	154,092,281	32.7	89,880,069	19.1	197,741,138	42.0
1926	5	2,474	38,415,858	8.1	25,939,835	5.4	385,393,155	80.8	477,841,903	154,047,581	32.3	90,122,316	18.9	205,901,531	43.1
1927	5	2,466	40,223,662	8.2	26,194,912	5.3	397,786,877	80.7	493,059,087	162,919,668	33.0	80,431,781	16.3	221,202,443	44.9
1928	5	2,505	41,185,858	7.4	26,385,035	4.7	450,992,247	81.2	554,038,983	185,633,263	33.5	86,622,130	15.6	251,172,326	45.3
1929	5	2,583	46,648,894	7.7	28,655,249	4.7	479,968,383	78.5	610,518,741	207,758,213	33.9	88,159,967	14.4	280,876,805	45.9
1930	5	2,855	50,244,170	8.5	27,176,974	4.6	460,794,286	77.9	591,477,354	185,319,528	31.4	70,001,712	11.8	299,788,584	50.4

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basic figure for the first payment to farmers for the 1930 crop. That was about half of what had been expected for a crop estimated to yield 340 million bushels.

The trend of events naturally has been disconcerting for the banks who had been carrying the wheat "pool" for over a year. Various announcements have been made in the last three months, which were interpreted to mean that the Governments of the three provinces would, if necessary, give the requisite financial backing to banks and "pool." The Dominion Government had also been urged to pledge its support. The general election at the end of July, however, prevented any governmental declaration of policy which might affect economic conditions.

Thus, Canadian banking is, this year, tightly bound up with the marketing of two wheat crops in one. It will, therefore, easily be realised that banks are taking a more than usually prominent part in the maintenance of commercial credit. They are doing it courageously and with a steadiness that, whatever may be the outcome of the "pool's" plans, calls for recognition both in Canada and without. There is, of course, much discussion of the assumption of so heavy a national responsibility by private enterprise. As to the fundamental and, perhaps, imperially important cause—the best measures for storage of wheat destined largely for consumption in England—one departmental bank manager pithily remarked: "If England would build sufficient elevators for her wheat imports at home, she would stabilise Canadian prices and relieve our bankers of an annual problem."

Early in September there was an easier tone in the money market. Index numbers show credit to be

less stringent than for a year. The Dominion Bureau of Statistics reported bank debits at the end of July (the latest available) as \$3,094 millions, or a decrease of 9 per cent. on the previous month. In this item the prairie provinces recorded a drop of 15 per cent., which is an indication that the pinch is being most felt there. It should be explained that the Canadian Bankers' Association six years ago adopted a Government suggestion that bank debits, i.e., cheques charged against accounts, should be substituted for clearings as a measure of banking activity, because the variation in number of the branch banks for the last ten or fifteen years has made clearings too erratic as a measure of credit.

There are three reasons for believing that even though the banks have been recently faced with such severe problems, they have been, in reality, consolidating their position in the last few months. First, almost all the interim dividends declared this year compare satisfactorily with past records. Secondly, in almost every province there is an activity noticeable in the opening of new branches. Much investment is being made in this way, because the Dominion Bank Act stringently restricts a bank's holding of real (landed) estate. Thirdly, a minor yet gratifying proof of consolidation is that, while the clerical staffs of almost all other Canadian businesses have been reduced recently, the personnel of banks has suffered hardly any reduction. It may be deduced, therefore, that Canadian bankers are both confident of their own resources and recognise that the economic set-back of the present time will be succeeded in due time by a buoyant recovery.

AUSTRALIAN BANKING.

(BY A CORRESPONDENT.)

The past year has undoubtedly been a very difficult and trying time for the Australian banks. So difficult, in fact, that it is a remarkable tribute to their management and financial stability that they have weathered the storm and have so far shown such small evidence of damage.

exports, due to the fall of wool and wheat prices, and the maintenance of imports at the high levels of 1928, had its inevitable effect, and precipitated a rush on the part of Australian importers for the available supply of London balances in the hands of the banks. This rush was counteracted to some extent by movements

	Year Ended.	Net Profit.	Dividend.	To Reserve, &c.	Pre-mises.	Staff Funds.	Carried Forward.	Profit and Dividend for Preceding Year.
		£	£	%	£	£	£	%
Australian Bank of Commerce ...	June 30	180,693	154,560	7	25,000	...	+ 1,133	218,545
Bank of Adelaide, Limited	Mar. 31	138,107	112,500	9	15,000	...	+ 10,607	145,411
Bank of Australasia	Oct. 14 '29	677,183	630,000	14*	25,000	...	+ 22,183	675,192
Bank of New South Wales	Sept. 30 '29	994,825	750,000	10	250,000	...	- 5,175	1,184,943
Bank of New Zealand	Mar. 31	948,534	817,968	14½	125,000	...	+ 5,566	1,124,959
Commercial Bk. of Australia, Lim.	June 30	389,841	345,631	15	22,851	20,000	+ 1,359	391,624
Com. Banking Co. of Sydney ...	June 30	637,619	473,901	10	100,000	50,000	+ 13,718	655,195
English, Scottish, and Australian	June 30 '29	601,263	375,000	12½*	130,000	50,000	+ 36,262	598,769
National Bk. of Australasia, Lim.	Mar. 31	655,134	500,000	10	100,000	50,000	+ 5,134	659,278
National Bk. of New Zealand, Lim.	Mar. 31	282,917	240,000	12	10,000	13,900	+ 19,017	290,582
Queensland National Bank, Lim.	June 30	194,956	157,500	9*	25,000	...	+ 12,456	202,385
Union Bank of Australia, Lim....	Feb. 28	525,656	500,000	12½*	...	25,000	+ 656	611,932
Total.....		6,226,728	5,057,060	...	817,851	205,000	+122,916	6,758,815

* Free of income-tax.

The dividend distributions of the Bank of New South Wales, the Union Bank, the Australian Bank of Commerce, and the Queensland National Bank, have been reduced, and all the banks' business has naturally suffered from the effects of what is believed to be the worst depression since 1893. Australia, as an agricultural country dependent on the sales overseas of two great staple products, is, of course, used to more of the ups and downs of economic life than this country, but the position this year has unfortunately been much aggravated by the increasing difficulty of providing for the service of the external debt. An acute exchange crisis soon developed. The shrinkage of Australian

of exchange against the importers in the autumn of 1929, but the gold point was soon reached and a heavy gold outflow started about October. There seemed no sign of a change for the better, and eventually the directors of the Commonwealth Bank wrote to the Federal Treasurer asking for legislative protection for their diminishing gold reserves. The Government then introduced an Amendment to the Commonwealth Bank Act, providing for the compulsory acquisition by the Bank of Australia's gold supplies, and this was passed in November, 1929. Up to June, 1930, £12,000,000 of gold (of an aggregate of £26,500,000 for the year) had been shipped overseas under this Act, but London

funds continued to remain scarce, even though the exchange was moved still further against Australia. Rationing of exchange had to be carried out so ruthlessly that interest payments in London by the Commonwealth Government became impeded, and an arrangement had ultimately to be made by the Commonwealth Bank, and the trading banks to pool London funds so as to assure priority to Government needs. It is clear that the shortage of exchange is mainly due to the fact that rates, as fixed by the Associated Banks, are much too favourable to Australia. Present rates "under-value" London funds so much, in fact, that it is stated authoritatively that 15 to 20 per cent. of exchange operations are now carried on outside the banks, presumably at rates nearer the true economic level.

But exchange difficulties are not the only troubles the banks have had to face. Drastic changes in the whole banking system were foreshadowed when, on April 2nd, the Commonwealth Treasurer introduced the Central Reserve Bank Bill, providing for the establishment of a true Reserve Bank for Australia, in addition to the Commonwealth Bank, which is a hybrid institution doing both commercial and government business. The new bank was to have a capital of £2,000,000, provided from the funds of the Commonwealth Bank, and it was to possess the normal powers of a Reserve Bank, such as the management of the

note issue and the clearing settlements, and the care of the reserves of the trading banks. In addition it was to be allowed a restricted power to accept current accounts. Its direction was to be in the hands of a Government-appointed board of nine persons, representing vocational interests. As might be expected, the introduction of a controversial measure at such a critical time, with the much more pressing problems of the external debt still awaiting solution, evoked considerable protest from the banks, apart from other criticisms that were made of the possibility of political interference with the board, and the chilling prospect for the banks of more State-aided competition from a much freer Commonwealth Bank. And in the interest of effective banking co-operation in Australia it is probably just as well that the Bill has been quietly buried for a year, by the Senate, on account of several alleged imperfections. Sir Otto Niemeyer, on his recent visit to Australia, was apparently not asked officially for advice about the ultimate shape to be taken by the Reserve Bank, but the project will almost certainly be further considered, and revived again next year. It is to be hoped that the general economic position will be much clearer then.

At present Australia is certainly not free from economic troubles, but her banks appear to have survived the first shocks well, and they should have a worthy part to play in the recuperative process.

AUSTRALASIAN BANKS WITH LONDON OFFICES.

Year.	Banks.	No. of Branches.	Capital and Reserves.	% of Liabilities.	Notes.	% of Liabilities.	Deposits.	% of Liabilities.	Total Assets or Liabilities.	Cash in Hand and Money at Call and Notice.	% of Liabilities.	Investments.	% of Liabilities.	Discounts and Advances.	% of Liabilities.
			£		£		£		£	£		£		£	
1890	19	1,538	24,424,100	13.2	4,821,800	2.6	138,065,900	74.7	184,931,200	26,919,000	14.6	6,808,100	3.7	145,535,900	78.7
1900	16	1,338	30,307,100	19.1	4,348,700	2.8	107,408,600	68.4	157,299,500	33,165,500	21.1	12,831,900	8.2	102,820,200	65.3
1910	17	1,965	33,612,300	16.3	5,198,100	2.4	152,885,400	71.9	212,615,200	54,575,000	25.8	17,105,000	8.1	132,956,900	62.5
1920	16	2,393	51,248,171	13.4	8,511,692	2.2	281,477,007	73.4	383,470,259	88,133,890	23.2	68,431,168	17.8	214,736,390	56.0
1921	15	2,364	53,991,389	14.1	7,854,758	2.1	273,364,790	71.8	381,546,279	81,024,813	21.3	39,911,344	10.5	251,737,300	66.0
1922	14	2,495	58,731,923	15.3	8,029,220	2.1	278,162,328	72.5	384,576,016	89,307,562	23.3	38,400,133	10.0	247,031,583	64.3
1923	14	2,585	61,599,404	15.3	7,928,290	2.0	296,565,646	73.4	404,606,678	85,877,405	21.2	46,722,824	11.6	261,325,689	64.9
1924	14	2,633	66,098,630	15.8	6,973,808	1.7	304,880,617	73.0	417,885,511	85,097,837	20.4	41,379,111	9.9	280,193,236	67.1
1925	14	2,687	70,965,534	16.5	6,870,095	1.6	311,517,521	72.3	430,939,351	82,997,550	19.3	43,250,682	10.1	293,292,117	68.0
1926	14	2,788	75,294,960	16.8	7,320,202	1.6	321,525,986	72.0	447,133,140	84,338,608	18.9	52,358,405	11.7	298,281,030	66.7
1927	12	3,141	75,807,689	16.8	6,693,730	1.5	324,226,350	71.8	451,388,933	77,213,749	17.1	44,157,047	9.8	317,923,542	70.4
1928	12	3,199	83,274,577	17.5	6,940,801	1.5	341,310,252	71.8	474,657,248	82,573,158	17.4	55,565,857	11.7	330,126,109	69.6
1929	12	3,292	86,623,990	17.5	7,543,645	1.5	358,172,387	72.5	494,326,268	78,048,713	15.8	63,589,822	12.8	339,648,856	68.7
1930	12	3,372	88,074,940	18.2	6,792,206	1.4	350,095,968	72.2	484,659,471	71,442,573	14.8	44,948,658	9.3	351,619,883	73.0

AFRICAN BANKING.

(BY A CORRESPONDENT.)

THE three outstanding recent events have been the amendment of the powers of the South African Reserve Bank, the passing of a Warehouse Act and the general trade depression. As regards Reserve Bank amendments, the Currency and Banking Act of 1920, which provided for the establishment of the South African Reserve Bank, was passed in a time of stress, and in the absence of any public demand for such an institution. Moreover, notwithstanding the totally different situation prevailing locally, where the banking business is in the hands of three powerful institutions, the constitution of the Reserve Bank resembled that of the American Federal Reserve System to a considerable extent. As a result this institution has been considerably handicapped in its activities, and for years the Governor of the Bank has been pleading for a widening of the Bank's powers to enable it to get into touch

with commercial and industrial finance in ways other than through the commercial banks which up to now have not made use of the Reserve Bank to any considerable extent.

An Amendment Act was accordingly passed by Parliament in May last, re-stating the powers of the Bank, modifying the basis of its note issue and restricting the use of the term "bank." The more important changes in the Bank's powers are as follows:—

The maturities of commercial paper that may be bought, sold or rediscounted are increased from ninety days to 120 days, while loans and advances may now be made against the security of Union or local Government stock, debentures or bills of any maturity, whereas previously bills eligible for this purpose had to mature within six months.

Entirely new provision is made for the granting of loans and advances against the security of:

(a) "Such non-speculative dividend or interest bearing securities having a ready sale on the stock exchange as the board may approve for that purpose from time to time at intervals of not more than six months";

(b) "One-name promissory notes of any bank carrying on business in the Union, with a maturity not exceeding fifteen days, and covered by any collateral security which the Bank is empowered to discount or accept as security for a loan or advance"; and

(c) "One-name bills of exchange or promissory notes, secured by documents of title representing staple commodities having extensive and active markets, to an amount not exceeding 75 per cent. of the value of such commodities at current market prices."

In the case of authorised investments the Bank may now invest a sum not exceeding its paid-up capital and reserve in Union Government Securities of any maturity, whereas previously these had to mature within two years.

The basis of the note issue has also been radically altered. Originally the Act required that the notes be secured by a gold reserve of not less than 40 per cent., and for the rest by commercial paper or trade bills and by a first charge on all the assets of the Bank. From 1923 to 1928 the Bank was allowed to substitute Union and British Treasury Bills, within certain limits, for commercial paper. Henceforth, however, they are to be secured by not less than 40 per cent. in gold "and as to the remainder by a first charge on all the assets of the Bank."

Finally, in view of the difficulty of adequately defining a bank, this Act authorises all existing institutions calling themselves "banks" to continue to do so, but in future the name can only be adopted with the written consent of the Treasury.

After years of agitation Parliament has at last passed a Warehouse Act. Though it is restricted exclusively to agricultural products, it is a vital piece of legislation which is sure to prove of the utmost significance to the

Union's largest industry and to the banks. In addition to providing for the issue of negotiable warehouse receipts, the Act also provides for the granting of "rail surety notes," covering the conveyance of grain intended for export to a harbour in the Union.

In harmony with the rest of the world, South Africa too is experiencing a trade depression which is hitting agriculture particularly hard. The South African Reserve Bank gave a warning signal on August 17, 1929, when it raised its bank rate from 5½ per cent. to 6 per cent. Though within and without Parliament it had long been urged that the rate should again be lowered, it was not until September 29, 1930, that the Bank deemed it desirable to do so.

The following figures give some idea of the effects of the depression:—

	Bank Debits to Indivi- dual Accounts. (£1,000,000.)		Insol- vencies.	Imports. (£1,000,000.)	Exports. (£1,000,000.)
	1929.	1930.	1929.	1929.	1930.
Jan.	121	116	108	7.1	6.1
Feb.	125	114	137	5.8	5.6
Mar.	116	113	166	6.9	5.7
Apr.	119	100	140	7.0	5.3
May	111	99	139	7.4	7.6
June	114	107	131	6.7	7.4
July	120	120	134	7.6	6.5
Aug.	128	133	133	7.4	7.8
Sept.	116	140	140	6.9	6.9
Oct.	117	117	117	7.2	9.0
Nov.	117	157	157	7.3	10.0
Dec.	117	185	185	6.2	10.6

ALL COMMERCIAL BANKS—ASSETS AND LIABILITIES IN THE UNION.

	June, 1929.	Sept., 1929.	Dec., 1929.	March, 1930.	June, 1930.
Balances with Re- serve Bank	5.0	5.1	4.9	5.0	4.7
Discounts current	12.2	11.9	12.8	11.6	11.0
" overdue	.3	.3	.3	.3	.3
Loans secured	28.6	28.9	28.7	26.9	26.8
" unsecured	8.1	8.8	8.1	7.4	7.3
Savings deposits	3.5	3.6	3.5	3.6	3.5
Time	25.0	26.1	26.3	25.3	28.9
Demand	31.8	30.5	30.5	28.5	27.9
Total liabilities	67.1	66.4	67.8	62.4	64.3

AFRICAN BANKS WITH OFFICES IN LONDON.

Year.	Banks.	No. of Branches.	Capital and Reserves.	% of Liabilities.	Notes.	% of Liabilities.	Deposits.	% of Liabilities.	Total Assets or Liabilities.	Cash in Hand and Money at Call.	% of Liabilities.	Invest- ments.	% of Liabilities.	Discounts and Advances.	% of Liabilities.
1890	2	90	2,005,800	12.0	1,081,300	6.5	10,408,600	62.4	16,672,400	3,887,700	23.3	1,582,300	9.5	10,920,700	65.4
1900	5	165	4,684,000	13.3	1,852,200	5.2	24,424,900	69.0	35,306,300	11,511,900	32.6	4,092,200	11.6	18,559,700	52.5
1910	9	444	8,289,700	13.4	2,035,300	3.3	43,628,800	71.2	61,144,200	17,755,900	29.0	6,374,400	10.4	30,509,200	49.9
1920	7	873	17,046,427	6.8	8,988,619	3.6	189,892,101	76.0	249,256,327	46,066,481	18.5	37,267,885	14.9	139,946,510	56.0
1921	6	979	17,975,721	8.5	9,244,449	4.4	151,698,145	71.8	211,874,720	35,568,723	16.8	20,852,477	9.9	126,626,573	60.0
1922	6	899	17,620,100	9.7	8,706,569	4.8	128,532,959	71.0	180,687,942	37,851,939	20.9	19,377,552	10.7	99,519,441	55.0
1923	6	857	16,684,960	9.7	1,281,777	0.7	127,608,097	74.3	171,330,264	29,845,362	17.2	29,847,989	17.4	91,226,581	53.3
1923	4	812	10,002,152	7.6	1,281,777	0.9	95,457,147	72.9	131,045,290	23,949,679	18.3	14,329,448	10.9	73,106,390	55.8
1924	4	675	9,101,413	7.6	992,511	0.8	90,165,360	75.7	119,310,068	23,724,032	19.9	12,999,288	10.9	63,316,384	53.2
1925	4	670	9,263,096	7.9	718,821	0.6	86,577,974	74.3	116,650,949	23,107,838	19.8	10,890,089	9.3	64,380,473	55.2
1926	3	410	7,348,125	9.6	480,697	0.6	57,459,817	74.7	76,933,189	14,182,719	14.6	6,693,959	8.7	45,897,132	62.5
1927	3	420	7,357,709	9.5	504,711	0.6	56,306,737	72.8	77,325,277	13,377,431	15.4	6,624,270	8.6	45,571,980	60.9
1928	3	427	7,357,708	9.1	605,370	0.8	58,358,319	72.5	80,540,832	12,872,067	16.0	6,897,660	8.6	46,001,585	57.1
1929	3	436	7,899,379	9.2	603,642	0.7	60,580,054	70.9	89,387,066	12,957,712	15.2	6,962,200	8.2	51,245,432	60.1
1930	4	916	14,434,879	9.3	1,573,114	1.0	120,580,725	77.6	155,295,437	28,909,836	18.6	17,016,869	10.9	89,773,659	57.8

	Year Ended	Net Profit.	Dividend.	To Reserve, &c.	Pre- mises.	Staff Funds.	Carried Forward.	Profit and Dividend for Preceding Year.
Bank of British West Africa, Lim.	Mar. 31	£ 121,822	£ 72,000	% 6	£ 25,000	£ 25,000	£ ...	£ 178
Barclays Bank (Dominion, Co- lonial and Overseas)	Sept. 30	516,594	229,322	4½	280,000	...	+ 7,272	494,823
Netherlands Bk. of South Africa	Dec. 31	60,078	32,798	7	22,428	5,642	...	60,145
Standard of South Africa, Lim.	Mar. 31	652,478	425,000	17	...	100,000	+ 2,478	621,466
Total		1,350,972	759,120	...	327,428	130,642	+ 8,782	1,204,765

Domestic bills discounted at the South African Reserve Bank varied during the following limits during the periods shown below:—

Sept. 20, 1929-Dec. 6, 1929...	from £1,757,000 to £1,040,000
Jan. 3, 1930-March 28, 1930	" £1,274,000 " £150,000
April 4, 1930-June 27, 1930...	" £1,609,000 " £295,000
July 4, 1930-August 22, 1930	" £575,000 " £28,000

The figure of £28,000 appears in the last published return for the week ending August 22, 1930. In this same return notes in circulation also reached the lowest figure for the period, viz., £7,214,000, as compared with £9,541,000 on January 8, 1930. Bankers' deposits, however, have remained fairly constant.

INDIAN BANKING.

(BY A CORRESPONDENT.)

THE Reserve Bank Bill, which was designed to create for India a central financial institution on modern lines, was reluctantly dropped by the Indian Government in 1928 on account of the insistence of the Legislative Assembly that the board of directors should include representatives of that political body. The desire for a central bank is nevertheless general in commercial circles, and it is in the hope of clarifying opinion on the essential functions of such an organ that a banking inquiry has been undertaken throughout British India in the current year. The Central Banking Inquiry Committee, over which the Member for Industry, Sir B. M. Mitra, himself presides, is now considering the reports submitted by the committees of the several provinces, and is taking evidence on questions which concern the whole country. When this process is completed, a group of banking experts will be invited from England or elsewhere to confer with the Central Committee, and to report to the Government of India early in 1931. The identity of these advisers is not yet known.

The chief problems in Indian banking are (1) to find a means of extending further credit to the agriculturist, who suffers at present, wherever co-operative credit societies have not come into being, from the activities of moneylenders and unsatisfactory

grain dealers; (2) to make use of these indigenous agents in ways which will promote agriculture and industry without involving loss to the borrower or to investing third parties; (3) to set up an apex bank for India which will control the currency and the note issue, hold the reserves of the major joint-stock banks, and facilitate internal trade by rediscounting traders' bills. The provincial committees deal only with the two former questions. They are unanimous in recommending, both for the agriculturist and the smaller industries, an increase in the number of co-operative societies of credit, production and sale, as well as land mortgage banks. The moneylenders and indigenous bankers are invited to unite themselves in new joint-stock banks or to become local agents of those which already exist. It is highly improbable that they will welcome such a restriction of their independence. The Indian joint-stock banks are unable effectively to invade their field, and they will stand fast until co-operative banks gradually displace them.

Much criticism has been passed in recent years on the Imperial Bank of India, on the ground that it discriminates against Indian applicants for credit. The same charge has been repeated before the Central Committee by the Indian Merchants' Chambers of Calcutta and Bombay. It appears, however, to be

£6,669,000—

paid in claims to LIVERPOOL & LONDON & GLOBE policyholders in 1929!

This vast claim figure was distributed as follows:—

Fire	£2,306,000
Accident, Employers' Liability, Burglary and Miscellaneous	£2,214,000
Motor	£1,314,000
Life	£ 505,000
Marine	£ 330,000

Total claim payments in 1929 .. **£6,669,000**

These figures reflect
the importance of
THE
LIVERPOOL
AND
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without foundation. The senior officials of the Imperial Bank are 50 per cent. Indian, and it is claimed that all applications are examined on their

merits. If indigenous bankers or merchants neglect to maintain a full set of books or to submit to a thorough audit, neither the Imperial nor the Indian

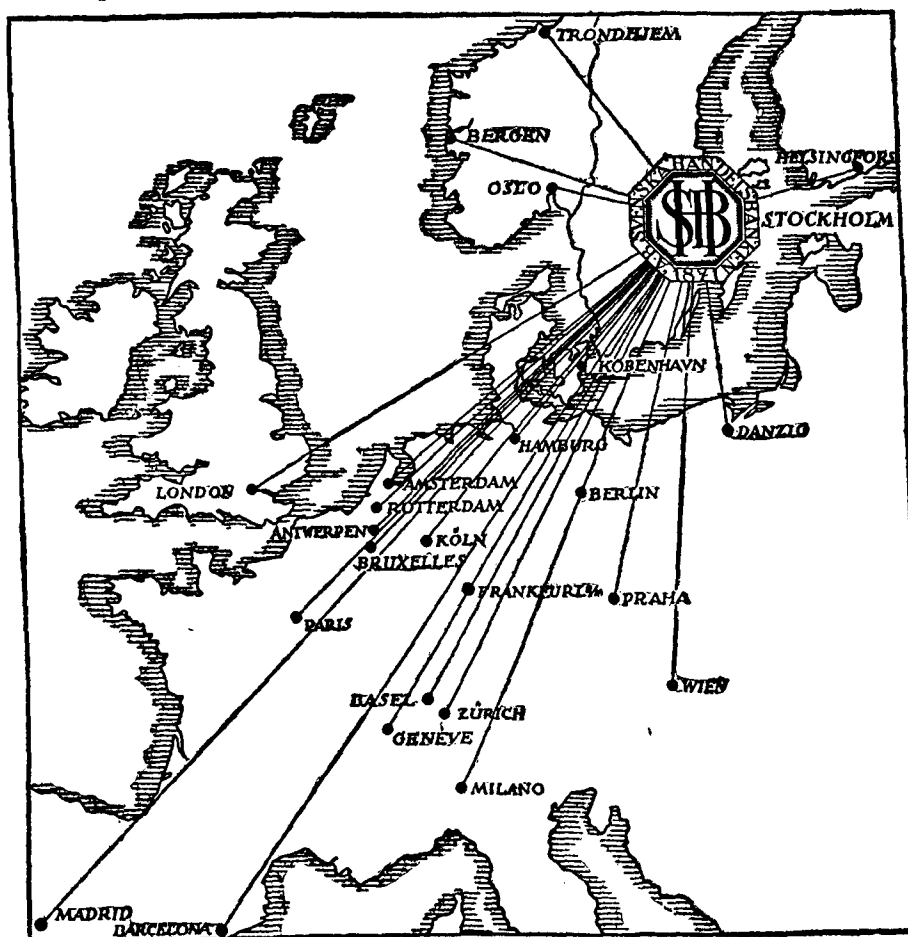
	Year Ended.	Net Profit.	Dividend.	To Reserve, &c.	Pre- mises.	Staff Funds.	Carried Forward.	Profit and Dividend for Preceding Year.
Chartered Bank of India, Aus- tralia, and China.....	Dec. 31	£ 661,598	£ 607,500	20 1/4*	£ 50,000	£ ...	£ 4,098	£ 627,263
Eastern Bank, Limited	Dec. 31	123,521	90,000	9	30,000	...	+ 3,521	124,119
Mercantile Bank of India, Lim.	Dec. 31	257,459	168,000	16	30,000	15,000	+ 4,459	250,201
National Bank of India, Lim.	Dec. 31	511,133	400,000	20*	...	60,000	+ 1,133	530,829
Total		1,553,711	1,265,500	...	110,000	100,000	+ 13,211	1,532,412

* Free of tax.

INDIAN BANKS WITH OFFICES IN LONDON.

Year.	Banks.	No. of Branches.	Capital and Reserves.	% of Liabilities.	Notes.	% of Liabilities.	Deposits.	% of Liabilities.	Total Assets or Liabilities.	Cash in Hand, Money at Call and Short Notice.	% of Liabilities.	Invest- ments.	% of Liabilities.	Discounts and Advances.	% of Liabilities.
1890	5	50	£ 4,347,200	12.1	£ 1,241,000	3.4	£ 17,964,400	50.0	£ 36,003,400	£ 4,321,200	12.0	£ 2,930,500	8.1	£ 27,541,300	76.5
1900	5	54	3,186,800	10.5	699,800	2.3	18,084,800	58.5	30,207,600	4,704,900	15.5	2,794,600	9.3	22,147,300	72.5
1905	4	63	3,735,100	10.6	639,100	1.8	23,473,900	66.5	35,268,500	6,507,100	18.4	3,119,500	8.8	23,634,900	69.6
1910	5	87	6,100,000	12.9	515,600	1.1	34,547,000	72.9	47,339,600	8,312,300	17.6	4,139,400	8.7	32,101,200	67.8
1915	5	91	7,323,485	11.1	1,085,514	1.6	48,782,482	73.8	66,017,462	12,512,987	18.9	8,002,065	12.1	42,085,918	63.6
1920	4	94	14,171,476	8.9	2,995,124	1.9	118,352,583	74.1	159,492,420	28,521,284	17.9	10,424,084	6.5	108,740,228	68.0
1921	4	94	14,565,844	11.1	2,211,811	1.7	95,872,984	73.1	130,327,461	19,217,307	14.7	19,362,627	14.8	82,457,535	63.1
1922	4	97	14,850,000	11.7	2,354,045	1.9	93,221,399	73.5	126,410,917	15,600,241	12.3	27,936,054	22.0	75,787,137	59.8
1923	4	102	15,120,000	12.2	2,569,875	2.1	90,619,019	73.3	123,728,318	16,978,419	13.7	35,943,579	29.1	62,428,849	50.5
1924	4	103	15,340,000	11.9	1,924,625	1.5	92,244,551	71.5	128,980,610	19,415,164	15.1	31,045,838	24.1	68,572,830	53.2
1925	4	106	15,560,000	11.1	1,682,651	1.2	104,713,687	74.8	140,044,291	17,470,182	12.5	31,021,988	22.1	80,928,390	57.8
1926	4	109	15,665,000	11.5	2,424,847	1.8	102,987,832	75.7	135,837,427	20,018,291	14.7	39,554,406	29.1	68,514,158	50.5
1927	4	110	15,770,000	11.6	2,218,870	1.8	99,421,137	73.0	136,121,504	12,722,522	9.3	36,496,821	26.8	76,954,934	56.5
1928	4	113	15,875,000	11.9	1,977,396	1.5	97,756,492	73.4	133,222,009	14,267,964	10.7	35,275,577	26.5	75,669,243	56.6
1929	4	113	15,980,000	12.4	2,351,788	1.8	95,286,461	74.0	128,696,924	13,485,072	10.5	33,001,599	25.6	74,758,105	58.1

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joint-stock banks can venture freely to finance them. The private trader or moneylender borrows on his personal credit, which is only known and acceptable to a private Indian banker or *shroff*; the latter has then only a pro-note to offer, his own or that of his client, to the joint-stock bank, and it is not reasonable for the Inquiry Committees to urge the banks to discount such documents. Attempts to popularise the trade bill have not hitherto succeeded, and those committees which demand the use of trade paper make no specific suggestions as to the manner of introducing it. The opening of licensed warehouses and the organisation of co-operative marketing societies, as proposed by the United Provinces Committee, will render it easy to draw trade bills, but may fail to tempt the dealers, who are content with the present system of purchases for cash, to alter their traditional procedure.

There is a growing appreciation of the value of banking education. An Institute of Bankers has now been in existence, though not very active, for three years, and a diploma in banking can be obtained from more than one college or university. What is needed is rather prudence than technical skill, important though the latter may be. More than one hundred joint-stock banks in India have failed in the last ten years, usually through imprudent advances and inadequate audit. Private firms are even more unstable, and the business world of Karachi has recently been disturbed by a considerable and unexpected failure of an Indian banking house. The Central Committee are therefore unlikely to advocate State support of so-called "industrial" banks, as frequently proposed. There is no lack of money in India, and surplus funds have been available throughout the present year. Deposits in the Savings Bank and in co-operative banks are rising and savings certificates are as popular as ever. No sound industrial scheme, therefore, will lack funds. The Committee may regard with more favour the idea of closer control over banks through official examiners, who will strive to protect the amazingly credulous Indian depositor. If the banks will follow prudent rules and if the Indian merchant will employ trade bills, a Reserve Bank can foster a bill market and finance the country's trade; but little more than a pious hope of these events has yet emerged from the proceedings of the Banking Committees.

AMERICAN BANKING DEVELOPMENTS IN 1930.

(BY A CORRESPONDENT.)

BANKING developments since the New Year have been of a nature to cause both severe criticisms of policy and some anxiety as to immediate results. This is reflected in the recent decision of the President to re-organise the Federal Reserve Board, and explains his acceptance of the resignation of Mr Roy A. Young, the former Governor, and the appointment of Mr Eugene Meyer as his successor. Mr Meyer's appointment has also necessitated the resignation of the former Vice-Governor, Mr Edmund Platt, as the Reserve Act makes it illegal for both officers to come from the same district, and both Mr Meyer and Mr Platt are residents in New York. These changes are the result of a long-gathering dissatisfaction with the management of the Reserve system, and, in consequence, with the conditions which prevail in the banking system of the country at large.

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It is not difficult to state what has occurred in American banking during the past few months. The following brief table, representing the condition of the member banks of the Federal Reserve system, which report each week to the Board, illustrates the general situation among the city institutions which, between them, own 50 per cent. of the assets belonging to the commercial banks of the country:—

WEEKLY STATEMENT OF REPORTING MEMBER BANKS.
(Amounts given in millions of dollars.)

		Change from Aug. 29th. a Year ago.
Loans and investments	23,122	+ 717
Loans, total	16,793	- 157
On securities	8,377	+ 862
All other	8,416	+ 1,018
Investments, total	6,329	+ 873
U.S. Government securities	2,909	+ 202
Other securities	3,420	+ 672
Reserves with Federal Reserve banks	1,814	+ 151
Cash in vault	211	- 27
Net demand deposits	13,606	+ 621
Time deposits	7,439	+ 673
Government deposits	46	+ 9
Due from banks	1,494	+ 472
Due to banks	3,302	+ 762
Borrowings from Federal Reserve system ..	40	- 645

These figures show an advance in loans on security, since a year ago—shortly before the autumn crash—amounting to the sum of \$826 millions. Early in the year, it seemed as if there might be a possibility of getting the security movement under control, and there were sporadic declines in advances; but these lasted only a little while. The decline in loans on commercial account, amounting to more than a billion dollars, and thus more than offsetting the increase in security loans, has little to do with the situation except to accentuate its gravity. The contraction of the commercial paper holdings of the banks reflects the bad business conditions that have prevailed, the tendency to liquidate commitments on account of lack of demand, and—in some regions—the unwillingness of the banks to make straight advances on business credit, at charges that permit the business man to accept them.

The striking feature of the developments thus set forth is manifestly afforded by the circumstance that, despite the warnings furnished by the panic, credit is still going so largely into stocks while study of discount rate policies reveals a continuance of the intent to make money abnormally cheap. Rates for money in New York have been the lowest since the close of the war, although in the interior funds have been about as scarce and high as they have ever been, and the cost of borrowing for house construction has been

prohibitive. The Reserve system has, apparently, been guided throughout by the belief that, by making money "cheap," a fresh advance in stocks could be encouraged, and therewith a return to the "prosperity" frame of mind founded upon steadily-rising quotations that was characteristic of last year.

Country banks have not increased their commitments on stocks as city institutions have done, chiefly for the reason that they had already reached almost the end of their ability to lend in this way. They have found themselves distinctly "frozen," and at the same time have, in many parts of the country, suffered from a general "silent run," due to the steady withdrawal of funds by depositors who have been forced by bad trade and unemployment to draw upon their existing resources. As these drafts have been met, the banks have had all they could do to pay off the claims against them, and in order to get resources, have been obliged to force borrowers to sell collateral. Such sales have kept the market in a condition of depression, while they have reflected an indisposition, and, in many cases, an actual inability, to make fresh advances on any score except in the most urgent situations. Just how seriously all these conditions have pressed upon the country banks may be inferred from a rate of failure which, in some months, has run as high as 100, with the expectancy of not less than 1,000 bank failures for the calendar year 1930. The criticism which has been generally visited upon the management of the banking system may be briefly expressed in the statement that whereas most panics were followed by a clearing up and restoration of liquidity among the banks, the panic of 1929 has seen but a sporadic improvement of this sort. In fact, the banks as a whole are rather less liquid than they were before the breakdown of last year.

It is this situation with which Mr Meyer, the new Governor of the Federal Reserve Board, will have to deal. He has before him a most difficult problem, closely intertwined with the urgent issue of bringing about business recovery, while his hands are sure to be more or less tightly tied by what is called "politics." The United States retains an enormous hoard of gold amounting to nearly \$4,250,000,000, of which \$3,000,000,000 is in the vaults of the Reserve system, and has thus far lost but little, relatively speaking, through exportation. This great ownership of gold in no way relieves the domestic problems which result directly from the interior banking condition and from the fact that so many of the banks are directly controlled by stock market considerations which have given their portfolios a distorted appearance.

BANK SHARES.

BRITISH bank shares, through their security and the constancy of their dividends, have come to be regarded by the investing public as almost equivalent to gilt-edged stock. Consequently, their prices move largely in sympathy with those of British Government securities, and are subject to the same main influences, namely, the cheapness or dearth of money and the extent to which the public are being attracted by shares of a speculative character. Thus dear money explains the fall in the value of the shares of the leading British banks during the year ended September 30, 1929, while cheap money and the disfavour with which the more speculative markets have recently been viewed, explains their partial recovery during the year now closed.

The fact that the recovery was not complete, even though money is to-day much cheaper than it was two years ago, may be due to several causes. One is a realisation of the fact that the earning capacity of the banks is to some extent dependent upon the general state of trade, while another is the knowledge that low, and especially falling money rates make certain inroads into bank profits. Point is lent to these facts by the slight dividend reductions made by two north-country banks during the past year.

Foreign and Colonial bank shares are naturally governed to some extent by the course of events in the countries to which they belong. Thus the fall in Australasian bank shares is easy to understand, while the decline in Canadian bank shares may be due to

the repercussions of the recent Wall Street collapses. The Eastern banks have naturally felt the effects of the slump in silver, while South American bank shares

Share.	Amount of Share.	Paid up.	Price Sept. 28, 1928.	Price Sept. 30, 1929.	Price Sept. 30, 1930.	Yield %
Bank of England	Stock	£ 100	258½	239	257½	4½
Barclays, "A"	4	4	8½	7½	8	5
Do. "B"	1	1	2½	2½	2½	4½
Lloyds	5	5	3½	3½	3½	5
Martins	20	2½	7½	7½	7½	5½
Midland	12	2½	9½	8½	9	5
National Provincial	20	4	14½	13	13½	5½
Westminster	4	1	20½	13½	10½	5½
Bank of Australasia	1	1	15	13½	10½	5½
Bank of New Zealand	5	5	3	2½	2½	5½
Bank of New South Wales	20	20	48½	48	31½	6½
English, Scottish, & Australian	5	5	9	8	5	7½
National Bank of Australasia	8	3	9½	9½	5½	9½
National Bank of New Zealand	7½	2½	7½	6½	5½	5½
Union Bank of Australia	15	5	15½	14½	8	7½
Bank of Montreal	\$100	\$100	\$76½	\$72	\$65	4½
Canadian Bank of Commerce	\$100	\$100	\$59½	\$56	\$50	4½
Royal Bank of Canada	\$100	\$100	\$80½	\$72	\$63½	4½
Chartered Bank of India, &c.	5	5	22	19½	17½	5½
Eastern	10	5	7½	6½	5½	8
Hongkong and Shanghai	\$125	\$125	£139½	£130½	£106	6½
Imperial Bank of Persia	6½	6½	11½	11½	10½	6½
National Bank of India	25	12½	54½	48½	39	6½
Anglo-South American	10	5	8½	7½	5½	8½
Bank of London and S. America ..	5	5	11½	9½	8½	6½
Bank of British West Africa	10	4	4½	4½	3½	6½
Standard Bank of South Africa ..	20	5	16	15½	14½	5½

a Amount of share, £20, £5 paid up.

† Free of tax.

reflect the commercial difficulties of that Continent. In general it would be true to say that foreign and colonial bank shares are regarded as being more subject to "industrial" influences than are those of British banks.

For the benefit of those who dislike holding partly-paid shares, even though the chance of the leading banks calling up any of their unpaid capital is extremely remote, a separate table is given below, which is confined to fully-paid shares.

Bank.	Denomination.	Price Sept. 28, 1928.	Price Sept. 30, 1929.	Price Sept. 30, 1930.	Yield %
Agricultural Bank of Egypt	£ 5	7½	7½	7	8 d. 9
Anglo-International Bank	1	1½	1½	1½	Nil
Australian Bank of Commerce	1	1½	1½	1½	8 12 3
Bank of Australasia	5	15	13½	10½	6 10 0
Bank of London and South America ..	5	11½	9½	8½	6 5 0
Bank of New South Wales	20	48½	48	31½	6 6 3
Bank of New Zealand	1	3	2½	2½	5 13 9
Bank of Roumania	6	4½	3½	3½	Nil
Barclays "A"	4	8½	7½	8	5 0 0
Do. "B"	1	2½	2½	2½	4 19 6
British Overseas, "A" ord.	5	6½	5½	5½	5 14 3
Chartered Bank of India, &c.	5	22	19½	17½	5 18 0
Commercial Bk. of Scotland, "B" ..	1	2	1½	2½	4 18 9
Imperial Bank of Persia	6½	11½	11½	10½	6 2 0
Ionian Bank	5	7½	6½	4½	6 0 0
District "B" shares	1	1½	1½	1½	4 9 0
Lloyds	1	3½	3½	3½	4 17 0
Martins	2½	10	9½	9½	4 16 0
Midland	1	4½	3½	3½	4 15 3
Do.	10	35½	32½	29½	4 19 0
National Bank of Egypt	5	19	17½	18	4 19 0
National Provincial Bank	1	2½	2½	2½	4 15 0
Westminster	1	2½	2½	2½	4 15 0

• Free of tax.

Reference to the table shows that the yield on fully-paid shares in the leading British banks is very little higher than that obtainable upon gilt-edged stock. Shares in other banks, however, even when fully-paid, are clearly regarded as being of a slightly more speculative character.

It is not easy to determine the future course of bank share prices. The main question to be answered at present is to what extent the banks, both at home and abroad, have been affected by the general trade depression and the consequent lack of employment for some of their resources. For this it is necessary to await the year's banking results and the bank chairmen's analyses of the situation.

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COLONIAL JOINT STOCK BANKS WITH LONDON OFFICES.

IRISH FREE STATE BANKS.

1 Name of Bank.	2 Date.	3 No. of Branches and Sub-branches.	4 Capital Subscribed.	5 Uncalled Capital.		6 Capital Paid-up.	7 Reserve Fund.	8 Un-divided Profits.	9 Notes in Circulation.	10 Acceptances and Bills for Collection.
				Callab.	Reserved.					
Bank of Ireland	Dec.31	100	£ 2,769,231	£ ...	£ ...	£ 2,769,231	£ 3,350,000	£ 298,105	£ 2,799,398	£ ...
Hibernian Bank	Jne.30	62	2,000,000	500,000	1,000,000	500,000	680,000	68,382	388,527	...
Munster and Leinster Bank	Jne.30	198	1,875,000	1,125,000	...	750,000	1,000,000	96,515	852,000	...
National Bank	Jne.30	268	7,500,000	1,000,000	5,000,000	1,500,000	1,455,000	166,092	1,338,247	...
Provincial Bank of Ireland	Jne.30	138	4,080,000	1,500,000	2,040,000	540,000	650,000	69,219	889,523	...
Do., New	Aug.31	42	1,500,000	300,000	900,000	300,000	250,000	25,963	246,154	...
Royal Bank of Ireland										
Total		808	19,724,231	4,425,000	8,940,000	6,359,231	7,385,000	724,276	6,513,849	30,627

AFRICAN BANKS.

Bank of British West Africa, Limited...	Mar.31	57	3,000,000	300,000	1,500,000	1,200,000	400,000	95,433	...	1,089,494
Barclays Bank (Dominion, Colonial & Overseas)	Mar.31	462	6,975,500	2,000,000	3,024,500	4,975,500	1,550,000	137,961	988,253	3,718,780
Netherlands Bank of South Africa	Dec.31	19	468,542	Nil	Nil	468,542	176,667	45,472	...	665,163
Standard Bank of South Africa, Limited	Mar.31	378	10,000,000	7,500,000	Nil	2,500,000	3,164,170	500,002	584,861	12,136,265
Total		916	20,444,042	9,800,000	4,524,500	9,144,042	5,290,837	778,888	1,573,114	17,609,702

AUSTRALASIAN BANKS.

Commonwealth Bank of Australia	Jne.30	92	20,000,000	...	...	4,000,000	868,808	...	...	£515,980
Australian Bank of Commerce, Limited	Jne.30	154	2,208,000	Nil	Nil	2,208,000	1,111,880	107,083	...	...
Bank of Adelaide	Mar.31	131	1,250,000	Nil	1,250,000	1,250,000	985,000	114,482	6,670	...
Bank of Australasia	Oct.14	238	4,500,000	Nil	4,500,000	4,500,000	4,475,000	476,943	434,328	452,733
Bank of New South Wales	Sep.30	589	7,500,000	Nil	7,500,000	7,500,000	5,900,000	600,978	584,091	£2,880,731
Bank of New Zealand	Mar.31	244	3,750,000	Nil	Nil	6,960,664	3,425,000	1,199,849	3,754,948	167,447
Commercial Bank of Australia, Ltd.	Jne.30	373	2,000,000	76,601	Nil	4,040,749	2,160,000	273,052	230,138	£541,812
Commercial Banking Co. of Sydney, Ltd.	Jne.30	464	9,478,025	Nil	4,739,012	4,739,012	4,200,000	472,177	14,013	...
English, Scottish & Aust. Bank, Ltd.	Jne.30	457	5,000,000	2,000,000	Nil	4,872,966	3,015,000	747,741	1,083	...
National Bank of Australasia, Limited	Mar.31	343	6,800,000	1,800,000	Nil	5,000,000	3,200,000	412,907	47,852	...
National Bank of New Zealand, Limited	Mar.31	59	6,000,000	4,000,000	Nil	2,000,000	2,000,000	294,171	1,115,974	...
Queensland National Bank, Limited.	Jne.30	102	1,750,000	Nil	Nil	1,750,000	840,000	53,515	...	...
Union Bank of Australia, Limited	Feb.28	218	12,000,000	Nil	8,000,000	4,000,000	4,850,000	336,992	603,109	...
Total (excluding Commonwealth Bank)		3,372	62,236,025	7,876,601	25,939,012	51,913,060	36,161,880	5,089,890	6,792,206	4,042,723

a Contingent liabilities.

CANADIAN BANKS.

Bank of Montreal	Apr.30	675	7,200,000	Nil	7,200,000	7,200,000	7,600,000	474,198	7,694,629	...
Bank of Nova Scotia	Dec.31	327	2,000,000	Nil	2,000,000	2,000,000	4,000,000	373,671	3,240,453	...
Canadian Bank of Commerce	Nov.30	795	6,122,879	Nil	6,122,879	6,122,879	6,122,879	341,873	7,197,131	...
Dominion Bank	Dec.31	145	1,399,206	Nil	1,399,206	1,399,206	1,799,206	131,532	1,538,062	...
Royal Bank of Canada	May.31	913	7,000,000	Nil	7,000,000	7,000,000	7,000,000	924,830	7,506,699	...
Total		2,855	23,722,085	Nil	23,722,085	23,722,085	26,522,085	2,246,104	27,176,974	...

INDIAN BANKS.

Chartered Bank of India, Aust. & China	Dec.31	47	3,000,000	Nil	3,000,000	3,000,000	4,000,000	638,255	2,105,222	1,825,027
Eastern Bank, Limited	Dec.31	12	2,000,000	Nil	1,000,000	1,000,000	450,000	127,991	...	1,477,478
Mercantile Bank of India, Limited.	Dec.31	25	750,000	187,500	187,500	1050,000	1,480,000	250,506	246,566	247,024
Do., B shares	Dec.31	25	750,000	187,500	187,500	1050,000	1,480,000	250,506	246,566	247,024
Do., C shares	Dec.31	29	300,000	Nil	Nil	2,000,000	3,000,000	588,462	...	650,127
National Bank of India, Limited	Dec.31	29	4,000,000	2,000,000	Nil	7,050,000	8,930,000	1,605,214	2,351,788	4,199,656
Total		113	10,800,000	2,375,000	4,375,000	7,050,000	8,930,000	1,605,214	2,351,788	4,199,656

COLONIAL JOINT STOCK BANKS WITH LONDON OFFICES.

IRISH FREE STATE BANKS.

10 Miscellaneous Liabilities.	11 Deposits.	12 Total Liabilities.	13 Cash in Hand and Money at Call and Short Notice.		14 Investments.	15 Bills Discounted or Purchased (when shown separately).	16 Bills, Loans, and Advances.	17 Premises and Sundries (including Cover for Acceptances).	18 Total Assets.	19 Name of Bank.
			Cash in Hand, with Banks and in Transit.	Money at Call and Short Notice.						
£	£	£	£	£	£	£	£	£	£	
...	33,124,690	42,341,424	2,037,952	1,836,924	22,390,469	...	15,438,761	637,318	42,341,424	Bank of Ireland.
102,184	11,575,646	13,314,739	525,192	...	5,980,581	...	6,588,829	220,137	13,314,739	Hibernian Bank.
...	24,460,519	27,159,034	1,576,810	1,200,000	11,298,651	1,310,863	11,418,815	353,895	27,159,034	Munster & Leinster.
...	36,602,087	41,092,053	3,338,375	3,463,753	15,261,517	1,938,387	16,268,895	821,126	41,092,053	National Bank.
200	14,577,601	16,726,543	917,222	680,000	7,789,890	1,213,169	5,926,916	199,346	16,726,543	Provincial Bk. of Ire.
...	6,573,242	7,395,359	524,179	...	2,373,217	116,619	4,156,344	225,000	7,395,359	Do., New.
102,384	126,913,785	148,029,152	8,919,730	7,180,677	65,094,325	4,579,038	59,798,560	2,456,822	148,029,152	Royal Bank of Ireland.
										Total.

AFRICAN BANKS.

273,276	6,549,175	9,607,378	1,579,349	...	1,601,435	1,216,398	3,783,694	1,426,502	9,607,378	Bank of Brit. W. Africa.
...	62,704,853	74,075,367	12,580,019	3,333,800	10,069,388	15,694,112	26,684,030	5,714,018	74,075,367	Barclays Bank (Dom., Colonial & Overseas).
44,853	1,760,806	3,161,503	345,903	...	99,114	1,219,862	775,634	720,990	3,161,503	Netherlands Bk. of S.A.
...	49,565,891	68,451,189	7,845,765	3,225,000	5,246,932	6,780,628	33,619,301	11,733,563	68,451,189	Standard Bank of S.A.
318,129	120,580,725	155,295,437	22,351,036	6,558,800	17,016,869	24,911,000	64,862,659	19,595,073	155,295,437	Total.

AUSTRALASIAN BANKS.

4,155,705	42,813,732	52,354,225	7,548,310	6,995,005	22,310,233	...	14,434,590	1,066,087	52,354,225	Comwth. Bk. of Aust.
985,267	13,353,280	17,765,510	2,434,607	...	749,183	...	14,177,865	403,855	17,765,510	Aust. Bk. of Commerce.
535,005	6,105,440	8,996,597	1,135,590	632,061	649,934	...	6,230,987	348,025	8,996,597	Bank of Adelaide.
4,569,795	34,414,798	49,323,597	7,182,967	50,000	3,681,894	...	38,130,363	278,373	49,323,597	Bank of Australasia.
7,284,445	66,056,052	90,806,297	11,960,512	1,920,000	8,327,204	...	64,267,850	4,330,731	90,806,297	Bank of New S. Wales.
5,369,050	33,897,609	54,774,567	6,977,261	...	12,856,472	1,693,950	31,374,704	1,872,180	54,774,567	Bank of New Zealand.
1,635,678	22,165,235	31,046,664	3,169,731	1,517,500	2,062,637	...	22,700,074	1,596,722	31,046,664	Com. Bk. of Australia.
1,488,019	49,402,323	60,315,544	8,616,716	1,335,000	6,106,620	...	42,910,912	1,346,296	60,315,544	Com. Bkg. Co., Sydney.
2,891,324	33,734,497	45,262,611	5,797,465	1,583,206	1,621,168	...	35,498,506	762,265	45,262,611	Eng., Scottish & Aust.
1,432,135	35,559,314	45,652,208	6,074,364	...	2,778,551	...	35,399,698	1,399,595	45,652,208	Nat. Bk. of Australasia.
1,638,759	12,165,675	19,214,575	1,634,157	...	2,450,253	1,054,118	13,425,135	650,912	19,214,575	Nat. Bk. of N. Zealand.
348,219	8,657,228	14,740,631	1,738,632	120,000	1,310,942	...	11,043,884	527,173	14,740,631	Queensland Nat. Bank.
2,386,052	34,584,517	46,760,670	6,973,304	589,500	2,353,800	...	36,459,905	384,161	46,760,670	Union Bk. of Australia.
30,563,744	350,095,968	484,659,471	63,695,306	7,747,267	44,948,658	2,748,068	351,619,883	13,900,288	484,659,471	Total.

CANADIAN BANKS.

5,296,057	136,255,045	164,519,929	31,075,406	19,097,894	24,516,759	...	83,599,766	6,230,104	164,519,929	Bank of Montreal.
2,886,672	42,347,479	54,848,275	10,896,159	9,027,998	7,441,926	...	24,596,467	2,885,725	54,848,275	Bank of Nova Scotia.
23,958,784	120,891,894	164,635,440	27,639,805	33,141,175	15,780,455	...	76,331,630	11,742,375	164,635,440	Canad. Bk. of Commerce.
1,997,938	23,970,317	30,836,261	5,370,557	4,216,081	3,968,237	...	15,021,575	2,259,809	30,836,261	Dominion Bank.
15,846,369	138,329,551	176,607,449	23,449,452	21,405,001	18,294,335	...	100,239,146	13,219,515	176,607,449	Royal Bank of Canada.
49,985,820	461,794,286	591,447,354	98,431,379	86,888,149	70,001,712	...	299,788,584	36,337,528	591,447,354	Total.

INDIAN BANKS.

4,595,691	44,917,490	61,081,685	5,145,593	...	13,521,919	14,619,601	24,182,091	3,612,481	61,081,685	Ch. of Ind., A. & China.
1,959,804	6,223,523	11,238,796	1,272,491	...	2,851,330	1,688,427	3,993,521	1,433,027	11,238,796	Eastern Bank.
1,905,194	12,678,126	17,857,416	2,152,479	...	4,753,553	3,019,966	6,720,420	1,210,998	17,857,416	Mercantile Bk. of India.
813,116	31,467,322	38,519,027	4,914,509	...	11,874,797	7,450,326	13,083,753	1,195,642	38,519,027	National Bank of

DOMINION BANKS WITH OFFICES IN LONDON.

(1) IRISH FREE STATE BANKS.

BANK OF IRELAND.

ESTABLISHED 1783.

CAPITAL					Market Value.	PROFITS AND DIVIDENDS.						
Subscribed.	Paid-up.	Callable.	Reserved.	Value.		Year Ended Dec. 31.	Net Profits.	Per Cent. of Resources.	Dividends of Amount.	Rate.	Reserves, &c.	Carried Forward.
£	£	£	£	£	£	£	£	%	£	%	£	£
2,769,231	2,769,231	...	...	8,972,208		1920	545,540	1.07	232,616	12	310,000	42,460
						1921	513,166	0.97	252,000	13	260,000	43,626
						1922	533,943	1.01	265,846	13	260,000	51,723
						1923	549,820	0.98	332,308	16	200,000	69,035
						1924	595,821	1.10	387,692	14†	207,231	74,856
						1925	590,724	1.19	394,846	17‡	150,000	68,100
						1926	542,289	1.22	405,865	17‡	150,769	83,349
						1927	571,884	1.31	411,923	17‡	150,000	86,094
						1928	564,667	1.28	411,923	17‡	130,000	86,259
						1929	542,088	1.28	411,923	17‡	130,000	86,259

CAPITAL					Market Value.	PROFITS AND DIVIDENDS.						
Subscribed.	Paid-up.	Callable.	Reserved.	Value.		Year Ended Dec. 31.	Net Profits.	Per Cent. of Resources.	Dividends of Amount.	Rate.	Reserves, &c.	Carried Forward.
£	£	£	£	£	£	£	£	%	£	%	£	£
2,769,231	2,769,231	...	...	8,972,208		1920	545,540	1.07	232,616	12	310,000	42,460
						1921	513,166	0.97	252,000	13	260,000	43,626
						1922	533,943	1.01	265,846	13	260,000	51,723
						1923	549,820	0.98	332,308	16	200,000	69,035
						1924	595,821	1.10	387,692	14†	207,231	74,856
						1925	590,724	1.19	394,846	17‡	150,000	68,100
						1926	542,289	1.22	405,865	17‡	150,769	83,349
						1927	571,884	1.31	411,923	17‡	150,000	86,094
						1928	564,667	1.28	411,923	17‡	130,000	86,259
						1929	542,088	1.28	411,923	17‡	130,000	86,259

* In these years agencies have been included.

THE HIBERNIAN BANK, LIMITED.

ESTABLISHED 1825.

CAPITAL					Market Value.	PROFITS AND DIVIDENDS.						
Subscribed.	Paid-up.	Callable.	Reserved.	Value.		Year Ended Dec. 31.	Net Profits.	Per Cent. of Resources.	Dividends of Amount.	Rate.	Reserves, &c.	Carried Forward.
£	£	£	£	£	£	£	£	%	£	%	£	£
2,000,000	500,000	500,000	1,000,000	1,150,000		1920	82,992	0.55	40,000	9‡	45,000	15,288
						1921	90,021	0.53	45,000	9‡	47,500	12,809
						1922	107,422	0.64	47,500	9‡	58,502	14,229
						1923	109,959	0.74	50,000	10‡	49,609	23,081
						1924	109,278	0.78	50,000	10‡	55,600	16,759
						1925	103,197	0.77	56,250	12‡	42,538	21,168
						1926	103,865	0.78	62,500	12‡	35,000	27,533
						1927	104,546	0.81	62,500	12‡	35,000	34,579
						1928	97,944	0.73	67,500	13‡	30,000	30,023
						1929	99,609	0.74	67,500	13‡	30,000	32,123

* Free of income tax.

CAPITAL					Market Value.	PROFITS AND DIVIDENDS.						
Subscribed.	Paid-up.	Callable.	Reserved.	Value.		Year Ended Dec. 31.	Net Profits.	Per Cent. of Resources.	Dividends of Amount.	Rate.	Reserves, &c.	Carried Forward.
£	£	£	£	£	£	£	£	%	£	%	£	£
2,000,000	500,000	500,000	1,000,000	1,150,000		1920	82,992	0.55	40,000	9‡	45,000	15,288
						1921	90,021	0.53	45,000	9‡	47,500	12,809
						1922	107,422	0.64	47,500	9‡	58,502	14,229
						1923	109,959	0.74	50,000	10‡	49,609	23,081
						1924	109,278	0.78	50,000	10‡	55,600	16,759
						1925	103,197	0.77	56,250	12‡	42,538	21,168
						1926	103,865	0.78	62,500	12‡	35,000	27,533
						1927	104,546	0.81	62,500	12‡	35,000	34,579
						1928	97,944	0.73	67,500	13‡	30,000	30,023
						1929	99,609	0.74	67,500	13‡	30,000	32,123

* Treasury Bills. † Includes Discounts. ‡ Notes in circulation. § Excluding Agencies. ¶ June 30. a Note issue.

MUNSTER AND LEINSTER BANK, LIMITED.

1885—Assets of Munster Bank, Limited, acquired.

CAPITAL					Market Value.	PROFITS AND DIVIDENDS.						
Subscribed.	Paid-up.	Callable.	Reserved.	Value.		Year Ended Dec. 31.	Net Profits.	Per Cent. of Resources.	Dividends of Amount.	Rate.	Reserves, &c.	Carried Forward.
£	£	£	£	£	£	£	£	%	£	%	£	£
1,875,000	750,000	1,125,000	1,000,000	2,296,900		1920	152,328	0.55	56,000	20	90,000	30,562
						1921	172,832	0.55	56,000	20	110,000	37,394
						1922	182,637	0.57	59,000	20	120,000	41,032
						1923	194,609	0.69	75,833	20	120,000	44,018
						1924	190,727	0.70	82,708	19‡	105,000	47,031
						1925	189,159	0.72	90,000	*18	95,000	46,190
						1926	181,176	0.69	90,000	*18	90,000	47,366
						1927	180,785	0.69	100,000	*19	80,000	48,151
						1928	179,979	0.68	105,000	*14	80,000	43,130
						1929	180,884	0.68	105,000	*14	75,000	44,018

* Free of income tax. ‡ 9 per cent. tax free.

Continued on page 23

Munster and Leinster Bank, Limited—Continued from page 22.

LIABILITIES.					Total Liabilities or Assets.	ASSETS.									
Year ended Dec. 31.	Number of Branches.	Capital and Reserves.	Per Cent.	Un-divided Profits.		Cash in Hand and at Bankers.	Per Cent.	Cash at Call and Short Notice.	Per Cent.	Investments.	Per Cent.	Bills Receivable.	Per Cent.	Advances.	Per Cent.
£		£		£	£	£		£		£		£		£	
1895	55	376,000	11.9	17,809	87.5	3,157,859	8.8	292,433	9.2	522,612	16.6	824,611	25.1	1,179,420	37.3
1900	56	407,500	9.7	22,086	89.8	3,804,510	9.8	675,824	15.9	738,916	17.5	823,701	19.5	1,517,679	35.8
1910	80	520,000	8.4	34,845	95.1	4,234,105	7.7	1,175,144	18.9	1,470,499	23.7	887,496	14.3	2,145,402	34.6
1920	145	1,300,000	4.7	58,552	95.1	26,551,085	9.5	2,618,599	9.1	7,356,362	26.6	4,669,537	16.9	10,305,871	37.6
1921	145	1,300,000	4.7	58,552	95.1	26,551,085	9.5	2,618,599	9.1	7,356,362	26.6	4,669,537	16.9	10,305,871	37.6
1922	145	1,300,000	4.7	58,552	95.1	26,551,085	9.5	2,618,599	9.1	7,356,362	26.6	4,669,537	16.9	10,305,871	37.6
1923	145	1,300,000	4.7	58,552	95.1	26,551,085	9.5	2,618,599	9.1	7,356,362	26.6	4,669,537	16.9	10,305,871	37.6
1924	145	1,300,000	4.7	58,552	95.1	26,551,085	9.5	2,618,599	9.1	7,356,362	26.6	4,669,537	16.9	10,305,871	37.6
1925	145	1,300,000	4.7	58,552	95.1	26,551,085	9.5	2,618,599	9.1	7,356,362	26.6	4,669,537	16.9	10,305,871	37.6
1926	145	1,300,000	4.7	58,552	95.1	26,551,085	9.5	2,618,599	9.1	7,356,362	26.6	4,669,537	16.9	10,305,871	37.6
1927	145	1,300,000	4.7	58,552	95.1	26,551,085	9.5	2,618,599	9.1	7,356,362	26.6	4,669,537	16.9	10,305,871	37.6
1928	145	1,300,000	4.7	58,552	95.1	26,551,085	9.5	2,618,599	9.1	7,356,362	26.6	4,669,537	16.9	10,305,871	37.6
1929	145	1,300,000	4.7	58,552	95.1	26,551,085	9.5	2,618,599	9.1	7,356,362	26.6	4,669,537	16.9	10,305,871	37.6
1930	145	1,300,000	4.7	58,552	95.1	26,551,085	9.5	2,618,599	9.1	7,356,362	26.6	4,669,537	16.9	10,305,871	37.6

THE NATIONAL BANK LIMITED.

ESTABLISHED 1835.

CAPITAL					Market Value.	PROFITS AND DIVIDENDS.						
Subscribed.	Paid-up.	Callable.	Reserved.	Value.		Year Ended Dec. 31.	Net Profits.	Per Cent. of Resources.	Dividends of Amount.	Rate.	Reserves, &c.	Carried Forward.
£	£	£	£	£	£	£	£	%	£	%	£	£
7,500,000	1,500,000	1,000,000	5,000,000	3,609,000		1920	266,924	0.55	126,000	12	140,000	27,714
						1921	265,890	0.53	126,000	12	140,000	27,604
						1922	292,514	0.60	132,750	12	160,000	27,368
						1923	366,978	0.80	162,281	12	205,000	28,134
						1924	366,978	0.83	176,750	14	187,000	30,971
						1925	366,978	0.85	185,937	14	180,000	29,619
						1926	323,998	0.75	170,953	14	155,000	27,664
						1927	311,161	0.72	168,000	14	145,000	25,825
						1928	312,465	0.73	210,000*	14	120,000	29,290
						1929	261,803	0.64	210,000*	14	50,000	31,092

Authorised note issue:

Irish Free State, £1,365,000.

Northern Ireland, £120,000.

* Less Income Tax.

LIABILITIES.				
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PROVINCIAL BANK OF IRELAND, LIMITED.

ESTABLISHED 1st August, 1825. Registered under Limited Liability Acts, 10th July, 1882.

CAPITAL						Market Value.	PROFITS AND DIVIDENDS.							Reserves, &c.	Carried Forward.
Subscribed.	Paid-up.	Callable.	Reserved.				Year Ended Dec. 31.	Net Profits.	Per Cent. of Resources.	Dividends. Amount.	Rate.				
£	£	£	£	£	£										
Old	4,000,000	500,000	1,500,000	2,000,000	1,120,000	1920	124,984	0·61	51,030	13½	55,000	24,780			
						1921	100,112	0·48	51,030	13½	25,000	48,862			
New	80,000	40,000	NIL.	40,000	89,500	1922	117,193	0·57	53,764	13½	70,000	42,291			
						1924*	127,145	0·68	59,507	12½	67,500	41,076			
						1925*	138,358	0·77	62,314	14½	74,500	43,150			
Per Share.	Per Share.	Per Share.	Per Share.	Per Share.	Per Share.	1926*	125,842	0·71	63,292	14½	50,000	45,700			
Old £100	£12 10s.	£37 10s.	£50	£28		1927*	124,985	0·72	62,640	14½	60,000	35,413			
New £20	£10	NIL.	£10	£22½		1928*	125,258	0·73	62,640	14½	60,000	38,431			
						1929*	112,969	0·74	62,640	14½	50,000	36,780			
						1930*	103,758	0·62	61,661	14½	40,000	38,877			

LIABILITIES.										Total Liabilities or Assets.	ASSETS.									
Year ended Dec. 31	Number of Branches.	Capital and Reserves.	Per Cent.	Un-divided Profits.	Per Cent.	Notes.	Per Cent.	Deposit and Current Accounts.	Per Cent.		Cash in Hand and at Bank.	Per Cent.	Cash at Call and Short Notice.	Per Cent.	Investments.	Per Cent.	Discounts and Advances including Treasury Bills.	Per Cent.	Pre-mises.	Per Cent.
1895	61	£ 765,000	12·7	£ 35,172	0·5	£ 739,770	12·2	£ 4,509,153	74·6	£ 6,049,095	486,913	8·1	£ 802,543	13·3	£ 1,870,384	30·9	£ 2,929,044	45·6	£ 10,321	2·6
1900	70	848,000	13·2	45,160	0·7	779,844	12·1	4,742,902	74·0	6,415,906	472,754	7·4	915,000	14·2	1,500,484	23·4	3,426,327	53·3	103,341	1·6
1910	84	900,000	12·3	46,423	0·6	737,628	10·1	5,608,973	77·0	7,293,024	358,470	5·0	529,062	7·2	2,327,788	32·0	3,970,751	54·4	106,953	1·4
1920	129	990,000	4·9	50,235	0·2	2,058,690	10·2	17,110,155	84·6	20,209,140	2,122,742	10·5	1,560,000	7·7	5,658,089	33·0	12,701,661	48·1	146,648	0·7
1921	131	1,005,000	4·8	74,377	0·4	1,958,622	9·3	17,890,594	85·5	20,928,593	1,988,272	9·5	1,085,000	5·2	6,751,576	32·2	10,931,816	52·3	171,929	0·8
1922	131	1,040,000	5·0	69,628	0·3	1,970,232	9·5	17,570,430	85·2	20,650,290	1,626,733	7·9	1,070,000	5·2	7,379,870	35·6	10,391,734	50·4	181,953	0·9
1924*	132	1,070,000	5·7	72,233	0·4	1,709,839	9·1	15,950,726	84·8	18,802,938	1,231,528	6·6	570,000	3·0	6,913,907	38·3	9,350,508	50·0	192,358	1·0
1925*	132	1,090,000	6·0	74,470	0·4	1,637,517	9·1	15,283,477	84·5	18,085,464	1,254,425	6·9	360,000	2·0	7,148,504	38·3	9,359,540	51·7	197,592	1·1
1926*	133	1,110,000	6·3	77,020	0·4	1,624,434	9·2	14,865,060	84·1	17,676,514	1,144,925	6·5	360,000	2·0	7,035,220	39·8	8,936,242	50·6	200,127	1·1
1927*	134	1,130,000	6·5	67,133	0·4	1,738,760	10·1	14,347,838	83·0	17,283,731	1,226,401	7·1	265,000	1·5	7,074,084	40·9	8,507,665	49·3	210,169	1·2
1928*	135	1,150,000	6·6	67,751	0·4	1,514,696	8·7	14,692,508	84·3	17,424,954	1,159,249	6·6	310,000	1·8	6,839,879	39·2	8,905,657	51·1	210,169	1·2
1929*	136	1,170,000	6·9	68,101	0·4	970,530	5·7	14,739,230	87·0	16,947,861	812,152	4·8	605,000	3·6	7,062,220	41·7	8,262,179	48·7	206,310	1·1
1930*	138	1,190,000	7·1	69,219	0·4	889,523	5·3	14,577,801	87·2	16,726,543	917,222	5·5	680,000	4·1	7,789,890	46·5	8,140,085	42·7	199,346	1·2

* June 30.

ROYAL BANK OF IRELAND.

ESTABLISHED 1836.

CAPITAL					Market Value.	PROFITS AND DIVIDENDS.						
Subscribed.	Paid-up.	Callabie.	Reserved.	Year Ended Aug. 31.		Net Profits.	Per Cent. of Resources.	Dividends.		Reserves,	Carried Forward.	
\$	\$		\$	\$	\$	\$	%	\$	%	\$	\$	
1,500,000	300,000	300,000	900,000	427,500	1920	48,293	1-02	16,800	8	31,003	6,883	
					1921	50,165	1-01	18,900	9	32,299	5,849	
					1922	54,011	1-03	21,900	10	32,004	6,596	
					1923	67,268	0-85	22,500	10	43,019	7,705	
					1924	78,588	1-00	23,025	10	54,000	9,068	
					1925	73,842	1-01	23,613	10	50,000	9,289	
Per Share.	Per Share.	Per Share.	Per Share.	Per Share.	1926	70,531	0-96	24,125	10	45,000	10,704	
\$50	\$10	\$10	\$30	\$14½	1927	67,433	0-91	24,750	10	43,000	10,387	
					1928	68,657	0-94	25,500	10	42,000	11,545	
					1929	64,672	0-85	25,500	10	40,000	10,717	
					1930	65,446	0-88	25,500	10	40,000	10,663	

* Notes in circulation.

(2) AFRICAN BANKS.

BARCLAY'S BANK (DOMINION, COLONIAL AND OVERSEAS).

1836.—Established by Royal Charter as the Colonial Bank.

1925.—Reincorporated by Act of Parliament and acquired the National Bank of South Africa, Limited, and the Anglo-Egyptian Bank, Limited.

CAPITAL					Market Value			Year ended September 30.	Net Profit. £	Dividend. %	To Reserve, &c. £	Carried Forward.						
Subscribed. £	Paid up. £	Callable. £	Reserved. £	Lowest. 25/6	Highest. 28/6													
6,975,500	4,975,500	2,000,000	3,024,500	"A" shares £1 f.p. 25/6 8 % Cum. Pref. ... 28/6 32/3			1926*	637,021	3	330,236†	114,295							
Per share.		Per share.		1 Jan. 1930 to 30 Sept. 1930.			1927	482,046	3½	270,000	122,479							
"A" shares £1	£1	Nil	£4				1928	494,823	4	270,000	130,710							
"B" shares £5		Nil					1929	516,594	4½	280,000	137,981							
8 % Cum. Pref.								* Fifteen months. † Includes expenses of amalgamation.										
Year ended Sept. 30.	Number of branches.	Capital and Reserves.	Per Cent.	Notes.	Per Cent.	Acceptances.	Per Cent.	Deposits.	Per Cent.	Total Liabilities or Assets.	Cash in hand, at Bankers, &c., and Money at Call.	Per Cent.	Investments.	Per Cent.	Discounts and Advances.	Per Cent.	Premises and Sundries.	Per Cent.
1926	417	6,075,500	9·7	824,885	1·3	3,940,108	6·3	51,838,323	82·7	62,678,816	13,967,740	22·3	6,232,047	9·9	36,842,126	58·8	5,636,903	9·0
1927	424	6,225,500	9·7	920,665	1·4	5,081,428	6·9	51,770,262	81·0	63,997,855	13,367,459	20·9	6,588,187	13·4	35,187,208	55·0	6,865,001	10·7
1928	440	6,375,500	8·9	942,549	1·3	4,687,223	6·5	56,675,657	83·3	71,680,929	15,067,156	21·0	9,249,647	12·4	40,720,657	56·8	6,643,469	9·3
1929	462	6,525,500	8·9	968,017	1·3	4,561,854	6·2	61,043,263	83·6	73,098,634	15,967,546	21·8	9,200,777	12·6	41,255,019	56·5	6,675,292	9·1

BANK OF BRITISH WEST AFRICA, LIMITED.

REGISTERED 1894.

CAPITAL.					Market Value.	Year Ended March 31.	Net Profit £.	Dividend. %	To Reserves, &c. £.	Carried Forward. £
Subscribed.	Paid-up.	Callable.	Reserved.							
£	£	£	£	£						
3,000,000	1,200,000	300,000	1,500,000	1,125,000						
Per Share.	Per Share.	Per Share.	Per Share.	Per Share.						
£10	£4	£1	£5	£3½						

In August, 1920, 200,000 new shares of £10 each were created, of which 100,000 (£4 paid), were allotted in equal proportions to the Westminster Bank Limited, the National Provincial Bank Limited, and the Standard Bank of South Africa, Limited.

LIABILITIES.										ASSETS.												
Year ended Mar. 31.	Number of Branches.	Capital and Re-serves.	Per Cent.	Un-divided Profits.	Bills for Col-lection and Liability on Ac-ceptances.	Per Cent.	Drafts Issued and Re-bate.	Per Cent.	Deposit and Current Accounts.	Per Cent.	Total Liabilities or Assets.	Cash in Hand, at Bankers, and in Transit.	Per Cent.	Invest-ments.	Per Cent.	Bills of Ex-change.	Per Cent.	Loans, Ad-vances, and Current Ac-counts.	Per Cent.	Premises and Cover for ac-ceptances and Bills.	Per Cent.	
1910	30	280,000	17-2	10,697	0-7	149,146	9-2	111,562	6-8	1,074,793	66-1	1,626,198	302,449	18-6	276,448	17-0	563,546	34-6	297,375	18-3	186,380	11-5
1920	47	1,200,000	7-3	78,377	0-5	2,605,108	15-8	807,097	4-9	11,810,340	71-5	16,500,922	2,951,334	17-9	791,553	4-8	4,940,678	29-9	5,003,266	30-3	2,814,151	17-0
1921	50	1,825,000	13-5	98,180	0-7	2,895,706	21-4	638,080	4-7	8,018,670	59-7	13,475,636	2,532,166	18-8	850,524	6-3	3,202,317	23-7	3,693,666	27-6	3,196,943	23-3
1922	61	1,600,000	13-0	70,116	0-6	2,447,625	19-8	574,506	4-7	6,002,564	61-9	12,294,811	2,602,942	21-3	1,167,345	9-5	3,279,947	26-6	4,041,132	19-6	2,845,443	23-3
1923	62	1,600,000	17-3	70,690	0-8	1,238,002	13-3	541,607	5-9	5,823,332	62-7	9,273,631	1,488,879	16-1	1,195,839	12-8	2,911,321	31-2	4,028,409	21-9	2,649,183	17-7
1924	52	1,600,000	16-8	71,680	0-8	1,009,804	10-6	306,998	3-2	6,540,011	68-6	9,528,493	1,436,440	15-1	1,211,186	12-7	2,482,727	26-1	2,938,131	31-3	2,417,009	14-8
1925	50	1,600,000	15-8	74,032	0-7	1,270,350	12-6	432,414	4-3	6,726,491	66-6	10,103,287	1,251,178	12-4	1,215,655	12-0	2,482,563	28-4	3,115,501	30-8	2,417,009	14-8
1926	52	1,600,000	17-8	78,400	0-9	945,197	10-6	264,900	3-0	6,068,803	67-7	9,957,300	1,391,498	15-5	1,463,090	16-3	3,917,543	21-2	4,870,327	32-1	3,142,842	14-1
1927	53	1,600,000	15-6	85,330	0-8	1,308,757	12-7	313,147	3-0	6,975,748	67-9	10,282,982	2,108,551	20-5	1,570,034	15-3	3,195,733	19-4	4,293,842	28-6	3,669,822	16-6
1928	54	1,600,000	16-0	100,280	1-1	1,271,613	12-7	299,110	3-0	6,717,224	67-2	9,988,227	1,891,285	19-0	1,589,452	15-9	3,946,102	19-6	5,292,833	32-9	3,631,555	16-6
1929	54	1,600,000	15-4	95,611	0-9	1,439,133	13-8	370,024	3-6	6,873,385	66-3	10,378,153	1,558,162	15-0	1,654,579	15-2	3,086,607	20-1	3,294,623	31-8	3,178,482	17-2
1930	57	1,600,000	16-7	95,433	1-0	1,089,494	11-3	273,276	2-8	6,549,175	68-2	9,607,378	1,579,349	16-4	1,601,435	16-7	3,126,398	12-7	3,783,694	39-4	3,426,502	14-8

STANDARD BANK OF SOUTH AFRICA LIMITED.

ESTABLISHED 1862.

1920—Absorbed African Banking Corporation.

CAPITAL					Year	Net		To Reserve,	Carried
Subscribed.	Paid-up.	Callable.	Reserved.	Market Value.	Ended	Profit.	Dividend.	&c.	Forward.
				Sept. 30, 1930.	Mar. 31.	£	%	£	£
£	£	£	£	£	1921	759,377	16	350,000	206,725
					1922	502,313	16	150,000	191,226
					1923	388,825	14	150,000	117,967
10,000,000	2,500,000	7,500,000	NIL.	7,375,000	1924	455,397	14	150,000	156,281
					1925	509,952	14	200,000	109,150
					1926	576,989	16	200,000	112,326
					1927	583,801	16	200,000	128,315
Per Share.	Per Share.	Per Share.	Per Share.	Per Share.	1928	596,596	16	225,000	132,099
					1929	621,466	17	225,000	122,524
\$20	\$5	\$15	NIL.	\$14	1930	652,478	17	225,000	125,002

Standard Bank of South Africa, Limited, continued from page 25.

Year ended March 31.	LIABILITIES.										Total Liabilities or Assets.	ASSETS.										
	No. of Branches.	Capital and Reserves	Per Cent.	Notes.	Per Cent.	Drafts Out- standing and Accept- ances.	Per Cent.	On- tomorrow's Bills.	Per Cent.	Deposit and Current Accounts.		Per Cent.	Cash in Hand, at Bank, and in Transit.	Per Cent.	Cash and Loans at Short Notice.	Per Cent.	Invest- ments.	Per Cent.	Discounts and Advances.	Per Cent.	Bills for Collection, Property, Buildings and Sundries.	Per Cent.
1900*	98	2,407,670	10.1	1,260,076	5.9	705,940	3.3	1,884,700	8.8	14,884,220	69.8	21,312,600	5,250,552	24.7	1,845,000	8.7	2,748,038	12.9	9,236,922	43.2	2,232,088	10.5
1910*	159	3,448,526	12.0	1,084,822	4.1	1,603,015	5.7	2,638,164	9.9	17,690,565	66.8	26,509,191	4,153,805	15.7	2,363,269	8.9	2,993,622	11.3	13,798,629	52.1	3,194,866	12.0
1920*	384	7,622,500	6.4	1,933,361	6.0	2,478,180	3.5	7,658,602	10.9	52,010,266	74.2	70,102,909	11,079,744	15.8	3,491,924	5.0	4,390,113	6.2	42,818,256	61.1	8,322,870	11.9
1921	400	5,122,500	6.6	4,609,342	5.9	1,360,333	1.8	9,081,548	11.7	57,739,579	74.0	77,913,302	11,190,343	14.4	1,283,000	1.7	5,266,252	6.8	50,160,040	64.2	10,013,567	12.9
1922	370	5,122,500	7.3	4,207,800	6.1	1,034,029	1.5	7,763,111	11.1	52,521,937	74.2	70,649,377	11,812,236	16.7	2,947,286	4.2	5,110,110	7.3	41,993,570	59.4	8,786,175	12.4
1923	350	5,122,500	8.0	722,191	1.2	1,151,362	3.3	6,937,239	10.8	48,946,880	76.1	64,254,180	7,284,541	11.3	3,051,209	4.7	5,230,160	8.1	40,581,644	63.3	8,106,626	12.6
1924	325	5,122,500	8.2	601,334	0.9	1,584,321	2.7	6,285,809	10.1	48,518,049	77.5	62,580,335	7,131,899	11.4	3,100,000	5.0	5,103,817	8.1	38,100,814	60.9	9,143,805	14.6
1925	327	5,122,500	8.4	474,593	0.8	1,879,756	3.1	6,483,566	10.6	47,031,133	76.7	61,381,739	8,542,042	13.9	2,430,000	4.6	5,102,395	8.3	37,116,323	60.5	7,790,979	12.7
1926	339	5,122,500	7.9	480,697	0.7	2,263,923	3.5	7,354,016	11.3	49,416,227	76.1	65,086,464	9,160,380	14.1	3,180,000	4.9	5,085,268	7.8	39,020,348	59.9	8,639,869	13.3
1927	348	5,122,500	8.0	504,711	0.8	2,265,020	3.5	8,279,001	12.9	47,629,322	74.2	64,255,822	8,081,290	12.6	2,845,000	4.4	4,944,250	7.7	38,799,397	60.4	9,591,885	14.9
1928	356	5,122,500	7.6	605,370	0.9	2,235,573	3.3	9,129,278	13.6	49,795,263	73.9	67,356,854	7,610,784	11.3	3,025,000	4.5	5,208,607	7.7	41,034,211	61.0	10,478,252	15.5
1929	364	5,664,178	7.9	605,642	0.8	2,885,559	4.0	10,279,107	14.3	51,830,149	72.3	71,760,151	7,758,278	10.8	3,250,000	4.5	5,207,213	7.3	43,830,707	61.1	11,715,933	16.3
1930	378	5,664,170	8.3	584,861	0.8	2,027,797	3.0	10,108,468	14.8	49,565,892	72.4	68,451,189	7,845,765	11.5	3,225,000	4.7	5,246,932	7.7	40,399,929	59.0	11,733,563	17.1

* June 30.

NETHERLANDS BANK OF SOUTH AFRICA.

REGISTERED 1888.

With which was amalgamated Transvaal Commercial Bank in May, 1925.

Year ended December 31.	CAPITAL.					Year.	Net Profit.	Dividend.	To Reserve, &c.	Carried Forward.
	Subscribed.	Paid-up.	Callable.	Reserved.						
	£	£	£	£						
1920	468,542	468,542	Nil.	Nil.	1920	30,253	5%	16,397	655	
1921					1921	24,888	4	12,500	2,783	
1922					1922	23,965	4	15,833	1,320	
1923					1923	21,813	5	10,417	715	
1924					1924	27,105	5	15,541	125	
1925					1925	46,463	6	18,339	628	
1926					1926	48,165	6	19,756	925	
1927					1927	56,952	6½	26,541	1,080	
1928					1928	60,145	7	27,391	1,036	
1929					1929	60,078	7	28,070	246	

Year ended December 31.	Number of Branches.	LIABILITIES.										Total Liabilities or Assets.	ASSETS.							
		Capital and Reserves	Per Cent.	Un- divided Profits.	Per Cent.	Notes.	Per Cent.	Bills for Collection, &c.	Per Cent.	Deposit and Current Accounts.	Per Cent.		Cash in Hand, with Bankers, and Money at Call.	Per Cent.	Invest- ments.	Per Cent.	Discounts and Advances	Per Cent.	(Buildings and Sundries, including Bills for Collection.	Per Cent.
1903	6	\$ 435,393	41.5	\$ 44,048	4.2	\$ 26,380	2.5	\$ 95,240	9.1	\$ 445,247	42.7	\$ 1,046,308	\$ 174,753	16.6	\$ 26,589	2.5	\$ 707,301	67.8	\$ 137,665	13.1
1910	8	\$ 257,000	28.1	\$ 15,287	1.4	\$ 21,454	2.3	\$ 50,006	5.5	\$ 573,942	62.7	\$ 915,669	\$ 250,174*	27.4	\$ 57,114	6.2	\$ 473,217	51.7	\$ 135,164	14.7
1920	16	\$ 281,567	16.6	\$ 30,253	1.8	\$ 108,975	6.4	\$ 225,602	13.3	\$ 1,052,403	61.9	\$ 1,598,800	\$ 400,045*	23.6	\$ 55,589	3.3	\$ 971,176	57.1	\$ 271,990	16.8
1921	17	\$ 300,861	17.4	\$ 24,888	1.4	\$ 12,671	4.2	\$ 206,880	11.9	\$ 1,119,296	65.1	\$ 1,724,596	\$ 342,825*	19.8	\$ 266,490	15.4	\$ 863,704	50.2	\$ 251,577	14.8
1922	18	\$ 303,412	17.4	\$ 26,753	1.5	\$ 11,322	0.6	\$ 190,764	11.0	\$ 1,208,151	69.5	\$ 1,741,399	\$ 337,123	19.3	\$ 243,123	13.9	\$ 923,137	53.2	\$ 237,909	13.6
1923	18	\$ 303,413	17.4	\$ 23,132	1.1	\$ 4,422	0.2	\$ 192,279	11.0	\$ 1,223,223	70.1	\$ 1,746,469	\$ 299,042	17.1	\$ 99,432	5.7	\$ 1,096,887	62.8	\$ 251,108	14.4
1924	18	\$ 315,096	15.0	\$ 27,820	1.3	...	...	\$ 271,893	13.0	\$ 1,482,663	70.7	\$ 2,097,472	\$ 316,622	15.0	\$ 70,394	3.3	\$ 1,386,255	66.2	\$ 325,201	15.5
1925	19	\$ 625,625	21.7	\$ 36,330	1.3	...	...	\$ 252,183	8.7	\$ 1,974,787	68.3	\$ 2,889,425	\$ 450,241	15.6	\$ 145,601	5.0	\$ 2,088,915	72.3	\$ 204,668	7.1
1926	19	\$ 635,208	22.9	\$ 39,210	1.4	...	...	\$ 400,387	14.4	\$ 1,701,667	61.3	\$ 2,776,473	\$ 342,590	12.3	\$ 105,986	3.8	\$ 1,838,008	66.3	\$ 489,889	17.6
1927	18	\$ 635,208	19.8	\$ 47,003	1.8	...	...	\$ 667,658	20.9	\$ 1,845,832	57.8	\$ 3,195,701	\$ 344,998	10.8	\$ 99,601	3.1	\$ 2,037,540	63.7	\$ 713,562	22.4
1928	18	\$ 635,209	19.6	\$ 50,429	1.8	...	...	\$ 686,604	21.2	\$ 1,876,520	57.7	\$ 3,243,762	\$ 391,272	12.0	\$ 100,388	3.1	\$ 2,033,499	62.6	\$ 723,607	22.3
1929	19	\$ 645,209	20.4	\$ 45,472	1.4	...	...	\$ 710,016	22.5	\$ 1,760,906	55.7	\$ 3,161,503	\$ 345,903	10.9	\$ 99,114	3.1	\$ 1,995,496	63.2	\$ 720,990	22.8

* Includes remittances in transit.

(3) AUSTRALASIAN BANKS.

COMMONWEALTH BANK OF AUSTRALIA.

(ESTABLISHED 1912 BY SPECIAL ACT OF THE COMMONWEALTH PARLIAMENT.)

Owned and guaranteed by the Government of the Commonwealth, which is responsible for all the Bank's obligations. Authorised capital, £20,000,000. Authorised subscription by Commonwealth Government, £6,000,000. Authorised debenture issue, £10,000,000.

Year ended June 30.	LIABILITIES.								Total Liabilities or Assets.	ASSETS.								Total Liabilities or Assets.				
	No. of Branches.	De- posits.	Per Cent.	Savings Bank De- posits.	Per Cent.	Bills payable, Letters of Credit, &c.	Per Cent.	Reserve and Re- demption Funds.		Per Cent.	Cash and Common- wealth Notes.	Per Cent.	Cash at Short Call in London and Aust.	Per Cent.	Invest- ments.	Per Cent.	Fixed Deposits of Other Banks.		Per Cent.	Discounts, Advances, and Re- mittances.	Per Cent.	Buildings and Sundries.
1920	33	41,002,909	64.6	11,982,402	28.2	1,937,996	5.0	2,756,105	4.3	63,679,412	8,057,306	12.6	21,430,000	33.5	17,975,463	28.2	1,029,000	1.6	14,514,497	23.0	673,146	1.1
1920*	83	27,155,311	37.8	35,306,956	49.0	6,482,831	9.0	3,044,324	4.2	71,991,422	7,030,247	9.8	4,160,000	5.8	33,514,410	46.8	929,000	1.3	25,834,369	36.4	823,398	0.9
1921	63	42,081,310	48.9	38,056,980	43.8	2,458,854	2.8	4,001,658	4.6	86,608,802	14,192,531	16.4	19,325,000	22.4	34,875,722	40.2	829,000	1.1	16,671,563	19.3	614,986	0.7
1922	66	27,543,581	37.2	39,494,117	63.2	2,895,295	3.9	4,198,966	5.7	74,131,959	8,790,735	11.9	9,210,000	12.4	45,422,824	47.8	954,000	1.3	18,058,553	25.7	635,847	0.8
1923	76	31,914,902	49.1	41,071,099	51.7	2,029,877	2.5	4,529,330	5.7	79,545,208	15,438,159	19.2	7,200,000	12.2	38,772,985	48.7	954,000	1.2	15,958,397	17.6	901,667	1.1
1924	81	35,155,565	40.0	42,313,086	48.5	2,728,159	6.5	4,696,608	5.3	87,893,418	23,435,407	26.7	7,600,000	8.6	38,891,731	44.3	954,000	1.1	15,679,910	17.8	1,332,370	1.5
1925	86	31,463,836	36.8	43,875,693	51.3	3,502,135	6.1	4,948,542	5.8	85,490,206	15,267,744	17.9	16,185,000	18.9	39,467,602	46.2	954,000	1.1	12,329,232	14.4	1,286,628	1.5
1926	87	32,277,338	35.5	46,479,021	51.0	4,448,220	7.1	5,803,847	6.4	91,008,426	9,919,412	10.9	4,435,000	4.9	53,732,160	59.0	2,149,000	2.4	19,677,379	21.6	1,094,476	1.2
1927	87	32,277,338	35.5	46,479,021	51.0	4,448,220	7.1	5,803,847	6.4	91,008,426	9,919,412	10.9	4,435,000	4.9	53,732,160	59.0	2,149,000	2.4	19,677,379	21.6	1,094,476	1.2
1928	89	42,813,732	81.0	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
1929	92	42,813,732	81.0	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
1930	92	42,813,732	81.0	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...

* December 31.

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‡ Excludes Savings Bank Department, now a separate institution.

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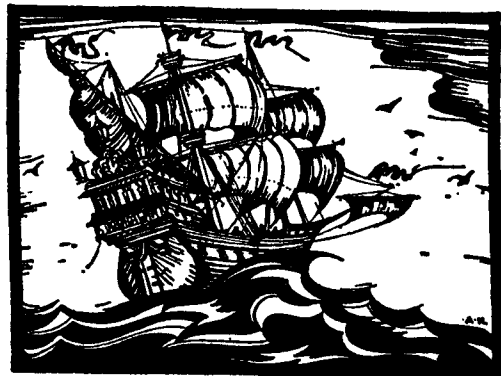
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AUSTRALIAN BANK OF COMMERCE, LIMITED.

In 1909 acquired the business of the Australian Joint Stock Bank, founded in 1853.
In 1917 purchased City Bank of Sydney.

CAPITAL.										Market	Year	Net	Dividend.	To Reserve,	Carried
Subscribed.	Paid-up.	Callable.	Reserved.	Value.	Ended	Profit.	%	\$	Forward.						
\$	\$	\$	\$	\$	June 30.	\$			\$						
2,206,000	2,208,000	NH.	NH.	1,932,000	1920	118,390	5	50,000	28,813						
					1921	139,578	6	60,000	30,391						
					1922	137,195	7	50,000	33,587						
					1923	140,678	7	50,000	40,265						
					1924	143,253	7	50,000	49,518						
					1925	180,766	7	60,000	54,560						
					1926	207,943	7	60,000	65,303						
					1927	218,067	8	88,880	26,654						
					1928	216,741	8	40,000	26,765						
					1929	218,545	8	40,000	28,670						
					1930	180,693	7	25,000	29,803						
Per Share.	Per Share.	Per Share.	Per Share.	Per Share.											
\$1	\$1	NH.	NH.	\$½											
Reserve fund, \$1,111,880.															

Year ended June 30.	Number of Branches.	LIABILITIES.						Total Liabilities or Assets.	ASSETS.											
		Capital and Reserves.	Per Cent.	Un-divided Profits.	Per Cent.	Miscellaneous Credits, Rebates, &c.	Per Cent.		Deposit and Current Accounts.	Per Cent.	Cash and Notes in Hand, Bankers and at Short Call.	Per Cent.	Bills Receivable in London and Remittances in Transit.	Per Cent.	Investments.	Per Cent.	Discounts, Loans, and Advances.	Per Cent.	Buildings and Sundries.	Per Cent.
1920	135	£ 3,657	23-3	£ 64,813	0-5	£ 1,063,051	8-8	£ 8,108,526	67-4	£ 12,050,047	£ 1,933,975	16-0	£ 1,339,353	11-1	£ 506,827	4-2	£ 7,755,747	64-4	£ 514,145	4-3
1921	139	2,822,683	22-0	72,391	0-6	1,357,941	10-6	8,560,114	66-8	12,813,129	2,218,598	17-3	1,130,593	8-8	407,002	3-2	8,565,021	66-9	493,915	3-8
1922	141	2,820,507	21-2	75,587	0-6	970,589	7-3	9,403,111	70-9	13,269,794	2,190,278	16-5	1,814,867	13-7	431,455	3-2	8,368,030	63-1	465,164	3-6
1923	144	2,817,625	19-8	82,265	0-6	991,595	7-0	10,257,269	72-6	14,148,754	2,200,029	15-6	1,736,631	12-2	401,952	2-8	9,356,721	66-2	453,421	3-2
1924	143	2,815,116	19-4	91,518	0-6	1,250,361	8-6	10,342,440	71-4	14,489,435	2,562,932	17-7	1,776,282	12-2	355,392	2-4	9,356,721	66-2	453,421	3-2
1925	142	2,824,079	18-3	128,160	0-8	1,149,263	7-5	11,294,435	73-4	15,395,937	2,939,043	19-1	2,348,785	15-3	535,773	3-5	9,138,345	59-3	433,991	2-8
1926	146	2,830,963	16-8	128,903	0-8	1,366,196	8-1	12,463,529	74-3	16,789,591	2,455,787	17-0	2,643,428	15-7	487,634	2-9	10,349,004	61-7	453,738	2-7
1927	151	3,194,240	17-4	110,890	0-6	1,859,653	10-1	13,201,514	71-9	18,366,297	3,089,903	16-8	3,096,712	16-9	351,318	1-9	11,463,057	62-4	365,307	2-0
1928	152	3,254,880	17-4	115,085	0-6	1,234,553	6-6	14,018,935	75-4	18,623,453	3,862,516	20-7	2,259,246	12-1	730,211	3-9	11,406,260	61-3	365,220	2-0
1929	156	3,294,880	16-5	116,990	0-6	1,854,760	9-3	14,714,138	73-6	19,980,768	3,399,443	17-0	2,375,570	11-9	881,105	4-4	12,913,154	64-6	411,496	2-1
1930	154	3,319,880	18-7	107,083	0-6	985,267	5-5	13,353,280	75-2	17,765,510	2,434,607	13-7	1,382,558	7-8	749,183	4-2	12,795,307	72-0	403,855	2-3

BANK OF ADELAIDE.

INCORPORATED DECEMBER 5, 1865.

CAPITAL				Year Ended March.	Net Profit.	Dividend.	To Reserve, &c.	Carried Forward.
Subscribed.	Paid-up.	Callable.	Reserved.		\$	%	\$	\$
				1920	87,694	10	35,000	16,571
				1921	88,108	10	20,000	22,179
				1922	92,633	10	30,000	22,319
				1923	94,889	10	20,000	29,701
1,250,000	1,250,000	NIL	1,250,000	1924	115,823	10	30,000	28,024
				1925	117,216	10	30,000	27,740
				1926	104,734	10	20,000	24,974
Per Share.	Per Share.	Per Share.	Per Share.	1927	104,845	10	—	39,627
\$5	\$5	NIL	\$5	1928	128,637	10	20,000	51,464
				1929	145,411	10	15,000	38,875
				1930	138,107	9	15,000	49,482

BANK OF AUSTRALASIA.

INCORPORATED 1835.

Year ended Mar. 25.		Number of Branches.	Capital and Re- serves.	Per Cent.	Un- divided Profits.	Per Cent.	Notes.	Per Cent.	Miscel- laneous Credits, Rebate, &c.	Per Cent.	Deposit and Current Ac- counts.	Per Cent.	Liabilities or Assets.	Cash and Notes in Hand and at Bankers.	Money at Short Call and Remit- tances in Transit.	Per Cent.	Invest- ments.	Per Cent.	Bills Re- ceivable and Advances.	Per Cent.	Prem- ises and Furni- ture.	Per Cent.	
			\$		\$				\$		\$		\$		\$		\$		\$		\$		
1895 -	19		546,000	21-6	32,289	1-3	92,844	3-7	199,593	7-9	1,654,893	65-5	2,525,619	383,267	15-2	379,469	15-0	299,146	11-8	1,400,846	55-5	62,891	2-5
1900 -	33		565,000	18-3	40,401	1-3	127,222	4-1	175,921	5-12	1,855,435	70-6	3,093,979	610,156	18-9	717,581	23-1	307,279	9-9	1,401,689	45-5	57,274	1-9
1905 -	44		635,000	18-5	49,953	1-4	129,968	3-8	291,399	8-52	3,234,328	67-8	3,440,558	445,598	12-9	789,763	23-0	432,768	12-2	1,700,946	49-4	71,483	1-2
1910 -	84		725,000	12-2	61,338	1-1	225,893	4-0	806,067	6-64	1,148,849	69-1	5,935,647	781,584	12-2	1,729,246	29-1	522,407	8-8	1,671,429	47-5	85,341	1-4
1920 -	90		1,070,000	13-6	76,571	1-0	7,519	0-1	293,106	3-86	3,980,056	81-5	7,827,252	1,140,152	14-2	588,446	7-5	2,079,105	26-6	3,887,421	49-7	157,753	0-2
1921 -	95		1,225,000	15-0	73,429	0-9	7,308	0-1	866,054	6-6	5,634,997	73-4	8,156,386	1,460,182	18-0	686,401	8-4	1,126,981	13-8	4,720,253	51-4	162,569	0-3
1922 -	94		1,245,000	15-1	83,562	1-0	7,216	0-1	350,932	4-26	5,645,112	73-6	8,231,822	1,543,653	18-8	630,817	7-6	1,912,659	23-2	3,991,579	48-5	153,114	1-9
1923 -	108		1,575,000	19-8	85,951	1-1	7,104	0-1	447,238	5-65	6,853,069	79-6	9,768,362	1,525,817	18-2	748,420	12-2	715,909	9-9	4,478,926	56-2	269,290	0-3
1924 -	104		1,625,000	19-2	101,776	1-2	7,073	0-1	568,353	6-53	6,353,719	77-9	9,815,826	1,575,719	18-2	709,194	6-4	1,464,169	15-8	4,478,926	56-2	269,290	0-3
1925 -	104		1,625,000	19-1	101,491	1-2	6,877	0-1	463,308	5-65	6,313,089	74-3	8,515,375	1,715,658	20-2	1,267,153	13-4	982,492	9-9	4,478,926	56-2	27,076	0-2
1926 -	113		1,655,000	19-0	88,724	1-0	6,826	0-1	489,694	5-66	6,453,083	74-3	8,693,327	1,457,773	16-7	1,694,159	15-5	639,360	7-4	4,623,226	53-2	27,810	0-2
1927 -	116		1,850,000	20-7	85,869	1-0	6,815	0-1	520,194	5-86	6,463,478	72-6	8,926,356	1,494,625	16-7	993,532	11-1	838,388	9-4	5,565,819	59-0	342,992	0-3
1928 -	116		2,200,000	24-1	115,964	1-3	6,755	0-1	727,957	7-96	6,084,129	66-6	9,134,807	1,516,846	16-6	991,991	8-8	716,710	7-8	5,565,750	62-0	347,510	0-3
1929 -	126		2,200,000	24-8	116,375	1-3	6,713	0-1	633,075	7-06	6,177,592	67-5	9,153,755	1,091,384	11-9	948,635	10-0	817,194	8-8	5,949,107	65-0	347,453	0-3
1930 -	131		2,235,000	24-2	114,82	1-3	6,730	0-1	535,005	6-06	6,105,440	67-8	8,996,597	1,135,590	12-6	632,061	7-0	649,934	7-2	6,230,987	69-0	348,025	0-4

BANK OF NEW SOUTH WALES.

ESTABLISHED 1817, AND INCORPORATED IN 1850.

1927.—Absorbed Western Australian Bank.

CAPITAL					Market Value.	Year Ended March 31.	Net Profit.	Dividend.	To Reserve, &c.	Carried Forward.
Subscribed.	Paid-up.	Callable.	Reserved.	£						
7,500,000	7,500,000	Nil.	7,500,000	11,812,500						
CAPITAL					Per Share.	Year Ended March 31.	Net Profit.	Dividend.	To Reserve, &c.	Carried Forward.
Subscribed.	Paid-up.	Callable.	Reserved.	£						
7,500,000	7,500,000	Nil.	7,500,000	11,812,500						
CAPITAL					Per Share.	Year Ended March 31.	Net Profit.	Dividend.	To Reserve, &c.	Carried Forward.
Subscribed.	Paid-up.	Callable.	Reserved.	£						
7,500,000	7,500,000	Nil.	7,500,000	11,812,500						
CAPITAL					Per Share.	Year Ended March 31.	Net Profit.	Dividend.	To Reserve, &c.	Carried Forward.
Subscribed.	Paid-up.	Callable.	Reserved.	£						
7,500,000	7,500,000	Nil.	7,500,000	11,812,500						

* Half-year to September 30th.

† Year to September 30th.

LIABILITIES.													ASSETS.												
Year ended Mar. 31.	Number of Branches.	Capital and Reserves.	Per Cent.	Un-divided Profits.	Per Cent.	Notes.	Per Cent.	Out-standing Credits, Bills Payable, &c.	Per Cent.	Deposit and Current Accounts.	Per Cent.	Total Liabilities or Assets.	Cash in Hand, Notes, &c.	Per Cent.	Money at Short Call and Bills Receivable and Remittances in Transit.	Per Cent.	Investments.	Per Cent.	Discounts and Advances.	Per Cent.	Premises and Sundries, including Cover for Acceptances.	Per Cent.			
		£		£		£		£		£		£	£		£		£		£		£				
1895	186	2,995,372	12.0	112,016	0.5	763,318	3.1	3,791,375	15.2	17,274,460	69.2	24,936,541	5,981,257	24.0	...	...	804,254	3.2	17,337,575	69.5	813,455	3.3			
1900	196	3,246,405	11.4	126,249	0.4	916,176	3.2	2,948,996	10.3	21,272,199	74.7	28,510,025	6,776,801	23.7	734,024	2.6	1,639,001	5.7	18,518,758	65.1	841,341	2.9			
1910	279	4,200,000	13.3	229,642	0.6	1,149,153	2.8	5,026,030	12.3	30,348,580	74.0	40,953,408	9,152,848	22.4	2,370,000	5.8	2,791,600	6.8	25,237,199	61.1	1,401,758	3.4			
1920	351	7,965,700	10.6	344,589	0.5	715,668	0.9	17,101,226	22.2	64,917,059	65.4	75,544,242	17,176,307	22.7	7,677,525	10.2	13,146,114	17.4	32,001,495	42.3	5,554,301	7.1			
1921	358	8,315,200	11.0	449,359	0.5	782,588	1.0	14,482,905	19.1	51,692,457	68.2	75,692,437	15,416,200	20.2	7,529,967	9.0	10,107,968	12.0	40,470,115	53.3	5,170,239	4.2			
1922	360	8,500,000	11.0	385,133	0.5	623,358	0.9	11,389,711	15.0	50,763,553	70.8	71,651,758	15,199,632	21.1	7,690,959	10.7	7,906,904	11.0	38,042,891	53.3	3,821,369	3.9			
1923	363	9,651,880	12.2	436,067	0.6	696,721	0.8	12,566,321	15.8	55,969,437	70.6	79,220,428	13,293,373	16.7	10,517,232	13.2	11,873,673	15.0	40,271,204	51.3	3,268,944	4.1			
1924	366	9,900,000	12.7	463,159	0.6	695,702	0.9	12,106,741	15.5	55,043,478	70.3	76,209,080	13,981,507	17.9	9,681,388	12.2	9,558,558	12.2	41,801,806	53.4	3,208,821	4.1			
1924*	370	10,050,000	13.6	401,372	0.5	481,090	0.7	10,719,546	14.6	52,396,570	70.7	74,048,578	14,937,477	20.2	4,967,863	6.7	7,945,012	10.7	43,208,618	58.4	2,989,410	4.0			
1925*	376	10,150,000	13.7	680,755	0.9	535,020	0.7	11,533,532	14.4	45,070,096	71.3	80,009,403	16,460,307	20.6	6,983,803	8.7	10,528,835	13.2	42,676,111	53.3	3,360,547	4.2			
1926*	431	10,400,000	12.6	780,315	0.9	592,036	0.7	11,835,286	14.4	45,587,508	71.3	82,195,145	14,410,832	17.6	5,566,675	6.8	10,204,235	12.4	48,017,148	58.4	3,996,258	4.4			
1927*	434	12,732,680	14.5	882,548	1.0	673,455	0.7	12,937,811	13.6	61,554,635	70.2	87,781,129	15,186,291	17.3	6,835,591	7.8	1,169,796	9.3	43,408,839	60.4	4,180,612	4.8			
1928*	519	13,150,000	14.8	793,654	0.9	633,262	0.7	9,891,114	11.1	64,514,655	72.6	88,982,585	15,943,061	17.9	6,368,502	6.0	12,401,670	13.9	51,353,368	57.8	3,915,984	4.4			
1929*	589	13,400,000	14.8	800,978	0.7	584,091	0.6	10,165,176	11.1	66,056,052	72.7	90,806,297	11,960,512	13.2	6,759,890	7.4	8,327,204	9.2	59,427,960	65.4	4,330,731	4.8			

* September 30th

* September 30th.

BANK OF NEW ZEALAND.

INCORPORATED WITH LIMITED LIABILITY IN NEW ZEALAND IN 1861.

CAPITAL					Market Value.	Year Ended March 31.	Net Profit.	Dividend.	To Reserve, &c.	Carried Forward.
Subscribed.	Paid-up.	Callable.	Reserved.	£						
£3,750,000	£3,750,000	Nil.	Nil.							
CAPITAL					Market Value.	Year Ended March 31.	Net Profit.	Dividend.	To Reserve, &c.	Carried Forward.
Subscribed.	Paid-up.	Callable.	Reserved.	£						
£3,750,000	£3,750,000	Nil.	Nil.							
CAPITAL					Market Value.	Year Ended March 31.	Net Profit.	Dividend.	To Reserve, &c.	Carried Forward.
Subscribed.	Paid-up.	Callable.	Reserved.	£						
£3,750,000	£3,750,000	Nil.	Nil.							
CAPITAL					Market Value.	Year Ended March 31.	Net Profit.	Dividend.	To Reserve, &c.	Carried Forward.
Subscribed.	Paid-up.	Callable.	Reserved.	£						
£3,750,000	£3,750,000	Nil.	Nil.							

Price, Sept. 30, 1930.

Ordinary £2½

* Bonus 1 per cent.

LIABILITIES.													ASSETS.									
Year ended Mar. 31.	No. of Branches.	Capital and Reserves.	Per Cent.	Un- divided Profits.	Per Cent.	Notes.	Per Cent.	Bills Payable, &c.	Per Cent.	Deposit and Current Accounts.	Per Cent.	Total Liabilities or Assets.	Cash in Hand and at Bank.	Per Cent.	Bills Re- ceivable and in Transit.	Per Cent.	Invest- ments.	Per Cent.	Discounts and Advances.	Per Cent.	Buildings and Sundries.	Per Cent.
		\$		\$		\$		\$		\$		\$	\$		\$		\$		\$		\$	
1895	126	5,104,745	25.4	384	0.5	468,195	5.8	1,486,891	12.1	7,222,202	58.7	12,282,417	1,394,194	11.3	2,112,348	17.2	2,730,213	22.3	5,203,450	42.3	842,212	6.1
1900	123	2,942,993	22.3	50,000	0.4	722,770	5.5	884,751	6.7	8,587,860	65.1	13,188,374	1,407,526	10.7	1,791,338	13.6	5,052,921	38.3	3,961,689	30.0	974,900	7.4
1910	155	2,550,000	13.5	270,384	1.4	919,329	4.7	1,146,918	5.8	14,687,680	74.6	19,674,311	3,258,074	16.6	3,661,019	18.6	5,036,389	25.6	7,359,039	37.4	359,790	1.8
1920	213	6,317,442	10.1	460,270	0.9	765,337	1.0	9,708,305	7.0	37,661,611	71.1	52,912,965	8,772,286	16.6	661,231	1.3	23,686,491	44.9	19,431,849	36.5	361,108	0.7
1921	211	6,705,989	11.5	726,901	1.5	4,741,492	9.5	4,116,574	8.3	34,475,655	69.2	49,766,611	6,685,738	13.4	2,209,534	4.4	10,027,242	20.3	50,506,628	61.3	337,469	0.7
1922	210	6,855,989	13.5	790,194	1.8	4,294,230	9.9	3,713,175	8.6	28,676,603	66.2	43,330,191	7,722,871	17.8	2,869,861	6.6	10,657,420	24.3	62,478,559	57.3	296,473	0.6
1923	213	6,005,989	13.3	759,457	1.7	4,564,695	10.1	3,972,048	8.8	30,003,327	66.1	45,305,126	8,627,968	19.0	4,847,930	10.7	10,524,884	23.5	52,058,217	45.6	441,127	1.1
1924	217	7,284,442	15.5	1,265,367	2.7	4,072,102	8.7	3,732,130	8.0	30,501,720	65.1	46,855,761	7,400,509	15.8	5,695,081	12.1	11,815,292	25.2	21,228,700	45.4	715,179	1.4
1925	222	7,909,484	16.6	1,042,468	2.4	4,168,844	8.8	4,357,683	9.2	30,079,283	63.2	47,557,730	7,254,369	15.3	5,350,731	11.3	12,163,007	25.6	22,078,730	46.3	710,893	1.4
1926	229	9,156,299	18.4	1,183,872	2.4	4,444,393	8.9	3,855,792	7.8	31,121,288	62.5	49,763,649	7,471,296	15.1	5,116,131	10.3	13,895,421	27.9	22,662,697	45.5	618,104	1.1
1927	230	9,354,186	19.1	1,214,803	2.5	3,765,593	7.7	4,861,933	9.9	29,664,025	60.8	48,860,540	7,696,282	15.7	5,684,810	11.6	11,101,409	22.7	25,339,593	52.0	1,038,446	2.1
1928	239	9,797,023	19.6	1,149,162	2.3	3,797,080	7.6	4,797,252	9.6	30,339,033	60.9	49,879,500	7,850,823	15.7	5,885,327	11.8	13,812,076	27.7	24,092,017	48.3	1,239,307	2.1
1929	240	10,008,114	18.1	1,344,284	2.5	4,290,793	7.9	4,979,067	9.7	33,939,651	62.2	54,561,909	7,470,062	13.7	5,362,051	6.2	17,893,430	32.8	24,349,263	44.6	1,487,103	2.1
1929*	244	10,385,664	19.1	1,199,849	2.2	4,254,948	6.8	5,536,497	10.1	33,897,609	61.9	54,774,567	6,977,261	12.7	5,227,685	4.6	12,856,472	23.5	30,540,969	55.5	1,872,180	3.1

* Includes money at call.

† Including £102,550 long term mortgage debentures.

COMMERCIAL BANK OF AUSTRALIA, LIMITED.

ESTABLISHED 1856.

1918.—National Bank of Tasmania purchased, March 1, 1918.

CAPITAL					Year Ended June 30.	Net Profit, £	Ordinary Dividend, %	To Reserve, &c.	Carried Forward. £
	Subscribed.	Paid-up.	Callable.	Reserved.					
Ordinary Shares	£2,000,000	£1,923,400	£76,600	Nil.	1920	202,892		115,000	16,258
					1921	237,772	15	145,000	13,322
					1922	228,081	15	76,726	42,209
					1923	234,419	15	95,066	44,786
Per Share	10s.	2s. 6d. to 10s.	...	Nil.	1924	264,542	18	101,948	64,948
					1925	305,536	15	116,124	82,570
					1926	317,707	15	110,083	66,141
Preference Shares	£2,117,350	£2,117,350	Nil.	Nil.	1927	341,711	15	91,671	81,760
					1928	355,020	15	78,662	90,466
Per Share	£10	£10	Nil.	Nil.	1929	391,624	15	79,788	94,190
					1930	389,841	15	42,861	95,549

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Commercial Bank of Australia, Limited—Continued from page 30.

LIABILITIES.												ASSETS.											
Year ended June 30.	Number of Branches.	Capital and Reserves.		Un-divided Profits.	Notes.	Contingent Liabilities and Bills in Circulation.		Deposit and Current Ac- counts.	Per Cent.	Total Liabilities or Assets.	Cash in Hand and at Bankers.		Cash at Call and Short Notice in London.	Investments.	Discounts, Advances, and Bills and Re- ceivables in Transit.		Premises and Sundries.						
		Per Cent.	Per Cent.			Per Cent.	Per Cent.				Per Cent.	Per Cent.			Per Cent.	Per Cent.	Per Cent.						
1895..	87	3,843,321	33.0	28,449	0.2	133,101	1.1	159,210	1.4	7,457,563	64.3	1,063,142	9.1	...	...	87,100	0.7	9,910,926	85.4	560,476	4.8		
1900..	93	3,202,323	44.1	42,108	0.6	187,504	2.2	276,338	3.8	3,572,190	49.3	1,129,747	15.6	460,000	6.3	889,145	12.2	11,231,566	85.8	658,340	9.1		
1910..	148	2,044,421	13.1	35,476	0.4	215,622	3.3	2,275,600	24.7	5,495,010	59.5	1,739,007	18.8	1,120,000	12.2	86,756	0.9	5,092,034	56.2	1,188,332	12.9		
1920..	208	1,770,349	9.0	58,605	0.3	68,330	0.3	1,340,469	6.8	16,377,137	83.6	3,771,382	19.2	1,740,000	8.9	1,962,272	10.0	10,925,846	55.7	1,214,390	6.2		
1921..	220	1,118,666	10.8	66,683	0.3	55,264	0.3	1,653,465	8.5	15,603,793	80.1	3,661,387	18.8	1,370,000	7.0	2,575,018	2.9	10,062,512	87.0	830,954	4.3		
1922..	225	2,453,943	12.0	105,897	0.5	59,089	0.3	1,764,805	8.6	16,187,721	78.6	20,571,455	21.3	3,903,934	18.4	1,145,000	5.4	18,345,502	50.7	1,071,642	5.0		
1923..	231	2,568,877	12.0	113,497	0.5	57,301	0.3	1,528,634	7.3	17,061,414	80.0	21,329,723	3.9	3,904,044	15.2	670,000	3.0	18,153,751	58.2	1,021,421	4.9		
1924..	251	2,976,929	13.4	138,668	0.6	98,370	0.4	1,755,842	7.0	19,666,798	77.9	25,237,440	4.0	4,024,459	16.0	705,000	2.8	17,196,381	68.0	1,147,016	4.7		
1925..	270	3,545,805	14.0	172,075	0.7	96,920	0.4	1,828,892	7.3	20,615,561	76.6	26,930,132	4.0	4,012,977	14.9	780,000	2.9	13,717,898	65.5	1,335,675	5.0		
1926..	289	4,065,722	15.1	172,075	0.7	176,124	0.6	2,403,346	8.2	21,102,190	74.2	28,483,723	4.2	4,263,100	15.0	710,000	2.5	12,028,245	70.0	1,484,108	5.2		
1927..	319	5,599,050	16.1	203,013	0.9	226,775	0.7	2,530,249	8.3	22,307,885	73.3	30,448,786	3.7	3,229,635	12.2	750,000	2.5	17,676,171	65.6	1,581,005	5.3		
1928..	351	5,153,388	16.9	230,489	0.8	244,028	0.7	2,570,432	7.8	24,181,046	73.4	32,952,049	3.7	3,446,615	11.4	610,000	1.9	17,264,351	65.7	1,751,622	5.3		
1929..	365	5,703,600	17.3	252,943	0.8	244,028	0.7	2,570,432	7.8	24,181,046	73.4	32,952,049	3.7	3,446,615	11.4	610,000	1.9	17,264,351	65.7	1,751,622	5.3		
1930..	373	6,200,749	20.0	273,052	0.9	230,138	0.7	2,177,490	7.0	22,165,235	71.4	31,046,664	3.6	3,169,731	10.2	517,500	4.9	16,220,704	73.1	1,595,722	5.2		

COMMERCIAL BANKING COMPANY OF SYDNEY, LIMITED.

ESTABLISHED 1834.

INCORPORATED IN NEW SOUTH WALES WITH LIMITED LIABILITY.

1927. Absorbed Bank of Victoria, Limited.

Year ended June 30.	CAPITAL				Net Profit.	Dividend.	To Reserve, &c.	Carried Forward.
	Subscribed	Paid-up.	Callible.	Reserved.				
1920	£ 9,478,025	£ 4,739,012	Nil.	£ 4,739,012	348,602	10	100,000	£ 22,262
1921					392,923	10	140,000	£ 25,185
1922					397,885	10	100,000	£ 26,421
1923					422,068	10	120,000	£ 28,489
1924					481,567	10	120,000	£ 29,886
1925					480,261	10	130,000	£ 30,227
1926					485,069	10	170,000	£ 55,297
1927					556,705	10	150,000	£ 60,184
1928					653,243	10	175,000	£ 65,215
1929					655,195	10	175,000	£ 71,508
1930					637,619	10	150,000	£ 85,226

Year ended June 30.	Number of Branches.	LIABILITIES.										Total Liabilities or Assets.	ASSETS.									
		Capital and Re- serves.	Per Cent.	Un- divided Profits.	Per Cent.	Notes.	Per Cent.	Bills in Circulation.	Per Cent.	Deposit and Current Accounts.	Per Cent.		Cash in Hand, at Bankers and Aus- tralian Notes.	Per Cent.	Cash at Short Call in London.	Per Cent.	Investments.	Per Cent.	Discounts, Advances, and Bills and Re- mit- tances in Transit.	Per Cent.	Build- ings and Fur- nishes.	Per Cent.
1895..	128	1,974,869	16.3	55,846	0.5	305,175	2.5	266,388	2.2	9,506,254	78.5	12,108,532	2.7	2,379,230	19.7	455,800	3.8	8,875,902	73.2	397,600	3.2	
1900..	137	2,010,000	13.6	76,326	0.5	427,859	2.9	1,013,952	6.9	11,134,777	76.1	14,662,914	3.5	3,538,088	24.1	1,659,731	11.3	9,045,095	61.7	420,000	2.8	
1910..	186	2,840,000	12.6	106,471	0.7	568,935	2.5	823,609	3.6	18,321,058	80.7	22,710,073	5.1	5,106,622	22.5	1,571,669	6.9	13,066,942	57.6	485,465	2.1	
1920..	213	4,620,000	12.6	306,676	0.8	10,233	...	1,798,283	4.9	30,017,532	81.7	36,752,724	7.4	4,484,204	20.4	870,000	2.6	31,312,361	57.9	632,541	1.7	
1921..	222	5,129,025	13.4	350,185	0.9	9,867	...	1,600,741	4.2	31,245,201	81.5	38,335,023	7.5	5,466,197	21.0	1,065,000	2.8	24,437,338	16.2	748,961	0.3	
1922..	225	5,360,000	13.7	335,735	0.9	9,550	...	1,704,147	4.4	31,493,201	81.0	38,902,633	7.6	5,129,025	21.0	1,065,000	2.8	24,437,338	16.2	748,961	0.3	
1923..	236	5,460,000	13.2	358,489	0.9	9,316	...	1,171,336	2.8	34,446,065	83.1	41,445,206	7.3	5,599,050	21.0	1,065,000	2.8	24,437,338	16.2	748,961	0.3	
1924..	233	6,056,288	14.7	382,928	0.9	8,903	...	1,246,139	2.8	35,594,177	81.4	43,445,206	7.3	5,599,050	21.0	1,065,000	2.8	24,437,338	16.2	748,961	0.3	
1925..	236	6,200,000	13.7	395,227	0.9	8,661	...	1,682,794	3.9	36,330,963	81.7	45,217,645	8.0	5,624,156	21.0	1,065,000	2.8	24,437,338	16.2	748,961	0.3	
1926..	243	6,330,000	13.4	400,296	0.9	8,661	...	1,682,794	3.9	36,330,963	81.7	45,217,645	8.0	5,624,156	21.0	1,065,000	2.8	24,437,338	16.2	748,961	0.3	
1927..	438	8,560,413	13.6	437,025	0.7	14,377	...	2,520,179	4.0	51,239,268	81.7	62,771,239	11.8	14,400,000	10.9	3,473,036	7.7	27,841,761	60.5	942,505	0.8	
1928..	456	8,689,013	13.8	477,166	0.8	14,244	...	2,149,049	3.0	51,824,699	82.3	63,154,171	9.1	18,947,145	8.5	885,000	2.1	36,353,071	48.1	2,424,670	3.2	
1929..	465	8,814,012	13.4	483,459	0.7	14,130	...	2,104,183	3.2	54,420,876	82.7	65,836,660	9.2	21,219,140	13.1	3,355,000	2.6	35,250,266	48.1	1,357,141	1.8	
1930..	464	8,939,012	14.8	472,177	0.8	14,013	...	1,488,019	2.5	49,402,323	81.9	60,315,544	8.6	21,617,145	14.3	3,355,000	2.6	35,250,266	48.1	1,357,141	1.8	

ENGLISH, SCOTTISH, AND AUSTRALIAN BANK, LIMITED.

Registered 1893 under English Companies Acts.

1920.—Amalgamated with the London Bank of Australia, Limited.

1921.—Amalgamated with the Commercial Bank of Tasmania, Limited.

1927.—Amalgamated with the Royal Bank of Australia, Limited, and a consequent issue of 125,000 shares.

Year ended June 30.	CAPITAL				Net Profit.	Dividend.	To Reserve, &c.	Carried Forward.
	Subscribed.	Paid-up.	Callible.	Reserved.				
1920	£ 5,000,000	£ 3,000,000	£ 2,000,000	Nil.	170,179	10	55,000	£ 94,209
1921					267,975	10	82,637	£ 102,605
1922					345,475	10	165,000	£ 107,094
1923					470,847	12	286,848	£ 112,600
1924					502,502	12	297,500	£ 130,102
1925					515,981	12	208,919	£ 183,414
1926					542,308	12	213,750	£ 230,722
1927					550,988	12	198,438	£ 277,960
1928					598,769	12	190,251	£ 311,478
1929					601,263	12	190,000	£ 347,741

* Free of tax.

Year ended June 30.	Number of Branches.	LIABILITIES.								Total Liabilities or Assets.	ASSETS.												
		Capital and Reserves.	Per Cent.	Un- divided Profits.	Per Cent.	Notes.	Per Cent.	Bills Payable, &c.	Per Cent.		Deposit and Current Accounts.	Per Cent.	Cash in Hand, at Bankers, and at Short Notice.	Per Cent.	Invest- ments.	Per Cent.	Bills re- ceivable and Remit- tances in Transit.	Per Cent.	Advances, &c.	Per Cent.	Buildings and Sundries, including Security for Note Issue.		
		£		£		£		£		£		£		£		£		£		£			
1895	78	978,055	15.7	...	...	40,619	0.7	253,382	4.1	4,940,723	79.5	6,212,779	8.9	898,937	14.4	55,639	0.9	720,368	11.6	4,074,010	65.6	463,825	7.5
1900	86	3,372,086	54.1	36,915	0.6	33,305	0.5	481,889	7.7	2,309,330	37.1	6,233,525	8.9	898,949	14.4	39,810	0.6	9,088,380	145.2	3,655,256	61.9	445,131	7.3
1910	128	3,365,807	42.1	86,862	1.1	68,071	0.9	305,150	3.8	4,164,251	52.1	7,990,141	1.7	1,058,830	12.2	150,000	1.1	9,058,830	12.2	2,937,514	47.8	238,900	3.9
1920	181	3,652,144	21.6	179,162	1.0	1,396	...	1,008,633	9.1	12,090,412	71.5	16,931,747	3.2	5,222,503	20.8	636,779	3.2	5,233,423	15.0	9,937,514	58.7	301,528	4.8
1921	317	4,992,516	16.2	284,372	0.9	1,340	...	2,954,345	9.6	22,552,725	73.3	30,785,298	6.2	5,222,503	20.8	878,506	2.0	83,851,314	132.5	19,069,034	62.1	778,432	12.5
1922	332	5,025,354	16.2	367,085	1.2	1,328	...	1,736,144	5.6	23,773,421	76.9	30,903,332	6.1	5,111,301	19.8	1,230,825	4.0	5,799,508	12.3	18,950,421	61.3	811,277	12.2
1923	355	5,323,618	16.2	496,948	1.6	1,287	...	1,755,056	5.3	25,202,780	76.9	32,779,687	6.3	4,741,201	20.6	1,329,148	4.4	13,596,467	11.1	20,313,043	61.9	796,558	12.5
1924	370	5,407,966	16.1	525,102	1.6	1,185	...	2,015,871	6.0	25,696,754	76.6	33,644,878	6.0	5,036,139	3.1	1,164,139	3.5	5,444,856	13.3	20,270,840	61.6	808,605	12.2
1925	374	5,497,966	16.1	556,083	1.6	1,148	...	1,967,092	5.7	25,729,731	74.5	34,548,531	6.0	5,036,139	3.1	1,262,761	3.6	5,476,355	14.4	20,635,697	59.2	786,082	12.2
1926	384	6,295,297	18.2	598,222	1.6	1,128	...	2,393,680	6.7	27,918,613	75.0	37,252,627	6.7	7,335,419	11.4	1,255,598	3.4	5,970,016	10.2	24,642,590	57.7	866,389	12.2
1927	416	7,120,966	16.1	654,210	1.5	1,118	...	3,289,955	7.4	23,088,509	75.5	44,512,778	8.9	6,616,337	19.5	4,478,819	3.5	6,678,616	10.7	27,672,626	52.5	776,109	12.2
1928	434	7,876,715	17.7	711,730	1.6	1,083	...	2,531,993	6.7	33,331,267	77.0	44,512,778	8.9	6,616,337	19.5	4,478,819	3.5	6,678,616	10.7	27,672,626	52.5	776,109	12.2
1929	457	7,887,966	17.4	747,741	1.7	1,083	...	2,491,324	6.5	33,334,497	74.5	45,262,611	7.8	6,011,163	16.3	1,621,168	3.6	5,911,167	13.1	29,587,339	65.4	762,263	12.2

NATIONAL BANK OF AUSTRALASIA, LIMITED.

INCORPORATED 1858.

1918.—Amalgamated with Colonial Bank of Australasia, Limited.

1922.—Absorbed Bank of Queensland, Limited.

Year ended March 31.	CAPITAL					Year ended March 31.	Net Profit.	Dividend.	To Reserve, &c.	Carried Forward.
	Subscribed.	Paid-up.	Callable.	Reserved.	Market Value.					
1895	£6,800,000	£5,000,000	£1,800,000	Nil.	£4,300,000	1920	299,781	8	130,000	50,015
1900	£6,800,000	£5,000,000	£1,800,000	Nil.	£4,300,000	1921	336,610	9½	140,000	56,625
1905	£6,800,000	£5,000,000	£1,800,000	Nil.	£4,300,000	1922	350,168	10	110,000	68,743
1910	£6,800,000	£5,000,000	£1,800,000	Nil.	£4,300,000	1923	442,178	10	157,097	81,324
1915	£6,800,000	£5,000,000	£1,800,000	Nil.	£4,300,000	1924	498,168	10	163,177	108,342
1920	£6,800,000	£5,000,000	£1,800,000	Nil.	£4,300,000	1925	538,832	10	132,471	114,704
1925	£6,800,000	£5,000,000	£1,800,000	Nil.	£4,300,000	1926	568,254	10	160,000	122,959
1930	£6,800,000	£5,000,000	£1,800,000	Nil.	£4,300,000	1927	581,645	10	160,000	144,603
						1928	640,401	10	138,423	148,495
						1929	659,278	10	150,000	157,773
						1930	655,134	10	150,000	162,907

Year ended March 31.	LIABILITIES.					Year ended March 31.	ASSETS.				
	Capital and Reserves.	Un-divided Profits.	Notes.	Bills in Circulation, &c.	Deposits and Current Accounts.		Cash in Hand and at Bank.	Investments.	Bills and Remittances in Transit.	Discounts and Advances.	Real Estate and Premises.
1895	£1,877,784	£18,944	£266,200	£675,494	£7,493,272	1920	£10,331,694	£1,687,330	£700,280	£1,668,590	£461,553
1900	£2,030,174	£5,870	£329,222	£779,352	£8,185,617	1921	£9,410,235	£1,556,344	£736,210	£645,656	£429,569
1905	£1,713,220	£74,983	£330,987	£1,523,994	£9,648,583	1922	£13,291,767	£2,235,979	£476,193	£2,078,101	£483,632
1910	£3,200,000	£130,015	£49,810	£2,535,982	£27,740,935	1923	£14,544,292	£4,544,292	£6,919,615	£2,491,981	£643,635
1915	£3,200,000	£130,015	£49,810	£2,535,982	£27,740,935	1924	£29,441,972	£9,952,820	£13,691,952	£1,431,981	£789,200
1920	£3,200,000	£130,015	£49,810	£2,535,982	£27,740,935	1925	£33,195,076	£6,664,869	£13,186,110	£1,803,592	£852,482
1925	£3,200,000	£130,015	£49,810	£2,535,982	£27,740,935	1926	£35,285,348	£4,455,007	£12,643,225	£1,949,278	£954,044
1930	£3,200,000	£130,015	£49,810	£2,535,982	£27,740,935	1927	£38,209,227	£5,624,446	£12,742,522	£2,364,172	£981,311

NATIONAL BANK OF NEW ZEALAND, LIMITED.

REGISTERED 1872.

Year ended March 31.	CAPITAL					Year ended March 31.	Net Profit.	Dividend.	To Reserve, &c.	Carried Forward.
	Subscribed.	Paid-up.	Callable.	Reserved.	Market Value.					
1895	£249,106	£25,357	£109,822	£265,176	£1,534,641	1920	256,299	14	120,000	69,753
1900	£310,000	£40,009	£211,605	£478,821	£2,510,754	1921	326,821	14	141,000	115,894
1905	£750,000	£69,860	£268,559	£536,798	£4,306,295	1922	212,726	14	46,500	142,121
1910	£2,000,000	£174,573	£828,009	£1,719,729	£8,856,133	1923	228,747	14	52,800	145,567
1915	£2,000,000	£174,573	£828,009	£1,719,729	£8,856,133	1924	243,935	14	58,944	155,558
1920	£2,000,000	£174,573	£828,009	£1,719,729	£8,856,133	1925	279,826	14	59,000	167,698
1925	£2,000,000	£174,573	£828,009	£1,719,729	£8,856,133	1926	333,087	14	50,000	173,044
1930	£2,000,000	£174,573	£828,009	£1,719,729	£8,856,133	1927	312,275	14	29,550	175,769

Year ended March 31.	LIABILITIES.					Year ended March 31.	ASSETS.				
	Capital and Reserves.	Un-divided Profits.	Notes.	Bills Payable, &c.	Deposits and Current Accounts.		Cash in Hand, at Bankers, and at Call and Short Notice.	Investments.	Bills Discounted.	Bills and Remittances in Transit and Advances.	Land and Property, Furniture, Bldgs., & Sundries, including Cover for Acceptances.
1895	£249,106	£25,357	£109,822	£265,176	£1,534,641	1920	£358,024	£16,600	£1,699,836	£77,600	£126,242
1900	£310,000	£40,009	£211,605	£478,821	£2,510,754	1921	£551,189	£18,300	£2,741,453	£77,200	£92,231
1905	£750,000	£69,860	£268,559	£536,798	£4,306,295	1922	£931,312	£23,200	£3,282,772	£55,300	£67,715
1910	£2,000,000	£174,573	£828,009	£1,719,729	£8,856,133	1923	£1,374,319	£23,200	£5,050,767	£78,000	£139,468
1915	£2,000,000	£174,573	£828,009	£1,719,729	£8,856,133	1924	£1,961,566	£14,500	£6,033,669	£81,413	£196,150
1920	£2,000,000	£174,573	£828,009	£1,719,729	£8,856,133	1925	£1,305,168	£8,300	£3,136,197	£13,600	£241,845
1925	£2,000,000	£174,573	£828,009	£1,719,729	£8,856,133	1926	£1,520,003	£10,800	£3,349,483	£9,500	£346,918
1930	£2,000,000	£174,573	£828,009	£1,719,729	£8,856,133	1927	£1,475,380	£10,800	£2,670,296	£11,000	£392,230

QUEENSLAND NATIONAL BANK, LIMITED.

INCORPORATED 1872.

Year ended June 30.	CAPITAL					Year ended June 30.	Net Profit.	Dividend.	To Reserve, &c.	Carried Forward.
	Subscribed.	Paid-up.	Callable.	Reserved.	Market Value.					
1920	£1,750,000	£1,750,000	Nil.	Nil.	£2,100,000	1920	104,673	10	28,000	6,165
1921	£1,750,000	£1,750,000	Nil.	Nil.	£2,100,000	1921	117,541	10	27,000	16,959
1922	£1,750,000	£1,750,000	Nil.	Nil.	£2,100,000	1922	128,819	12½	37,000	8,827
1923	£1,750,000	£1,750,000	Nil.	Nil.	£2,100,000	1923	149,351	12½	40,000	16,685
1924	£1,750,000	£1,750,000	Nil.	Nil.	£2,100,000	1924	176,388	12½	40,000	15,950
1925	£1,750,000	£1,750,000	Nil.	Nil.	£2,100,000	1925	184,446	10	40,000	11,649
1926	£1,750,000	£1,750,000	Nil.	Nil.	£2,100,000	1926	194,676	10	35,000	8,672
1927	£1,750,000	£1,750,000	Nil.	Nil.	£2,100,000	1927	192,202	10	30,000	6,059
1928	£1,750,000	£1,750,000	Nil.	Nil.	£2,100,000	1928	201,959	10	25,000	18,515
1929	£1,750,000	£1,750,000	Nil.	Nil.	£2,100,000	1929	202,385	10	25,000	18,515
1930	£1,750,000	£1,750,000	Nil.	Nil.	£2,100,000	1930	194,956	10	25,000	18,515

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LIMITED

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TOTAL RESOURCES EXCEED £400,000,000

NATIONAL PROVINCIAL BANK

Limited

Subscribed Capital - £43,617,080
Paid-up Capital - 9,479,416
Reserve Fund - 9,479,416
Deposits, &c. (June 30th, 1930) - 276,728,600

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COLIN FREDERICK CAMPBELL, Esq., Deputy Chairman.

Sir ARTHUR BALFOUR, Bart., K.B.E.
Sir HARRY GOSCHEN, Bart., K.B.E., Chairman.
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AFFILIATED BANKS:
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Continued on page 37.

The BRITISH OVERSEAS BANK LIMITED

CAPITAL AUTHORISED £5,000,000 ISSUED AND PAID UP £2,000,000
RESERVE FUND £225,000

THROUGH its world-wide connections and agencies the Bank is able to offer to its clients at home and abroad exceptional facilities in foreign exchange and in the financing of every form of foreign trade, and also to provide up-to-date credit reports and information as to international business conditions. Correspondence invited.

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THE STANDARD BANK OF SOUTH AFRICA

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

LIMITED

CAPITAL AUTHORISED & SUBSCRIBED £10,000,000
CAPITAL PAID-UP - - - - £2,500,000
RESERVE FUND - - - - £3,164,170
CAPITAL UNCALLED - - - - £7,500,000

Head Office: 10, CLEMENTS LANE, LOMBARD STREET,
and 77, KING WILLIAM STREET, LONDON, E.C.4.

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BERTRAM LOWNDES, London Manager.

Queensland National Bank, Limited—Continued from page 34.

Year ended Feb. 28.	Number of Branches.	LIABILITIES.										Total Liabilities or Assets.	ASSETS.									
		Capital and Reserves.	Per Cent.	Un- divided Profits.	Per Cent.	Bills Payable to the Govern- ment of Queens- land.	Per Cent.	Miscel- laneous Credits, Rebates, &c.	Per Cent.	Deposit and Current Accounts	Per Cent.		Cash in Hand and at Bankers.	Per Cent.	Cash at Call and Short Notice in London.	Per Cent.	Invest- ments.	Per Cent.	Discounts Advances, and Bills in Transit.	Per Cent.	Premises and Sundries.	Per Cent.
1895	49	£		£	0.5	£	2.4	£	6.2	84.6	£	100.0	£	18.9		1.7	£	75.2	£	2.8		
1900	51	3,541,394	48.3	12,000	0.2	2,068,326	28.2	279,762	3.8	1,432,703	19.5	7,334,185	73.4	1,381,350	13.8	390,000	3.9	4,554,795	45.2	1,007,840	10.0	
1910	71	3,589,038	39.1	25,000	0.3	430,489	4.7	476,483	5.2	4,606,614	50.7	9,127,624	91.3	1,833,134	18.3	665,000	6.6	6,205,241	62.0	289,349	2.9	
1920	90	4,188,325	31.6	26,081	0.2	...	...	483,753	4.2	6,854,743	59.0	11,592,077	100.0	2,449,749	21.1	150,000	1.3	7,592,584	65.4	398,425	3.5	
1921	89	4,214,672	36.5	38,909	0.3	...	...	350,078	3.0	6,898,730	59.7	11,551,304	100.0	1,386,732	12.0	105,000	0.9	7,669,401	68.2	500,411	4.3	
1922	91	4,251,669	36.9	58,827	0.5	...	...	415,263	3.4	7,519,294	61.2	12,284,403	100.0	1,253,842	10.2	200,000	1.6	8,488,925	69.2	559,169	4.5	
1923	89	4,291,669	36.9	58,177	0.5	...	...	487,656	3.7	7,729,732	58.9	13,120,565	100.0	1,729,544	13.2	185,000	1.4	9,168,064	69.9	565,540	4.3	
1924	91	4,329,229	38.2	74,048	0.6	...	...	401,757	3.0	7,920,653	58.3	14,458,792	100.0	1,640,602	11.3	110,000	0.8	9,721,777	71.8	646,397	4.8	
1925	91	5,205,220	38.3	51,757	0.4	...	...	542,493	3.7	8,566,481	59.3	14,458,792	100.0	1,640,602	11.3	160,000	1.1	10,302,077	74.2	537,948	3.6	
1926	95	5,301,669	36.7	49,149	0.3	...	...	712,405	4.8	8,574,176	58.1	14,786,766	100.0	1,814,911	12.3	160,000	1.1	10,933,435	72.3	527,948	3.6	
1927	99	5,448,834	36.4	51,351	0.3	...	...	431,621	2.9	8,566,995	59.6	15,137,664	100.0	1,518,036	10.0	170,000	1.1	11,989,914	73.1	526,279	3.4	
1928	102	5,626,627	37.2	52,421	0.3	...	...	407,581	2.6	8,404,099	58.6	15,518,158	100.0	1,598,240	10.3	135,000	0.9	12,017,008	73.3	524,849	3.4	
1929	102	5,656,669	36.9	49,809	0.3	...	...	348,219	2.4	8,657,228	58.7	14,740,631	100.0	1,738,632	11.8	120,000	0.8	11,310,942	69.9	527,173	3.6	
1930	102	5,681,669	38.5	53,515	0.4	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	

THE UNION BANK OF AUSTRALIA, LIMITED.

ESTABLISHED 1837.

Subscribed.	Paid-up.	Callable.	Reserve.	Market Value.	Year Ended Feb. 28.	Net Profit.	Dividend.	To Reserve, &c.	Carried Forward.
£	£	£	£	£		£	%	£	£
12,000,000	4,000,000	NH.	8,000,000	6,800,000	1920	458,102	15(a)	80,000	81,716
					1921	516,341	15(a)	140,000	83,057
					1922	536,261	15(a)	120,000	86,818
					1923	552,894	15(a)	100,000	89,712
					1924	550,292	15(a)	100,000	90,003
					1925	590,398	15(a)	100,000	92,902
					1926	627,611	15(a)	100,000	95,513
					1927	627,426	15(a)	100,000	97,939
					1928	638,966	15(a)	75,000	99,404
					1929	611,932	15(a)	25,000	86,336
					1930	525,656	12(a)	25,000	86,992

(a) Free of tax.

Year ended February 24.	Number of Branches.	LIABILITIES.										Total Liabilities or Assets.	ASSETS.										
		Paid up Capital and Reserves.	Per Cent.	Un- divided Profits.	Per Cent.	Notes.	Per Cent.	Bills Payable, &c.	Per Cent.	Deposit and Current Accounts.	Per Cent.		Cash in Hand and at Bankers, and in Transit.	Per Cent.	Money at Call and Short Notice in London.	Per Cent.	Invest- ments.	Per Cent.	Remit- tances and Drafts in Transit, Discounts and Advances.	Per Cent.	Prem- ises.	Per Cent.	
		£		£		£		£		£		£		£		£		£		£			
1895	96	2,500,000	11.0	51,593	0.2	449,291	2.0	2,576,880	11.4	17,055,564	75.4	22,633,328	100.0	4,036,996	17.8	290,000	1.3	897,041	4.0	16,690,607	73.7	718,684	3.2
1900	104	2,500,000	11.1	122,364	0.5	489,083	2.3	3,207,642	10.9	15,793,602	74.5	21,212,691	100.0	3,338,500	15.7	585,000	2.7	1,145,746	5.4	15,412,707	72.7	730,738	3.5
1910	166	2,810,000	10.7	144,928	0.6	470,997	1.8	1,559,150	5.9	21,349,025	81.0	26,334,100	100.0	4,042,314	15.3	1,140,000	4.3	1,818,368	6.9	18,784,357	71.3	549,061	2.1
1920	180	5,150,000	12.5	281,716	0.7	628,667	1.5	3,128,504	7.6	31,840,563	77.7	41,009,450	100.0	5,617,685	13.7	1,140,000	2.8	2,034,982	4.9	31,779,234	77.5	437,549	1.9
1921	182	5,250,000	13.2	270,557	0.7	676,909	1.4	4,003,958	10.1	29,531,558	74.3	39,732,982	100.0	7,035,817	17.6	1,055,000	2.7	2,015,738	5.4	29,290,234	72.6	416,498	1.7
1922	186	6,250,000	15.0	311,818	0.8	559,186	1.4	4,037,788	10.0	29,187,724	72.7	40,346,516	100.0	7,362,162	18.2	1,125,000	2.8	2,034,982	5.4	29,290,234	72.6	395,370	1.6
1923	190	6,350,000	15.5	314,712	0.8	562,081	1.3	3,707,570	8.8	31,390,819	74.2	42,325,182	100.0	7,560,886	15.5	1,060,000	2.6	2,200,000	5.0	33,335,795	76.6	392,874	1.6
1924	192	6,450,000	14.5	315,003	0.7	674,610	1.4	5,115,663	9.2	32,635,019	74.1	44,335,295	100.0	5,672,086	12.8	790,000	2.8	2,200,000	4.9	33,771,652	80.9	391,553	1.6
1925	192	7,650,000	16.4	355,402	0.8	721,031	1.4	4,005,166	6.6	33,995,484	72.7	46,727,083	100.0	4,928,878	10.5	1,435,000	3.2	2,200,000	4.9	34,164,673	76.7	390,178	1.6
1926	197	7,700,000	17.3	358,013	0.8	772,245	1.5	3,668,443	8.2	32,038,272	70.0	44,536,938	100.0	6,711,087	15.1	1,070,000	2.4	2,201,000	4.9	35,477,902	77.3	388,752	1.6
1927	196	7,750,000	17.0	360,439	0.8	772,245	1.5	3,668,443	8.2	32,038,272	70.0	44,536,938	100.0	6,711,087	15.1	1,070,000	2.4	2,201,000	4.9	35,477,902	77.3	388,752	1.6
1928	207	8,850,000	18.0	360,439	0.8	592,084	1.3	3,784,574	9.6	32,545,478	71.3	45,626,575	100.0	6,992,846	15.3	550,000	1.2	2,217,075	4.9	35,747,165	77.5	387,275	1.6
1929	216	8,850,000	19.0	336,992	0.7	579,729	1.2	2,357,051	5.2	35,644,350	72.8	48,967,466	100.0	6,973,144	13.0	1,060,000	2.4	2,223,181	4.9	36,119,378	78.0	384,161	1.6
1930	218	8,850,000	19.0	336,992	0.7	603,109	1.3	2,386,052	5.1	34,584,517	73.9	46,760,670	100.0	6,973,304	14.9	589,500	1.3	2,353,800	5.0	36,459,905	78.0	384,161	1.6

(4) CANADIAN BANKS.

BANK OF MONTREAL.

ESTABLISHED 1817.

Acquired Exchange Bank of Yarmouth, 1903.
Acquired People's Bank of Halifax, 1905.
Acquired People's Bank of New Brunswick, 1907.

Acquired Bank of British North America, October, 1918.
Acquired Merchants' Bank of Canada, March, 1922.
Acquired Molsons Bank, January, 1925.

Year Ended Oct. 31.	Net Profit.	Dividend.	To Reserve, &c.	Carried Forward.
	£	%	£	£
1920	4,033,996	14	2,635,000	1,251,850
1921	3,949,796	14	620,000	1,501,646
1922	4,756,668	14	6,242,000	558,815
1923	4,496,417	14	5,800,650	659,582
1924	4,454,504	14	537,500	761,586
1925	4,604,963	14	608,090	596,788
1926	4,978,133	14	619,167	767,416
1927	5,299,888	14	1,724,167	154,799
1928	5,847,327	14	1,100,000	713,789
1929	7,070,892	14	2,335,865	735,582

(Dollars converted to sterling at \$5 to £1.)

Year ended April 30.	No. of Branches.	LIABILITIES.										Total Liabilities or Assets.	ASSETS.										
		Capital and Reserves.	Per Cent.	Un- divided Profits.	Per Cent.	Notes.	Per Cent.	Balances Due to Other Banks in Canada, &c.	Per Cent.	Deposit and Current Accounts.	Per Cent.		Cash in Hand and Due by Agencies.	Per Cent.	Cash at Call and Short Notice in G. Britain & U.S.A.	Per Cent.	Invest- ments.	Per Cent.	Discounts and Advances.	Per Cent.	Prem- ises and Sundries.	Per Cent.	
1895	39	3,698,631	31.0	291,436	2.5	875,540	7.4	1,068	...	7,004,836	59.1	11,871,511	100.0	4,296,717	36.0	...	...	476,464	4.0	6,975,042	58.9	123,288	1.0
1900	47	3,904,110	24.0	211,519	1.3	1,266,092	7.8	3,195	...	10,817,592	66.9	16,202,508	100.0	1,374,389	8.5	...	...	490,892	3.0	14,194,369	87.6	142,858	1.0
1910	157	5,424,657	11.3	214,343	0.4	427,436	5.1	19,170	...	40,056,652	83.3	48,172,258	100.0	7,560,273	15.7	16,429,641	34.1	2,683,575	5.6	62,213,681	44.3	123,288	0.2
1920	311	8,000,000	7.4	539,915	0.7	6,257,085	7.3	3,642,941	3.2	94,439,892	5.2	114,320,027	100.0	22,445,890	19.5	22,763,019	20.1	11,485,118	10.1	154,797,788	47.8	2,938,212	0.3
1921	320	8,800,000	7.4	539,915	0.7	6,257,085	7.3	1,855,311	0.8	83,320,188	8.2	101,439,989	100.0	22,882,294	22.5	16,022,038	15.8	11,571,182	11.1	148,860,354	48.2	2,104,121	0.2
1922	643	10,900,000	8.4	282,446	0.3	27,924,895	0.6	2,780,792	1.4	108,885,681	84.0	130,773,814	100.0	31,633,221	24.1	12,677,887	16.8	5,176,231	10.0	156,051,626	46.3	3,386,845	0.3
1923	648	10,900,000	8.4	342,635	0.3	27,924,895	0.6	2,317,374	1.1	109,714,436	83.6	131,121,649	100.0	29,976,138	22.8	12,584,763	16.8	5,176,231	10.0	156,051,626	46.3	3,386,845	0.3
1924	650	10,900,000	8.4	361,239	0.3	27,924,895	0.6	4,343,626	1.1	114,737,305	84.3	135,986,363	100.0	27,099,401	19.9	12,584,763	16.8	5,176,231	10.0	156,051,626	46.3	3,386,845	0.3
1925	617	11,966,680	8.3	352,511	0.3	27,924,895	0.6	5,148,951	2.2	120,322,895	83.3	143,538,959	100.0	25,223,625	17.5	12,584,763	16.8	5,176,231	10.0	156,051,626	46.3	3,386,845	0.3
1926	641	11,966,680	8.3	367,980	0.3	27,924,895	0.6	4,321,421	2.2	124,835,092	83.3	149,826,471	100.0	26,732,226	17.5	12,584,763	16.8	5,176,231	10.0	156,051,626	46.3	3,386,845	0.3
1927	620	11,966,680	7.6	442,165	0.4	28,653,260	5.8	5,944,662	2.5	131,815,788	84.1	173,371,523	100.0	34,172,922	19.8	12,584,763	16.8	5,176,231	10.0	156,051,626	46.3	3,386,845	0.3
1928	628	12,166,680	7.6	332,071	0.3	28,653,260	5.8	5,339,807	3.1	147,270,037	84.8	183,611,131	100.0	37,721,922	18.8	12,584,763	16.8	5,176,231	10.0	156,051,626	46.3	3,386,845	0.3
1929	638	12,166,680	7.6	332,071	0.3	28,653,260	5.8	5,339,807	3.1	147,270,037	84.8	183,611,131	100.0	37,721,922	18.8	12,584,763	16.8	5,176,231	10.0	156,051,626	46.3	3,386,845	0.3
1930	675	14,800,000	9.0	474,198	0.3	27,924,895	0.6	5,296,067	3.2	136,255,045	82.8	164,519,929	100.0	31,075,406	18.8	12,584,763	16.8	5,176,231	10.0	156,051,626	46.3	3,386,845	0.3

BANK OF NOVA SCOTIA.

ESTABLISHED 1832.

1913.—Absorbed Bank of New Brunswick.

1914.—Absorbed Metropolitan Bank.

1919.—Absorbed Bank of Ottawa.

CAPITAL.				Year Ended Dec. 31.	Net Profit. £	Dividend. %	To Reserve, £.	Carried Forward. £
Subscribed. \$	Paid-up. \$	Callab. Nil.	Reserved. \$					
10,000,000	10,000,000		10,000,000	1921.....	422,347	16	295,400	13,066
				1922.....	424,536	16	91,493	34,633
				1923.....	420,907	16	85,000	50,339
				1924.....	422,006	16	85,000	67,545
				1925.....	427,584	16	85,000	90,129
				1926.....	448,649	16	87,000	131,777
				1927.....	473,064	16	189,000	95,841
				1928.....	507,104	16	100,000	182,945
				1929.....	552,223	16	122,000	293,168

(Dollars converted at rate of \$5 to £1.)

Year ended Dec. 31.	Number of Branches.	LIABILITIES.								Total Liabilities or Assets.	ASSETS.										
		Capital and Res- erves.	Per Cent.	Un- divided Profits.	Per Cent.	Notes.	Per Cent.	Due to Other Banks, &c.	Per Cent.		Deposit and Current Accounts.	Per Cent.	Cash in Hand and Due by Agents.	Per Cent.	Call and Short Loans.	Per Cent.	Invest- ments.	Per Cent.	Discounts and Advances.	Per Cent.	Real Estate, Pre- mises, and Sun- dries.
1920	303	\$ 5,540,000	11.6	\$ 274,686	0.6	\$ 4,200,928	8.8	\$ 976,094	2.0	\$ 36,949,169	77.0	\$ 47,940,877	13.5	\$ 2,544,986	15.8	\$ 7,398,971	15.4	\$ 17,996,763	37.6	\$ 1,448,068	3.0
1921	303	\$ 5,740,000	12.8	\$ 91,132	0.3	\$ 5,317,513	7.0	\$ 751,676	1.7	\$ 35,307,959	78.3	\$ 45,061,280	10.9	\$ 3,727,765	17.4	\$ 7,544,376	16.7	\$ 17,152,383	38.1	\$ 1,549,723	3.4
1922	303	\$ 5,900,000	13.3	\$ 113,514	0.3	\$ 5,079,929	7.0	\$ 751,103	1.7	\$ 34,424,920	77.7	\$ 45,329,188	11.2	\$ 5,632,721	12.7	\$ 8,239,668	18.6	\$ 16,876,927	38.8	\$ 1,745,319	3.9
1923	304	\$ 6,900,000	13.0	\$ 130,702	0.3	\$ 5,014,865	6.1	\$ 1,574,053	3.4	\$ 34,958,340	76.7	\$ 45,577,960	10.9	\$ 5,626,471	12.3	\$ 9,745,618	21.4	\$ 16,707,102	36.8	\$ 2,618,581	5.6
1924	298	\$ 6,900,000	12.6	\$ 148,039	0.2	\$ 6,228,632	6.0	\$ 2,086,757	4.4	\$ 35,988,693	76.7	\$ 46,952,121	11.2	\$ 9,737,218	10.1	\$ 1,859,324	20.1	\$ 18,369,293	39.1	\$ 2,677,001	5.8
1925	304	\$ 6,900,000	12.1	\$ 170,589	0.2	\$ 6,240,062	6.0	\$ 1,989,148	4.1	\$ 37,891,368	77.5	\$ 48,891,167	11.1	\$ 11,554,115	22.8	\$ 5,029,844	10.3	\$ 11,785,634	24.2	\$ 18,093,763	37.8
1926	303	\$ 6,900,000	12.0	\$ 212,273	0.2	\$ 6,296,231	6.1	\$ 2,159,365	4.4	\$ 38,076,448	77.1	\$ 49,344,317	10.2	\$ 10,291,070	20.8	\$ 10,377,822	12.1	\$ 10,849,874	22.0	\$ 19,135,409	38.9
1927	309	\$ 6,000,000	11.4	\$ 176,007	0.3	\$ 6,038,033	6.8	\$ 2,433,642	4.7	\$ 40,699,714	77.7	\$ 52,347,396	10.7	\$ 14,749,720	20.2	\$ 17,903,945	15.8	\$ 10,889,579	22.0	\$ 8,545,499	16.8
1928	320	\$ 6,000,000	10.7	\$ 263,222	0.4	\$ 5,219,611	8.8	\$ 2,920,354	5.2	\$ 43,497,426	77.8	\$ 55,900,613	11.3	\$ 11,314,201	20.2	\$ 29,387,847	56.6	\$ 9,978,472	17.2	\$ 12,669,103	39.7
1929	327	\$ 6,000,000	10.9	\$ 373,671	0.6	\$ 5,240,453	9.2	\$ 2,866,672	5.3	\$ 42,347,479	77.2	\$ 54,848,275	10.8	\$ 10,896,159	19.9	\$ 9,027,998	16.4	\$ 7,441,926	13.2	\$ 24,566,467	44.8

THE CANADIAN BANK OF COMMERCE.
INCORPORATED 1867 IN CANADA WITH LIMITED LIABILITY.
1923.—Absorbed Bank of Hamilton.

CAPITAL.					Year Ended Nov. 30.	Net Profit. £	Dividend. %	To Reserve, £.	Carried Forward. £
Subscribed. \$	Paid-up. \$	Callab. Nil.	Reserved. \$	Price Per Share, Sept. 30.					
30,000,000	30,000,000		30,000,000		1920.....	679,365	13	133,562	366,571
					1921.....	640,302	13	139,391	400,016
					1922.....	616,939	13	185,277	430,993
					1923.....	598,648	13	179,853	449,103
					1924.....	741,098	13	415,938	250,290
					1925.....	716,551	13	178,915	253,679
					1926.....	747,325	13	203,560	263,198
					1927.....	765,815	13	494,765	292,691
					1928.....	920,953*	13	596,936	62,436
					1929.....	1,041,006	13	1,302,572†	97,627

(Converted at par of exchange.)

* Includes profit and loss balance of the Standard Bank of Canada.
† Includes £1,022,180 received as premiums on new shares issued.

Year Ended Nov. 30.	No. of Branches.	LIABILITIES.								Total Liabilities or Assets.	ASSETS.										
		Capital and Reserves	Per Cent.	Un- divided Profits.	Per Cent.	Notes.	Per Cent.	Due to Other Banks, &c.	Per Cent.		Deposit and Current Accounts.	Per Cent.	Cash in Hand and Due by Agents.	Per Cent.	Call and Short Loans.	Per Cent.	Invest- ments.	Per Cent.	Dis- counts and Advances	Per Cent.	Real Estate, Pre- mises and Sundries.
		£		£		£		£		£		£		£		£		£		£	
1905	149	2,979,452	14.7	84,067	0.4	1,795,617	9.0	72,804	0.3	15,282,224	75.6	20,214,164	3.1	2,312,122	11.4	1,255,705	6.2	13,212,954	65.5	284,803	1.2
1910	230	3,493,151	10.8	110,483	0.3	2,100,607	6.5	505,094	1.6	26,061,833	80.8	32,271,168	5.2	3,912,786	12.1	1,833,753	5.6	20,658,405	64.1	706,438	2.1
1920	531	6,164,384	6.2	490,677	0.5	5,311,695	6.4	4,885,731	4.9	80,933,943	82.0	98,786,430	22.0	2,089,253	22.4	11,447,215	11.6	6,198,298	6.3	5,855,860	3.3
1921	530	6,164,384	7.0	524,218	0.6	4,824,159	5.5	3,895,058	4.4	72,566,137	82.5	87,973,956	20.1	2,592,949	23.0	9,413,177	10.7	6,198,298	6.3	5,855,860	3.3
1922	515	6,164,384	7.4	555,300	0.7	4,669,651	5.6	4,432,943	5.3	67,624,710	81.0	83,446,988	17.5	2,226,210	21.0	9,318,714	11.2	6,198,298	6.3	5,855,860	3.3
1923	623	6,219,178	8.7	782,299	0.8	5,162,269	5.5	5,242,955	6.6	73,951,472	78.4	94,358,173	15.0	2,608,609	26.0	10,509,688	11.1	6,198,298	6.3	5,855,860	3.3
1924	568	6,219,178	7.8	416,104	0.5	4,844,249	5.6	7,501,534	7.2	82,828,564	79.0	104,809,629	19.1	2,996,713	30.8	18,808,912	18.0	6,198,298	6.3	5,855,860	3.3
1925	550	6,219,178	7.6	418,966	0.4	4,060,660	5.6	6,970,035	6.5	86,274,074	79.9	107,940,913	20.4	2,679,129	27.2	19,986,177	18.5	6,198,298	6.3	5,855,860	3.3
1926	552	6,219,178	7.8	428,556	0.4	4,527,959	5.6	6,852,823	6.5	93,900,980	79.7	105,329,496	16.7	2,612,159	27.9	10,038,606	15.2	6,198,298	6.3	5,855,860	3.3
1927	572	6,219,178	7.2	458,001	0.5	4,859,184	5.1	8,534,766	7.4	91,732,192	79.9	114,803,321	22.1	2,105,947	18.5	17,684,412	15.5	6,198,298	6.3	5,855,860	3.3
1928	588	10,301,598	6.6	248,984	0.2	7,453,374	4.9	15,837,026	10.3	119,176,194	77.8	153,016,976	26.3	2,358,177	27.7	27,971,950	18.3	6,198,298	6.3	5,855,860	3.3
1929	795	12,245,758	7.5	341,873	0.2	7,197,131	4.4	23,958,784	15.1	120,891,894	73.4	164,635,440	27.6	3,805,168	33.3	141,175,202	21.5	6,198,298	6.3	5,855,860	3.3

* January 31.

THE DOMINION BANK.

ESTABLISHED 1871.

CAPITAL.				Year. 1920.....	Net Profit. £	Dividend. %	To Reserve, £.	Carried Forward. £
Subscribed. \$	Paid-up. \$	Callab. Nil.	Reserved. \$					
1,400,000	1,400,000		Nil.	1921.....	1,188,511	13	235,000	669,218
				1922.....	1,016,262	13	190,000	715,480
				1923.....	1,017,682	13	195,000	758,163
				1924.....	1,129,370	13	282,158	825,375
				1925.....	1,144,082	13	289,332	900,125
				1926.....	1,156,840	13	312,657	964,298
				1927.....	1,259,277	13	411,020	1,032,555
				1928.....	1,328,496	13	1,460,527	1,205,524
				1929.....	1,408,088	13	476,326	272,287
				1929.....	1,522,809	13	1,531,315*	374,543

Reserve fund, £1,800,000.

(Dollars converted at rate of \$5 to £1.)

* Includes \$996,030 premiums on new stock issue.

Year Ended June 30.	No. of Branches.	LIABILITIES.										Total Liabilities or Assets.	ASSETS.										
		Capital and Reserves		Per Cent.	Un- divided Profits.	Per Cent.	Notes.	Per Cent.	Miscel- laneous Credits, Rebates, &c.	Per Cent.	Deposit and Current Accounts.		Per Cent.	Cash in Hand and at Bank.	Per Cent.	Loans on Call.	Per Cent.	Invest- ments.	Per Cent.	Dis- counts and Advances.	Per Cent.	Build- ings and Sundries, including Deposit for Note Issue.	Per Cent.
		\$	¢					\$	¢					\$	¢					\$	¢		
1911	85	1,800,000	14	103,643	0.8	734,029	5.8	28,785	0.2	10,116,962	79.1	12,783,419	2,641,924	20	1,247,978	9.8	1,291,612	10.1	7,164,189	56.0	437,716	3.4	
1920	121	2,671,233	9.2	181,524	0.6	2,012,497	7.0	2,081,643	9.7	21,134,057	73.5	28,800,954	5,876,219	20	3,921,969	10.1	1,749,680	10.4	14,102,501	50.3	1,800,984	6.3	
1921	127	2,600,000	10.3	200,117	0.8	1,580,229	6.3	747,817	3.0	20,055,524	79.6	25,183,687	5,164,008	20	2,171,203	8.6	4,033,824	16.0	14,442,589	49.4	1,390,439	5.3	
1921*	122	2,600,000	9.9	191,147	0.7	1,465,314	5.6	2,249,867	8.5	19,760,860	75.3	26,267,188	6,084,350	23	1,079,395	7.9	3,858,188	14.6	12,853,025	49.1	1,392,330	5.3	
1923	121	2,600,000	10.1	209,357	0.8	1,467,366	5.7	1,807,985	7.0	19,666,957	76.4	25,751,665	5,423,224	21	1,254,510	9.9	4,430,222	17.1	11,676,323	45.3	1,675,986	6.5	
1924	118	2,600,000	11.0	217,920	0.8	1,417,147	6.0	1,689,157	7.0	18,275,657	74.6	24,507,866	5,390,657	22	1,058,587	9.4	4,668,731	19.1	10,796,134	45.7	1,829,465	7.8	
1924*	116	2,600,000	10.2	228,202	0.9	1,376,919	5.2	1,067,088	4.1	19,245,433	75.2	25,586,627	4,320,632	19	3,417,118	9.4	5,149,071	15.3	12,784,087	41.8	2,061,933	7.8	
1925	120	2,600,000	10.2	254,618	1.0	1,491,115	5.6	1,438,323	5.6	19,772,116	77.4	25,556,172	4,320,632	19	3,417,118	9.4	5,149,071	15.3	12,784,087	41.8	2,061,933	7.8	
1926	118	2,600,000	9.9	272,526	1.0	1,327,678	5.1	1,751,384	7.7	19,421,037	76.8	28,296,551	5,330,432	18	3,417,118	9.4	5,149,071	15.3	12,784,087	41.8	2,061,933	7.8	
1927	120	2,800,000	9.2	103,134	0.3	1,641,447	5.8	2,548,331	8.3	23,468,117	77.6	30,561,029	6,452,067	21	1,454,015	14.9	4,309,947	12.5	13,327,481	42.2	2,208,403	7.3	
1928	145	3,198,412	10.4	131,532	0.4	1,538,062	5.0	1,997,938	6.2	23,970,317	77.7	30,836,261	5,370,557	17	1,454,015	14.9	4,309,947	12.5	13,327,481	42.2	2,208,403	7.3	
1929*	145	3,198,412	10.4	131,532	0.4	1,538,062	5.0	1,997,938	6.2	23,970,317	77.7	30,836,261	5,370,557	17	1,454,015	14.9	4,309,947	12.5	13,327,481	42.2	2,208,403	7.3	

* December 31.

for every banking service



BARCLAYS BANK (DOMINION, COLONIAL AND OVERSEAS)

OVER 400 BRANCHES IN
THE UNION OF SOUTH AFRICA
NORTHERN & SOUTHERN RHODESIA
KENYA . TANGANYIKA . UGANDA . NYASALAND
PORTUGUESE EAST AFRICA . SOUTH WEST AFRICA
BRITISH WEST AFRICA . MAURITIUS . BRITISH WEST INDIES
BRITISH GUIANA . EGYPT . SUDAN . PALESTINE . MALTA . GIBRALTAR
LONDON . LIVERPOOL . MANCHESTER . HAMBURG . (Agency) NEW YORK

CORRESPONDENCE INVITED FROM BUSINESS HOUSES, SETTLERS AND
TRAVELLERS INTERESTED IN THE ABOVE TERRITORIES.

Head Office: 54, LOMBARD STREET, LONDON, E.C.3
Barclays Bank (Canada). 214 St. James Street West, Montreal

THE MITSUI BANK, LIMITED, JAPAN.

(The Oldest Banking Institution in Japan—Founded in 1883.)

Capital Subscribed	Yen 100,000,000.00	Special Reserve Fund	Yen 27,000,000.00
Capital Paid up	60,000,000.00	Reserve Fund for Dividend	9,000,000.00
Reserve Fund	29,700,000.00	Undivided Profits	2,024,254.61

HEAD OFFICE: No. 1, SUBURGA-CHO, NISHONBASHI-KU, TOKYO, JAPAN.

Inland Branches: Dojima (Osaka), Fukuoka, Hiroshima, Kawaguchi (Osaka), Kobe, Kyoto, Marunouchi (Tokyo), Moji, Nagasaki, Nagoya, Nihonbashi (Tokyo), Osaka, Osaka Nishi (Osaka), Otaru, Shimonoseki, Wakamatsu, Yokohama.

Foreign Branches: Bombay, London, New York, Shanghai, Sourabaya.

Foreign Agents: London—Barclays Bank Ltd.; Midland Bank Ltd. New York—The National City Bank of New York; Bankers Trust Company; The Chase National Bank. Paris—Comptoir National d'Escompte de Paris; Banque de l'Union Parisienne. Hamburg—Commerz- und Privat-Bank, A.G. Bombay—National Bank of India, Ltd.; Lloyds Bank, Ltd., Cox's Branch.

CONDENSED BALANCE SHEET. 30th June, 1930.

Dr.			CONDENSED BALANCE SHEET.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
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APPROPRIATION OF PROFIT.

										Cr.							
										Yen.							
Reserve Fund	...	...	...	...	...	...	...	...	...	Profit for the half-year	...	...	...	...	...	...	Yen.
Pension Fund	...	...	...	...	...	...	...	...	...								6,375,054.61
Bonus	...	...	...	...	...	...	...	...	...								
Dividend to Shareholders	...	...	...	...	...	...	...	...	...								
Balance carried forward to next account...	...	...	...	...	...	...	...	...	...								
										Y.6,375,054.61							

The Bank sells Drafts and Telegraphic Transfers, buys approved inward and outward Bills, grants Commercial Credits, Issues Travellers' Letters of Credit available in all important places in the World, and makes collections.

London Office: WINCHESTER HOUSE, OLD BROAD STREET, E.C.2.

Telephone Nos. London Wall 3221, 3222.
Foreign Exchange: London Wall 4289.

Inland Telegram Address: "Mitsui Bank, Stock, London."
Cable Address: "Mitsui Bank, London."

ROYAL BANK OF CANADA.

Incorporated in 1869 as Merchants' Bank of Halifax. Name changed in 1901.

Absorbed Union Bank of Halifax, 1910.
Absorbed Traders Bank of Canada, 1912.
Absorbed Quebec Bank, October, 1916.

Absorbed Northern Crown Bank, 1918.
Absorbed Union Bank of Canada, 1925.

Year Ended Nov. 30.	Net Profit.	Dividend.	To Reserve, &c.	Carried Forward.
1920	850,730	14	449,460	109,385
1921	807,567	14	187,230	181,009
1922	791,694	14	200,000	301,503
1923	781,863	14	195,000	217,166
1924	775,795	14	193,000	228,761
1925	816,326	14	184,000	249,887
1926	903,248	14	188,000	281,935
1927	1,074,029	14	197,000	361,966
1928	1,176,251	14	226,000	472,217
1929	1,429,027	14	242,000	714,830

(Dollars converted into sterling at rate of \$5 to £1.)

Year Ended December 31.	No. of Branches.	LIABILITIES.										Total Liabilities or Assets.	ASSETS.																				
		Capital and Reserves.	Per Cent.	Undi- vided Profits.	Per Cent.	Notes.	Per Cent.	Miscel- laneous Credits.	Per Cent.	Deposit and Current Accounts.	Per Cent.		Cash in Hand and Due from Other Banks & Agents.	Per Cent.	Cash at Call and Short Notice.	Per Cent.	Invest- ments.	Per Cent.	Dis- counts and Ad- vances.	Per Cent.	Prem- ises, Liabili- ties of Custom- ers, &c.	Per Cent.											
£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£														
1911	207	2,661,454	12.0	117,580	0.5	1,267,615	5.7	55,000	0.3	18,004,053	81.5	22,105,702	4,588,100	20.7	2,664,570	12.0	2,295,018	10.3	12,061,575	54.8	496,439	2.2											
1920	721	8,053,604	6.8	309,339	0.3	3,334,595	0.7	11,232,987	9.4	91,003,477	76.5	118,934,002	34,201,877	28.7	11,572,513	9.7	10,065,152	8.5	57,284,324	48.2	5,810,136	4.9											
1921	695	8,160,000	8.7	303,409	0.3	3,632,474	0.6	4,194,848	4.4	75,889,405	80.6	94,180,136	21,315,424	23.2	8,583,614	9.1	9,956,005	10.6	49,980,754	53.1	3,744,339	4.0											
1922	682	8,160,000	8.5	407,232	0.5	3,539,180	0.5	7,575,269	7.8	74,400,792	77.8	95,872,473	24,624,798	25.6	9,722,024	10.2	8,862,844	9.3	48,498,546	50.6	4,164,261	4.3											
1923	670	8,160,000	7.6	422,823	0.5	3,645,308	0.5	8,576,727	8.0	84,266,853	78.2	107,671,711	26,326,507	24.5	9,274,515	8.6	11,024,073	10.2	52,944,594	49.2	5,104,022	7.6											
1924	655	8,160,000	7.0	434,324	0.5	3,964,388	0.5	9,833,436	8.4	92,365,754	79.1	116,757,902	29,484,158	25.2	6,860,330	5.9	19,270,460	16.5	51,445,071	44.4	19,707,883	16.8											
1925	646	8,160,000	6.8	351,162	0.4	3,530,977	0.4	9,376,397	7.8	96,347,508	80.5	119,766,044	21,977,648	18.4	11,568,432	9.7	22,617,014	18.9	55,512,271	43.6	8,090,679	6.7											
1926	646	8,160,000	6.8	396,287	0.5	3,718,046	0.4	11,110,914	7.6	117,148,778	80.5	145,596,725	22,854,521	15.7	16,809,755	11.5	27,169,137	18.7	68,920,115	47.3	9,843,137	6.8											
1927	686	9,760,000	7.4	455,818	0.5	3,718,046	0.4	12,665,033	8.1	124,221,545	79.6	156,006,547	22,981,247	14.7	22,217,013	14.2	24,409,880	15.6	75,466,412	48.0	10,931,995	7.0											
1928	673	11,537,804	7.4	455,818	0.5	3,718,046	0.4	15,483,379	8.1	149,538,920	80.8	184,954,192	29,732,649	16.1	24,698,526	13.4	29,052,827	15.7	89,970,832	48.0	12,499,358	6.8											
1929	673	13,627,992	7.2	679,694	0.5	4,766,117	0.4	18,772,953	10.0	147,156,236	78.3	187,898,992	25,775,196	13.7	26,075,555	13.9	26,182,105	13.9	96,703,477	51.5	13,162,659	7.0											
1930	713	14,000,000	7.9	924,830	0.6	5,066,994	0.4	21,546,369	9.0	138,329,551	78.4	176,607,449	23,449,452	13.3	31,405,001	12.1	18,294,335	10.4	100,239,146	56.7	13,219,515	7.5											
											• November 30.	• February 28.											• May 31.										

• November 30. † February 28. ‡ May 31.

(5) INDIAN BANKS.

IMPERIAL BANK OF INDIA.

BALANCE SHEET.

	June 30, 1928.	June 30, 1929.	June 30, 1930.		June 30, 1928.	June 30, 1929.	June 30, 1930.
LIABILITIES.	Rs.	Rs.	Rs.	ASSETS.	Rs.	Rs.	Rs.
Capital paid up	5,62,50,000	5,62,50,000	5,62,50,000	Government securities	22,94,69,518	21,21,55,480	26,98,02,708
Reserve	5,17,50,000	5,27,50,000	5,37,50,000	Other authorised securities under the Act	2,40,79,374	2,88,03,696	2,71,71,353
Public deposits	13,96,57,353	20,74,36,243	13,91,45,199	Loans	11,93,72,693	11,49,29,649	11,28,36,718
Other deposits	73,31,10,613	72,33,05,054	70,03,57,913	Cash credits	31,61,26,988	30,62,78,863	32,81,13,036
Sundries	44,23,618	61,21,073	2,56,66,721	Inland bills discounted and purchased	6,42,16,421	4,59,19,581	3,09,03,892
	92,51,91,584	104,58,62,370	97,51,69,833	Foreign bills discounted and purchased	3,62,295	2,01,663	1,57,476
				Dead stock	2,80,64,326	2,81,24,542	2,77,68,415
				Sundries	50,24,522	49,30,115	61,70,691
				Balances with other banks	7,08,235	3,73,672	25,70,794
				Cash	13,77,67,212	30,41,45,209	16,96,74,750
					92,51,91,584	104,58,62,370	97,51,69,833

THE MERCANTILE BANK OF INDIA, LIMITED.

REGISTERED 1892.

Absorbed the Bank of Mauritius, Limited, as from January 1, 1916.

Absorbed the Bank of Calcutta, Limited, as from March 31, 1906.

	Subscribed.	Paid-up.	Callable.	Reserved.	Year.	Net Profit.	Dividend.	To Reserve, &c.	Carried Forward.
"A" Shares	£750,000	£375,000	£187,500	£187,500	1920	260,208	7 1/2	85,000	127,638
Per Share	£25	£12 10s.	£6 5s.	£6 5s.	1921	263,033	16	85,000	137,671
"B" Shares	£750,000	£375,000	£187,500	£187,500	1922	267,434	16	85,000	152,105
Per Share	£25	£12 10s.	£6 5s.	£6 5s.	1923	258,706	16	85,000	157,811
"C" Shares	£300,000	£300,000	Nil.	Nil.	1924	243,410	16	75,000	158,222
Per Share	£5	£5	Nil.	Nil.	1925	257,663	16	85,000	162,885
					1926	250,782	16	85,000	160,667
					1927	257,180	16	85,000	164,846
					1928	250,201	16	85,000	162,047
					1929	267,459	16	85,000	166,506

Year Ended December 31.	No. of Branches.	LIABILITIES.										Total Liabilities or Assets.	ASSETS.									
		Capital and Reserves.	Per Cent.	Undi- vided Profits.	Per Cent.	Notes in Circu- lation.	Per Cent.	Accept- ances.	Per Cent.	Miscel- laneous Credits, Re- bate, &c.	Per Cent.		Deposit and Current Accounts.	Per Cent.	Cash in Hand, at Bankers and at Call.	Per Cent.	Invest- ments.	Per Cent.	Dis- counts and Ad- vances.	Per Cent.	Buildings and Sundries, including Cover for Acceptances.	Per Cent.
		£		£		£		£		£		£		£		£		£		£		
1895	6	562,500	19.3	20,131	0.7	...	...	240,500	8.4	548,473	18.8	1,539,779	52.8	2,911,383	423,423	14.5	283,353	9.7	1,957,164	67.3	247,434	8.5
1900	9	602,500	17.1	33,250	1.0	...	...	84,965	2.4	1,181,107	33.6	1,614,110	45.9	3,515,932	402,440	11.4	442,943	12.6	2,471,798	70.4	198,751	5.6
1910	14	887,500	11.7	49,022	0.6	...	...	234,026	3.1	1,066,944	14.1	5,349,908	70.5	7,587,400	839,735	11.0	638,915	8.4	5,781,458	76.3	327,292	4.3
1920	19	2,150,000	10.6	211,638	1.0	157,306	0.8	819,594	4.0	925,474	4.6	15,893,766	79.0	20,157,778	3,655,446	18.1	1,495,786	7.4	13,332,576	66.2	1,673,970	8.3
1921	19	2,200,000	13.4	221,671	1.3	284,888	1.7	325,476	2.0	653,409	4.0	12,743,991	77.6	16,429,435	3,035,533	18.4	1,894,016	11.5	10,232,843	62.4	1,267,043	7.7
1922	20	2,350,000	13.5	236,105	1.4	290,627	1.7	207,698	1.2	646,896	3.0	13,112,375	78.9	16,643,701	2,967,661	17.7	3,154,416	19.0	9,800,247	57.9	911,377	5.4
1923	22	2,300,000	13.9	241,811	1.5	295,747	1.8	172,800	0.9	759,184	4.5	12,831,536	77.3	16,599,671	3,742,596	22.6	4,844,684	29.2	7,225,311	43.5	1,211,579	7.3
1924	22	2,500,000	14.2	242,221	1.5	192,104	1.2	318,609	1.1	199,805	7.3	12,101,915	73.9	16,460,555	2,638,803	16.5	5,656,033	33.3	7,044,540	42.9	1,311,253	7.7
1925	24	2,600,000	13.9	246,885	1.7	200,971	1.2	295,470	1.6	557,220	3.0	14,717,982	80.8	18,418,528	2,696,811	14.6	5,384,311	29.2	9,024,566	51.6	1,411,579	7.7
1926	24	2,435,000	12.9	244,667	1.7	217,491	1.2	253,815	1.3	691,760	3.7	14,957,987	78.0	18,800,720	2,811,850	14.9	6,739,545	35.9	8,301,712	44.4	1,311,253	7.7
1927	24	2,470,000	13.4	248,846	1.3	234,536	1.2	188,317	1.0	803,001	4.3	14,442,526	77.8	18,387,226	2,089,256	11.9	6,038,567	32.8	9,485,064	51.6	1,411,579	7.7
1928	25	2,500,000	13.2	246,047	1.3	228,271	1.3	200,160	1.2	621,278	11.7	13,493,253	71.0	18,989,409	2,089,454	11.0	4,937,400	26.0	10,896,296	56.3	1,266,259	6.6
1929	25	2,530,000	14.2	250,566	1.4	246,566	1.3	247,024	1.1	1,205,194	10.7	12,678,125	71.0	17,857,416	2,152,479	12.0	4,753,553	26.6	9,740,386	54.6	1,210,998	6.6

CHARTERED BANK OF INDIA, AUSTRALIA, AND CHINA.
 INCORPORATED 1853.

Year Ended Dec. 31.	No. of Branches.	CAPITAL				Market Value. £	Year.	Net Profit. £	Dividend and Bonus. %	To Reserve, &c. £	Carried Forward. £
		Subscribed. £	Paid-up. £	Callible. £	Reserved. £						
1895	20	1,125,000	9-6	74,358-0	542,617-6	2,789,773	1920	676,771	20%	235,000	209,601
1900	22	1,325,000	9-1	111,533-0	734,684-5	3,210,267	1921	788,079	20%	175,000	215,170
1910	30	2,800,000	12-1	276,364-1	647,993-3	3,650,830	1922	789,531	20%	175,000	222,201
1920	37	6,500,000	9-2	709,601-1	1,028,378-1	12,182,991	1923	782,707	20%	175,000	222,408
1921	37	6,600,000	10-7	787,670-1	1,192,623-3	15,503,828	1924	770,716	20%	175,000	210,624
1922	39	6,700,000	11-1	794,701-1	1,320,634-1	18,186,964	1925	756,154	20%	150,000	209,278
1923	41	6,800,000	11-6	794,908-1	1,322,726-3	20,730,474	1926	778,576	20%	165,000	215,354
1924	42	6,900,000	11-1	783,124-1	1,317,321-2	23,374,300	1927	724,039	20%	125,000	206,893
1925	44	7,000,000	9-9	756,778-1	1,193,194-2	25,104,446	1928	627,263	20%	40,000	186,656
1926	46	7,000,000	10-5	777,854-1	1,220,207-3	26,593,640	1929	661,598	20%	50,000	190,754
1927	47	7,000,000	10-9	729,393-1	1,198,334-3	28,967,495					
1928	47	7,000,000	11-5	624,156-1	1,074,125-2	30,761,178					
1929	47	7,000,000	11-5	638,255-1	1,052,222-3	32,420,718					

* Includes Treasury Bills.

THE EASTERN BANK, LIMITED.
 REGISTERED 1909.

Year Ended Dec. 31.	No. of Branches.	CAPITAL				Market Value. £	Year.	Net Profit. £	Dividend. %	To Reserve, &c. £	Carried Forward. £
		Subscribed. £	Paid-up. £	Reserve Liability of Shareholders. £	£						
1909	2	2,000,000	1,000,000	1,000,000	1,125,000	1,125,000	1920	121,363	8%	40,304	31,010
1910	2	2,000,000	1,000,000	1,000,000	1,125,000	1,125,000	1921	144,171	8%	54,000	31,181
1911	2	2,000,000	1,000,000	1,000,000	1,125,000	1,125,000	1922	120,320	8%	30,000	31,501
1912	2	2,000,000	1,000,000	1,000,000	1,125,000	1,125,000	1923	121,847	8%	30,000	33,348
1913	2	2,000,000	1,000,000	1,000,000	1,125,000	1,125,000	1924	122,052	8%	30,000	35,400
1914	2	2,000,000	1,000,000	1,000,000	1,125,000	1,125,000	1925	122,503	8%	30,000	37,905
1915	2	2,000,000	1,000,000	1,000,000	1,125,000	1,125,000	1926	120,538	8%	30,000	38,441
1916	2	2,000,000	1,000,000	1,000,000	1,125,000	1,125,000	1927	121,911	8%	30,000	40,351
1917	2	2,000,000	1,000,000	1,000,000	1,125,000	1,125,000	1928	124,119	8%	30,000	44,770
1918	2	2,000,000	1,000,000	1,000,000	1,125,000	1,125,000	1929	123,521	8%	30,000	47,991

Year Ended Dec. 31.	No. of Branches.	LIABILITIES.				Total Liabilities or Assets. £	Year.	Net Profit. £	Dividend. %	To Reserve, &c. £	Carried Forward. £
		Capital and Reserves.	Un-divided Profits.	Bills Payable (including Acceptances).	Miscellaneous Credits, &c.						
1911	2	400,000	13-6	25,173-0	279,331	9-5	1911	2,940,593	12-3	170,316	5-8
1912	10	1,221,476	9-4	121,313-0	1,098,631	13-0	1912	3,120,441	23-9	487,678	3-7
1913	10	1,265,844	13-0	135,181-4	1,030,753	9-3	1913	2,684,856	27-6	1,400,449	14-4
1914	10	1,300,000	14-1	111,501-2	1,181,497	8-9	1914	9,121,218	26-8	1,523,852	15-7
1915	11	1,320,000	13-6	113,348-1	1,206,651	10-8	1915	9,229,824	22-5	1,883,052	20-4
1916	11	1,340,000	13-6	115,400-1	1,224,600	12-1	1916	9,668,579	22-6	2,054,913	22-3
1917	11	1,360,000	13-6	117,903-1	1,242,096	14-3	1917	10,338,341	21-0	2,077,800	21-5
1918	11	1,380,000	13-6	118,441-1	1,261,558	16-9	1918	10,030,267	18-1	3,320,002	33-1
1919	11	1,400,000	12-8	120,351-1	1,279,648	20-9	1919	10,772,517	16-3	3,083,978	28-6
1920	12	1,425,000	12-3	124,470-1	1,300,530	23-3	1920	11,803,780	16-7	3,162,816	31-1
1921	12	1,450,000	12-9	127,991-1	1,322,008	25-4	1921	11,770,848	15-0	3,521,075	29-8
1922	12	1,450,000	12-9	127,991-1	1,322,008	25-4	1922	11,803,780	16-7	3,162,816	31-1
1923	12	1,450,000	12-9	127,991-1	1,322,008	25-4	1923	11,803,780	16-7	3,162,816	31-1
1924	12	1,450,000	12-9	127,991-1	1,322,008	25-4	1924	11,803,780	16-7	3,162,816	31-1
1925	12	1,450,000	12-9	127,991-1	1,322,008	25-4	1925	11,803,780	16-7	3,162,816	31-1
1926	12	1,450,000	12-9	127,991-1	1,322,008	25-4	1926	11,803,780	16-7	3,162,816	31-1
1927	12	1,450,000	12-9	127,991-1	1,322,008	25-4	1927	11,803,780	16-7	3,162,816	31-1
1928	12	1,450,000	12-9	127,991-1	1,322,008	25-4	1928	11,803,780	16-7	3,162,816	31-1
1929	12	1,450,000	12-9	127,991-1	1,322,008	25-4	1929	11,803,780	16-7	3,162,816	31-1

NATIONAL BANK OF INDIA, LIMITED.
 ESTABLISHED 1863.

Year Ended Dec. 31.	No. of Branches.	CAPITAL				Market Value. £	Year.	Net Profit. £	Dividend. %	To Reserve, &c. £	Carried Forward. £
		Subscribed. £	Paid-up. £	Callible. £	Reserved. £						
1890	8	606,500	10-5	56,159-1	0	1,647,201	1920	553,398	20%	240,000	149,032
1900	18	830,000	8-8	52,982-0	0	2,373,381	1921	555,063	20%	140,000	164,096
1910	22	1,600,000	10-1	227,550-1	0	5,911,728	1922	535,160	20%	140,000	159,256
1920	28	4,300,000	7-8	539,032-1	0	15,840,773	1923	534,799	20%	95,000	199,055
1921	28	4,500,000	10-6	504,096-1	0	17,840,773	1924	535,925	20%	110,000	224,980
1922	28	4,600,000	11-1	499,256-1	0	19,840,773	1925	536,105	20%	120,000	241,085
1923	28	4,600,000	11-1	499,256-1	0	21,840,773	1926	534,316	20%	120,000	255,401
1924	28	4,600,000	11-1	499,256-1	0	23,840,773	1927	541,099	20%	120,000	276,500
1925	28	4,600,000	11-1	499,256-1	0	25,840,773	1928	530,829	20%	130,000	277,329
1926	28	4,600,000	11-1	499,256-1	0	27,840,773	1929	511,133	20%	110,000	278,462

* Free of tax

Year Ended June 30.	No. of Branches.	LIABILITIES.				Total Liabilities or Assets. £	Year.	Net Profit. £	Dividend. %	To Reserve, &c. £	Carried Forward. £
		Capital and Reserves.	Un-divided Profits.	Acceptances.	Loans and Bills Payable.						
1890	8	606,500	10-5	56,159-1	0	1,647,201	1920	553,398	20%	240,000	149,032
1900	18	830,000	8-8	52,982-0	0	2,373,381	1921	555,063	20%	140,000	164,096
1910	22	1,600,000	10-1	227,550-1	0	5,911,728	1922	535,160	20%	140,000	159,256
1920	28	4,300,000	7-8	539,032-1	0	15,840,773	1923	534,799	20%	95,000	199,055
1921	28	4,500,000	10-6	504,096-1	0	17,840,773	1924	535,925	20%	110,000	224,980
1922	28	4,600,000	11-1	499,256-1	0	19,840,773	1925	536,105	20%	120,000	241,085
1923	28	4,600,000	11-1	499,256-1	0	21,840,773	1926	534,316	20%	120,000	255,401
1924	28	4,600,000	11-1	499,256-1	0	23,840,773	1927	541,099	20%	120,000	276,500
1925	28	4,600,000	11-1	499,256-1	0	25,840,773	1928	530,829	20%	130,000	277,329
1926	28	4,600,000	11-1	499,256-1	0	27,840,773	1929	511,133	20%	110,000	278,462

* Includes Treasury Bills.

† Dec. 31.



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OTTOMAN BANK

(INCORPORATED IN TURKEY WITH LIMITED LIABILITY.)
Founded 1863.

Capital - £10,000,000. Paid-up - £5,000,000.
Reserve Fund - - - £1,250,000.

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AT HOME OR ABROAD.

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SWISS BANK CORPORATION

(A COMPANY LIMITED BY SHARES, INCORPORATED IN SWITZERLAND)

ESTABLISHED 1872.

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LONDON OFFICE - 99, GRESHAM STREET, E.C. 2

WEST END BRANCH: 11, REGENT STREET, (WATERLOO PLACE), S.W. 1

Capital paid-up - - £6,400,000
Reserves - - - - £2,080,000

EVERY DESCRIPTION OF
BANKING BUSINESS TRANSACTED.

Correspondents in all
Parts of the World

THE IMPERIAL BANK OF PERSIA

(Incorporated by Royal Charter, 1889.)

And under a Special Concession Bankers
to the Imperial Government of Persia.

CAPITAL FULLY CALLED UP - - £650,000
(With power to increase to £4,000,000)
RESERVE ACCOUNT - - - - £650,000
RESERVE LIABILITY OF PROPRIETORS UNDER THE CHARTER - - £1,000,000

LONDON OFFICE:

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CHIEF OFFICE IN PERSIA:
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BRANCHES IN PERSIA:

Abadan, Ahwaz, Barfrush, Birjand, Bunder Abbas,
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The Bank is prepared to transact Banking business
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THE P. & O. BANKING CORPORATION LTD.

BALANCE SHEET—March 31, 1930.

LIABILITIES.		ASSETS.	
Capital issued, 259,416 shares of £10 each fully paid up	2,594,160	Cash at bankers and in hand	817,840
Reserve fund	180,000	Bullion in hand and in transit	324,541
Current, deposit, and other accounts, including provision for bad and doubtful debts, contingency reserve, &c.	8,094,623	Money at call and short notice	390,000
Loans payable against security	6,650,000	Bills receivable in hand and in transit, including Treasury Bills	5,952,706
Balance of accounts with subsidiary company	14,220	Investments at or below market value—British and Colonial Government securities, £687,495; Indian Government securities, £939,235; Foreign Government and municipal and other securities, £95,067; Indian Railway debentures, guaranteed by Indian Government, £249,480	1,971,278
Acceptances, endorsements, &c., as per contra	649,296	Investment in subsidiary company, at cost—Allahabad Bank, Ltd.	
Bills receivable for collection, as per contra	485,687	23,403 ordinary shares of Rs. 100 each, of which 14,665 are fully paid and 8,738 are paid up to the extent of Rs. 50 per share	589,569
Profit and loss account—Balance brought forward from March 31, 1929, £20,624 11s. 11d.; net profit for the year ended March 31, 1930, £107,345	127,970	Loans receivable against security	3,040,000
NOTE.—There is a contingent liability in respect of Bills re-discounted amounting to £3,787,417, of which £3,750,476 had run off by June 30. Outstanding forward exchange contracts for purchase and sale of bills and telegraphic transfers, &c., £20,087,334.		Advances to customers, and other accounts	4,400,840
The rupee, tael, Straits dollar and Hong Kong dollar assets and liabilities are converted at the rates of 1s. 6d., 2s. 6d., 2s. 4d. and 2s. respectively, with the exception of the Allahabad Bank, Ltd., investment which is at cost, viz., 1s. 5½d.		Bank premises and furniture at cost, less amounts written off	174,198
		Liabilities of customers for acceptances, endorsements, &c., as per contra	649,297
		Bills receivable for collection, as per contra	485,687
	18,795,956		18,795,956

PROFIT AND LOSS ACCOUNT.

DR.		CR.	
Directors' fees and income tax thereon	2,490	Profit, after providing for bad and doubtful debts and payment of income tax	109,835
Net profit carried down	107,345		109,835
	109,835		
Proposed dividend at the rate of 5 per cent. per annum for the twelve months ended March 31, less tax	102,302	Net profit brought down	107,345
Balance to be carried forward	25,668	Balance brought forward from March 31, 1929	20,625
	127,970		127,970

JOINT-STOCK BANKS OF ENGLAND AND WALES.

BANK OF ENGLAND.

The profits for the half year ended August 31st last, after making provision for all contingencies, were £679,652, making the amount of the "Rest" £3,698,485. After providing for a dividend of 6 per cent., less income tax, the "Rest" was £3,021,771.

OCTOBER 1, 1930.

ISSUE DEPARTMENT.		BANKING DEPARTMENT.	
Notes Issued—		Government debt	11,015,100
In circulation	359,386,483	Other Government securities	232,894,634
In banking department	56,232,482	Other securities	11,627,417
		Silver coin	4,462,849
		Amount of fiduciary issue	260,000,000
		Gold coin and bullion	155,618,965
			415,618,965
Proprietors' capital	14,553,000	Government securities	44,536,247
Rest	3,719,847	Other securities	
Public deposits (including Exchange, savings banks, Commissioners of National Debt, and dividend accounts)	21,645,391	Discounts and advances, £11,916,677; securities, £22,157,669	34,074,346
Other deposits—		Notes	56,232,482
Bankers, £61,317,731; other accounts, £34,789,325	96,107,056	Gold and silver coin	1,184,362
7-Day and other bills	2,143		
	136,027,437		136,027,437

COUTTS AND COMPANY.

BALANCE SHEET—June 30, 1930.

LIABILITIES.		ASSETS.	
Capital issued and paid up	1,000,000	Coin, bank notes and balances with the Bank of England	2,087,290
Reserve fund	1,000,000	Balances with, and cheques in course of collection on, other banks in the United Kingdom and Ireland, and cheques, drafts, &c., in transit	623,683
Current, deposit and other accounts, including rebate on bills not due, provisions for bad and doubtful debts, contingencies, &c., and including the account of Queen Anne's Bounty for which securities of the aggregate market value of £206,500 have been lodged	18,138,449	Money at call and short notice	1,643,050
Liabilities for acceptances, endorsements, engagements, &c., as per contra	563,870	Investments—British Government stocks, £3,238,442; Colonial Government stocks, corporation stocks, and other investments, £525,248	3,763,690
		Bills discounted—Payable by British firms and institutions in the United Kingdom, and Treasury bills	1,122,330
		Advances to customers and other accounts	10,526,406
		Bank premises at cost, less amounts written off	372,000
		Liabilities of customers for acceptances, endorsements, engagements, &c., as per contra	563,870
	20,702,319		20,702,319

BARCLAYS BANK, LTD.

BALANCE SHEET—June 30, 1930.

LIABILITIES.		ASSETS.	
Current, deposit and other accounts, including reserve for income tax and contingencies and balance of profit and loss	326,941,349	Cash in hand and with the Bank of England	44,677,294
Balances in account with subsidiary banks	11,855,121	Balances with other British banks and cheques in course of collection	10,677,291
Acceptances and endorsements, &c., for account of customers	14,130,839	Money at call and short notice	24,286,160
Capital—857,589 "A" shares of £4 each, fully paid, £3,430,356; 11,760,811 "B" shares of £1 each, fully paid, £11,760,811; 667,050 "C" shares of £1 each, fully paid, £667,050	15,858,217	Bills discounted	45,185,456
Reserve fund	10,250,000	Investments (including £581,380 lodged as security for public authority and other accounts)—Securities of, or guaranteed by, the British Government, £50,294,716; British Dominions and Colonial Government securities, Bank of England and British corporation stocks, £1,898,472; other investments, £482,302	52,675,490
		Investments in subsidiary banks (at cost, less amounts written off)—The British Linen Bank, £1,237,909 stock	3,713,727
		Union Bank of Manchester, Ltd., 300,000 shares of £5 each, £2 10s. paid	1,200,000
		Other subsidiary banks (including fully paid shares and 500,000 "B" shares of £5 each, £1 per share paid up, in Barclays Bank (Dominion, Colonial and Overseas))	2,210,238
		Advances—Customers and other a/c., £172,543,259; staff for purchase of Barclays Bank, Ltd., "C" shares, £54,858; balances in account with subsidiary banks, £1,376,025	174,084,142
		Liability of customers for acceptances and endorsements, &c.	14,130,839
		Bank premises and adjoining properties (at cost, less amounts written off)	6,194,889
			379,035,526

DISTRICT BANK, LTD.

BALANCE SHEET—June 30, 1930.

LIABILITIES.		ASSETS.	
Capital: 1,896,000 "A" shares of £5 each, £1 paid, £1,896,000; 316,000 "B" shares of £1 each, fully paid, £316,000	2,212,000	Cash in hand and at the Bank of England	6,037,169
Reserve fund	2,000,000	Money at call and short notice	4,979,790
Current, deposit and other accounts (including £150,999 on public accounts in respect of which security has been given, and the balance of profit and loss), £50,166,772; accounts of subsidiary companies, £400	50,167,171	Bills of exchange (including Treasury bills)	5,415,486
Acceptances and confirmed credits on account of customers	185,570	British Government securities	14,445,128
Endorsements, guarantees and other obligations on account of customers	772,967	Corporation stocks, &c.	483,748
		Investments in subsidiary companies (MEMO.—The subsidiary companies have been formed to fulfil certain functions, and have neither profits nor losses to be brought into account)	400
		Advances to customers and other accounts	22,291,354
		Liabilities of customers for acceptances, confirmed credits and other obligations	958,537
		Bank property, at cost, less amounts written off	726,096
	55,337,708		55,337,708

GLYN MILLS AND COMPANY.

BALANCE SHEET—June 30, 1930.

LIABILITIES.	£	ASSETS.	£
Capital authorised and issued	1,060,000	Coin, bank notes and balance at Bank of England.....	4,773,126
Reserve fund	530,000	Balances with, and cheques in course of collection on, other banks in the United Kingdom	1,454,467
Reduction of the bank premises account	215,000	Money at call and at short notice	4,500,000
Current, deposit and other accounts (including provision for contingencies).....	32,409,458	Bills discounted	897,239
Acceptances and engagements on account of customers	2,541,430	Investments: British Government securities, £5,660,489; other securities, £1,517,961	7,178,450
		Advances to customers and other accounts	14,716,176
		Liabilities of customers for acceptances and engagements, as per contra	2,541,430
		Bank premises (at cost, less amounts written off): freehold, £620,000; leasehold, £75,000	695,000
			36,755,888

LLOYDS BANK, LTD.

BALANCE SHEET—June 30, 1930.

LIABILITIES.	£	ASSETS.	£
Capital paid up	15,810,252	Cash in hand and with the Bank of England.....	39,753,755
Reserve fund	10,000,000	Balances with, and cheques in course of collection on, other banks in the British Isles	12,598,580
Current, deposit and other accounts	352,870,281	Money at call and short notice	30,907,294
Notes in circulation (sale of Man)	5,280	Balances with banks abroad	1,213,225
Acceptances	8,287,433	Treasury bills	33,535,000
Endorsements, guarantees and other obligations	32,298,320	British bills of exchange	6,707,389
		Colonial and foreign bills	4,553,602
		Treasury bonds and other short-term British Government securities	10,311,309
		Other British Government securities (of which £503,122 15s. nominal, is lodged for public and other accounts and for the note issue in the Isle of Man)	26,910,099
		Indian and Colonial Government securities and British Corporation stocks	1,672,001
		Other investments (there is a contingent liability for uncalled capital in respect of a portion of these investments)	1,831,781
		The National Bank of Scotland, Ltd., £4,852,025 (nominal) stock (£1,076,245 10s. paid up)	2,664,783
		Bank of London and South America, Ltd., 402,670 shares of £5 each, fully paid, at £8 10s. per share	3,422,695
		Indian Premises Co., Ltd., 7,000 shares of Rs. 100 each, fully paid, at cost	54,502
		Lloyds and National Provincial Foreign Bank, Ltd., 12,000 shares of £50 each, fully paid, at £50 per share	600,000
		Loans and advances	185,875,811
		Items in transit	3,632,990
		Other assets and accounts	5,144,424
		Bank premises	7,296,573
		Liabilities of customers for acceptances, as per contra	8,287,433
		Liabilities of customers for endorsements, &c., as per contra	32,298,320
			419,271,566

THE MANCHESTER AND COUNTY BANK, LTD.

BALANCE SHEET—June 30, 1930.

LIABILITIES.	£	ASSETS.	£
Capital: 273,010 shares, £20 each, £4 paid	1,092,040	Cash in hand, at call, and at short notice	3,177,448
Reserve fund	1,092,040	Bills of exchange, less rebate	490,469
Unclaimed dividends	2,067	Investments: (there is a contingent liability for uncalled capital in respect of a portion of these investments): Securities of, or guaranteed by, the British Government; and Bank of England stock, £3,694,144; stocks guaranteed by the Indian Government, and other securities, £527,595	4,221,739
Due by the bank on current deposit and other accounts (including balance of profit and loss account)	17,377,151	Advances on current and other accounts less provision for bad and doubtful debts	11,173,642
Acceptances by the bank for account of customers, per contra	82,372	Liability of customers on acceptances by the bank, per contra	82,372
		Bank property account: Premises in Manchester, and branch offices taken at at proportion of cost	500,000
			19,645,670

MARTINS BANK, LTD.

BALANCE SHEET—June 30, 1930.

LIABILITIES.	£	ASSETS.	£
Capital paid up, viz., on 939,556 shares of £20 each, £2 10s. per share, £2,348,890; and on 1,811,152 shares of £1 each, £1,811,152	4,160,042	Cash in hand and at Bank of England	9,024,634
Reserve fund	3,507,872	Balances with, and cheques in course of collection on, other British banks	2,681,172
Current, deposit and other accounts (including provision for contingencies)	77,444,153	Money at call and short notice	5,720,000
Notes in circulation (sale of Man)	14,855	Balances with banks abroad	281,203
Acceptances	2,532,513	Treasury bills	1,400,000
Endorsements, guarantees and other obligations on account of customers	3,575,521	British bills of exchange	2,811,860
		Colonial and foreign bills	348,552
		Investments: British Government securities, £15,399,396; Indian and Colonial Government securities, and British Corporation Stocks, (including £69,000 securities lodged against note circulation in the Isle of Man), £771,821; other first-class securities, £809,041	16,980,258
		Loans and advances	42,536,594
		Items in transit	1,067,671
		Other assets and accounts	429,188
		Bank premises, at cost, less amounts written off	2,345,790
		Liability of customers for acceptances, as per contra	2,532,513
		Liability of customers for endorsements, guarantees, and other obligations, as per contra	3,575,521
			91,234,956

MIDLAND BANK LTD.

BALANCE SHEET—June 30, 1930.

LIABILITIES.	£	ASSETS.	£
Share capital: 2,869,079 shares of £12 each, £2 10s. paid, £7,172,698; 1,921,677 shares of £2 10s. each, fully paid, £4,804,192; 2,114,311 shares of £1 each, fully paid, £2,114,311	14,091,201	Coin, bank notes and balances with the Bank of England	37,078,737
Reserve fund	14,091,201	Balances with, and cheques in course of collection on, other banks in Great Britain and Ireland	18,267,101
Current, deposit and other accounts (including balance of profit and loss account), £379,169,669; balances due to affiliated companies, £2,827,922	381,997,591	Money at call and short notice	22,589,395
Acceptances and confirmed credits on account of customers	17,236,143	Investments at or under market value: War Loan and other British Government securities (of which £411,401 5s. is lodged for public and other accounts), £32,324,481; British Corporation stocks, £249,559; Colonial and Foreign Government stocks and bonds, £507,038; sundry investments, £739,239	33,920,317
Engagements on account of customers	9,476,597	Bills discounted	64,408,573
		Advances to customers and other accounts	214,616,545
		Midland Bank Executor and Trustee Company, Ltd.: Loans on behalf of clients	130,233
		Belfast Banking Company, Ltd.: Government of Northern Ireland Guaranteed loans account	1,800,000
		Liabilities of customers for acceptances, confirmed credits and engagements	26,712,740
		Bank premises at head office and branches, at cost, less amount written off	8,971,097
		Other properties and work in progress for extension of the business, at cost, less amount written off	1,276,330
		Shares in affiliated companies	
		Belfast Banking Co., Ltd.: 200,000 shares of £12 10s. each, £4 paid, £800,000; reserve and undivided profits, £648,108	1,448,108
		The Clydesdale Bank, Ltd.: 100,000 shares of £50 each, £10 paid, 30,000 shares of £10 each, fully paid, £1,300,000; reserve and undivided profits, £1,640,054	2,940,054
		North of Scotland Bank, Ltd.: 163,000 shares of £20 each, £7 paid, £1,141,000; reserve and undivided profits, £1,215,655	2,356,655
		Midland Bank Executor and Trustee Co., Ltd.: 200,000 shares of £5 each, £1 paid, £200,000; reserve and undivided profits, £176,848	376,848
			436,892,733

NATIONAL PROVINCIAL BANK, LTD.

BALANCE SHEET—June 30, 1930.

LIABILITIES.	£	ASSETS.	£
Capital paid up	9,479,416	Coin, bank notes and balances with the Bank of England	30,067,304
Reserve fund	9,479,416	Balances with, and cheques in course of collection on, other banks in the United Kingdom and Ireland, and cheques, drafts, &c., in transit	9,446,900
Current, deposit and other accounts, including the accounts of public bodies, for which securities of the aggregate market value of £143,473 have been lodged	276,557,100		
Amounts due to subsidiary companies	171,499		
			(Continued on p. 48.)

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 The Bank is prepared to act as Registrar for Public and Corporate Bodies, etc.

(NATIONAL PROVINCIAL BANK, LTD., continued from p. 46.)

£	Liabilities	£	Assets
	Liabilities for acceptances, endorsements, &c., as per contra		Money at call and short notice
12,568,712		18,198,067	
		32,483,954	Investments
		2,514,000	Investments in subsidiary companies at cost or under Bills discounted—Bills payable by British firms and institutions in the United Kingdom and Treasury bills, £2,356,563; other bills, £2,356,563
		40,587,534	Advances to customers and other accounts
		155,948,328	Bank premises at cost, less amounts written off
		6,441,344	Liabilities of customers for acceptances, endorsements, &c., as per contra
		12,568,712	
308,256,143		308,256,143	

WESTMINSTER BANK, LTD.

BALANCE SHEET—June 30, 1930.

£	Liabilities	£	Assets
	Capital paid up		Coin, bank and currency notes and balances with the Bank of England
9,320,157		30,580,103	
9,320,157	Reserve		Balances with, and cheques in course of collection on, other banks in Great Britain and Ireland
295,655,087	Current, deposit and other accounts	10,083,039	Money at call and short notice
	Liabilities for acceptances, endorsements, &c., as per contra	27,485,588	Bills discounted
19,799,264		55,859,324	Investments
14,075	Notes in circulation in the Isle of Man	37,861,439	Investments in affiliated banks
		2,991,926	Advances to customers and other accounts
		144,240,974	Bank premises account
		5,207,083	Liabilities of customers for acceptances, endorsements, &c., as per contra
334,108,740		19,799,264	
		334,108,740	

THE YORKSHIRE PENNY BANK, LTD.

BALANCE SHEET—June 30, 1930.

£	Liabilities	£	Assets
	Capital: 250,000 £5 shares, £3 paid, £750,000; 250,000 £1 shares, fully paid, £250,000		Cash in hand, at Bank of England and at short notice
1,000,000		11,449,577	
1,000,000	Reserve fund	800,000	British Government Treasury bills
	Amount due to depositors and other accounts (including provision for contingencies)		Investments at or below market price: British Government redeemable securities: 4½% Treasury Bonds, 1932-34, £1,776,000; 5% Treasury Bonds, 1933-35, £2,722,500; 4% War Loan, 1929-42, £942,225; 4½% Conversion Loan, 1940-44, £6,054,492; 5% War Loan, 1929-47, £999,167; 5% Conversion Loan, 1944-64, £550,000
28,769,324		13,044,384	Colonial Government and English Corporation redeemable stocks
100	Amount due to subsidiary company	443,127	3% Local Loans and Bank of England stocks
	Uncalled Capital £500,000	207,792	Loans to local authorities
		2,513,193	Loans on security and other accounts (including sundry properties at cost, less amounts written off)
		1,761,251	Shares in subsidiary company
		100	Bank premises (at cost, less amounts written off)
30,769,424		550,000	
		30,769,424	

WILLIAMS DEACON'S BANK LIMITED.

BALANCE SHEET—June 30, 1930.

£	Liabilities	£	Assets
	Capital issued, 1,562,500 £5 "A" shares, £1 paid, £1,562,500; 312,500 £1 "B" shares, £312,500		Coin, bank and currency notes, and balances with the Bank of England
1,875,000		3,076,979	
1,000,000	Reserve fund		Balances with, and cheques in course of collection on, other banks in the United Kingdom
31,512,691	Current, deposit and other accounts	1,089,881	Money at call and short notice
	Acceptances and credits opened on account of customers	2,825,404	Bills discounted
579,184	Endorsements and other obligations on account of customers	1,227,178	British Government securities
194,241		5,297,772	Other investments
		911,578	Advances to customers and other accounts
		18,971,715	Bank premises account
		986,183	Liabilities of customers for acceptances and credits opened
		579,185	Liabilities of customers for endorsements and other obligations
35,161,116		194,241	
		35,161,116	

PRIVATE BANKS.

BAKER, DUNCOMBE & CO., LIMITED.

BALANCE SHEET—September 30, 1930.

£	Liabilities	£	Assets
	Capital—32,000 fully paid "A" shares of £5 each, £160,000; 8,000 fully paid "B" shares of £5 each, £40,000		Investments—Treasury bonds, Indian Government bonds and Indian Railway debentures
200,000		775,000	
50,000	Reserve		Bills discounted (including discounts)
10,082,135	Liability on deposits and loans and bills re-discounted (including contingency, rebate and sundry accounts)	9,447,556	Sundry accounts
10,332,135		4,923	(Assets to the value of £10,037,359 are held by bankers and others as cover for liabilities per contra.)
		104,656	Cash in hand and at bankers
		10,332,135	

GRACE BROTHERS AND CO., LIMITED.

BALANCE SHEET—June 30, 1930.

£	Liabilities	£	Assets
	Capital (authorised and issued)—750,000 ordinary shares, £750,000; 250,000 preference shares, £250,000; 15,000 deferred shares, £15,000		Cash at call, at bankers and in hand
1,015,000		375,967	
100,000	Reserve	153,221	Cash at notice with banks in the United Kingdom
1,705,822	Acceptances on behalf of customers		Foreign bankers—Balances on loan, current and deposit accounts
	Deposit, current and other accounts, including reserves for bad and doubtful debts and contingencies and balance of profit and loss	36,181	Bills receivable, £661,135; less under discount, £242,401—£418,734; British Government Treasury bills, £100,000
729,507		518,734	British Government securities
3,550,329		51,627	Stocks and shares (this item includes an investment on which there is an uncalled liability of £99,900)
		168,939	Liabilities of customers for acceptances and current accounts, advances, &c.
		2,089,280	Freehold property—at cost less amounts written off, £150,492; leasehold property do., £1; furniture and fittings, do., £5,887
		156,380	
		3,550,329	

C. HOARE AND COMPANY.

BALANCE SHEET—July 5, 1930.

£	Liabilities	£	Assets
	Capital authorised and issued... 120,000		Cash in hand and at bankers... 420,808
380,000	Reserve		Cash at call... 300,000
2,718,857	Current, deposit and other accounts (including provision for contingencies)		Investments: British Government stocks at market price, £850,004; Dominion Government stocks at market price, £102,099; other securities at market price, £84,358
		1,036,461	Loans, overdrafts and bills discounted
		1,361,588	Freehold bank premises at cost, less amounts written off
3,218,857		100,000	
		3,218,857	

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LONDON DISCOUNT COMPANIES.

ALEXANDERS DISCOUNT COMPANY, LTD.

BALANCE SHEET—June 30, 1930.

LIABILITIES.	£	ASSETS.	£
Capital issued: 100,000 £2 5% cumulative preference shares, fully paid, £200,000; 575,000 £2 ordinary shares, £1 paid, £575,000; with a reserve liability of £575,000	775,000	By cash at bankers.....	588,003
NOTE.—Provisional allotment letters in respect of a further 225,000 ordinary shares of £2 each (£1 called up) at a premium of £1 15s. a share have been issued. The first payment became due on July 1, 1930, and the final payment becomes due on August 1, 1930.		War Loan, short-dated Imperial and Indian Government securities at book values.....	4,229,015
Reserve fund.....	575,000	NOTE.—There is a liability of £325,220 in respect of instalments not due at the date of the statement.	
Bills re-discounted.....	5,990,452	Bills discounted.....	25,400,183
Loans, deposits, contingency and other accounts, including balance of profit and loss account and provision for rebate.....	23,143,747	Loans on security and sundry accounts.....	266,998
	30,484,199	(Out of the above, assets of the value of £29,070,199 are held by depositors and others as cover for liabilities per contra.)	
			30,484,199

GILLET BROTHERS DISCOUNT CO., LIMITED.

BALANCE SHEET—July 31, 1930.

LIABILITIES.	£	ASSETS.	£
Capital issued, fully paid—20,000 "A" shares of £5 each, £100,000; 10,000 "B" shares of £10 each, £100,000.....	200,000	Cash at bankers and in hand... British and Indian Government securities (maturing 1932-1934).....	81,650
Reserve fund.....	120,000	Bills discounted (including re-discounts).....	279,200
Deposits, loans, bills re-discounted and sundry accounts, including rebate on bills, investments reserve fund and balance of profit and loss account.....	11,947,009	Loans on security and sundry accounts.....	11,632,840
	12,267,009	NOTE.—Assets of the face value of £11,961,378 5s. 2d. are held by depositors and others as cover for liabilities per contra.	273,319
			12,267,009

LATEST BALANCE SHEETS OF FOREIGN BANKS HAVING LONDON OFFICES AND OF BRITISH BANKS TRADING ABROAD.

ANGLO-INTERNATIONAL BANK, LIMITED.

According to the report of the directors, the profit for the year ended December 31, 1929, amounted to £117,695; to which must be added the balance brought forward from the previous year's accounts, £20,532, the available balance thus being £138,227. From this it is proposed to place to premises amortisation, £10,000, and to contingency reserve, £100,000: £110,000; leaving a balance to be carried forward of £28,227.

BALANCE SHEET—December 31, 1929

LIABILITIES.	£	ASSETS.	£
Capital issued—1,960,008 shares of £1 each fully paid... 1,960,008	1,960,008	Cash with bankers in London and cash in hand—London and branches.....	129,904
Current deposit and other accounts, including reserve for contingencies.....	4,415,184	Money at call.....	405,000
Amount owing to subsidiary company on current account	1,351	Balances with bankers abroad	196,638
Acceptances and guarantees for account of customers.....	2,567,615	Bills receivable.....	435,820
Profit and loss account—Balance brought forward, £20,532; profit for the year 1929, £117,695.....	138,227	British Government securities and Treasury bills.....	665,075
NOTE.—There are contingent liabilities in respect of bills of exchange re-discounted amounting to £222,549 12s. 10d.		Investments—in banking, industrial and other undertakings in England and abroad.....	630,593
		Investment in subsidiary company.....	15,000
		Advance to subsidiary company.....	50,000
		Advances to customers and other accounts less reserves	3,761,474
		Customers for acceptances and guarantees on their behalf, as per contra.....	2,567,615
		Premises abroad and furniture and fittings, at cost, less amounts written off.....	225,265
	9,082,385		9,082,385

PROFIT AND LOSS ACCOUNT.

Dr.	£	Cr.	£
Directors' fees.....	2,254	Balance brought forward from last year.....	20,532
Balance carried to balance sheet	138,227	Profit for the year after charging all expenses other than directors' fees.....	119,949
	140,481		140,481

ANGLO-CZECHOSLOVAK AND PRAGUE CREDIT BANK.

BALANCE SHEET—December 31, 1929.

LIABILITIES.	Kc.	ASSETS.	Kc.
Share capital authorised issued and fully paid ...	235,000,000	Cash in hand.....	126,452,724
Reserves.....	139,777,053	Balance at call with National Bank and local banks.....	173,709,797
Staff pension fund.....	52,148,525	Balances with banks abroad	80,205,486
Deposit accounts.....	1,314,551,524	Foreign currency bills and cheques.....	45,101,207
Current accounts—Banking institutions, Kc. 1,111,330,904; others, Kc. 1,577,748,103.....	2,689,079,007	Bills receivable.....	412,609,786
Acceptances on account of clients.....	104,106,339	Investments—Czechoslovak.....	280,598,530
Items in transit.....	52,310,508	Foreign.....	30,641,675
Unclaimed dividends.....	155,600	Sundries.....	4,347,858
Net profit—brought forward from 1928, Kc. 5,245,979; net profit for 1929, Kc. 20,183,165.....	25,429,144	Participations.....	209,644,983
		Debtors—Advances against securities.....	302,318,142
		Others.....	2,724,003,343
		Liability of customers for acceptances, per contra Bank premises at head office and branches.....	104,106,339
		Bank premises at head office and branches.....	101,825,236
		Items in transit.....	16,992,594
Contra accounts.....	4,612,557,700		4,612,557,700
	994,442,902		994,442,902

THE ANGLO-FRENCH BANKING CORPORATION, LTD.

The report of the directors submitted at the ordinary annual general meeting on January 18, 1930, stated that the year 1929 represented the first full working year of the bank. The profit for the year, after making full provision for all expenses, rebate of discount and commission, bad and doubtful debts, amounts to £85,846, to which is to be added the balance carried forward from last account, £2,133—£67,979; from this is to be deducted directors' fees and remuneration of management committee, £7,686, leaving a balance of £60,293. At this early stage of the bank's existence the directors consider it advisable to apply the whole of the profit to writing off all preliminary expenses, and to the formation of reserves. Accordingly it is proposed to appropriate the available balance as follows:—In writing off all preliminary expenses, £32,607; in writing off cost of installation, furniture, etc., £3,864; to provide for taxation, £11,632; to carry to reserve, £10,000; leaving a net balance to be carried forward to next year of £2,190.

BALANCE SHEET—December 31, 1929.

LIABILITIES.	£	ASSETS.	£
Capital issued—1,250,000 shares of £1 each, fully paid.....	1,250,000	Cash in hand and at clearing banks.....	51,526
NOTE.—Option certificates have been issued entitling the holders to take up at par 500,000 shares of £1 each, at any time up to and including December 31, 1931.		Money at call and short notice Deposits with London and foreign banks and bankers due within seven days.....	725,000
Reserve account.....	10,000	Gold in transit on joint account and silver in transit.....	497,000
Current, deposit and other accounts (including £65,251 deposits for special transactions secured).....	2,718,895	Balances with banks abroad.....	190,432
Acceptances and guarantees on account of customers.....	2,950,206	British and Dominion Government securities at market value and British Treasury bills.....	105,883
Balance of profit and loss account.....	2,190	Bills discounted.....	250,981
Contingent liabilities in respect of: Forward exchange contracts, £2,823,564 8s. 5d.; endorsements on bills sold, £490,570 19s. 8d.		Fixed deposits with British and foreign banks and bankers.....	224,515
		Investments at or under market value.....	1,238,856
		Loans, advances and other accounts.....	5,490
		Liability of customers for acceptances and guarantees, per contra.....	693,401
		Furniture and alterations to leasehold premises, at cost, £3,865; less amount written off, £3,864.....	2,950,206
		Establishment expenses, including stamp duty on increase of capital, £32,607; less amount written off, £32,607.....	1
	6,931,291		6,931,291

PROFIT AND LOSS ACCOUNT.

Dr.	£	Cr.	£
Furniture and alterations to leasehold premises written off.....	3,864	Balance brought forward on December 31, 1928.....	2,133
Establishment expenses, including stamp duty on increase of capital, written off.....	32,607	Profit after providing for all expenses, including rebate of discount and commission and for bad and doubtful debts.....	65,846
Directors' fees.....	4,625		
Remuneration of management committee of board of directors.....	3,061		
Provision for taxation.....	11,632		
Amount carried to reserve account.....	10,000		
Balance carried to balance sheet.....	2,190		
	67,979		67,979

ANGLO-SOUTH AMERICAN BANK LIMITED.

The report presented to the shareholders at the meeting held on Tuesday, October 15, 1929, states that the net profit, after making provision for all charges, rebate, etc., amounts to £480,716, which, together with £506,901 brought forward, makes a total of £987,617, of which

BANCO DE LA NACION ARGENTINA

ESTABLISHED 1891.

Head Office: Plaza Mayo - BUENOS AIRES

214 Branches throughout the Argentine Republic and 19 Agencies in the Federal Capital.

CAPITAL - - - - - m\$n 160,808,000 = £14,044,000
RESERVE FUND - - - - - m\$n 65,911,000 = £5,756,000
SPECIAL RESERVE FUND - m\$n 2,000,000 = £175,000

DEPOSITS (June 30th, 1930) - m\$n 1,649,901,000 = £144,096,000
Total Assets (June 30th, 1930) - m\$n 1,883,460,000 = £164,494,000
LOANS (June 30th, 1930) - - m\$n 1,448,873,000 = £126,539,000

President: CARLOS J. BOTTO.

Vice-President: BARTOLOMÉ L. GINOCCHIO.

Directors:

BAUTISTA ALCHOURRÓN. CARLOS M. CATALÁ.
ENRIQUE ZÁRATE. ALBERTO DURAND.

General Secretary: JUAN JORGE JORDÁN.

Under-Secretaries:

ABELARDO MANUEL BARRIOS. JOSÉ LUIS DE IRIGOYEN.

Manager:

ISMAEL DEL SEL.

BANKING AND EXCHANGE BUSINESS OF EVERY DESCRIPTION

Letters of Credit and bills of exchange granted. Telegraphic transfers made. Foreign currencies bought and sold. Deposits are received at Head Office and Branches at rates of interest and for periods which may be ascertained on application. The Bank also receives Securities for safe custody. Special conditions on loans to farmers.

The Argentine Nation is directly responsible for the deposits and operations of the Bank. (Art. 10 of the Organic Chart.)

LONDON CORRESPONDENTS:

WESTMINSTER BANK. BARCLAYS BANK.
MIDLAND BANK LIMITED. CREDIT LYONNAIS.
SOCIÉTÉ GÉNÉRALE POUR FAVORISER LE DEVELOPPEMENT DU COMMERCE ET DE L'INDUSTRIE EN FRANCE.

OTHER CORRESPONDENTS:

PARIS: Comptoir National d'Escompte de Paris—Crédit Lyonnais—Société Générale pour favoriser le développement du commerce et de l'industrie en France—Barclays Bank Ltd.
NEW YORK: Chase National Bank—Central Hanover Bank & Trust Co.—Guaranty Trust Co.—Irving Trust Co.
BERLIN: Deutsche Bank und Disconto Gesellschaft—Commerz und Privat Bank.

AND IN ALL THE PRINCIPAL CITIES AND TOWNS.

£174,693 was absorbed by the interim dividend paid on April 29th. There is now an available balance of £812,924, of which the directors recommend that £174,693 be applied to the payment of a final dividend of 5s. per share, less income tax, making a total distribution for the year of 10 per cent.; £25,329 be placed to legal reserves in Chile, Colombia and Ecuador; £30,000 be added to the staff pension fund; £75,000 be placed to reserve fund, and that the balance of £507,901 be carried forward.

BALANCE SHEET—June 30, 1929.

LIABILITIES.	£	ASSETS.	£
Issued capital £873,466 shares of £10 each £5 paid	4,367,330	Cash in hand, at bankers and at short notice	8,879,879
Reserve fund	3,275,000	Balances with auxiliary banks	553,717
Legal reserves in Chile, Colombia and Ecuador	81,604	British Government securities	6,262,855
Sight drafts on head office and branches	1,075,581	Foreign Government, railway and other securities	2,917,444
Bills payable—drafts on head office and branches at usance	2,094,931	Holdings in foreign and auxiliary banks, &c., at cost	9,238,026
Acceptances and engagements on account of customers	8,333,132	British Bank of South America, Limited, 99,892 shares at £23 10s.	2,347,462
Current, deposit and other accounts	50,363,213	Commercial Bank of Spanish America, Limited, 498,768 shares at cost	463,691
Bills for collection	9,536,390	Liability of customers for acceptances and engagements, per contra	8,333,132
Rebate of interest on bills, &c., not due	130,618	Advances, &c., at cost	28,375,427
Profit and loss, as per account below, £987,617; less interim dividend paid on April 29, 1929, £174,693; transfer to legal reserves, £25,329; transfer to reserve fund, £75,000	712,594	Bank premises and office furniture	604,789
To liability on bills re-discounted and on uncalled capital on investments held, £7,970,639, of which £6,381,643 has run off		Bills for collection, per contra	9,536,389
	79,970,393	Certain of the above assets have been lodged with other parties on which a lien exists to the amount of £1,205,023.	
			79,970,393

PROFIT AND LOSS ACCOUNT.

Dr.	£	Cr.	£
Charges at head office and branches including British and other income taxes	1,586,422	Balance brought forward from last account	506,901
Rebate of interest on bills, &c., not due	130,618	Gross profits and credits, after providing for bad and doubtful debts	2,197,756
Balance as per balance sheet	987,617		
	2,704,657		2,704,657

BANCA COMMERCIALE ITALIANA.

According to the annual report, the profit and loss account shows a net profit slightly in excess of the previous year and makes it possible to maintain the dividend at the rate of Lire 65 per share, i.e., at 13 per cent.; this after passing to the reserve fund an amount of Lire 20,000,000, leaving a carry forward of Lire 28,500,000. Distribution of profits on the following lines is proposed: Net profit, as per balance sheet, Lire 114,350,900; 10 per cent. to the ordinary reserve, in accordance with Article 3 of the Royal Decree of September 7, 1926, No. 1511, Lire 11,435,090; 5 per cent. dividend on the capital of Lire 700,000,000, Lire 35,000,000; 5 per cent. to the board of directors, Lire 3,395,791, leaving Lire 64,520,019; out of which it is proposed to pay an additional dividend of 8 per cent. on the paid-up capital, Lire 56,000,000, which will leave a balance of Lire 8,520,019, to which is to be added the amount carried forward from previous years, Lire 28,481,934—Lire 37,001,953; out of which it is proposed to transfer to the ordinary reserve fund (in order to increase it altogether by the round figure of Lire 20,000,000) a further amount of Lire 8,564,910, leaving a balance to be carried forward of Lire 28,437,043.

BALANCE SHEET—December 31, 1929

LIABILITIES.	Lire.	ASSETS.	Lire.
Capital	700,000,000	Cash in hand	536,923,358
Reserve funds	560,000,000	Bills receivable, Treasury Bonds and Government securities (Littorio Loan)	3,928,763,045
Bills payable	243,603,271	Bills for collection	162,003,843
Commercial acceptances	700,446,305	Contango and loans	633,618,105
Deposits and current accounts	7,676,072,530	Participations in other banks and syndicates	550,766,671
Creditors on collection accounts	306,130,697	Government securities, railway and other bonds and shares	567,265,059
Guarantees	655,295,921	Current accounts	3,905,993,296
Securities deposited	5,616,412,690	Bank premises	72,077,307
Other liabilities	395,813	Guarantees as per contra	655,295,921
Rebate on bills	27,929,234	Securities as per contra	5,616,412,690
Net profit (including Lire 28,481,934 brought forward from December 31, 1928)	142,832,834		
	16,629,119,295		16,629,119,295

PROFIT AND LOSS ACCOUNT.

Dr.	Lire.	Cr.	Lire.
Interest account	56,795,785	Profit on bills and dividend on Government loans	232,141,326
General Expenses	146,824,061	Interest account	38,134,503
Income tax, &c.	33,246,912	Dividends and profits on stocks and participations	80,558,091
Rebate account	27,929,234	Commission and sundry profits	30,573,953
Depreciation on bank premises	8,011,968	Yield on bank premises	5,720,987
Net profit	114,350,900		
	387,128,860		387,128,860

BANK OF ATHENS.

BALANCE SHEET—July 31, 1930.

LIABILITIES.	Drs.	ASSETS.	Drs.
Capital fully paid	100,800,000	Cash in hand at banks, and Treasury bills	441,740,355
Reserves	224,200,000	Balances due from banks abroad	338,088,483
Current, deposit and other accounts	2,885,978,924	Bills receivable	481,470,694
Interim dividend	7,220,547	Loans, advances, bills discounted and other accounts	1,621,064,473
Sundry accounts	24,464,020	Investments	289,860,602
		Premises and property	70,438,772
		Furniture	112
	3,242,663,491		3,242,663,491

BANCO DE BILBAO.

BALANCE SHEET—August 31, 1930.

LIABILITIES.	Pesetas.	ASSETS.	Pesetas.
Capital	100,000,000	Cash in hand and at Bank of Spain	76,796,789
Reserve funds	65,000,000	Foreign money and notes, cash value	535,368
Deposits	764,534,065	Cash at other banks and bankers	66,945,690
Bills payable	13,596,271	Bills receivable	76,563,401
Acceptances for account of customers as per contra	6,308,197	Government securities	242,556,037
Sundry creditors	69,582,917	Railway and other industrial debentures	79,623,518
Profit and loss	19,920,287	Other securities	103,182,740
	1,038,941,737	Advances to customers against security	64,891,724
Depositors of securities, nominal value, as per contra	3,175,114,385	Banking correspondents, &c., in foreign money (equivalent)	44,499,751
		Premises account	19,969,908
		Furniture and fittings	2,007,603
		Liabilities of customers for acceptances, as per contra	6,308,197
		Unissued shares	40,000,000
		Sundry accounts	89,728,696
			1,038,941,737
	4,214,056,122	Securities deposited, nominal value	3,175,114,385
			4,214,056,122

BANCO DE CHILE.

According to the directors' report, the general balance of the operations of the bank for the first half-year of 1930, after writing off and providing for bad and doubtful debts, shows a net profit of \$8,632,783, which, added to the shareholders' fund of \$7,816,294, gives an available total of \$16,449,077. The board proposes to distribute the sum in the following form: To pay a dividend of \$8.50 per share, \$8,500,000, and to carry forward to shareholders' fund, \$7,949,077—\$16,449,077.

BALANCE SHEET—June 30, 1930.

LIABILITIES.	Chilean Currency.	ASSETS.	Chilean Currency.
Current accounts	145,420,455	Cash	71,425,106
Sight deposits, judicial deposits, &c.	10,510,220	Loans and advances—Advances in account current and loans—(a) Loans, guaranteed special guarantee	216,194,999
Guarantees at sight	339,951	(b) Loans, without special guarantee	140,246,987
Other obligations (dividends, drafts, and telegraphic transfers pending)	9,119,958	Discounts	115,166,310
Term deposits	184,524,764	Loans to directors and employees	6,849,210
Guarantees	30,059,843	Obligations against guarantees given	30,171,257
Other obligations	5,445,904	Other advances	30,507,262
Obligations to bankers abroad	5,000,000	Investments—Buildings and real estate	20,593,544
Mortgage debt	12,065,505	State and municipal bonds	11,002,289
Re discounts with Bco. Central	38,016,607	Shares—Banco Central de Chile	23,562,371
Income tax retained	57,516	Other bonds and shares	31,141,937
Exchange operations	26,113,069	Deposit with superintendency of banks	900,000
Letters of credit	27,326,825	Furniture and office material	760,000
Operations pending, &c.	31,257,978	Other accounts—Branches	731,077
Capital and reserves—Paid-up capital	100,000,000	Exchange operations	26,024,470
Statutory reserve	25,000,000	Clients for letters of credit	27,310,824
Other reserves	100,816,294	Operations pending, &c.	7,020,029
	759,707,672		759,707,672

PROFIT AND LOSS ACCOUNT.

Dr.	\$	Cr.	\$
Taxes and stamps	600,934	Balance at credit of this account, less rebate and provision for bad and doubtful debts	17,732,090
Salaries	4,509,304		
General expenses	1,613,158		
Office expenses	488,485		
Remittances expenses	59,693		
Furniture and material written off	281,984		
Contribution to pension fund	1,092,019		
Directors' fees	127,500		
Real estate (repairs)	326,230		
Profit	8,632,783		
	17,732,090		17,732,090

B.W. BLYDENSTEIN & Co.,

54-55-56, Threadneedle Street,
London, E.C.2.

BANKERS

ALL BANKING AND DISCOUNT
BUSINESS TRANSACTED.

Dealers in British Treasury
Bills of any Maturity.

Deposits received for short and
longer periods at rates to be obtained
on application.

Special Facilities for Business
with Holland.

FORWARD CONTRACTS IN FOREIGN
CURRENCIES.

ANGLO-CZECHOSLOVAK
AND
PRAGUE CREDIT BANK

Incorporated in Czechoslovakia with Limited Liability.

Head Office: 5, Hybernaska, PRAGUE

London Office:
118, OLD BROAD STREET, E.C.2

Telephones: London Wall 0731 (4 lines).
Telegrams: "Anpraglon, London."

52 BRANCHES IN CZECHOSLOVAKIA.

JUGOSLAVIA

Beograd, Kralja Milana 2

ROUMANIA

Bucharest, Str. Lipskani 21

BULGARIA

Sofia, Boulevard Dondoukoff 39

Capital Fully Paid - 235,000,000 Czech Crowns
Reserves - 139,777,000 Czech Crowns

President:
KUNES SONNTAG

Vice-Presidents:
H.E. PETER BARK, C.C.V.O.
Dr. HEINRICH SCHICHT
JOSEF SIMONEK
JOSEF PARA
LEO PETERKA

London Committee:
A. G. M. DICKSON, W. S. DRAPER,
D. S. CAMPBELL, M.C., H. E. CARTER, R. H. PORTERS.

BANKING BUSINESS OF EVERY DESCRIPTION
TRANSACTED. CORRESPONDENCE INVITED.

THE
CHASE NATIONAL BANK

of the City of New York

CAPITAL, SURPLUS, AND

UNDIVIDED PROFITS \$359,318,480

DEPOSITS - - - \$2,065,434,799

TOTAL RESOURCES \$2,648,958,343

(AT CLOSE OF BUSINESS, JUNE 30, 1930)

NEW YORK CITY OFFICES:

Head Office - Pine Street corner of Nassau
Equitable Trust Branch - 11 Broad Street
Forty-five other branches in Greater New York

FOREIGN OFFICES:

HAVANA - Cuba. CRISTOBAL - Canal Zone.
PANAMA CITY - Republic of Panama
BERLIN REPRESENTATIVE: Unter den Linden 57
ROME REPRESENTATIVE: Piazza Mignanelli, 3

AFFILIATED ORGANISATIONS:

Chase Securities Corporation . . . American
Express Company . . . Equitable Eastern Banking
Corporation . . . American Express Bank & Trust
Company . . . The Chase Safe Deposit Company
The Chase Bank (Paris, Mexico City)

LONDON OFFICES:

10, MOORGATE, & BUSH HOUSE,
E.C.2 ALDWYCH, W.C.2

THE
YOKOHAMA SPECIE BANK,

LIMITED.

(Incorporated in Japan.)

Established 1880

Capital Subscribed and Fully Paid - Yen 100,000,000

Reserve Fund - - - - - „ 113,500,000

Head Office - - - - - YOKOHAMA

BRANCHES AT

ALEXANDRIA.	KAI YUAN.	SAIGON.
BATAVIA.	KARACHI.	SAMARANG.
BOMBAY.	KOBE.	SAN FRANCISCO.
BUENOS AYRES	LONDON.	SEATTLE.
(temporarily closed).	LOS ANGELES.	SHANGHAI.
CALCUTTA.	LYONS.	SHIMONOSEKI.
CANTON.	MANILA.	SINGAPORE.
CHANGCHUN.	NAGASAKI.	SOURABAYA.
DAIREN (Dalny).	NAGOYA.	SYDNEY.
FENGTIEN (Mukden).	NEW CHANG.	TIENSIN.
HAMBURG.	NEW YORK.	TOKYO.
HANKOW.	OSAKA.	TSINANFU.
HARBIN.	PEKIN.	TSINGTAU.
HONOLULU.	RANGOON.	VLADIVOSTOCK
HONG KONG.	RIO DE JANEIRO.	(temporarily closed).

The Bank buys and receives for collection Bills of Exchange, issues Drafts and Telegraphic Transfers and Letters of Credit on above places and elsewhere, and transacts General Banking Business.

Deposits received for fixed periods at rates to be obtained on application.

LONDON OFFICE:

7, BISHOPSGATE, LONDON, E.C.2. D. NOHARA, Manager.

BANCO ESPAÑOL DEL RIO DE LA PLATA.

BALANCE SHEET—June 30, 1929.

LIABILITIES.	£	ASSETS.	£
Capital subscribed.....	4,365,080	Shareholders (liability on un-called capital)	1,890,391
Reserve funds.....	25,366	Cash.....	4,847,110
Contingency fund.....	1,378,622	Bills discounted, bills receivable and advances in current accounts.....	28,595,753
Deposits.....	33,500,814	Advances on mortgage.....	2,088,734
Rediscouts.....	5,598,391	Loan on Bolsa de Comercio premises in Buenos Aires ..	533,129
Rebate, corresponding to next half-year.....	196,323	Accounts overdue and in process of liquidation.....	2,463,153
Sundries.....	206,367	Furniture and fittings.....	124,832
Profit and loss, less amortization.....	113,504	Bank premises.....	1,188,742
Argentine Government Treasury bills.....	2,837,301	Freehold properties received in payment of advances.....	1,434,970
	48,221,768	Head office.....	83,731
		Branches.....	866,690
		Operations in suspense (branches and agencies) ..	1,225,622
		Securities.....	25,283
		Investments in National Loans—Account contingency fund.....	16,327
		Argentine Government Treasury bills.....	2,837,301
			48,221,768

PROFIT AND LOSS ACCOUNT.

DR.	£	CR.	£
Bad and doubtful debts, furniture and fittings.....	325,198	Balance brought forward	4,324
General charges, legal expenses, salaries and rents.....	740,948	Interest, discount, commission and exchange, less rebate corresponding to next half year.....	894,720
Taxes.....	38,782	Rebate brought forward from previous account.....	208,361
Balance.....	113,504	Dividends and interest on securities.....	111,027
	1,218,432		1,218,432

BANCO DI ROMA.

The report for the year ended December 31, 1929, shows the following allocation of the profits: Net profits as per balance sheet, Lire 18,722,446; to reserves, Lire 5,000,000; leaving Lire 13,722,446. To the board of directors, 3 per cent., Lire 561,673; 5 per cent. to provident fund, Lire 936,122; 1 per cent. at the disposal of the board, Lire 187,225, equalling Lire 1,685,020; leaving Lire 12,037,426; plus balance of profit brought forward from previous year, Lire 1,025,250, making Lire 13,062,676. To the shareholders at the rate of Lire 6 per share, Lire 12,000,000; carry-forward, Lire 1,062,676.

BALANCE SHEET—December 31, 1929.

LIABILITIES.	Lire.	ASSETS.	Lire.
Share capital.....	200,000,000	Cash and funds with the central bank.....	183,481,849
Reserve funds.....	50,000,000	Funds with other banks in Italy and abroad.....	232,253,531
Deposits in current and savings account.....	460,499,804	Portfolio and Treasury bills.....	816,350,708
Deposit securities in current account, per contra.....	104,762,300	Investments.....	215,773,149
Circular cheques.....	83,013,846	Securities in deposit.....	104,762,300
Ordinary cheques.....	7,217,001	Banking participations.....	63,697,394
Balances due to correspondents.....	1,510,175,111	Contingencies.....	203,679,249
Sundry creditors.....	9,112,266	Bank premises.....	29,500,000
Rediscouts.....	4,752,296	Secured advances.....	87,879,382
Acceptances on behalf of customers, per contra.....	78,120,795	Balances due by correspondents.....	498,782,524
Guarantees for third parties, per contra.....	90,874,155	Sundry debtors.....	13,120,234
Profits carried forward from preceding years.....	1,025,250	Cover for acceptances.....	78,120,795
Net profits for current year.....	18,722,446	Liabilities of customers per guarantees.....	90,874,155
Contra accounts: Staff provident fund, Lire 18,648,756; sundry deposits, Lire 918,305,062.....	936,953,818	Contra accounts: staff provident fund, Lire 18,648,756; securities deposited: as collateral, Lire 288,409,638; as guaranty, Lire 6,660,722; in safe custody, Lire 823,234,702.....	936,953,818
Deposits with third parties.....	452,216,599	Deposits as per contra.....	452,216,599
	4,007,445,687		4,007,445,687

PROFIT AND LOSS ACCOUNT.

DR.	Lire.	CR.	Lire.
Running expenses.....	40,478,617	Discount and commissions on inland and foreign bills.....	52,730,283
Fees and taxation.....	7,560,205	Yield of investment securities and participations.....	20,574,955
Interest paid on current accounts.....	13,355,362	Interest on contingencies.....	6,236,539
Rediscouts.....	4,752,296	Rents from bank premises.....	2,026,841
Net profits for the year 1929.....	18,722,445	Sundry interest, profit on exchange and Stock Exchange transactions, commissions.....	3,300,307
	84,868,925		84,868,925

BANK OF LONDON AND SOUTH AMERICA, LIMITED.

According to the annual report, the net profit, after making ample allowance for doubtful debts, income tax and rebate of interest on bills not due, amounts to £435,145 to which has to be added £208,828 brought forward from last year, making a total of £643,973, out of which an interim dividend of 4 per cent., paid in June last, amounted to £141,600. From the unappropriated balance, viz., £502,373, the directors recommend the following distribution:

to dividend of 7 per cent., payable December 23, 1929, making 11 per cent. for the year, subject to income tax, £247,800; to contingency reserve, £45,000; to profit and loss carried forward, £209,573.

BALANCE SHEET—September 30, 1929.

LIABILITIES.	£	ASSETS.	£
Capital issued: 708,000 shares of £5 each, fully paid.....	3,540,000	Cash in hand, at bankers and at call.....	7,120,964
Reserve.....	3,000,000	Bills receivable.....	15,601,538
Current and deposit accounts, &c., and contingency reserve.....	40,991,968	Advanced and other accounts receivable (after making provision for doubtful debts), securities, &c.....	27,095,976
Deposit by Brazilian Trust and Loan Corporation, Ltd.....	69,237	Investment in Brazilian Trust and Loan Corporation, Ltd.....	36,797
Acceptances on account of customers.....	2,453,286	Liability of customers for acceptances, per contra.....	2,453,286
Bills for collection on account of customers.....	14,781,856	Bills for collection, per contra Bank premises and furniture, at cost less amounts written off.....	1,772,230
Rebate of interest on bills not due.....	184,156		
Profit and loss account, as per statement below.....	502,373		
Note.—Contingent liability as endorser of foreign bills discounted £3,942,049 of which £2,805,236 has since run off.....			
	68,862,647		68,862,647

PROFIT AND LOSS ACCOUNT.

DR.	£	CR.	£
Charges at head office and branches.....	1,362,269	Balance brought forward	208,828
Interim dividend.....	141,600	Gross profit after providing for doubtful debts.....	1,815,414
Directors' fees.....	18,000		
Balance carried down.....	502,373		
	2,024,242		2,024,242

BANK OF ROUMANIA, LIMITED.

BALANCE SHEET—December 31, 1929.

LIABILITIES.	£	ASSETS.	£
Capital.....	300,000	Cash in hand and at bankers, London.....	19,882
Reserve account, old, £19,693; new, £60,307.....	80,000	Money at call and short notice.....	195,000
Current accounts, sight drafts, balance of contingency account, &c., sterling.....	213,515	British Treasury Bills.....	40,000
Current accounts, sight drafts, &c., Lei 277,705,730.71 at 817 per £.....	339,909	Investments at market value.....	104,708
Subsidiary company current account, Lei 1,630,373 at 817 per £.....	1,997	Subsidiary companies—investments and advances.....	17,692
		Bills receivable, loans, current accounts, &c., sterling.....	162,749
		Bills receivable, loans, current accounts, &c., Lei 237,810,862.27 at 817 per £.....	291,078
		Cash in hand and at bankers, Bucharest—Lei 81,723,023 at 817 per £.....	100,028
		Property account at cost, less depreciation—Lei 1,865,591 at 817 per £.....	2,284
		Furniture at cost, less amounts written off.....	2,000
	935,421		935,421

PROFIT AND LOSS ACCOUNT.

DR.	£	CR.	£
Directors' fees.....	2,000	Balance of profit, after deducting current expenses, making provision for bad debts, and income tax.....	7,865
Contingency account.....	5,865		
	7,865		7,865
		No profits of subsidiary companies for the past year have been brought into these accounts.....	

BRITISH BANK FOR FOREIGN TRADE, LIMITED.

The scheme of arrangement for writing down the bank's issued capital passed by the shareholders on March 26, 1929, was sanctioned by the High Court on April 30, 1929. Effect has been given to the scheme in the accompanying balance sheet by writing off the adverse balance on profit and loss account shown in last year's accounts, and by writing down investments and loans and advances. Sufficient provision has been made for reducing investments to current value, and in the opinion of the board the loans and advances (of which less than 3½ per cent. are unsecured) are good and recoverable. The year's trading shows a profit of £18,637, which it is proposed to allocate as follows: Reserve for contingencies, £5,000; dividend of 8 per cent. on £48,000 issued capital, £3,840; carry forward to next year's account, £9,797—£18,637.

BALANCE SHEET—April 30, 1929.

LIABILITIES.	£	ASSETS.	£
Capital issued, 48,000 shares of £1 each.....	48,000	Cash in hand, at bankers in London and abroad.....	48,474
Current, deposit and other accounts.....	1,335,144	Premises account.....	46,000
Profit and loss account: profit for year.....	18,637	Investments at cost or under.....	58,151
	1,401,781	Loans and advances.....	1,249,156
			1,401,781

PROFIT AND LOSS ACCOUNT.

DR.	£	CR.	£
Office charges, including rent, salaries, directors' fees, and other expenses.....	15,150	Gross profit.....	33,775
Balance, being profit for year.....	18,637	Transfer fees.....	12
	33,787		33,787

The National Bank of New Zealand, Ltd.

AUTHORISED & SUBSCRIBED CAPITAL - £6,000,000
PAID-UP CAPITAL - £2,000,000 } £4,174,171
RESERVE FUND & UNDIVIDED PROFITS £2,174,171 }
AGGREGATE ASSETS TO 31st MARCH, 1930, £19,214,575

Directors:

HON. W. PEMBER REEVES (Chairman). THE RT. HON. VISCOUNT HAMPDEN, K.C.B., C.M.G.
THE RT. HON. LORD BALFOUR OF BURLEIGH. SIR AUSTIN E. HARRIS, K.B.E.
HENRY F. FRESHWATER, Esq. RICHARD DURANT TROTTER, Esq.

Head Office:—8, MOORGATE, LONDON, E.C.2.

Chief Office in New Zealand:—WELLINGTON.

Manager: ARTHUR WILLIS.

General Manager: J. T. GROSE.

95 Branches and Agencies in New Zealand and Correspondents throughout the World.

The National Bank of New Zealand, Limited, Receives Deposits for fixed periods at rates which may be ascertained on application, and conducts every description of Banking Business connected with New Zealand.

Fonseca, Santos & Vianna

LISBON

FERRIER LULLIN & CIE.

GENEVA.

Established 1795.

Partners: A. LULLIN, F. BOISSIER, J. STRAESSLE, M. FERRIER, J. LULLIN.

Telegraphic Address: "FERULIN, GENEVA."

London Correspondents:

MIDLAND BANK, LIMITED.
SWISS BANK CORPORATION.
Messrs. LAZARD BROTHERS & CO., Ltd.
Messrs. HELBERT WAGG & CO., Ltd.
Messrs. S. JAPHET & CO., Ltd.
Messrs. SELIGMAN BROTHERS.

New York Correspondents:

NATIONAL CITY BANK OF NEW YORK.

Messrs. A. ISELIN & CO.

Messrs. HALLGARTEN & CO.

All kinds of banking business transacted.

BANQUE BELGE POUR L'ETRANGER, S.A.

Limited Company Incorporated in Belgium.
(Filiale de la Société Générale de Belgique.)

CAPITAL (subscribed) Frs. 200,000,000
CAPITAL (paid up) Frs. 158,424,125
RESERVES Frs. 120,000,000

HEAD OFFICE: BRUSSELS, 66, rue des Colonies.

Branches:—PARIS (12, Place de la Bourse), NEW YORK (67, Wall Street), PEKING (PEIPING), SHANGHAI, TIENTSIN, HANKOW.

LONDON OFFICE 4, Bishopsgate, E.C.2.

Manager: A. S. Donnay (Director).

London Committee: Messrs. J. S. Haskell, A. F. Buxton, G. Grinnell Milne, Emile Francoqui, Chevalier de Wouters, F. Haegler (Honorary General Manager), and A. S. Donnay.

AFFILIATED BANKS throughout BELGIUM and LUXEMBURG, and also in FRANCE and GERMANY.
ALLIED BANKS in Austria, Bulgaria, Czechoslovakia, Egypt, Holland, Hungary, Italy (Tyrol), Morocco, Poland, Rumania, Spain and Yugo-Slavia.

CORRESPONDENTS IN ALL PARTS OF THE WORLD.

AGENTS IN THE UNITED KINGDOM FOR THE BELGIAN POSTAL CHEQUE SERVICE.

LETTERS OF CREDIT. COLLECTION OF CLEAN AND DOCUMENTARY DRAFTS.
FOREIGN EXCHANGE business a speciality; FOREIGN CURRENCIES bought and sold for immediate or forward delivery, enabling traders to secure the exchange for their contracts in the currency of the country of their customers.
ALL KINDS OF BANKING BUSINESS UNDERTAKEN.

BANCO NACIONAL ULTRAMARINO.

BALANCE SHEET—December 31, 1929.

LIABILITIES.	Esc.	ASSETS.	Esc.
Capital paid up	50,000,000	Cash in hand	34,583,301
Reserves	65,437,920	Cash with other banks	13,317,423
Sight deposits	158,489,835	Investments	43,472,291
Fixed deposits	176,060,235	Securities (Art. 17 of Decree No. 17,154)	6,706,472
Bills payable	19,476,000	Exchange (bills on abroad, etc.)	28,557
Unclaimed dividends	629,419	Bills (on Portugal) discounted and transfers	113,504,282
4½% bonds issued	895,680	Bills receivable	99,764,642
4½% bonds drawn and payable	6,390	Agents and correspondents—Debit balances:—	
Interest payable on 4½% bonds	8,746	General account	20,583,810
Predial Colonial Bonds 6%, Law of April 27, 1901	359,100	Participation account:—	
Predial Colonial Bonds 6%, drawn and payable, Law of April 27, 1901	14,850	Shares of the Anglo-Portuguese Colonial & Overseas Bank, Ltd., Esc. 74,160,866; shares of the Banque Franco-Portugaise d'Outre-mer, Esc. 19,661,913; shares of Trust Company of North America, Esc. 2,403,926	96,226,705
Agents and correspondents—credit balances	123,620,511	Loans and secured accounts	
Loans and secured accounts—credit balances	778,749	Debit balances (merchandise, bills, stocks, &c.)	97,980,203
Account current—creditors	423,071,635	Account current debtors	460,737,883
Ministry of Colonies (Art. 80 of Decree No. 17,154)	2,990,391	Mortgage loans, Law of April 27, 1901	358,585
Pension fund	1,655,662	Mortgage and municipal loans	1,246,163
Notes in circulation	171,721,951	Bank premises	72,710,684
Creditors for securities deposited (as per contra)	503,431,422	Strong rooms, furniture and fittings	4,782,975
Creditors for securities (shares of the bank) deposited as cover (as per contra)	672,165	Interim dividend in respect of 1929	3,384,436
Sundry impersonal accounts (as per contra)	464,020,144	Sundry accounts	32,979,175
Government Treasury account (as per contra)	53,469,282	Monetary reserve	4,430,858
Profit and loss	14,013,457	Securities deposited (as per contra)	503,431,422
		Securities (shares of the bank) deposited as cover (as per contra)	672,165
		Sundry impersonal accounts (as per contra)	464,020,144
		Government Treasury account (as per contra)	53,469,282
		Head office and branches—Amounts in transit	99,438,539
			2,227,829,997

PROFIT AND LOSS ACCOUNT.

Dr.	Esc.	Cr.	Esc.
Interest on current accounts, sundry interest, commissions, transfers, &c.	42,359,321	Balance brought forward from 1928, after making the distributions approved by the general meeting held on April 27, 1929	697,550
Interest on Predial Colonial Bonds, 4½%, 2nd Semestre 1928, and 1st Semestre 1929	40,652	Interest on bills discounted and secured credits	19,279,487
Difference of exchange in respect of the payment of drawn Predial Colonial bonds and coupons	5,524	Interest on divers accounts, commissions, transfers, &c.	63,838,752
General expenses at head office and branches	12,837,759	Interest and dividends on investments	4,658,794
Medical services	448,301		
Bonus and salaries of the administration and employees	11,098,810		
Legal expenses	392,535		
Taxes	3,328,350		
Statutory contribution to the Government, calculated in accordance with sub-paragraph (f) of Clause 14 of the contract of August 4, 1919, and of sub-paragraph (c) of Article 6 of the contract of December 27, 1926 (from January 1 to August 4, 1929), and sub-paragraph (a) of Article 8 of the contract of August 5, 1929 (from August 5 to December 31, 1929)	2,156,649		
Engraving and stamping of notes and printing work	1,793,225		
Balance	14,013,457		
	88,474,583		88,474,583

BANK FOR RUSSIAN TRADE, LIMITED.

BALANCE SHEET—December 31, 1929.

LIABILITIES.	£	ASSETS.	£
Capital	550,000	Cash in hand and with bankers in London	629,600
Reserve	210,000	Cash with bankers abroad (United States of America, Germany, &c.)	163,671
Loans against investments and other security	989,738	Bills discounted	655,788
Current, deposit and other accounts (including balance of profit and loss account and provision for taxation and contingencies)	1,490,318	Investments (British Government securities)	643,942
Acceptances and endorsements on account of customers against deposit of investments and other security of £221,073 10s. 1d.	1,659,459	Loans, advances and other accounts	1,147,054
Bills rediscounted	2,704,231	Liabilities of customers for acceptances and endorsements, as per contra	1,659,460
Guarantees and other engagements for account of customers	729,225	Liabilities of customers on bills rediscounted, as per contra	2,704,231
Bills and documents for collection, per contra	1,374,466	Liabilities of customers on guarantees and other engagements, as per contra	729,225
	9,707,437	Bills and documents for collection	1,374,466
			9,707,437

THE BANK OF TAIWAN, LIMITED.

BALANCE SHEET—December 31, 1929.

LIABILITIES.	Yen.	ASSETS.	Yen.
Capital subscribed	15,000,000	Cash account—	
Notes in circulation	49,247,077	In hand	6,687,743
Deposits, &c.	245,685,746	At bankers	4,944,157
Bills payable	63,341,471	Bullion and foreign money	16,429,174
Bills rediscounted	101,760,945	Bills discounted, loans, &c.	281,823,145
Acceptances and guarantees, &c.	13,952,445	Interest bills, bills bought and export advances	39,903,974
Due to correspondents	2,286,442	Acceptances and guarantees, &c.	13,952,445
Dividend unclaimed	39,987	Government bonds, &c.	113,543,411
Profit and loss: Profit for the half-year, Yen 503,537; less loss, brought forward, Yen £489,004; net profit carried forward	14,533	Due from correspondents	3,008,195
	491,328,646	Bank's premises, &c.	9,161,405
		Capital unpaid	1,875,000
			491,328,646

BANQUE BELGE POUR L'ETRANGER.

BALANCE SHEET—June 30, 1929.

LIABILITIES.	Frs.	ASSETS.	Frs.
Capital	200,000,000	Premises	9,000,000
Reserves	110,000,000	Shareholders' liability	52,955,812
Sundry creditors—		Cash in hand and with bankers	777,993,914
Current account	2,319,087,218	Bills receivable	667,345,135
Deposit account	1,979,720,814	Sundry debtors—	
Note issue in China	11,212,473	Bankers	1,275,973,925
Obligations	4,500,000	Customers	1,615,795,307
Acceptances	803,820,705	Government and government guaranteed securities and Treasury bills	60,874,034
Profit and loss account	30,594,810	Shares in allied or affiliated banks	171,254,610
		Financial participations	23,922,578
		Liability of customers on acceptances	803,820,705
			5,458,936,020

PROFIT AND LOSS ACCOUNT.

Dr.	Frs.	Cr.	Frs.
Reserves	10,000,000	Balance brought in	1,414,400
Provision for taxes	1,500,000	Net profit of the business	29,180,410
Dividend, free of tax	15,842,412		
Directors' fees (tantumies)	1,798,235		
Balance forward	1,454,163		
	30,594,810		30,594,810

BANQUE DU CONGO BELGE.

BALANCE SHEET—June 30, 1929.

LIABILITIES.	Frs.	ASSETS.	Frs.
Capital	20,000,000	Property and premises	6,989,000
Reserves	43,250,000	Furniture and fixtures	979,000
Notes	166,124,748	Cash in hand and at bank	348,058,081
Due to Colonial Treasury	7,221,927	Government securities	58,418,101
Creditors	546,640,877	Bills receivable	265,650,370
Bills payable	6,951,986	Current accounts, &c.	110,045,637
Profit and loss	3,884,153	Sundries	3,933,522
	794,073,691		794,073,691

BANQUE NATIONALE DE CRÉDIT.

BALANCE SHEET—December 31, 1929.

LIABILITIES.	Fr.	ASSETS.	Fr.
Capital	262,500,000	Cash, at Bank of France and in Treasury	391,967,159
Legal reserve	26,250,000	Cash at banks	687,340,053
Supplementary reserve	72,106,482	Commercial bills and National defence bonds	2,861,862,364
Premises reserve	25,000,000	Coupons	147,680,918
Deposit and current accounts	5,126,702,788	Advances against security	605,866,629
Cheques payable	89,829,253	Current accounts	828,659,088
Acceptances	334,049,006	Securities	25,517,407
Sundry accounts	28,315,124	Investments	7,488,835
Profit and loss	43,950,142	Acceptances	334,049,006
	6,008,702,795	Sundry accounts	36,271,336
		Premises	80,000,000
			6,008,702,795

THE BRITISH OVERSEAS BANK, LIMITED.

BALANCE SHEET—October 31, 1929.

LIABILITIES.	£	ASSETS.	£
Capital fully paid: 200,000 "A" ordinary shares of £5 each, £1,000,000; 200,000 "B" ordinary shares of £5 each, £1,000,000	2,000,000	Cash in hand and at bankers	278,234
Current, deposit, and other accounts	5,113,907	Balances with bankers abroad	2,281,669
Amounts owing to subsidiary companies	100	Bills discounted	310,425
Reserve fund	225,000	Government securities	1,000,397
Acceptances, &c., for account of customers (per contra)	4,659,312	Investments in subsidiary companies	56,925
Balance of profit and loss account	58,130	Other investments, including shareholding interests in foreign banks	548,727
(NOTE.—Contingent liability on account of endorsements on bills discounted, £1,011,784.)	12,056,449	Advances to customers and other accounts	2,161,390
		Amounts owing from subsidiary companies	114,409
		Liability of customers for acceptances, &c. (per contra)	4,659,311
		Premises at cost, £382,759; less depreciation, £42,865	339,894
			12,056,449

PROFIT AND LOSS ACCOUNT.

Dr.	£	Cr.	£
Interim dividend on the "A" ordinary shares at the rate of 6 per cent. per annum, and income tax thereon	30,000	Balance brought forward	58,202
Final dividend on the "A" ordinary shares at the rate of 6 per cent. per annum, and income tax thereon	30,000	Profit, after allowing rebate of interest and providing for all bad and doubtful debts, and income tax, for the year ended October 31, 1929, £167,928; less directors' fees, £8,000	159,928
Dividend on the "B" ordinary shares at the rate of 6 per cent. per annum, and income tax thereon	60,000		
Reserve fund	25,000		
Reduction of premises account	5,000		
Pensions and allowances fund	10,000		
Balance carried to balance sheet	58,130		
	218,130		218,130

GILLETT BROTHERS DISCOUNT CO., LTD.

27, CLEMENTS LANE, E.C.4.

BALANCE SHEET, 31st July, 1930.

LIABILITIES.	£	s.	d.	ASSETS.	£	s.	d.
CAPITAL AUTHORIZED—				CASH AT BANKERS AND IN HAND	81,649	10	5
20,000 "A" Shares of £5 each, 100,000 0 0				BRITISH AND INDIAN GOVERNMENT SECURITIES (Maturing 1932-1934)	279,200	0	0
10,000 "B" Shares of £10 each, 100,000 0 0				BILLS DISCOUNTED (including re-discounts)	11,632,839	19	5
20,000 "C" Shares of £5 each, 100,000 0 0				LOANS ON SECURITY AND SUNDRY ACCOUNTS	273,319	11	10
				NOTE.—Assets of the face value of £11,961,378 5s. 2d. are held by Depositors and others as Cover for Liabilities per contra.			
ISSUED FULLY PAID—							
20,000 "A" Shares of £5 each, 100,000 0 0							
10,000 "B" Shares of £10 each, 100,000 0 0							
RESERVE FUND—							
DEPOSITS, LOANS, BILLS re-discounted and Sundry Accounts, including Rebate on Bills, Investments Reserve Fund and Balance of Profit and Loss Account	11,947,009	1	8				
	£12,267,009	1	8				
				J. R. BETHELL, } Directors.			
				O'NEILL, }			
					£12,267,009	1	8

We report to the Members that we have obtained all the information and explanations we have required. We have verified the Securities representing Investments of the Company, those held against Loans made by the Company, and all Bills discounted in hand. We have also verified the Cash Balances and vouched the Securities and Bills given as collateral Security for Loans, and we have now to report to the Members that the foregoing accounts agree with the books, and that, in our opinion, the above Balance Sheet is properly drawn up, so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given to us, and as shown by the books of the Company.

GRACE BROTHERS & COMPANY LIMITED

BANKERS

147, LEADENHALL STREET
LONDON, E.C.3.9, TITHEBARN STREET
LIVERPOOL

CAPITAL (PAID UP) AND RESERVE £1,115,000

GENERAL BANKING
COMMERCIAL AND TRAVELLERS' CREDITS
FOREIGN EXCHANGE

THE BANK OF AUSTRALASIA.

(Incorporated by Royal Charter, 1835.)

Head Office: 4 THREADNEEDLE STREET, LONDON, E.C.2.

West End Branch: 17 NORTHUMBERLAND AVENUE, W.C.2.

Paid-up Capital	£4,500,000
Reserve Fund	4,475,000
Reserve Liability of Proprietors under the Charter	4,500,000
	£13,475,000

DIRECTORS:

RIGHT HON. LORD ALDENHAM.	T. R. JOHNSON, Esq.	HAROLD NELSON, Esq.
CHARLES EDWARD BARNETT, Esq.	FREDERICK V. C. LIVINGSTONE.	HORACE PEEL, Esq.
J. F. G. GILLIAT, Esq.	LEARMONTH, Esq., D.S.O.	JOHN SANDERSON, Esq.
KENNETH GOSCHEN, Esq.	RIGHT HON. THE EARL OF	ARTHUR WHITWORTH, Esq.
CHARLES GIPPS HAMILTON, Esq.	MIDLETON, K.P.	

Numerous Branches throughout the States of VICTORIA, NEW SOUTH WALES, QUEENSLAND, SOUTH AUSTRALIA, WESTERN AUSTRALIA, TASMANIA, and the Dominion of NEW ZEALAND.

Letters of Credit and Bills of Exchange granted. Bills Negotiated or sent for Collection. Telegraphic Transfers made. Banking Business of every description transacted with Australia and New Zealand.

Deposits received in London at interest for fixed periods on terms which may be ascertained at the Office.

THE PIONEER LIFE ASSURANCE COMPANY, LTD.

Chief Offices: 67, Dale Street, LIVERPOOL.

Established 1891.

Life Assurance Funds:
Exceed £750,000.
Total Claims Paid:
Exceed £1,250,000

THE BANK OF ADELAIDE

(Incorporated with Limited Liability in Australia.)

EST. 1865

Paid-up Capital	£1,250,000
Reserve Fund	1,000,000
	£2,250,000
Reserve Liability of Shareholders	1,250,000
	£3,500,000

Head Office: Adelaide, South Australia.

MELBOURNE OFFICE: 267, COLLINS STREET.

SYDNEY OFFICE: 279, GEORGE STREET.

BRISBANE OFFICE: 305, QUEEN STREET.

PERTH (Western Australia) OFFICE: ST. GEORGE'S TERRACE.

FREMANTLE OFFICE: 78/80, HIGH STREET.

London Office:

11, LEADENHALL STREET, E.C.3.

Bills on Australasia purchased or collected. Drafts and Letters of Credit issued, and Remittances cabled. Accounts opened in Australia for Overseas Banks. Every other description of Banking and Exchange business transacted. Enquiries regarding Australian Trade invited.

THE BRITISH BANK OF SOUTH AMERICA, LIMITED.

The report for the financial year ended December 31, 1929, states that the gross profits, after allowing for rebate of interest on current bills and drafts, for interest on deposits, and after making ample provision for bad and doubtful debts and contingencies, amount to £314,363; this, with the balance of £108,648 brought forward from the previous year, makes £423,011. After deducting all charges at the head office and branches, including directors' remuneration, government taxes in Brazil, &c., amounting to £214,386, there remains £208,625 available. A dividend on account of 10s. per share, amounting to £50,000, was paid in September last, and it is recommended that a further dividend of 10s. per share, amounting to £50,000, be now declared, making, for the year, a distribution of 20s. per share, or 10 per cent., subject to income tax, on the paid-up capital of the bank of £1,000,000. After making this transfer and paying this dividend, there will remain the sum of £108,625, which the directors propose to carry forward.

BALANCE SHEET—December 31, 1929.

LIABILITIES.		ASSETS.	
£		£	
Capital: 100,000 shares of £20 each, £10 paid	1,000,000	Cash in hand, and at bankers ..	2,789,698
Reserve	1,000,000	Bills receivable in hand	1,283,201
Current and deposit accounts ..	4,990,599	Investments	333,094
Bills payable	7,054	Other accounts	4,417,642
Other accounts	2,306,011	Balance in account with subsidiary company ..	49,785
Bills for collection	1,473,155	Shares in subsidiary company at cost ..	2,227
Profit and loss account, as per statement below	158,625	Freehold and leasehold premises and furniture at cost, less amounts written off ..	580,731
		Bills for collection as per contra. The contingent liability on bills re-discounted at the date of the balance sheet was £1,228,768 0s. 7d., of which £1,217,482 5s. 10d. has since run off.	1,473,156
	10,935,444		10,935,444

PROFIT AND LOSS ACCOUNT.

DR.	£	CR.	£
General charges at head office and the branches, including Government taxes in Brazil, &c.	208,796	Balance from last account	108,648
Directors' remuneration	5,590	Gross profits, after allowing for rebate of interest on current bills and drafts, interest on deposits, and after making ample provision for bad and doubtful debts and contingencies	314,363
Dividend on account for the half year ended June 30, 1929 ..	50,000		
Balance carried down	158,625		
	423,011		423,011

THE BRITISH ITALIAN BANKING CORPORATION, LIMITED.

According to the report of the directors presented at the general meeting on May 20, 1930, the net profits for the year 1929, after making provision for bad and doubtful debts, amount to £25,022, which the directors propose to carry forward to new account. The directors have utilised the amount carried forward from 1928, and other provisions previously made, for the purpose of writing down

the investments by £50,000 to £149,418 (which compares with the market value of £165,424), and of increasing the reserve account by £75,000 to £300,000.

BALANCE SHEET—December 31, 1929.

LIABILITIES.		ASSETS.	
£		£	
Capital—Issued, 50,000 shares of £20 each fully paid	1,000,000	Cash in hand	2,238
Reserve account	300,000	Cash at call and short notice ..	585,000
Current, deposit and other accounts, including rebate of bills and provision for contingencies	3,648,540	Balances with bankers in London ..	192,692
B. I. Holding Co., Ltd., current and deposit account balances ..	84,995	Balances with bankers abroad ..	15,103
Acceptances, confirmed credits and guarantees—Acceptances, £2,130,521; confirmed credits, £98,800; guarantees, £2,760	2,232,081	Bills receivable	97,032
Profit and loss account, balance as per account below	25,022	Investments at cost, £199,418, less transfer from contingencies account, £50,000	149,418
NOTE.—There were contingent liabilities on December 31, 1929 (1) on foreign exchange contracts amounting to £918,893; (2) on endorsements amounting to £50,605; (3) under a conditional contract of indemnity relating to debenture stock of B.I. Holding Co., Ltd., limited to £1,500,000 and postponed to all present and future creditors.		Market value, Dec. 31, 1929, £165,424; uncalled liability, £6,974 ..	
		Advances to customers and other accounts—Banca Italo-Britannica, £2,992,189 (since reduced to £1,848,617); other customers, £992,891 (including £761,291 owing by the B. I. Holding Co., Ltd., for shares sold to them) ..	3,985,081
		Liabilities of customers for acceptances, confirmed credits and guarantees as per contra ..	
		—Foreign banks, £1,018,843; Banca Italo-Britannica (on account of their customers), £608,504; other customers, £504,734 ..	2,232,081
		Premises account at cost, less amounts written off	31,992
		Office furniture at cost, less amounts written off	1
	7,290,638		7,290,638

PROFIT AND LOSS ACCOUNT.

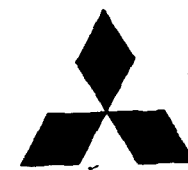
DR.	£	CR.	£
Administration and general expenses, office furniture and other charges, including provision for doubtful debts and income tax ..	66,644	Gross profit brought in, after deducting rebate on bills and commission	94,230
Directors' remuneration	2,564		
Balance carried to balance sheet ..	25,022		
	94,230		94,230

THE CHASE NATIONAL BANK.

BALANCE SHEET—June 30, 1930.

LIABILITIES.		ASSETS.	
\$		\$	
Capital	148,000,000	Cash and due from banks ..	710,978,189
Surplus	148,000,000	Loans and discounts	1,424,572,620
Undivided profits	63,318,481	United States Government securities	227,198,418
Reserved for taxes, interest, &c.	7,209,141	Other securities	117,381,073
Dividend payable July 1, 1930 ..	5,550,000	Real estate	34,647,400
Deposits	2,065,434,800	Redemption fund—United States Treasurer ..	386,825
Circulating notes	7,656,300	Customers' acceptance liability, \$161,235,573; less amount in portfolio, \$28,919,784 ..	132,315,789
Acceptances, \$164,732,099; less amount in portfolio, \$28,919,784 ..	135,812,315	Other assets	1,478,030
Liability as endorser or maker on acceptances and foreign bills ..	64,703,467		
Other liabilities	3,273,840		
	2,648,958,344		2,648,958,344

This statement does not include the statements of any of the organizations affiliated with the Chase National Bank.



THE MITSUBISHI BANK, LTD.

(Incorporated in Japan.)

Subscribed Capital: Yen 100,000,000.

Paid-up Capital: Yen 62,500,000. Reserve Funds: Yen 40,000,000.

General Banking and Foreign Exchange Business. Deposit Rates on Application.

Head Office: TOKYO.

Branches: TOKYO, OSAKA, KOBE, KYOTO, NAGOYA, OTARU, SHANGHAI, DAIREN, NEW YORK, LONDON.

London Office: 3, BIRCHIN LANE, CORNHILL, E.C.3.

THE PHILADELPHIA NATIONAL BANK

Organized 1803.

The Philadelphia National Company (Affiliate),
Combined Capital and Surplus \$55,500,000.

The Largest Bank in the State of Pennsylvania.

Complete International Banking Service of every Description.

LONDON CORRESPONDENTS:

Barclays Bank, Ltd.
Lloyds Bank, Ltd.Westminster Bank, Ltd.
Midland Bank Ltd.

National Provincial Bank, Ltd.

PANSTWOWY BANK ROLNY
(THE STATE LAND BANK).Head Office: 50, Nowogrodzka str., WARSAW.
Branches throughout Poland.

Telegraphic Address: "Centropobol."

Capital paid up - - - Zlotys 130,000,000
(£3,000,000)THE STATE LAND BANK
promotes the rural economic development;

Supplies to the rural holdings long-term credit for agricultural investments and improvements, as well as short-term credit for turnover.

The State Land Bank transacts banking business of every description. The 7 per cent. Mortgage Bonds and Debenture Bonds of the State Land Bank are expressed in gold zlotys and in foreign currencies, are secured by the total assets of the Bank, by land mortgage, and by the guarantee of the State.

BANCO CENTRAL DE BOLIVIA

formerly

BANCO DE LA NACION BOLIVIANA

Established 1911

OPERATES AS A CENTRAL BANK OF ISSUE, DISCOUNT, DEPOSIT AND EXCHANGE
THROUGHOUT THE REPUBLIC OF BOLIVIA.AUTHORISED CAPITAL - Bs.30,000,000.
PAID-UP CAPITAL - - - Bs.25,809,900.
RESERVE FUND - - - Bs.6,166,655.88.

Telegraphic Address: "NAVIANA."

Head Office: LA PAZ.

BRANCHES:

Cochabamba, Oruro, Potosi, Riberalta, Santa Cruz, Sucre, Tarija, Trinidad.

Collection of drafts handled at the most favourable terms.

Specially prepared to grant facilities for the DEVELOPMENT of the ECONOMIC
RELATIONS between the REPUBLIC OF BOLIVIA and all FOREIGN COUNTRIES.

The Bank grants special facilities to Travellers proceeding to Bolivia.

CORRESPONDENCE INVITED.

COMMERCIAL BANK OF SPANISH AMERICA
LIMITED.

BALANCE SHEET—June 30, 1929.	
LIABILITIES.	ASSETS.
Capital issued, 500,000 shares of £1 each, fully paid	Cash at bankers and in hand
500,000	470,125
Surplus and undivided profits	Advances, etc.
56,110	56,110
Sight drafts	Bank premises
2,371	586
Bills for collection	Bills for collection, per contra
42,238	42,238
Current deposit and other accounts (including balance of profit and loss account)	
24,450	
569,059	569,059

THE COMMERCIAL NATIONAL BANK AND
TRUST COMPANY OF NEW YORK.

BALANCE SHEET—December 31, 1929.	
LIABILITIES.	ASSETS.
Capital stock	Cash on hand, in Federal Reserve Bank and due from banks and bankers
7,000,000	57,634,521
Surplus and undivided profits	U.S. Government bonds and certificates
8,790,490	8,450,816
Reserve for taxes, interest, &c.	Other bonds and investments
1,035,540	69,415,778
Liability as acceptors, endorser, or shakers on acceptances and foreign bills	Loans and discounts
32,898,871	Customers' liability on acceptances (exclusive of acceptances discounted and anticipations)
1,034,408	13,895,588
Deposits	Interest accrued and other assets
101,767,352	406,805
152,526,661	152,526,661

COMMERCIAL BANK OF THE NEAR EAST,
LIMITED.

The following is a statement of the profits for the year 1929: Net profit for the year, £10,467; add balance brought forward from the year ended December 31, 1928, £366—£10,833. Deduct interim dividend at 6 per cent. per annum, less income tax, for the half-year ended June 30, 1929, which was paid on September 2, 1929, £4,800, leaving a balance of £6,033. The directors recommend the distribution of this amount as follows: Transfer to reserve fund, including the 5 per cent. required by the articles of association, £1,000; payment of a final dividend for the half-year to December 31, 1929, at the rate of 6 per cent. per annum, less income tax at 4s. per £, making a total payment for the year of 6 per cent., £4,800; carry forward to the current year, £233—£6,033.

BALANCE SHEET—December 31, 1929.	
LIABILITIES.	ASSETS.
Share capital issued and fully paid: 40,000 shares of £5 each 200,000	Cash in hand and at London bankers
Reserve fund	18,500
14,000	Money at call
Current deposit and other accounts	60,000
294,588	Remittances in transit
129,119	17,133
Bills for collection, per contra	Balances with foreign bankers and correspondents
20,435	20,435
Acceptances, endorsements, &c., on behalf of customers	Bills discounted
39,942	62,131
Profit and loss account	Investments: British Government securities, whereof £3,000 held for account of provident fund, £56,025; foreign Government securities, whereof £4,845 held by Commercial Bank of Greece, £34,342; shares of Commercial Bank of Greece (held by that bank), £1,265; securities held by branches
6,034	104,578
	Advances to customers and other accounts
	230,059
	Bills for collection
	129,119
	Liability of customers for acceptances, endorsements, &c., per contra
	39,942
	Furniture and fittings (at cost, less amounts written off)
	1,786
683,683	683,683

PROFIT AND LOSS ACCOUNT.	
DR.	CR.
Directors' fees	Profit after making provision for bad and doubtful debts and rebate
1,100	13,075
Income tax	
1,508	
Balance carried to balance sheet	
10,467	
13,075	13,075

THOS. COOK & SON (BANKERS), LIMITED.

BALANCE SHEET—October 31, 1929.	
LIABILITIES.	ASSETS.
Capital issued, 250,000 shares of £1 each, 10s. paid	Cash at bankers and in hand
125,000	457,907
Reserve fund	Currencies in hand
110,000	46,482
Current deposit and other accounts, including liability on travellers' cheques, letters of credit, and drafts sold; rebate on bills not due, provision for bad and doubtful debts, contingencies, &c., and the balance of profit and loss account	Remittances in transit
3,069,061	340,390
	Money at call and short notice
	490,508
	Bills discounted
	1,214,272
	Investments: British Government securities, £240,774; Corporation and county stocks, Great Britain, £8,341; Indian and Colonial Government securities, £147,297; Foreign Government and other securities, £13,728
	408,140
	Advances to customers and other accounts
	290,235
	Bank premises and furniture
	56,127
	Bills receivable for collection, &c., as per contra
	88,162
3,392,223	3,392,223

CITY BANK FARMERS TRUST COMPANY.

BALANCE SHEET—June 30, 1930.	
LIABILITIES.	ASSETS.
Capital	Due from banks and bankers
10,000,000	40,422,196
Surplus	Loans and other secured advances
10,000,000	1,041,598
Undivided profits	United States Government bonds
3,777,906	7,169,000
Deposits	Other bonds, mortgages and securities
43,996,530	17,437,169
Reserves for dividends, interest, taxes and expenses	Other assets
2,001,673	3,706,146
69,776,109	69,776,109

COMPTOIR NATIONAL D'ESCOMPTE DE PARIS.

BALANCE SHEET—March 31, 1930.	
LIABILITIES.	ASSETS.
Current and deposit accounts	Cash in hand and at bank
8,867,858,776	710,106,369
Fixed deposits	Bills of exchange discounted and French Treasury bills
138,800,760	5,570,994,528
Acceptances	Credit balances with banking correspondents
254,353,474	1,801,242,136
Sundry accounts	Advances against collateral
223,624,713	495,826,657
Reserves	Investments
426,287,013	7,655,502
Capital	Current accounts
400,000,000	1,301,388,210
	Liability of customers on acceptances
	254,266,019
	Branches abroad
	57,094,867
	Sundry accounts
	81,350,446
	Bank premises
	15,000,000
	Interim dividend paid for 1929
	16,000,000
10,310,924,736	10,310,924,736

CREDIT FONCIER D'ALGERIE ET DE TUNISIE.

BALANCE SHEET—December 31, 1929.	
LIABILITIES.	ASSETS.
Capital	Cash
150,000,000	78,797,820
Reserves	Bills
29,336,749	1,308,830,620
Superannuation fund	Correspondents
410,000	159,859,664
Crédit Foncier d'Orient	Investments
180,631,637	39,156,051
Crédit Foncier d'Orient	Premises, &c.
19,308,500	49,368,220
Caisse Hypoth. d'Egypte	Caisse de Prêts Immobiliers de Maroc
30,000,000	2,166,667
Current and deposit accts.	Crédit Foncier de France
1,273,912,801	180,631,637
Deposits	Crédit Foncier d'Orient
445,186,942	45,649,449
Correspondents & creditors	Caisse Hyp. d'Egypte
193,896,781	120,943,475
Acceptances, &c.	Advances against securities
45,940,053	322,538,504
Sundry accounts	Current accounts
10,252,700	48,800,463
Dividends payable	Syndicates
9,616,206	32,301,902
Profit and loss	Cover for acceptances
612,125	
2,389,104,472	2,389,104,472

PROFIT AND LOSS ACCOUNT.	
DR.	CR.
Reductions	Brought forward
4,769,260	584,862
Interest on deposit and current accounts, &c.	Discount
34,072,296	4,377,799
Costs of administration, taxes and fees	Net profit on banking operations
47,815,643	95,692,025
Written off furniture	Income from real property
1,326,618	723,595
87,983,817	1,240,148
Profits—	
Brought fwd.	
584,862	
Net profits, 1929	
14,049,750	
14,634,612	
102,618,429	102,618,429

CRÉDIT LYONNAIS.

BALANCE SHEET—July 31, 1930.	
LIABILITIES.	ASSETS.
Deposits at call	Cash in hand and at banks
5,728,594,237	1,045,940,747
Current accounts	Bills discounted & French Treasury bills
6,799,497,971	8,626,235,330
Accounts payable after collection	Loans and advances
244,449,303	454,529,822
Acceptances	Current accounts
475,891,767	5,131,025,859
Deposits for fixed periods	Investments
688,100,605	4,384,616
Sundry liabilities	Sundries
459,219,290	356,954,280
Profit and loss	Premises
50,217,481	35,000,000
Reserve fund	
800,000,000	
Capital fully paid	
408,000,000	
15,654,070,654	15,654,070,654

CREDITO ITALIANO.

BALANCE SHEET—December 31, 1929.	
LIABILITIES.	ASSETS.
Capital	Cash and balances at call
354,888,850	421,185,023
Reserve fund	Bills receivable on Italy, England and other countries
210,000,000	2,444,549,388
Deposits and savings accts.	Loans against collateral securities
1,187,878,336	602,322,906
Current accounts	Current accounts
4,083,572,691	1,836,355,348
Acceptances on account of customers	Liabilities of customers for acceptances
301,329,180	301,329,180
Cheques outstanding	Investments
166,660,482	286,060,656
Sundry creditors	Participations
52,180,766	224,031,339
Guarantees on account of customers	Freehold bank premises
268,261,855	12,500,000
Rebate on bills receivable maturing next year	Sundry debtors
20,098,089	304,025,850
Net profit	Customers' liabilities against guarantees
57,751,296	268,261,855
Clerks' provident fund as per contra	Securities belonging to Clerks' Provident Fund
45,418,543	45,418,543
6,748,040,088	6,748,040,088

THE COMMERCIAL BANK OF
AUSTRALIA, LIMITED.

(INCORPORATED IN VICTORIA, AUSTRALIA.)

Registered Capital	£5,000,000	0s.	0d.
Subscribed Capital	£4,040,749	7s.	6d.
Reserve Fund (used in the business)	£2,160,000	0s.	0d.

DIRECTORS:

John L. Webb, Esq., Chairman.
R. C. Meares, Esq. George Kettlewell, Esq.
A. W. Palfreyman, Esq. W. H. Swanton, Esq.
General Manager: C. H. Tranter.
Chief Inspector: E. T. Bailey.

HEAD OFFICE: 335-7-9, COLLINS ST., MELBOURNE.

Manager: R. D. Kennan. Accountant: G. A. Malloch.

LONDON OFFICE: 17, MOORGATE, E.C.2.

LONDON BOARD:

George Niven, Esq. Joseph White, Esq.
Manager: P. H. Gardner.

DRAFTS AND LETTERS OF CREDIT are issued by the London Office on the Head Office of the Bank and the Branches throughout Australia and New Zealand.

REMITTANCES made by CABLE TRANSFER, BILLS NEGOTIATED or sent for COLLECTION, BANKING and EXCHANGE BUSINESS of every description transacted with the various Australian States and New Zealand.

THE AUSTRALIAN BANK OF
COMMERCE, LIMITED

(Incorporated in New South Wales.)

Authorised Capital	£5,000,000
Capital Subscribed and Paid-up	£2,208,000
Reserve Fund	£1,111,880
Aggregate Assets, June 30, 1930	£17,765,510

DIRECTORS:

SIR MARK SHELDON, K.B.E., Lt.-Col. T. L. F. RUTLEDGE,
Chairman. JAMES KELL,
FRANK N. YARWOOD. HERBERT R. LYSAGHT,
GEO. J. SLY, LL.D. O.B.E.

LONDON BRANCH DIRECTORS:

ALFRED SHEPHERD,
HARRY TABOR, BROOKS.
GENERAL MANAGER:
C. M. C. SEANNOON, Sydney.
FOREIGN DEPARTMENT:
A. J. CARROLL, Manager.

HEAD OFFICE: SYDNEY, NEW SOUTH WALES.
GEORGE H. HOWELL, Manager, with 148 Branches and Agencies in New South Wales.

BRISBANE OFFICE:
G. E. ALEXANDER, Manager, with 24 Branches and Agencies in Queensland.

MELBOURNE OFFICE: 325, Collins Street.
M. BURTON FINNEY, Manager.

ADELAIDE OFFICE: 35, Rundle Street.
R. T. MOODIE, Manager.

PERTH, W.A. OFFICE: 73, St. George's Terrace.
K. V. E. DOUGLAS, Manager, and one branch.

LONDON OFFICE: 62, Bishopsgate, E.C.2.
ARTHUR F. JENKINS, Manager.

The London Office is prepared to transact every description of Banking Business, including:—

CURRENT ACCOUNTS opened.
FIXED DEPOSITS received for periods of one month and upwards at rates of interest ascertainable on application.
ADVANCES MADE on approved securities, and against shipments of all kinds of marketable produce and merchandise.
MAIL AND TELEGRAPHIC remittances made to all parts of the world.
DRAFTS issued at current rates of exchange.
FOREIGN or other Bills negotiated or collected.
The issue of LETTERS OF CREDIT, Circular or Commercial.

For the convenience of its Customers the Bank has special arrangements, where not directly represented, with other Banks throughout Australasia, New Zealand, the United Kingdom, the Far East and elsewhere, whereby it is able to carry out all requirements with promptitude and to best advantage.

THE
BANK OF INDIA
LIMITED

ESTABLISHED 7th SEPTEMBER, 1906.

CAPITAL SUBSCRIBED ..	Rs. 2,00,00,000
CAPITAL PAID UP ..	" 1,00,00,000
RESERVE FUND ..	" 90,00,000

HEAD OFFICE:—ORIENTAL BUILDINGS, BOMBAY.

BRANCHES:—CALCUTTA, AHMEDABAD, BULLION
EXCHANGE (Shaikh Memon Street, Bombay).
BANDRA near BOMBAY, POONA.

LONDON AGENTS:
The Westminster Bank, Ltd.

DIRECTORS:

Sir Cowasjee Jehangir, Baronet (Messrs. J. Cowasjee Jehangir & Co., Ltd., Bombay), Chairman.
Mr. F. E. Dinshaw (Messrs. Payne & Co., Bombay).
Mr. Ambalal Sarabhai (Ahmedabad).
Sir Joseph Kay, Knight, (Messrs. W. H. Brady & Co., Ltd., Bombay).
Mr. Andrew Geddis (Messrs. James Finlay & Co., Ltd., Bombay).
Sir Dinshaw Petit, Baronet (of Messrs. D. M. Petit Sons & Co., Bombay).
Sir Chunilal V. Mehta, K.C.S.I., of Bombay.
Mr. Paliram Mathradas (Messrs. Ramnath Sons, Ltd., Bombay).

Current Deposit Accounts.—From 25th December to 25th June, interest is allowed at 2½% on daily balance, Rs. 300 to Rs. 1,00,000. From 25th June to 25th December interest is allowed at 2% on daily balance. On sums exceeding Rs. 1,00,000 interest is allowed by special arrangement. No interest will be allowed which does not amount to Rs. 3 per half-year.

Fixed Deposits.—Deposits are received fixed for one year or for shorter periods at rates of interest which can be ascertained on application.

Savings Bank.—Accounts opened on favourable terms. Rules on application.

The Bank undertakes Executor and Trustee Business.—Rules may be obtained on application.

General Banking Business transacted, rules for which can be obtained upon application.
A. G. GRAY, Manager.

THE MERCANTILE BANK
OF INDIA, LIMITED.

HEAD OFFICE:

15, GRACECHURCH ST., LONDON, E.C. 3

Authorised Capital ...	£3,000,000
Paid-up Capital ...	£1,050,000
Reserve Fund and Undivided Profits ...	£1,646,506

Branches and Agencies in:
INDIA, CEYLON, BURMA, SIAM,
STRAITS SETTLEMENTS, CHINA,
PORT LOUIS, MAURITIUS, and
DUTCH EAST INDIES.

The Bank buys and sells Bills of Exchange, issues Letters of Credit, and conducts every description of Banking Business both at Home and Abroad.

FIXED DEPOSIT RATES
will be quoted upon application.

EXECUTORSHIPS and TRUSTEESHIPS accepted.

On CURRENT ACCOUNTS interest is allowed at 2 per cent. per annum on Daily Balances, provided accrued interest for the half-year amounts to £1.

JAMES STEUART, Chief Manager.

PROFIT AND LOSS ACCOUNT.			
DR.	Li.	CR.	Li.
Interest	39,521,143	Balance brought forward	
Taxes	19,768,109	from 1928	6,068,821
Rebate on bills	20,098,090	Discount	181,601,359
General charges	93,092,474	Interest and dividends on	
Clerks' Provident Fund	2,769,305	investments	18,180,719
Distribution of net profits.—		Sundry interest	7,345,921
Statutory reserve (10 per		Rent of freehold premises	5,870,375
cent. on £1,682,474.90)		Commission on exchange	6,232,948
£1,682,474.90; directors,		Profits on stocks, participa-	
£1,860,569; share-		tions, &c.	7,700,274
holders 8 per cent. dividend,			
£1,281,108; ordinary			
reserve (further allocation			
to complete 20,000,000),			
£1,431,752; balance			
carried forward, £1,			
7,499,619 forward	57,751,296		
	233,000,417		233,000,417

GUARANTY TRUST COMPANY OF NEW YORK.

BALANCE SHEET—June 30, 1930.			
LIABILITIES.		ASSETS.	
Capital	90,000,000	Cash on hand, in Federal	
Surplus fund	170,000,000	Reserve Bank, and due	
Undivided profits	36,385,494	from banks and bankers	431,164,355
Outstanding foreign bills	335,040	U.S. Government bonds	
Bills payable	41,350,000	and certificates	213,441,518
Accrued interest, miscel-		Public securities	43,300,047
laneous accounts payable,		Stock of the Federal Re-	
reserve for taxes, &c.	12,156,964	serve Bank	7,800,000
Federal funds purchased	40,000,000	Other securities	50,157,187
Agreements to repurchase		Loans and bills purchased	1,117,034,903
securities sold	6,608,247	Real estate bonds and	
Acceptances	144,595,518	mortgages	882,827
Liability as endorser on		Items in transit with foreign	
acceptances and foreign		branches	1,853,833
bills	117,697,184	Credits granted on accept-	
Deposits, \$1,276,024,581;		ances	144,595,518
outstanding cheques,		Bank buildings	14,500,970
\$103,305,258	1,379,329,839	Accrued interest and ac-	
		counts receivable	13,727,128
	\$2,038,458,286		\$2,038,458,286

HAMBROS BANK LIMITED.

According to the report presented at the general meeting on May 29, 1930, after payment of all expenses, making provision for rebates on bills discounted, bad and doubtful debts, and income tax, the accounts show a profit of £340,148. Deducting the directors' remuneration of £19,279 and adding the balance brought forward from last year of £91,073, there remains an available total of £411,942. After setting aside £125,000 to contingency reserve account and allowing the sum of £60,000 for the interim dividend on the £10 shares and £9,600 for the interim dividend on the £1 "A" shares paid on October 29, 1929, the directors now recommend the payment of a further dividend of 15 per cent., less income tax, on the £10 shares, making a total of 22½ per cent. for the year, less income tax, and a further dividend of 3 per cent., less income tax, on the £1 "A" shares, making a total of 6 per cent. for the year, less income tax, and that the balance of £91,792 be carried forward.

BALANCE SHEET—March 31, 1930.			
LIABILITIES.	£	ASSETS.	£
Capital—£2 10s. per share on 400,000 shares of £10 each, £1,000,000; £1 per share on 400,000 "A" shares of £1 each, £400,000	1,400,000 1,050,000 217,342	Cash in hand, at bankers, and at call	4,830,861
Reserve	1,400,000	Bills of exchange	3,527,048
Profit and loss account	217,342	Investments valued at or below prices current at March 31, 1930: British Government securities, £2,820,563; other invest- ments, £1,017,470	3,838,033
Current, deposit and other accounts (including reserve for contingencies)	15,850,616	Hambros Bank (Nominees), Ltd., shares at cost	98
Hambros Bank (Nominees), Ltd., current account	747	Loans, advances and other accounts	5,869,178
Acceptances	10,984,441	Liabilities of customers for acceptances as per contra	10,984,441
Memorandum: Contingent liability as endorser of bills discounted £3,417,533 4s. 6d. and on guarantees given covered by counter guarantees or securities £904,994 13s. 7d.		Bank premises at cost, less amounts written off	453,487
	29,503,146		29,503,146
PROFIT AND LOSS ACCOUNT.		CR.	
	£		£
DR.		Balance brought forward from last account	91,073
Interim dividend of 7½ per cent., less income tax, on £10 shares	60,000	Net profit for the year	340,148
Interim dividend of 3 per cent., less income tax, on £1 "A" shares	9,600		
Directors' remuneration	19,279		
To contingency reserve account	125,000		
Balance carried to balance sheet	217,342		
	431,221		431,221

THE HONGKONG AND SHANGHAI BANKING CORPORATION.

The report submitted to the general meeting on February 22, 1930, stated that the net profits for the year ending December 31, 1929, together with \$3,397,813 balance brought forward from last account, after paying all charges, deducting interest paid and due, and making provision for bad and doubtful accounts and contingencies, amount to \$17,546,022. The directors have transferred \$5,000,000 at 2s. = £500,000 from the silver reserve to the sterling reserve. They recommend the transfer of \$500,000 from

the profit and loss account to the silver reserve. They also recommend writing off bank premises account the sum of \$750,000. After making these transfers, deducting the interim dividend of £3 per share, viz., £480,000 at 1s. 11½d. = \$4,981,622, and remuneration to directors, there remains for appropriation \$11,264,401, out of which the directors recommend the payment of a final dividend of £3 per share, viz., £480,000, and a bonus of £1 per share, viz., £160,000, amounting in all to £640,000 which, at 1s. 7½d., the rate of the day, will absorb \$7,876,923. The balance \$3,387,478 to be carried to new profit and loss account.

BALANCE SHEET—December 31, 1929.			
Sterling exchange taken at 1s. 7½d.			
LIABILITIES.	£	ASSETS.	£
Capital—160,000 shares of £125 each.....	1,625,000	Cash (including \$30,000,000 coin lodged with the Hong-	
Sterling reserve.....	6,500,000	kong Government and	
Silver reserve.....	731,250	\$7,500,000 coin lodged with	
Notes in circulation (authorised and additional issue against securities and coin amounting to \$72,992,106 deposited with the Crown Agents for the Colonies, their Trustees, and the Hongkong Government)	5,269,448	H.B.M. Consul-General, Shanghai, against authorised and/or excess note circulation).....	10,219,781
Current accounts	35,336,649	Bullion in hand and in transit	22,982
Fixed deposits	17,863,107	British Government, Indian, Colonial and other securities	10,515,101
Bills payable (including call loans and short sight drawings on London office and drafts on London bankers)	433,514	Bills discounted, loans and credits	27,269,282
Acceptances on account of constituents	517,441	Bills receivable and balance of remittances and drafts in transit	19,169,276
Profit and loss account.....	1,016,795	Liabilities of constituents for acceptances, per contra	517,441
(Liability on bills of exchange re-discounted, £8,965,151, of which £8,314,459 have since run off.)		Bank premises	1,579,341
	69,293,204		69,293,204

IONIAN BANK, LIMITED.

BALANCE SHEET—August 31, 1929.			
The exchange for drachmas is taken at 375 per £, and for ££. at 97.50 per £100.			
LIABILITIES.	£	ASSETS.	£
Capital issued	600,000	Cash in hand, at bankers and in transit	715,088
Reserve fund, £250,000; less amount transferred to investments reserve, £50,000	200,000	Agents' balances, including remittances in transit	84,228
Investments reserve	50,000	Investments: Securities of or guaranteed by the British Government, £614,091; British Dominions and foreign government securities and other investments, £293,649	907,740
Current and deposit accounts ..	3,849,297	Bills receivable	911,151
Balances due bankers abroad ..	201,581	Loans and advances	2,568,271
Bills payable	259,613	Outstanding advances, exchange contracts, expenses prepaid, and goods under realisation.	338,279
Outstanding advice, exchange contracts, letters of credit, unclaimed dividends and reserves for taxation, pensions and contingencies	523,964	Liabilities of customers for acceptances	32,052
Liabilities for acceptances on account of customers	32,052	Mortgaged property in possession, at or below valuation ..	7,732
Rebate on bills discounted not due	10,638	Bank premises including installations, at cost less amounts written off	211,662
Profit and loss, balance of account as below	49,058		
There are contingent liabilities in respect of participations in Greece with other banks.			
	5,776,203		5,776,203

5,775,203

PROFIT AND LOSS ACCOUNT.			
Dr.	£	Cr.	£
Charges of management for the period	203,532	Gross profits, provision having been made for bad and doubtful debts, taxation and rebate	408,120
Directors' fees and chairman's remuneration for special services, including tax thereon	4,860		
Interest on current and deposit accounts	151,682		
Net profit carried down	48,046		
	408,120		408,120
Interim dividend for 1929, at 3s. per share, free of income tax, paid June 4, 1929	18,000	Net profit brought down	48,046
Final dividend at 4s. per share, less income tax at 4s. in the £, on 120,000 shares, payable, if agreed to, on December 24, 1929	24,000	Balance brought forward from last account	19,012
Balance carried forward	25,058		
	67,058		67,058

THE IMPERIAL BANK OF PERSIA.

At the general meeting held on July 2, 1930, the directors submitted the balance sheet and profit and loss account for the year ended March 20th last. The profits for the period mentioned, after making provision for expenses of management, general charges in London and at chief office and branches, income tax, royalty, and bad and doubtful debts, amount to £124,279, to which has to be added £35,602 brought forward from last account, making a total of £159,881. The directors recommended payment of a final dividend of 7s. per share, and a special bonus of 2s. per share, making with the interim dividend of 4s. per share a total for the year of 13s., free of income tax. It was also proposed to add £40,000 to reserve, which is thereby increased to £850,000, the amount of the issued capital; to write off bank premises £10,000, and to carry

DEN DANSKE LANDMANDSBANK

HYPOTHEK-OG VEKSELBANK

ARTIESELSKAB

COPENHAGEN

ESTABLISHED 1871

DENMARK

Paid-up Capital: Kr. 50,000,000.—

Reserve Fund: Kr. 34,000,000.—

The Bank has connection with all leading Banks in the world

All kinds of Banking Business transacted

TELEGRAPHIC ADDRESS: LANDMANDSBANK

ESTABLISHED 1871.

THE DOMINION BANK.

Incorporated in Canada with Limited Liability.

Head Office: TORONTO.

CAPITAL PAID UP - - - - - \$7,000,000.00
RESERVE FUND and UNDIVIDED PROFITS - - - - - \$9,500,000.00

A. W. AUSTIN, President.

C. A. BOGERT, Vice-President & General Manager.

C. S. BLACKWELL, Chairman of the Board.

BRANCHES THROUGHOUT CANADA.

Agents and Correspondents throughout the World.

Agency in NEW YORK: The Dominion Bank, 49, WALL STREET. ROBERT RAE, Agent.

The LONDON BRANCH, at 3, King William St., E.C.4,

undertakes monetary business of every description, deals in all Foreign Exchanges, accepts Deposits, makes Collections promptly, and issues Letters of Credit and Travellers' Cheques available in all parts of the world.

PERCIVAL HUFFMAN, Manager, London Branch. E. W. BOOTH, Assistant Manager.

SOCIÉTÉ GÉNÉRALE DE BELGIQUE.

SOCIÉTÉ ANONYME.

Established at Brussels, August 28th, 1822.

Office: BRUSSELS, 38, Rue Royale.

Capital frs. 1,000,000,000.00
Réserves frs. 1,054,631,110.00
Fonds social frs. 2,054,631,110.00

ADMINISTRATION:—Governor: M. Jean Jadot. Vice-Governor: M. Emile Francoqui. Director-Treasurer: M. Jules Bagage. Directors: MM. Gaston Blaise, Auguste Callens, le Baron Carton de Wiart, Félicien Cattier, Willy de Munck, Charles Fabry, Alexandre Galopin, Henry La Bouff, Adolphe Stoclet, Georges Theunis, Firmin Van Bree. Honorary Director: M. Edouard de Brabander.

Every description of Banking business transacted.

The "Société Générale de Belgique" is represented in Belgian Provincial Places by over 375 Banking Establishments placed under its control and acting as its Agents.

London Correspondent of the Société Générale de Belgique: Banque Belge pour l'Etranger, 4, Bishopsgate, E.C.2.

PROEHL & GUTMANN

Bankers,

AMSTERDAM.

Telegraphic Address: DRESAGENT.

forward £44,881. As explained in the circular issued to shareholders on May 14th last, the Board, in consideration of the payment to the bank on March 20th next of £200,000, and the grant of certain privileges, have agreed to surrender to the Persian Government the bank's exclusive right to issue notes, secured to them under Article 3 of their concession.

BALANCE SHEET—March 20, 1930.			
LIABILITIES.	£	ASSETS.	£
Capital	650,000	Cash in hand, at bankers, and in transit and money at call and short notice, and bullion	5,005,938
Reserve account	650,000	Investments in British Government and other securities taken at or under prices ruling at March 20, 1930....	2,347,018
Notes in circulation	2,724,408	Bills discounted, loans and advances, past due bills, adjustments, and sums due from other banks	1,606,795
Deposits	4,212,056	Bills receivable	1,142,830
Bills payable, endorsements, adjustments and sums due to other banks	1,790,610	Liability of customers for acceptances, &c., as per contra Bank premises, furniture and stationery	127,889
Acceptances, &c., on behalf of customers	127,889		14,374
Profit and loss account	89,881		
	10,244,844		10,244,844

* This includes £44,173 4s. 2d., value of Funding Loan deposited at Bank of England under Government regulations.

PROFIT AND LOSS ACCOUNT.			
DR.	£	CR.	£
Interim dividend at 4s. per share paid December 16, 1929 (free of income tax)...	20,000	Balance brought forward at March 20, 1929	35,602
Transfer to reserve account...	40,000	Net profit for year after deducting general charges in London, chief office and branches, expenses of management and royalty, and making provision for income tax and bad and doubtful debts	124,279
Transfer to bank premises account	10,000		
Proposed dividend at 7s. per share (free of income tax) ..	35,000		
Proposed bonus of 2s. per share (free of income tax)...	10,000		
Balance to new account	44,881		
	159,881		159,881

INTERNATIONAL BANKING CORPORATION.

BALANCE SHEET—June 30, 1930.			
LIABILITIES.	\$	ASSETS.	\$
Capital	2,500,000	Cash on hand and in local depositories	7,222,377
Surplus	2,500,000	Due from banks and bankers	9,248,168
Undivided profits	4,540,255	Loans, discounts and advances	13,582,196
Deposits	19,743,936	Bonds and securities	5,435,117
Notes in circulation in China ..	1,738,503	Customers' liability account of acceptances	3,724,249
Loans payable	4,000,000	Other assets	192,866
Items in transit with branches ..	166,272		
Acceptances	3,724,249		
Reserves for: Taxes, accrued interest, and expenses, \$437,635; contingencies, \$33,580	471,215		
Other liabilities	20,543		
	39,404,973		39,404,973

ITALO-BELGIAN BANK.

BALANCE SHEET—June 30, 1929.			
LIABILITIES.	Frs.	ASSETS.	Frs.
Capital	100,000,000	Cash in hand and with banks	370,529,170
Reserves	90,000,000	Bills receivable	1,015,450,735
Current and deposit accounts ..	1,237,155,315	Securities: Government stock and Treasury bonds, Frs. 88,151,242; shares and bonds, Frs. 10,077,400 ..	98,228,642
Bankers and correspondents ..	1,129,990,894	Bankers and correspondents ..	542,515,135
Bills payable	205,278,074	Current accounts	742,446,955
Dividends not claimed ..	173,026	Premises	21,000,000
Re-discount on bills	4,694,513	Furniture and fittings	1
Profit and loss	24,878,416	Securities deposited and sundry accounts as per contra ..	2,924,450,879
	2,790,170,638		2,790,170,638

PROFIT AND LOSS ACCOUNT.			
DR.	Frs.	CR.	Frs.
Dividend at the rate of 12 per cent. per annum ..	12,000,000	Brought forward from the business year 1927-1928 ..	2,023,529
Directors' Fees	2,678,233	Net profit for the year ..	22,854,887
Reserves	10,000,000		
Balance forward	200,183		
	24,878,416		24,878,416

THE LONDON AND EASTERN TRADE BANK, LIMITED.

BALANCE SHEET—June 30, 1930.			
LIABILITIES.	£	ASSETS.	£
Capital—60,000 shares of £10 each, fully paid	600,000	Cash in hand and at bankers in London	148,787
Current deposit and other accounts	1,218,035	Money at call and short notice	700,000
Acceptances per contra	1,586,529	Treasury bills	125,000
Profit and loss account	58,237	Bills discounted	95,093
Note—Contingent liabilities: Re-discounted bills, £15,146 9s. 10d.; guarantees, confirmed credits and forward foreign exchange contracts, £221,175 4s. 5d. ..		Sundry securities (at under market value)	78,421
		Loans, overdrafts and other balances (including currency with bankers abroad, £130,614 7s. 6d.) (less reserve for doubtful debts)	728,971
		Customers' liabilities for acceptances	1,586,529
	3,462,801		3,462,801

THE MITSUI BANK, LIMITED.

BALANCE SHEET—June 30, 1930.			
LIABILITIES.	Yen.	ASSETS.	Yen.
Deposits (current, fixed, &c.) ..	648,873,155	Cash in hand and at the Bank of Japan, &c. ..	75,004,519
Foreign bills sold	2,508,739	Money at call and short notice	23,270,000
Due to foreign banks (including discount)	24,950,406	Japanese and foreign government bonds	94,895,455
Due to inland correspondents ..	416,886	Municipal and other bonds ..	120,446,021
Outstanding cheques	298,139	Stocks	418,500
Liabilities under L/C, &c. ..	9,070,059	Loans and discounts	440,377,329
Interest accrued on deposits not due	6,262,386	Foreign bills purchased	50,815,885
Rebate on bills not due	2,455,853	Due from foreign banks	4,600,417
Provisional receipts, &c.	222,918	Due from inland correspondents ..	139,111
Capital	100,000,000	Customers' liabilities under L/C, &c., per contra ..	9,070,060
Reserve funds	65,200,000	Office buildings under construction	2,525,436
Pension fund	3,312,493	Provisional payments	36,787
Profit for the half-year, including balance from last account, Y. 2,078,361; transfer from pension fund, Y. 163,331	6,375,055	Bank premises and real estates	8,346,599
		Capital uncalled	40,000,000
	869,946,119		869,946,119

THE MITSUBISHI BANK, LIMITED

BALANCE SHEET—December 31, 1929.			
LIABILITIES.	Yen.	ASSETS.	Yen.
Deposits	599,701,729	Cash on hand and in banks ..	45,984,135
Foreign bills sold	1,086,539	Money at call and short notice	13,300,000
Due to foreign banks	29,148,448	Government and municipal bonds	155,422,831
Due to inland correspondents ..	637,985	Other bonds	168,978,175
Acceptances and guarantees	1,994,883	Stocks and shares	36,366,182
Interest accrued on deposits not yet due	1,099,913	Loans and bills discounted	278,750,380
Suspense accounts	305,719	Bonds loaned to customers	1,991,935
Outstanding cheques	300,322	Foreign bills bought	30,295,293
Capital	100,000,000	Due from foreign banks	41,363,033
Reserve funds	41,363,033	Due from inland correspondents ..	647,157
Balance brought forward from last profit and loss account	2,943,680	Acceptances and guarantees as per contra	1,994,883
Profit for the current half-year	4,029,854	Bank premises and real estates	14,115,677
		Temporary payments	2,900
		Money in trust (pension reserve fund)	1,786,171
		Accounts en route	87,041
		Capital uncalled	37,500,000
	788,740,306		788,740,306

PROFIT AND LOSS ACCOUNT.			
DR.	Yen.	CR.	Yen.
Legal reserve fund	500,000	Profit for the current half-year ..	4,029,854
Pension reserve fund	195,000	Balance brought forward from last profit and loss account ..	2,943,680
Bonus	195,000		
Dividend at 10 per cent. per annum	3,125,000		
Balance carried forward to next half-year	2,958,534		
	6,973,534		6,973,534

THE NATIONAL CITY BANK OF NEW YORK.

BALANCE SHEET—June 30, 1930.			
LIABILITIES.	\$	ASSETS.	\$
Capital	110,000,000	Cash in vault and in Federal Reserve Bank	147,094,884
Surplus	110,000,000	Due from banks, bankers and United States Treasurer	305,902,959
Undivided profits	22,973,146	Loans, discounts and acceptances of other banks	1,147,057,809
Reserves for: Contingencies	6,197,768	United States Government bonds and certificates ..	168,165,714
Accrued interest, discount and other unearned income	4,819,331	State and municipal bonds ..	2,615,789
Taxes, dividends and accrued expenses, &c.	11,641,984	Stock in Federal Reserve Bank	6,600,000
Liability as acceptor, endorser or maker on acceptances and foreign bills	252,336,968	Other bonds and securities ..	78,321,932
Circulation	99,365	Ownership of International Banking Corporation ..	8,000,000
Deposits	1,560,268,691	Bank buildings	40,949,789
		Items in transit with branches	13,163,869
		Customers' liability account of acceptances	153,006,436
		Other assets	7,458,072
	2,078,337,253		2,078,337,253

MOSCOW NARODNY BANK, LIMITED.

The directors report that, full provision having been made for rebate income tax and expenses, the net profits for the year ended December 31, 1929, amounted to £74,813, to which has to be added the balance of £2,704 brought forward from last account, making together a total sum of £77,517, out of which the following appropriations have been made: Reserve account, £15,000; interim dividend at 6 per cent. per annum, £49,376—£64,376. Balance to be carried to next account, £13,141.

English, Scottish & Australian Bank, Limited.

Head Office: 5, GRACECHURCH ST., E.C.3, and 457 Branches and Agencies throughout Australia.

Subscribed Capital - £5,000,000
Paid-up Capital - £3,000,000
Further Liability of Proprietors £2,000,000
Reserve Fund - £3,080,000

Board of Directors:

ANDREW WILLIAMSON, Esq., Chairman.
JOHN PATERSON, Esq., Deputy Chairman.
C. L. BAILLIEU, Esq., C.M.G. THE RIGHT HON. VISCOUNT KNUTSFORD.
THE RIGHT HON. LORD FORSTER OF LEPE, P.C. THE HON. SIR ARTHUR G.C.M.G. LAWLEY, G.C.S.I.
THE HON. WALTER D. GIBBS. SIDNEY M. WARD, Esq. SIR FREDERICK W. YOUNG.
Manager & Secretary—E. M. JANION.
Sub-Mgr.—J. A. ROBERTSON.
Asst. Mgr.—A. A. SHIPSTON. Accountant—F. C. HOUNSFIELD.

Bankers: Bank of England; Westminster Bank Limited.

Chief Office in Australia:

COLLINS STREET, MELBOURNE.

Letters of Credit and Drafts on the Branches and Agencies of the Bank in Australia can be obtained at the Head Office, or through the Agents of the Bank in the Chief Provincial Towns throughout the United Kingdom.

Remittances made by Telegraphic Transfer.

Bills Negotiated or forwarded for Collection.

Banking and Exchange Business of every description transacted with Australia.

ITALO-BELGIAN BANK

(Banque Italo-Belge, Société Anonyme).
Incorporated in Belgium with Limited Liability.

Capital subscribed and paid - Frs. 100,000,000
Reserve Funds - Frs. 100,000,000

Head Office: ANTWERP.

London Office:

100 OLD BROAD STREET, E.C.2

Branches:

FRANCE—Paris. ARGENTINE—Buenos Aires.
URUGUAY—Montevideo.
BRAZIL—Sao Paulo, Rio de Janeiro, Santos, Campinas.

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The Bank Transacts every description of Banking Business. Clean Bills and Documentary Bills negotiated, advanced upon, or sent for collection. Drafts and Letters of Credit issued and Cable and Mail Transfers effected on Branches and Correspondents. Documentary Credits opened or Confirmed. Coupons and Drawn Bonds collected and negotiated.

Telegrams: "Itabelban, London."
Telephone: London Wall 6514 (5 lines).

THE UNION BANK OF AUSTRALIA Limited.

Established 1837. Incorporated 1880.

CAPITAL AUTHORISED AND ISSUED - £12,000,000

Capital Paid-up - £4,000,000 } together £8,850,000

Reserve Fund - £4,850,000 }

Reserve Liability of Proprietors - £8,000,000

DIRECTORS:

The Hon. EDMUND PARKER, Chairman.
The Rt. Hon. LORD EBURY, Brigadier-General ARTHUR D.S.O., M.C. MAXWELL, C.B., C.M.G., D.S.O.
HUGH D. FLOWER, Esq. ROBERT C. NESBITT, Esq.
The Rt. Hon. LORD HILLINGDON. ALFRED W. TURNBULL, Esq.
SIR MALCOLM HOGG. SOMERVILLE R. LIVINGSTONE-LEARMONTH, Esq.

HEAD OFFICE:

71, Cornhill, London, E.C.3.

Manager:—W. A. LAING. Assistant Manager:—G. S. GODDEN.
Secretary:—F. H. MCINTYRE.

BRANCHES THROUGHOUT AUSTRALIA AND NEW ZEALAND, viz.:

In VICTORIA ... 51
" SOUTH AUSTRALIA ... 15
" NEW SOUTH WALES ... 55
" WESTERN AUSTRALIA ... 25
" QUEENSLAND ... 18
" TASMANIA ... 3
" NEW ZEALAND ... 40

Total 216

Drafts upon the Branches are issued by Head Office, and may be obtained from the Bank's Agents throughout England, Scotland and Ireland.
Commercial and Circular Travelling Credits issued—available throughout the World.
Telegraphic Remittances are also made.
Bills on the Australian States and Dominion of New Zealand are purchased or sent for collection.
Deposits are received at Head Office at rates of interest and for periods which may be ascertained on application.

The QUEENSLAND NATIONAL BANK, LIMITED.

Incorporated under "The Companies Act, 1863," of the Legislature of Queensland. ESTABLISHED 1872.

Authorised Capital - £2,000,000
Subscribed Capital - £1,750,000
Paid-up Capital - £1,750,000
Reserve Fund - £840,000
Interminable Inscribed Deposit Stock £3,091,669

DIRECTORS.

Chairman—JAMES LOVE, Esq.
W. H. HART, Esq. M. J. RYAN, Esq.
F. E. LOXTON, Esq. Wm. A. JOLLY, Esq., C.M.G.
General Manager—M. G. HAYMEN.

Head Office - BRISBANE.

Manager—C. A. MUNRO.

London Office - 8 PRINCES STREET, E.C.

London Directors—

Sir T. B. ROBINSON, G.B.E., K.C.M.G.
J. W. DICKINSON, Esq. Sir E. LIONEL FLETCHER, C.B.E.
D. W. MACDONALD, Esq.
Acting Manager—L. W. MORTIMER.
Bankers—BANK OF ENGLAND, LLOYDS BANK, LIMITED.

BRANCHES—

Federal Capital Territory—CANBERRA.
New South Wales—SYDNEY: CASINO, KYOGLE, LISMORE, URBENVILLE, WARDELL.
Victoria—MELBOURNE: 281, COLLINS STREET; and throughout Queensland.

AGENCIES IN ALL PARTS OF THE WORLD.

The Bank grants Drafts on all its Branches and Agencies, also Telegraphic Transfers, and transacts every description of Banking Business in connection with Queensland and other Australian States on the most favourable terms.
The London Office receives Deposits for 3 and up to 36 months at rates which can be ascertained on application.
Interest payable half-yearly or quarterly as desired.

BALANCE SHEET—June 30, 1930.

LIABILITIES.	£	ASSETS.	£
Capital issued, 50,000 shares of £10 each, fully paid, £500,000; 50,000 shares of £10 each £6 18s. paid, £345,000	845,000	Cash at banks on current accounts and in hand	442,647
Reserve account	155,000	Deposits at banks	232,347
Loans secured by British Government securities	95,000	Investments—British Government securities (at market value), £220,719; foreign Government securities (at market value), £2,287; Co-operative Transit Bank, £100,000 fully-paid shares of 100 gold lats each (at cost), £38,035	261,041
Clients' current and deposit accounts	502,659	Loans and advances to clients	21,475
Correspondents of the bank	370,807	Correspondents of the bank	135,477
Bills re-discounted	971,274	Bills discounted (including bills of £180,632 deposited as collateral security against advances and acceptances received)	1,694,237
Advances against merchandise	1,328,795	Bills receivable (including £7,500 deposited as collateral security)	21,000
Acceptances of other banks, &c. (partly secured by merchandise and/or bills of exchange)	922,264	Advances against—	
Acceptances under documentary credits	21,478	Goods and documents	2,373,081
Miscellaneous creditors and accrued charges	97,733	Bills of exchange (collateral security) totalling	159,657
Liabilities of the bank (as per contra) in respect of—		Miscellaneous debtors	6,207
Guarantees	962,833	Office furniture and fittings at cost, less depreciation	5,056
Acceptances	51,436	Leasehold premises at cost, less depreciation, &c.	2,769
Documentary credits and credits for bills for collection (as per contra)	1,387,914	Liabilities of customers (as per contra) in respect of—	
Creditors for documentary collections (as per contra)	653,510	Guarantees issued	962,833
Profit and loss account	44,985	Bank acceptances	51,436
		Debtors in respect of documentary credits and bills for collection (as per contra)	1,387,915
		Documentary collections (as per contra)	653,510
	8,410,688		8,410,688

NATIONAL BANK OF EGYPT.

BALANCE SHEET—December 31, 1929.

LIABILITIES.	£	ASSETS.	£
Share capital: 300,000 fully paid shares of £10 each	3,000,000	Government securities and securities guaranteed by the Egyptian Government	20,663,134
Statutory reserve fund	1,500,000	Sundry securities	927,624
Special reserve	1,450,000	Advances on merchandise	4,172,393
Current, deposit and other accounts	15,148,511	Advances on securities	5,904,335
Egyptian Government	18,259,374	Advances otherwise secured	1,484,536
Sudan Government	192,171	Sundry other advances	1,403,064
Mixed tribunals	2,104,276	Bills of exchange	3,187,685
Bankers accounts	273,693	Local bills discounted	526,214
Cheques and bills payable	191,231	Buildings, furniture, &c.	194,469
Rebate of discount on bills not yet due	33,272	Money at call and at short notice	1,600,000
Dividends unclaimed	22,972	Bankers accounts	401,940
Acceptances, &c.	859,243	Clients' liability for acceptances, &c., as per contra	859,243
Provision for payment of final dividend at the rate of 14 per cent. per annum	420,000	Cash	2,458,587
Profit and loss account balance	228,481		
There is a contingent liability in respect of Bills re-discounted of £633,944 4s. 3d.			
	43,683,224		43,683,224

PROFIT AND LOSS ACCOUNT.

DR.	£	CR.	£
Directors' remuneration	13,833	Gross profit for the year ending December 31, 1929, after providing for depreciation of buildings and furniture, for rebate of discount, and for doubtful debts	1,099,870
Current expenses	464,351	Balance brought forward from last year	221,795
Interim dividend at the rate of 4 per cent. per annum	120,000		
Transferred to special reserve	75,000		
Provision for payment of final dividend at the rate of 14 per cent. per annum	420,000		
Balance carried forward	228,481		
	1,321,665		1,321,665

OTTOMAN BANK.

BALANCE SHEET—December 31, 1929.

LIABILITIES.	£	ASSETS.	£
Capital	5,000,000	Cash in hand and at bankers	2,525,400
Statutory reserve	1,250,000	Money at call and notice	1,414,291
Bank notes in circulation	447,638	Bills receivable	4,936,776
Bills payable and sight drafts	250,491	Investments	1,406,712
Current accounts of sundries	11,840,567	Current accounts of sundries	7,696,202
Deposits for fixed terms	2,600,178	Advances on securities	2,995,795
Acceptances	2,153,272	Clients for acceptances	2,153,272
Profit and loss account	252,319	Bank premises and real estate	666,017
	23,794,465		23,794,465

SOCIÉTÉ GÉNÉRALE.

(Pour Favoriser le Développement du Commerce et de l'Industrie en France.)

BALANCE SHEET—July 31, 1930.

LIABILITIES.	Francs.	ASSETS.	Francs.
Capital	625,000,000	Cash in hand and at Bank of France	1,172,867,217
Reserves	380,000,000	At banks and correspondents	3,191,730,247
Cheque accounts	4,023,480,897	Bills and National Defence Bonds	5,755,563,818
Deposits for fixed periods	456,951,500	Coupons for encashment	266,855,722
Acceptances due or to be met	286,135,227	Confonges	95,678,473
Diverse current accounts	8,511,468,001	Advances on security	554,212,187
Sundry accounts	272,205,367	Diverse current accounts	3,031,731,390
Interest and dividends	13,491,182	Government stocks, shares, bills and debentures	33,388,675
Profit and loss	22,351,374	Investments	25,778,341
		Real estate and "Immobilière Parisienne et Départementale"	71,397,039
		Sundry accounts	86,924,689
		Calls on shares	304,955,750
	14,691,083,548		14,591,083,548

SOCIÉTÉ GÉNÉRALE DE CRÉDIT INDUSTRIEL ET COMMERCIAL.

BALANCE SHEET—December 31, 1929.

LIABILITIES.	Francs.	ASSETS.	Francs.
Deposits	297,359,114	Cash in hand	98,801,400
Current accounts	725,711,406	Due from other banks	91,605,778
Fixed deposits	230,647,101	Coupons for collection	15,004,538
Acceptances guaranteed	36,186,060	Bills receivable and "Bons de la Défense Nationale"	794,930,012
Unclaimed interest and dividends	264,715	Current accounts	82,182,052
Transitory and sundry accounts	20,684,629	Advances guaranteed	175,639,535
Rebate	2,745,781	Acceptances guaranteed	36,186,060
Reserve fund:		Payments made on account of interest and dividends for 1929	1,865,789
Statutory Frs. 10,000,000	70,000,000	Transitory account	6,397
Extraordinary 60,000,000	100,000,000	Investments	45,659,851
Capital	2,958,961	Shares of affiliated societies	78,876,625
Brought forward from 1928	10,455,073	Bank premises	20,000,000
Profit and loss account for 1929	1,497,012,840	Unclaimed capital	56,250,000
			1,497,012,840

THE SUMITOMO BANK, LIMITED.

BALANCE SHEET—June 30, 1930.

LIABILITIES.	Yen.	ASSETS.	Yen.
Deposits	670,861,013	Cash in hand	57,097,872
Exchange sold	18,203,255	Money at call and short notice	16,600,000
Due to other banks	3,986,685	Bonds, debentures and other securities	232,103,329
Foreign credits, acceptances and guarantees	8,375,979	Bills discounted	63,163,957
Accrued interest, unearned discount, &c.	9,676,492	Loans	354,104,766
Subscribed capital	10,000,000	Securities lent	1,521,797
Reserve fund	26,500,000	Exchange purchased	35,106,399
Pension reserve	2,071,470	Due from other banks	6,550,926
Balance of profit brought forward from previous half-year	1,690,948	Customers' liabilities on foreign credits, acceptances and guarantees	8,375,979
Net profit for this half-year	2,841,199	Bank premises	19,582,027
		Capital unpaid	20,000,000
	814,207,042		814,207,042

PROFIT AND LOSS ACCOUNT.

DR.	Yen.	CR.	Yen.
Reserve fund	500,000	Balance of profit brought forward from previous half-year	1,690,948
Dividend	2,000,000	By net profit for this half-year	2,841,199
Pension reserve	120,000		
Bonus	110,000		
Balance carried forward to next half-year	1,802,146		
	4,532,146		4,532,146

SWISS BANK CORPORATION.

BALANCE SHEET—December 31, 1929.

(£1 = 25 Francs.)

LIABILITIES.	£	ASSETS.	£
Share capital	6,400,000	Cash	2,661,564
Reserves	1,960,000	Banks and bankers	11,289,703
Fixed deposits	9,101,660	Bills receivable	13,078,217
Current accounts, &c.: sight deposits, £18,171,783; time deposits, £24,499,880	40,671,663	Loans at short dates on securities	1,987,394
Acceptances	4,768,973	Advances to customers, &c.	29,901,207
Profit	724,343	Permanent investments	1,035,350
		Government, railway and other securities	2,341,530
		Syndicates	739,488
		Bank Premises and other property	592,386
	63,626,639		63,626,639

PROFIT AND LOSS ACCOUNT.

DR.	£	CR.	£
General expenses and taxes	995,703	Balance from 1928	28,611
Provision for bad and doubtful debts (less return of amounts previously written off), depreciation on buildings, and expenses of new issue	83,790	Discounts	724,387
Not profit available	724,343	Interest	347,358
	1,803,836	Commissions	489,988
		Investments and syndicates	180,854
		Coupons, foreign money, &c.	62,970
			1,803,836

THE YOKOHAMA SPECIE BANK, LIMITED.

BALANCE SHEET—December 31, 1929.

LIABILITIES.	Yen.	ASSETS.	Yen.
Capital issued and fully paid	100,000,000	Cash in hand and at bankers	109,346,705
Reserve fund	108,500,000	Investments in public securities and debentures at current market price	282,906,484
Reserve for doubtful debts	3,545,757	Bills discounted, loans, advances, &c.	347,574,519
Notes in circulation	5,938,368	Bills receivable and other sums due to the Bank	544,818,818
Deposits (current, fixed, &c.)	664,186,125	Bullion and foreign money	520,350
Bills payable, bills re-discounted, acceptances and other sums due by the bank	408,244,051	Bank's premises and properties, estimated at cost price, less allowance for depreciation	21,474,878
Dividends unclaimed	39,161	Bank's furniture	1,543,536
Balance of profit and loss brought forward from last account	10,420,921		
Net profit for the past half-year	7,310,927		
	1,308,185,310		1,308,185,310

PROFIT AND LOSS ACCOUNT.

DR.	Yen.	CR.	Yen.
Reserve fund	3,000,000	Balance brought forward June 30, 1929	10,420,921
Dividend—Yen 5-00 per share for 1,000,000 shares	5,000,000	Net profit for the half-year ending December 31, 1929 (After making provision for bad and doubtful debts, rebate on bills, &c.)	7,310,927
Yen 3-00 per share for 1,000,000 shares	3,000,000		
Stat bonus in recognition of the semi-centenary	500,000		
Balance carried forward to next account	6,231,848		
	17,731,848		17,731,848



NATIONAL BANK OF GREECE

Established in 1841.

Capital paid-up and Reserves Drs. 1,205,000,000. —
Deposits - - - - - 6,900,000,000. —
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Drs. 325,000,000

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ESTABLISHED 1835.

Capital Subscribed, £7,500,000. Paid up, £1,500,000. Reserve Fund, £1,465,000. Deposits, etc. (as at 30th June, 1930), £36,802,086

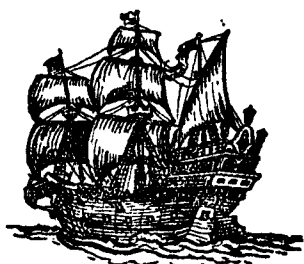
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(INCORPORATED IN JAPAN).

Head Office: OSAKA, JAPAN.

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Capital Paid-up	-	-	-	Yen 50,000,000.00
Reserve Fund	-	-	-	Yen 29,190,000.00

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(Established 1920)

61/62, GRACECHURCH STREET, LONDON, E.C.3.

Telegraphic Address: "EASTRABANK, LONDON"

CAPITAL: Authorised	-	-	-	£1,000,000
Subscribed and paid-up	-	-	-	£600,000

Specially organised for the financing of trade with Europe and the Near East.

ENQUIRIES INVITED.

BANK OF NEW SOUTH WALES

(ESTABLISHED 1817.)

Incorporated in New South Wales with Limited Liability.

With Branches and Agencies (589) in all the Australian States, New Zealand, Fiji, Papua, and Mandated Territory of New Guinea.

Paid-up Capital	-	-	-	£7,500,000
Reserve Fund	-	-	-	6,150,000
Reserve Liability of Proprietors	-	-	-	7,500,000
				£21,150,000

Aggregate Assets to 30th September, 1929, £90,806,297 : 7 : 10

Head Office—SYDNEY, NEW SOUTH WALES.

General Manager: A. C. DAVIDSON.

LONDON DIRECTORS:

H. L. M. TRITTON, Esq., Chairman. I. C. GEDDES, Esq. CHAS. L. DALZIEL, Esq. OSCAR LINES, Esq., Hon. Director.

J. S. CAMPBELL, Manager.

D. GEDDIE, Assistant Manager.

A. L. KENNEDY, Secretary.

G. S. KETT, Accountant.

The London Office issues drafts on demand on its Head Office (Sydney, N.S.W.) and Branches in all the Australian States, New Zealand, Fiji, Papua, Mandated Territory of New Guinea. Makes Mail and Cable Transfers, Negotiates and Collects Bills of Exchange. Arranges Wool and other Produce Credits. Receives Deposits for Fixed Periods, on terms which may be known on application, and transacts every description of Australasian Banking Business.

London Office: 29, THREADNEEDLE STREET, E.C.2.

THE NATIONAL BANK OF SCOTLAND, LIMITED.

Incorporated by Royal Charter and Act of Parliament.

Established 1826.

Affiliated with Lloyds Bank Limited.

Capital Subscribed, £5,000,000. Paid-up, £1,100,000. Uncalled, £3,900,000.

RESERVE FUND	-	-	-	£1,550,000
DEPOSITS, 1st November, 1929	-	-	-	£32,154,808

Head Office: ST. ANDREW SQUARE, EDINBURGH.
London Office: 37, NICHOLAS LANE, LONDON, E.C.4.
Glasgow Office: 47, ST. VINCENT STREET, GLASGOW.

Correspondents in all the principal towns in England and Ireland, and in the principal towns in all parts of the World.

Every description of banking business transacted, including the collection of Dividends and Coupons, whether payable in Great Britain or abroad; the issue of Drafts, Letters of Credit, and Circular Notes payable in the principal Cities and Towns throughout the World; and Cable transfer of remittances to all parts.

The Bank is prepared, in approved cases, to act as Trustee, Executor or Administrator, and also as Trustee for Debenture or other issues, etc.

FOREIGN CURRENCIES bought and sold for immediate or forward delivery.

CLEAN and DOCUMENTARY Foreign Drafts negotiated or collected.

All classes of Overseas business transacted at all the Bank's Branches.

ROYAL BANK OF SCOTLAND

Incorporated by Royal Charter, 1787.

Capital (fully paid), £2,500,000 Reserve Fund, £2,910,320

Deposits, £46,235,129

Total Number
of Offices
241.

OVER
200 YEARS OF COMMERCIAL BANKING

Correspondents
throughout
the World.

A COMPLETE BRITISH COLONIAL AND FOREIGN BANKING SERVICE.

LONDON OFFICES—City: 3, BISHOPSGATE, E.C.2.

West End { DRUMMONDS, 49, CHARING CROSS, S.W. 1.
BOND STREET, 64, NEW BOND STREET, W. 1.
WESTERN, 1, BURLINGTON GARDENS, W. 1.
(formerly branch of Bank of England).

HEAD OFFICE EDINBURGH.

General Manager—SIR ALEXANDER KEMP WRIGHT, K.B.E., D.L.

BANK OF SCOTLAND

CONSTITUTED BY ACT OF PARLIAMENT, 1695.

AUTHORISED CAPITAL	-	-	-	£4,500,000
PAID-UP CAPITAL	-	-	-	£1,500,000
RESERVE FUND and BALANCE CARRIED FORWARD	-	-	-	£2,172,456
DEPOSITS and CREDIT BALANCES as at 28th February, 1930	-	-	-	£32,258,308

Governor: The Rt. Hon. LORD ELPHINSTONE, K.T. Deputy Governor: Sir RALPH ANSTRUTHER OF BALCASKIE, Bart.
GEORGE J. SCOTT, Treasurer.

Head Office: THE MOUND, EDINBURGH.

GLASGOW, Chief Office: 2, St. VINCENT PLACE. A. W. M. BEVERIDGE, Manager.

LONDON OFFICES: City Office—30, BISHOPSGATE, E.C.2. J. W. JOHNSTON, Mana. er.

Piccadilly Circus Branch—16/18, PICCADILLY, W. C. D. ALLISON, Manager.

238 Branches and Sub-Branches in Edinburgh, Glasgow, and throughout Scotland.
Every description of British and Foreign Banking Business transacted.

THE BRITISH LINEN BANK

Incorporated by Royal Charter, 1746.

Capital and Reserve Funds £3,500,000

London Office 38 Threadneedle Street, E.C.2,
where accounts may be opened on usual London terms.

Head Office: 38 St. Andrew Square, Edinburgh.
200 Branches throughout Scotland.

Every Description of Banking Business transacted.

The Commercial Bank of Scotland Ltd.

ESTABLISHED 1810.

Subscribed Capital	-	-	-	£7,500,000
Paid up	-	-	-	£2,250,000
Reserve Fund	-	-	-	£2,800,000
Deposits (31st October, 1929)	-	-	-	£35,228,897

Head Office: 14 GEORGE STREET, EDINBURGH.

General Manager, ALEX. ROBB.

Asst. General Manager, JOHN M. ERSKINE.

Secretary, MAGNUS IRVINE.

London, City Office: 62 LOMBARD STREET, E.C.3.

ANDREW W. RUSSELL and JAMES W. ALSTON, Joint Managers.

Kingsway Branch: IMPERIAL HOUSE, KINGSWAY, W.C.2.

Manager, JAMES O. DAVIDSON.

Glasgow, Chief Office: 113-115 BUCHANAN STREET.

Manager, ANDREW SCOTT.

Asst. Manager, WILLIAM COCHRANE.

Princes Street, Edinburgh, Branch: 118 PRINCES STREET.

Agent, JAMES THOMSON.

The Bank has 388 Branches and Sub-Branches throughout Scotland, and Banking Correspondents in the principal Towns in the World.
Every description of British Banking and Foreign Exchange business transacted.
The Bank is prepared to undertake the duties of Executor or Trustee under wills and settlements, and to act as Trustee for Debenture Holders and for Public Bodies and Institutions.

BANCO HIPOTECARIO DE COLOMBIA BOGOTA, COLOMBIA.

ESTABLISHED 1910.

PAID-UP CAPITAL AND RESERVES - \$8,016,877.91.

Managers: JAIME HOLGUIN, CARLOS A. DAVILA.

Branches and Agencies in the principal Cities of the Republic.

CORRESPONDENTS—LONDON: Anglo South American Bank. NEW YORK: Chemical Bank & Trust Co.; New York Trust Co.; International Acceptance Bank. BOSTON: First National Bank of Boston.

TRUSTEES for our bonds issues in the United States—NEW YORK: Chemical Bank and Trust Co.; Bank of Manhattan and Trust Co.

STATEMENT OF CONDITION AS OF JUNE 30, 1930.

RESOURCES		LIABILITIES	
Cash on hand, in Banco de la República and due from		Paid-up Capital	\$4,000,000.00
Banks abroad	\$1,156,507.63	Reserves	2,016,877.91
Banco de la República shares	120,400.00	Undivided profits	454,482.98
Mortgage loans	28,671,593.72		
Loans and discounts	1,710,933.58	Deposits	\$8,471,180.87
Other loans	39,768.98	Mortgage bonds outstanding	1,081,800.45
Redeemable	285,000.00	Foreign Correspondents	27,605,504.00
Banks premises, furniture and fixtures	840,575.14	Reserves for taxes and interest accrued	3,181,000.00
Agencies	66,890.16	Unearned discount	319,639.58
Interest accrued	1,338,975.88	Liability for redemptions	78,256.83
Deferred accounts	1,825,569.64	Other liabilities	285,000.00
Securities	2,932,140.40		186,559.43
Other assets	33,576.33		
	\$39,221,421.16		\$39,221,421.16

All figures in Colombian gold pesos. One Colombian gold peso (\$) = 0.9733 gold dollar. Dividends are usually declared on January 14 and July 14.

BRITISH & HUNGARIAN BANK, Ltd.

Head Office: BUDAPEST, V., Vilmos császár-ut 32.

Established 1890.

Telegraphic Address: COLONIALE.

Capital and Reserves fully paid up: 40,000,000 pengő.

11 BRANCHES IN BUDAPEST.

Country Branches:

Békéscsaba, Berettyóújfalú, Debrecen, Győr, Hatvan, Kiskunfélegyháza, Makó, Nagykanizsa, Nyiregyháza, Sopron, Szeged.

London Agents: The British Overseas Bank, Ltd., 33, Gracechurch Street, E.C.3.

Midland Bank Limited, Overseas Branch, 122, Old Broad Street, E.C.2.

The Anglo-International Bank, Ltd., 24/28, Lombard Street, E.C.3.

Every kind of Banking Business Transacted.

**ZEMSKÁ BANKA**

(FORMERLY ROYAL BANK OF BOHEMIA)

PRAGUE, CZECHOSLOVAKIA.

Branch at BRATISLAVA.

CAPITAL	Kc. 40,000,000	DEPOSITS	Kc. 2,900,000,000
WORKING CAPITAL OF THE BRANCH		SECURITIES IN CUSTODY	Kc. 9,250,000,000
AT BRATISLAVA	Kc. 16,000,000	COMMUNAL, LAND DEVELOPMENT	
RESERVE FUNDS	Kc. 151,000,000	AND RAILWAY LOANS	Kc. 1,900,000,000

All business transactions are guaranteed by the Country of Bohemia, the most developed Province of the Czechoslovak Republic. Mortgage Loans, Credit for Construction of Buildings, All Banking, Discount and Stock Exchange Transactions. Transfers effected on all places of the Republic and abroad. Safe custody of Securities, Legal Safe Custody, Safes.

Issue of 4% and 4½%

Communal, Land Development, and Railway Bonds guaranteed by the Country of Bohemia.

The Communal Bonds issued for the purposes of the Municipalities in Slovakia and Carpathian Ruthenia are also guaranteed by the Republic.

HUNGARIAN GENERAL CREDITBANK

MAGYAR ÁLTALÁNOS HITELBANK.

Founded in
1867.

BUDAPEST—V. József-tér 3.

Telegrams:
"Credit."Share Capital and Reserves - 66,000,000 pengő
(about £2,360,000)

Seven Branches in Budapest.

Branches in Baja, Debrecen, Eger, Győr, Kecskemét, Miskolc, Nyiregyháza, Pécs, Sátoraljaújhely, Sopron, Székesfehérvár, Szekszárd, Braszov, Oradea Mare, Timisoara, Fiume.

Banking business of all descriptions transacted.

Correspondents throughout the world.

BANQUE D'ORIENT

Soc. Anon.

Capital, fully paid	Fr. 35,000,000
Reserves and Account balances, Profit and Loss, June 30th, 1930	Fr. 17,432,531.15
Account of estimation of Capital in stabilised Francs	Fr. 36,298,945.30

HEAD OFFICE - ATHENS.

Branches and Agencies at:—

SALONIKA, PIREUS, CAVALLA, MYTILENE, SERRES, PLOMARI, YERA,
ALEXANDRIA, CAIRO, ZAGAZIG, MIT-GAMR, BENHA, BENI-SOUER,
MINIEH and SOHAG.**HUNGARIAN COMMERCIAL
BANK OF PEST, BUDAPEST.**

Telegraphic Address: "COMMERZ, BUDAPEST."

OLDEST BANK OF HUNGARY.

EVERY KIND OF BANKING BUSINESS TRANSACTED.

50 Branches and Affiliated Banks in Hungary.

AFFILIATED BANKS IN

CZECHO-SLOVAKIA, YUGOSLAVIA, BULGARIA, ROUMANIA.

**BANK OF CZECHOSLOVAK LEGIONS
PRAGUE**

Telegraphic Address: "LEGIOBANKA."

22 Branches and 5 Exchange Offices in Czechoslovakia.

FOREIGN BANK AFFILIATIONS.

SVOBODA & CO., VIENNA I., Schottenring 18.

KOMERCIJALNA BANKA, D.D., ZAGREB AND LJUBLJANA, JUGOSLAVIJA;
LATVIJAS PRIVATBANKA, RIGA, LATVIJA.

Capital Paid Up - Kc 70,000,000

Reserves - Kc 64,550,000

COMPLETE BANKING SERVICE

IONIAN BANK, LIMITED

ESTABLISHED 1839.

CAPITAL AUTHORISED	£1,000,000	RESERVE FUND	£200,000
CAPITAL PAID UP	£600,000	TOTAL ASSETS	£5,776,203

HEAD OFFICE: 25/31, Moorgate, LONDON, E.C. 2.

GREECE:

EGYPT:
Central Office—ALEXANDRIA.
10 Branches and Agencies.Central Office—ATHENS.
27 Branches and Agencies.CYPRUS:
Central Office—NICOSIA.
4 Branches and Agencies.

EVERY FORM OF INTERNATIONAL BANKING SERVICE.

THE BRITISH BANK FOR THE NEAR EAST.

THE UNION BANK OF SCOTLAND, Ltd.

ESTABLISHED 1830.
CENTENARY YEAR.

SUBSCRIBED CAPITAL - £5,200,000
PAID-UP - £1,200,000
RESERVE FUND - £1,550,000
DEPOSITS - (April 1930) £28,250,000

HEAD OFFICES:
GLASGOW—St. Vincent Street. EDINBURGH—George Street.
200 Branches throughout Scotland.

LONDON OFFICE: 62, CORNHILL, E.C.3.

Manager: JOHN THOMSON. Asst. Manager: JOHN A. MORRISON.

HAS FOREIGN EXCHANGE DEPARTMENT.

London: West End Branch, 1, Regent Street, S.W.1.
JOHN MACDONALD, Manager.

Adapted in every way to carry through all forms
of Banking Business in London and Scotland.

Every description of Home and Foreign Banking transacted.
Letters of Credit issued on all places at Home and Abroad;
Cable Remittances, Freight Collections, Ship's Disbursements,
Credits, Commercial Credits, etc., arranged. Bills of Exchange
and Shipping Documents collected or negotiated subject to
approval.

The Bank also undertakes the duties of TRUSTEE and
EXECUTOR.

SMALL DEPOSIT ACCOUNTS BEARING INTEREST.
Sums of 1/- and upwards received. PASS BOOKS
and HOME SAFES ISSUED. Strictest Secrecy is
observed by the Bank's Officials.

At London Offices Current Accounts and other business
conducted on the usual terms of London Banks.

Deposits received at Interest.
NORMAN L. HIRD, General Manager.

Telegraphic Address: "Compdebary, Amsterdam."

Handel-Maatschappij
H. Albert de Bary & Co., N.V.
AMSTERDAM

Merchant Bankers

Capital - Fl. 15,000,000
Reserves Fl. 7,000,000



THE DAI-ICHI GINKO, LIMITED

TOKYO, JAPAN
(FORMERLY THE FIRST NATIONAL BANK.)
Established 1873.

CAPITAL - Yen 57,500,000.00
RESERVE FUND - Yen 57,500,000.00
SPECIAL RESERVE FUND - Yen 7,350,000.00

Y. SASAKI, President.
K. ISHII, Vice-President.
S. SUGITA, Managing Director.
Y. OHSAWA, Managing Director.
T. AKASHI, Managing Director.

Head Office:

No. 1 KABUTO-CHO, NIHONBASHI-KU, TOKYO
T. AKASHI, Manager.

City Branches:

Akasaka, Asakusa, Azabu, Fukagawa, Ginta, Gofukubashi, Hibiya,
Hongo, Honjo, Horidome, Horiecho, Kanda, Komagata, Kyobashi,
Marunouchi, Mita, Muromachi, Shinjuku, Ushigome.

Home Branches:

Ashikaga, Fukuoka, Fushimi, Gojo (Kyoto), Hakodate, Hiroshima,
Honmachi (Osaka), Hyogo (Kobe), Kiryu, Kobe, Kokura,
Kumamoto, Kurume, Kyomachi (Kobe), Kyoto, Marutamachi
(Kyoto), Minamiku (Osaka), Moji, Muroran, Nagoya, Nishijin
(Kyoto), Nishiku (Osaka), Osaka, Otaru, Sano, Sapporo, Shimonoaki,
Shinsabashi (Osaka), Tamayacho (Nagoya), Tatebayashi, Tochigi,
Toyohashi, Utsunomiya, Yokkachi, Yokohama.

Branches in Korea:

Fusan, Seoul.

London and New York Agents:

LONDON. NEW YORK.
Westminster Bank, Ltd. The National City Bank of New
York.
Midland Bank Ltd. Guaranty Trust Co. of New
York.
The Yokohama Specie Bank, Ltd. The Yokohama Specie Bank,
Ltd.

Correspondents:

The Bank, in addition to its own Branches, has numerous Agents
or Correspondents in the principal Cities and Towns at Home and
Abroad.

BANCO DE CHILE

(Incorporated in Chile with limited liability)

94 GRACECHURCH STREET, E.C.3

	Chilean Dollars.
PAID-UP CAPITAL - - - -	\$100,000,000.00
STATUTORY RESERVE - - - -	25,000,000.00
SPECIAL RESERVE - - - -	33,000,000.00
FUND FOR CONTINGENCIES - - - -	20,000,000.00
EXTRAORDINARY RESERVE - - - -	40,000,000.00
DIVIDEND FUND - - - -	7,949,076.66

(Equivalent to £5,648,727) \$225,949,076.66

Head Offices—SANTIAGO & VALPARAISO.

BRANCHES.

Santiago (Estacion), Santiago (Matadero), Santiago
(San Pablo), Valparaiso (Almendra), Antofagasta, Arica,
Chillan, Concepcion, Copiapo, Coquimbo, Curico, Iquique,
La Calera, Lautaro, Linares, Los Andes, Los Angeles,
Mulchen, Nueva Imperial, Osorno, Ovalle, Puerto Montt,
Quillota, Rancagua, Rengo, San Antonio, San Carlos,
San Fernando, San Felipe, San Javier, Santa Cruz,
Serena, Talca, Talcahuano, Temuco, Tocopilla, Traiguen,
Valdivia, Vallenar, Victoria, Vina del Mar.

The London Agency transacts every class of Banking
business with Chile. Current Accounts also opened and
Deposits received

PERCY C. WEST, Manager.

AGENTS OF {BANCO DE LA NACION ARGENTINA.
BANCO DO BRASIL.
BANCO CENTRAL DE CHILE.

Hire-Purchase Financing

Manufacturers and Distributors of merchan-
dise whose products are adaptable to
Hire-purchase distribution are invited to
consult United Dominions Trust Ltd.
regarding their particular problems.

The experience and organisation of this
Company enables it to offer comprehensive
facilities and service to meet individual
requirements.

Funds now employed exceed
£2,500,000.

J. GIBSON JARVIS,
Chairman & Managing Director.



KING'S HOUSE, KING ST., LONDON, E.C.4
and at MANCHESTER, GLASGOW,
LEEDS, BIRMINGHAM,
NEWCASTLE-ON-TYNE,
SOUTHAMPTON, and
NOTTINGHAM.



PRE-EMINENT IN THE
PITTSBURGH DISTRICT

CORRESPONDENCE INVITED

MELLON
NATIONAL BANK

PITTSBURGH, PA., U.S.A.

Cable Address . . . "Mellonson, Pittsburgh"
London Agents: National Provincial Bank, Ltd.

NATIONAL ECONOMIC BANK

(BANK GOSPODARSTWA KRAJOWEGO)
WARSAW, KRÓLEWSKA 5.

Telegraphic Address: KRAJOBANK, WARSAW.

Chairman: ROMAN GÓRECKI.

Paid-up Capital: Zl. 150,000,000

Reserve Fund: Zl. 51,025,715

Total of Balance Sheet, as on June 30th, 1930,
Zl. 2,036,641,332

20 Branches in Poland. Correspondents all over the world.

HANDLING OF BANKING TRANSACTIONS OF
EVERY DESCRIPTION.

Issue of 7% Mortgage Bonds as well as 7% Municipal
and 7½% Bank Bonds, the latter for requirements of
industry, in gold Zlotys, U.S. Dollars, Pounds Sterling,
Swiss Francs and Dutch Florins.

All issues of the Bank Gospodarstwa Krajowego are
secured by the First Mortgage on properties, or by
the properties owned by municipalities as well as by
total assets of the Bank Gospodarstwa Krajowego and
are guaranteed by the Polish Government.

NATIONAL DISCOUNT COMPANY, LIMITED.

ESTABLISHED 1856.

35, CORNHILL, LONDON, E.C.3

Telegraphic Address: "NATDIS, STOCK, LONDON." Telephones: MANSION HOUSE 5241 (3 lines).

SUBSCRIBED CAPITAL - £2,153,335
PAID-UP CAPITAL - £1,000,000
RESERVE FUND - £890,000

DIRECTORS:

Col. The Hon. SIDNEY PEEL, C.B., D.S.O., Chairman.
Hon. ARTHUR M. ASQUITH, D.S.O. Sir SIGISMUND F. MENDEL, K.B.E.
FREDERICK W. GREEN. CHARLES D. SELIGMAN.
H. S. H. GUINNESS.

Manager—FRANCIS GOLDSMITH.

Sub-Manager—SYDNEY N. LIGHTON.

Asst. Sub-Managers—R. E. de B. BATE & C. S. FOWLER.

Foreign Dept. Manager—OSCAR H. LIST.

Secretary—CHARLES H. GOUGH.

Auditors:

FRANCIS W. PIXLEY (Jackson, Pixley & Co.).
Sir ALBERT W. WYON, K.B.E. (Price, Waterhouse & Co.).

Bankers:

BANK OF ENGLAND.
NATIONAL PROVINCIAL BANK, LIMITED.

Treasury Bills, Bank and Mercantile Bills negotiated.

Money received on Deposit at Call and Short Notice at the
Current Market Rates of Interest, and for longer periods
upon specially agreed terms.

Loans granted upon approved securities.

All communications to be addressed to the Manager.

BANK OF BRITISH WEST AFRICA LIMITED.

ESTABLISHED 1894.

Authorised Capital ...	£4,000,000
Subscribed Capital ...	£3,000,000
Paid-up Capital ...	£1,200,000
Reserve ...	£400,000

Bankers to the Governments of the Gambia,
Sierra Leone, Gold Coast, and Nigeria.

Chairman:

THE EARL OF SELBORNE, K.G., G.C.M.G.

HEAD OFFICE:

37, GRACECHURCH STREET, LONDON, E.C.3.

GENERAL MANAGER:

D. W. PATERSON.

Liverpool, Manchester, Hamburg,
West Africa, Canary Islands, Morocco.

Agents in New York:

Standard Bank of South Africa, Ltd.

PRINCIPAL SHAREHOLDERS:

Lloyds Bank Limited; National Provincial Bank
Limited; Standard Bank of South Africa, Limited;
Westminster Bank Limited.

THE CENTRAL BANK OF INDIA, LTD.

ESTABLISHED 1911.

Head Office: BOMBAY.

Branches:

AHMEDABAD, AMINABAD, AMRITSAR, BARA
BAZAR (CALCUTTA), CALCUTTA, DELHI,
HAPUR, HYDERABAD (DECCAN), JAMNAGAR,
JHARIA, KARACHI, KASUR, LAHORE,
LAHORE CITY, LUCKNOW, LYALLPUR,
RANGOON, SAMBHAR LAKE, SECUNDERABAD.

London Agents:

THE MIDLAND BANK LIMITED.

Paris Agents:

THE GUARANTY TRUST CO. OF NEW YORK.

Berlin Agents:

THE DEUTSCHE BANK.

New York Agents:

THE GUARANTY TRUST CO. OF NEW YORK.

Subscribed Capital Rs. 3,36,00,000

Paid-up Capital - Rs. 1,68,00,000

Reserve and Contingency Fund
Rs. 93,00,000

S. N. POCHKHANAWALA, Managing Director.

HUNGARIAN LAND MORTGAGE INSTITUTE

Crédit Foncier de Hongrie.
Magyar Földhitelintézet.

BUDAPEST.

THE OLDEST FARM MORTGAGE BANK AND
MORTGAGE BOND ISSUING HOUSE IN HUNGARY.

ESTABLISHED 1863.

Every Description of Banking Business
transacted.

Telegraphic Address:—HUMUS.

LONDON CORRESPONDENTS:

Swiss Bank Corporation, Hambros Bank
Limited, Anglo-International Bank Limited,
M. Samuel & Co., Ltd.

NEW YORK CORRESPONDENTS:

Guaranty Trust Company of New York,
Irving Trust Company.

ISSUES from 1st January, 1926, to 31st DECEMBER, 1929.

£2,000,000 7½% Series "A" Sterling Land Mortgage Bonds (there-
from outstanding £1,975,000).
£860,000 7½% Series "B" Sterling Land Mortgage Bonds (there-
from outstanding £860,000).
Paying Agents: Hambros Bank, Limited, London; and Anglo-
International Bank, Limited, London.
£3,000,000 7½% Series "A" Sinking Fund Land Mortgage Gold
Bonds (therefrom outstanding £2,975,000).
£3,000,000 7½% Series "B" Sinking Fund Land Mortgage Gold
Bonds (therefrom outstanding £2,975,000).
Paying Agents: Guaranty Trust Company of New York, New York.

THE P. & O. BANKING CORPORATION, LIMITED.

Head Office: 117-122, LEADENHALL ST., LONDON, E.C.3

AUTHORISED CAPITAL £5,000,000

SUBSCRIBED CAPITAL £2,594,160

PAID-UP CAPITAL £2,594,160

RESERVE FUND £180,000

Every description of Banking Business transacted.
Correspondents in all parts of the World.

BRANCHES:

14, Cockspur Street, London, S.W.1;

Bombay; Calcutta; Calicut;

Colombo; Hongkong; Madras;

Shanghai; Singapore.

AFFILIATED BANK:

THE ALLAHABAD BANK, LTD.

Head Office: CALCUTTA; with 38 Branches and
Sub-Agencies in India.

AUTHORISED CAPITAL Rs. 40,00,000

SUBSCRIBED CAPITAL Rs. 40,00,000

PAID-UP CAPITAL Rs. 35,50,000

RESERVE FUND Rs. 38,50,000

ALEXANDERS DISCOUNT CO. LIMITED.

24 Lombard Street, E.C.3.

Capital Authorised - -	£1,800,000
Capital Subscribed - -	1,800,000
Paid-up Preference Shares	200,000
Paid-up Ordinary Shares -	800,000
Reserve Fund - - -	575,000

DIRECTORS.

COLIN FREDERICK CAMPBELL, Chairman.

GEORGE CLEVERLY ALEXANDER.

ERIC GORE BROWNE, D.S.O.

SIR AUSTIN EDWARD HARRIS, K.B.E.

FRANK NEWCOMB.

Manager—F. NEWCOMB.

Sub-Manager—B. F. CREWDSON, C.B.E.

Secretary—A. K. BRUCE.

Approved Mercantile Bills discounted. Loans
granted on negotiable securities. Money received
on deposit at call and short notices at current market
rates, as advertised from time to time in the daily
papers. For longer periods on specially agreed terms.

The Company deals in British Treasury
Bills of any maturity.

The Hongkong and Shanghai Banking Corporation

(Incorporated in the Colony of Hongkong. The liability of members
is limited to the extent and in manner prescribed by Ordinance No. 6 of
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INTRODUCTION.

THE account of certain aspects of contemporary Russia contained in the following pages embodies the results of an investigation conducted for the *Economist* by a Special Correspondent who visited that country this summer, and whose impressions are those of an unprejudiced observer familiar with Russian conditions before and since the Revolution. Our own reflections on the picture which our Correspondent presents will be found in an article in this week's *Economist*. As an aid to clearer appreciation of the bearing of the developments which he notes, we propose in this Introduction to summarise a few of the salient features of the structure of Russia to-day.

The historical background of current phenomena in Soviet Russia falls naturally into three sections. The period from the overthrow of Kerensky's Government, in November, 1917, to the announcement of the new Economic Policy, on August 11, 1921, was usually referred to as the time of "War Communism," when the exigencies of war and civil disturbance led to an extreme measure of centralised control of production and distribution, grain requisitions, and abortive experiments in "pure communism." Under the system of modified Socialism (N.E.P.), which Lenin introduced four years after the Revolution, private individuals were once again allowed to take part in trade and industry and supplement the activity of the State. The period from 1921 to 1927 was devoted to "reconstruction," accompanied, incidentally, by the steady elimination of the private trader as the interests of the State expanded. The third period, that of economic "development," began with the launching, in October, 1928, of the Five Years' Plan for the industrialisation of the country.

The constitution of the new republic, which was promulgated in July, 1923, is, in theory, if not in practice, democratic. With certain "class" exceptions, the franchise is universal. The system of election is extremely indirect, and its basis is partly occupational and partly geographical. The Soviet or Council, whether of a district, factory or workshop, is regarded as the unit, and a pyramid of congresses—district, provincial, and regional—has its apex in the Union Congress of Soviets, which ordinarily meets once a year. Voting for the election of delegates is by show of hands, and any voter can nominate a candidate. In practice, election meetings seem useful for the airing of grievances, but there is no reason to think that the degree of apparent unanimity often reached is any clear reflection of the electors' wishes. Town voters are judiciously "weighted," in comparison with the peasants, so that the actual composition of the second rank of congresses does not reflect the comparative numerical position of urban workers and peasants.

Once elected, the Union Congress of Soviets itself appoints a Central Executive Committee to which each national republic has the right to send representatives.

The Central Executive Committee meets ordinarily about three times a year and, when it is not sitting, is represented by a small elected committee or Presidium, and by the Council of People's Commissaries, which is the executive organ. The whole constitutional machine is overshadowed, however, by that of the Communist Party and its hand-maiden, the State Political Police, or G.P.U., though the extra-constitutional influence of the Communist Party is professedly temporary in nature. Local administration is in the hands of the various local soviets, and is subject to little interference from the centre as long as it follows the general lines of policy laid down by the Party Congress.

As far as the economic side of the U.S.S.R. is concerned, practically the whole of large-scale industry is now in the hands of the State; and, as will be seen in the ensuing pages, revenue from this source figures largely in the State budget. State industry is under the control of Vesenha, the Supreme Economic Council of the Union, and the various industries are administered by "Trusts" which are responsible to the Supreme Council. The activity of these trustified State industries forms the keystone of the Five-Years' Plan—formulated by the State Planning Commission, or Gosplan, and its various branches, in conjunction with Vesenha, Narcomfin (the Commissariat of Finance) and the co-operative organisations.

The current forms of agricultural organisation fall into two main groups. The first consists of State farms, or Sovhosi, owned and controlled by the State, and employing labour for a fixed wage; the second consists of co-operative farms, more spontaneous in origin, which occur in three stages: (1) The "Soz," or "Society for the Common Working of the Land," in which for the first time the land is ploughed and sown in one *massif*, and labour, land, and working stock are pooled; (2) the "Artel," in which not only land, but labour and working stock are commonly controlled; (3) the Commune, where everything but personal property is owned and administered in common, and dwellings, dining rooms, and the like, are reorganised on communal lines.

The internal and external trade of the Soviet Union, like industry and agriculture, is subject to the closest supervision by Government bodies, and particularly by the People's Commissariat for Trade, Narcomorg. Internally, by far the greater part of the wholesale trade is confined to the State and co-operative organisations, while present policy appears to be aimed at depriving the private traders of even the opportunities in the retail trade which the New Economic Policy gave to them. Thus, whereas in 1928-29, the first year of the Plan, private individuals were responsible for 13.9 per cent. of the total trade turnover, while the co-operatives took 48.5 per cent. and the State 37.6 per cent., it is estimated that by 1932-33, the final year of the Plan, private trade will have

shrunk to 3.2 per cent. of the whole, while the proportion of the co-operatives will have reached 59.2 per cent., and that of the State have remained stationary at 37.6 per cent.

State trade is organised by means of a large number of "syndicates" concerned in many cases with the goods produced by the corresponding "trusts." These syndicates are joined in a Union of Syndicates, which also embraces many other trading organisations, and is concerned, *inter alia*, with the fixing of prices. In addition to the syndicates, there exist sundry State "joint-stock companies" whose capital is contributed by some or all of the State and co-operative institutions which are interested. Such, for instance, are the Khlebo-product, or State Grain Company, and the Sherstj, or State Wool Company. The co-operative machine is largely controlled by Centrosoyus, the Wholesale Society, and by Selosoyus, the Agricultural Co-operative Society. Apart from the retail shops, much of the trade takes place in the "goods exchanges," both central and provincial, and, particularly in the east, in the great trade fairs which were revived in 1922, and have again become a prominent feature of economic life.

AN IMPRESSION OF RUSSIA

(BY A SPECIAL CORRESPONDENT.)

THE more closely one follows what is going on in Russia to-day the more clearly one becomes aware of the exceptional character of the events that are there taking place, events which constitute an attempt to carry out an Industrial Revolution. The outward and visible signs of this revolution can be seen on every side. They permeate Russian life—political, economic and social. The magnitude and profundity of the change in which industry, agriculture and social and cultural relations are involved as a consequence of the execution of the Five Years' Plan are such that the October Revolution itself seems by comparison but a dramatic episode.

By 1927, the revolutionary impetus in the country seemed to have spent its force. Not only had the New Economic Policy, which Lenin inaugurated in 1921, restored in Russia to a certain extent the ideas of evolutionary Socialism, but the Communists were learning, in Lenin's words, to "trade well." The result of the reopening of the market and the tacit recognition of property was not only changing the economics of the country but the very psychology of the people. Private capital was making a miraculous recovery; in less than two years after the promulgation of the N.E.P. over 90 per cent. of the re-established retail trade was in the hands of private traders; while even the wholesale trade, the stronghold of the cherished "commanding heights" of the new State, was being continuously invaded by private capital. In 1923 private capital in that branch of trade was represented by a mere 10 per cent.; but in 1924 it controlled more than 30 per cent.

Vanguard skirmishes against the N.E.P. began as early as 1925, when some of the "Nepmen" were taxed out of existence and others were banished to Siberia on charges of "speculation." But these measures had a purely political purpose. In the economic sense, the new policy was strongly entrenched, and could not easily be dislodged. If this was not exactly the Thermidor of Bolshevism, as Trotsky warned the party, it was at any rate dangerously near to it. Yet the economic need for Lenin's policy was so vital that the managers of the party machine were resolved rather to quarrel with their own Left Wing than to fight the Kulaks (rich peasants), as Trotsky challenged them to do. In 1927 the "Nepmen" of the villages were the mainstay of the food supplies; and any attempt to fight them then would have been not only useless, but would have resulted in a crushing defeat of the Communists. Only in 1929, when the growth of the Socialist section of agriculture was enabling the State to become independent of the supplies

Foreign trade is a State monopoly, and the monopoly is jealously guarded. The Soviet State is represented abroad, in a trading capacity, by its various trade delegations, which are responsible to Narcomorg, the sole issuer of export and import licences. In addition, the right to carry on foreign trade has been granted to certain co-operative organisations, including Centrosoyus and Selosoyus, while a number of joint-stock companies, such as, for instance, Russavstorg and Sovpoltorg, have been created to attract foreign capital into trade with Russia. All these organisations are under the general supervision of the trade delegation in the country in which they carry on their operations. Since the launching of the Five Years' Plan, the lines on which the trade policy of Russia is organised have intensified. In order to obtain the capital which is essential to the fulfilment of the Plan, Russia is concentrating more and more on the export of agricultural produce, oil, timber and other raw materials, and on the import of machinery; and the outbreak of "dumping," at a time when the market is in the worst possible state to absorb forced sales, is attributed to the urgency of Russia's capital requirements.

of the Kulaks, could the Government begin to "liquidate" them.

The year 1929 marked a crisis of policy; for in that year not only was the class war renewed but the great scheme of industrialisation on Socialist lines had been launched. When, in the summer of 1929, I first came into contact with the new situation I was not quite certain whether I was moving in an atmosphere of revolution or of war. The atmosphere seemed to contain elements of both.

My impressions when I revisited Russia this summer were essentially the same, only intensified. The outlook was sterner and grimmer, the privations of the people more accentuated, the tasks seemed more formidable and onerous; but while a certain "war-weariness" was unmistakable, the enthusiasm in many quarters appeared unabated. Propaganda, however, had become more intense, more insistent, and the drive more bitter and more ruthless. The country still seemed midway between revolution and war. Yet the whole spirit of the time was different from that of either war or revolution. The significant feature of the situation was that an attempt was being made to play on mass-psychology for the accomplishment of a vast economic plan.

The present stage of the revolution is remarkable for its dramatic suddenness and gigantic sweep; but it may pass into history as an audacious attempt to change not only property rights and relations of classes, but even human nature itself. For, indeed, the industrial revolution which is now being carried out can never achieve even the most moderate success unless it can fundamentally change the spirit and the productive capacity of labour.

The Five Years' Plan.

There are many aspects from which the Five Years' Plan can be regarded. It may be conceived simply as a programme of work, that is to say, as an outline of what it is contemplated shall be done in the domain of mining, transport, building, electrical, chemical, and engineering industries, forestry and agriculture. Or it can be described as a financial instrument, a programme of taxation, loans, capital outlays and investments. Or again, stress can be laid on the endeavour to raise the educational level of the country by the training of hundreds of thousands of technicians, engineers and agronomists. It is equally possible to dwell upon the military aspect of this industrial preparedness. And there are other points of view from which the Plan might

be considered, such as the security of Russia's economic independence and the widening of the industrial basis of the Socialist State. But these and similar aspects of the Plan contain no element of revolutionary upheaval. Even the gigantic scale of the Plan hardly invests it with a revolutionary character.

What gives it this character is not the scale of the endeavour, nor the scope of its applications, nor the amount of energy it liberates. The essential distinction of the new order which this transformation is designed to bring about is that it involves not only a new technique, but a new spirit, not only up-to-date machines, but a change of attitude towards the machines. The result will be dependent on the human factor, on how far labour is willing and competent to employ these machines to the limit of their capacity. This is sufficiently well understood in Russia to-day. And this is why such a terrific propaganda for a more enthusiastic devotion to work, for working better and more intensively, is being conducted in the Press and in the factories. All the methods and devices that can be used to inculcate this spirit of labour and devotion—coaxing, cajoling, intimidating, entreating, threatening, appealing to the workers' national pride—are in turn being assiduously employed.

"Work More" Propaganda.

To enumerate all the forms assumed by this propaganda for the stimulation of higher productivity is no easy task. Moreover, like all propaganda in Russia, these appeals are couched in a military jargon which makes it difficult to disentangle the meaning from the tedious terminology. That a good deal of the reported enthusiasm and devotion is fictitious and grossly ineffective may be taken for granted. But judging from my own personal observation, and from evidence furnished by actual results, I should say that the movement, although in its initial stage, is very far-reaching. That the former dreaminess of Russian workers can be displaced by an active attitude to life, that more work and more intensive work is being done in the factories and in the fields, I am genuinely convinced. That the speeding-up methods employed are thoroughly healthy I am not prepared to admit. On the contrary, when I was last in Russia, I could not help being struck by the fever, excitement and impulsiveness of the pace, which hardly seemed steady or native.

The most typical and the most prevalent method of trying to speed up work is the so-called Socialist "emulation" campaign, in which groups of crack workers in one or more shops or factories enter into competition for a higher level of productivity and solemnly undertake to work more intensively, to turn out more than the prescribed quota and to produce it at less cost and with a minimum waste of raw material and fuel. These competitions are assuming the character of a football match in England, publicly played and publicly rewarded. The progress of the competitors is announced each day on boards in the shops, reported in the Press, and discussed in numerous "wall news-sheets." The victorious group or factory gains in most cases, in addition to public approval and praise, rewards and prizes. How seriously and with what attention these methods are being followed by the Government and the country can be gathered from reading a single number of any Russian newspaper.

A copy of the *Izvestia* of October 1st, which lies before me, contains a number of instances of the prizes awarded to the best factories, to crack groups and to crack workers. The factory AMO in Moscow, for instance, which produced 3 per cent. above the yearly quota, is to receive a prize of 750,000 roubles for the purpose of building houses for workers. The Laps factory in Moscow is awarded 500,000 roubles for the same degree of proficiency. The Karl Marx factory in Leningrad, which completed its annual programme in 11 months, is adjudged 750,000 roubles towards building a dining-room and a meeting-room. The Lenin mine at Krivoi Rog, which was one of the first in the district to complete the full annual programme, secures 300,000 roubles, to be devoted to the construction of workers' buildings. The

Ilych metallurgical works at Kharkov, which completed the full second year's programme on September 23rd and "gave the country production worth 58 million roubles," obtained a special recompense. Four of its crack workers and two of its crack engineers are awarded travelling scholarships abroad. Alongside with these rewards the papers publish lists of workers, shops and factories which are pilloried for bad work.

What makes life in present-day Russia so dramatic and intense is the consciousness that a great social experiment is being made. Can higher productivity be reached in the short period of a few years? Can it be reached under the stimulus of any other motive than that of mere wage-earning? Can it be reached by pride of achievement or by the sense of part ownership in social wealth? These are the questions raised by the Bolshevik experiment which are awaiting their answer. And according as the answer is favourable or unfavourable the experiment will have succeeded or have failed.

The problem of labour remains the most important and the most puzzling of all the phenomena that are under observation in the Russia of to-day. And this is why visitors returning from Russia are found bringing back such contradictory reports. Some are struck by "the unprecedented enthusiasm of labour" for the Plan. Others bear witness to the intensity of Government propaganda and to "the ruthlessness of the drive." Some speak of the Plan as the Royal Road to Socialism. Others bring back a vision of a Russia which is about to become a servile State. Some are convinced that labour in Russia is being pampered and spoiled by the privileges and flattery lavished on it. Others are lamenting that it is in chains, forced, coerced and dragooned. Some see labour enthroned as the new nobility; others regard it as degraded to a new serfdom.

Speculations of this kind are natural enough. But they are about as valuable as the outcry here during the war that British labour had been hopelessly spoiled, or that civil liberties would never be restored. The drive in Russia, ruthless and brutal as it is, bears more than a superficial likeness to the wartime methods employed in this country and elsewhere. While the distant objective may be the creation of new standards and values for labour, its immediate and most vital aim is "to win the war," in this case to ensure the success of the Five Years' Plan at any cost and at any sacrifice.

Miracles—at a Price.

It must be realised that industrialisation in Russia is not a normal process of growth but the outcome of an urgent need. In most industrially backward countries such a development usually proceeds on foreign loans, and is spread over a number of decades. The Five Years' Plan is quite different; for Russia has neither accumulated capital of her own, nor can she procure capital from abroad. In fact, the Plan can only be financed by the mobilisation of the national income, and can only be completed within the specified time by the most devoted sacrifices. There were in the circumstances only two ways to reconstruction, either to slow down the process, that is to say, to rebuild the State slowly out of a gradually accumulated surplus, or to speed it up by lavishing on it all the wealth of the State that could be made fluid. The latter alternative, expressed in economic terms, cannot but mean a great degree of privation.

The tragic misfortune of Russia, however, is that the very generation which has to make this new sacrifice has hardly had time to recover from the threefold sacrifice which it has already made in the Great War, in the Revolution and in the Civil War. It is these older men who have to shoulder that cost of industrialisation, which in normal circumstances would have been defrayed by later generations. Their attitude towards reconstruction and towards the privation entailed by reconstruction is radically different from that of the younger people, who have been brought up to regard the times of Revolution and of Civil War as the heroic period of Russian history. To this generation the gospel of labour and of sacrifice

makes, and is indeed probably calculated to make, a more or less natural appeal. The ambition, not only to rebuild Russia but to rebuild Russia on the most gigantic scale has captured the imagination of many of the young.

The task which the present rulers of Russia have set themselves cannot but be regarded as approaching perilously near the fantastic, as this term is generally understood. Dozens of projects are in course of execution in Russia, all of which would be considered ambitious even in America. In Russia the contrast between to-day and to-morrow gives them the appearance of projected miracles. The eagerness to construct the biggest water dam in the world, the largest paper works, the most extensive tractor factory or cotton mill, to erect them in the shortest possible time, and to equip them with the most up-to-date machinery is not simply the outcome of ordinary economic development; nor is it merely part and parcel of a policy which deliberately aims at impressing the popular imagination. It is the expression of the delight which Young Russia feels at the sudden discovery of the country's vast and hitherto unexploited material resources. The younger generation of Russians is deeply thrilled, and believes that the Five Years' Plan is the gateway to a new epoch.

Problems of Population.

But among the problems with which Russia is faced, one of the biggest is that of the immense increase of her population. On April 1, 1930, the total population of the country was estimated at 158 millions, which is 20 millions more than the numbers of those who lived on the territory of the present Union in 1914. By 1924 the population had nearly regained the pre-War level; that is to say, the natural growth of the population after the Revolution had been so great that it had already repaired the heavy vital losses entailed by the great War, by the Civil War and by epidemics and emigration. In the next three years, from 1924 to 1927, the net gain was 9½ millions; while in the last three years it has been 11 millions. The average annual increase for the last six years is to be reckoned therefore at about 3½ millions.

These are arresting figures. How striking they are can be gathered from a comparison of Russian expansion with that of the rest of Europe. The net annual increase of population in Europe, excluding the U.S.S.R., is 2¼ millions on a population of 370 millions; while in Russia it is 3½ millions on a population of 150 millions. The significant fact, moreover, is that this accelerated net increase is due not to an increase in the birth rate, but to a decrease in the death rate. The birth rate in the three years 1911-13 was 46.8 per thousand; in the three years 1926-28 it was only 40.0. The respective figures for the death rate are 30.5, pre-War, and 17.4 in 1926-28. Thus, whereas the natural growth of the population in 1913 was 16.3 per thousand, in 1928 it was 22.6 per thousand.

THE INDUSTRIAL PLAN.

WHAT distinguishes the present industrial situation of Russia from that of other countries is its virtual freedom from "selling" problems. Whereas under Capitalism, an economic crisis is usually a crisis of "over-production," the permanent crisis in the Soviet Union is a crisis of "under-production." So far as the internal market is concerned, lack of demand is a problem which the Soviet statesman never has to consider. One hundred and fifty million people are, as it were, standing in a queue and waiting to be served. Indeed, the strange paradox of the situation in Russia is that the producer's difficulty consists not in finding buyers, but in having to avoid them. And this freedom from the anxieties connected with selling is not merely a result of shortage. Beyond doubt, real shortage is intensifying a hundredfold the demand; but the situation has a deeper significance, due, if I am not mistaken, to three main causes—the vastness of the ever-growing internal market;

This large increase of population raises problems of great consequence. If one considers the enormous area of the country, its great natural resources and the small density of population (7.6 per sq. kilometre), one may be inclined to regard this expansion of population with complacency. But, whether in the future it proves a source of strength or of weakness, to-day these soaring population figures might well arouse a certain degree of apprehension. Yet, to my surprise, I failed to find any evidence of such apprehension, or indeed any admission that there is a population problem. My enquiries in official quarters only elicited a suggestion that I should consult the employment statistics. "Surplus population," I was abruptly reminded, is a conception founded on nothing but Liberal and Social Democratic prejudices. Soviet Russia does not recognise such antiquated theories. "Over-population" merely means that the productive resources of a country have not been adequately developed; and they cannot be so developed under the handicap of Capitalism. But in the U.S.S.R., where there are no limits to the development of the country's productive forces, such theories can have no validity.

This sweeping and dangerous assurance on the part of the Bolsheviks is partly to be explained by the fact that at the moment the demand for industrial labour is growing even more quickly than the population. In the last 2½ years the number of urban workers has increased by 22.8 per cent. It was 8,866,000 in 1927, and by the early part of the present year it had grown to 10,887,000. Not only so, but the drift of the population from the villages to the towns has latterly to a certain extent been reversed. This is remarkable, as it might have been expected that mechanisation and rationalisation of agriculture would have displaced human labour in the villages and that these displaced peasants would have flocked to the towns. But this invasion has so far not taken place; and this probably because collectivisation is a part of the mechanisation scheme. Machines undoubtedly are displacing labourers in the villages; but though the labourers have less to do, they are under no compulsion to flock to the towns. On the contrary, there is a marked tendency on the part of labourers, who used to do seasonal work in the building industry, to leave this town employment and to return to the collective farms.

Whether the decrease of unemployment in Soviet Russia during the last year or so is due partly to the social and economic changes in the villages, or is to be explained solely in the light of the immense expansion of enterprise involved in the Five Years' Plan, it is too early to say. It is equally impossible yet to form an opinion whether this drift back to the land is merely temporary, or whether collectivisation and rationalisation of agriculture will ultimately avert the threat of agrarian over-population. At this stage one is left with the sense that though the problem of population may not be consciously on the mind of the rulers of Russia, it is nevertheless the background of their present vast experiment.

the organisation of the consumers; and the control by the Government of both producers and consumers and of their finances.

The growth of the internal market is essentially, and logically, a post-revolutionary phenomenon. In Tsarist Russia the 120 million peasants were never regarded as constituting a market; for Russian capitalism, adolescent as it was, was eager only to conquer foreign markets. The development of the internal market was impossible; for no increase of the purchasing power of the peasant could be brought about without attempting to solve the land question, i.e., without provoking a conflict with the landlords. The State, the landlords and the bourgeoisie, therefore, were all absorbed in dreams of conquest, of expansion and of outlets to warm waters; for they believed that once they were able to secure sufficient foreign markets they need no longer concern themselves with the plight of the moujiks.

During the Great War and the Revolution, however, the peasants succeeded in acquiring not only new tastes, but a consciousness of their own power and rights. Their key position as the chief source of supplies of food and raw materials made them the chief market for manufactures. To realise the potentialities of this market, one should visit a village co-operative store during threshing time, that is, immediately before grain deliveries to the Government agents have started. The anxiety of officials to rush manufactured goods to the villages in time, the newspaper outcry against the inefficiency of transport arrangements and against the slackness of the co-operative societies in coping with this most urgent task, and the sight of the peasants examining the store and taking a mental measure of their chances of obtaining an adequate supply—all indicate in the most lively fashion the importance of the Russian village as a market.

At present, it is impossible to satisfy this market; for there are not nearly enough manufactured goods to go round. Nor will it be possible to satisfy it for many years. For, even if production increases manifold, the standard of living and the new needs of the peasants will still increase at a greater rate. But the opening of this vast market means not only the eventual supply of the needs of the peasants as consumers. The peasants as producers constitute a still more important market. Indeed, this is likely to be the greatest market of all for the metal, the engineering, the wood-working, and the chemical industries. Among goods badly needed by the peasants one need only mention tractors, lorries, motor cars, ploughing, reaping and threshing machines, utensils required for dairywork and machines essential to various village industries, not to speak of petroleum and fertilisers. Moreover, it is claimed that the demand will be free from the fluctuations of the ordinary capitalist market.

Though the organisation of the peasants as producers is still in its initial stage, the number of bodies acting as buyers has already been reduced to half-a-dozen. These are the Grain Trust, the Tractor Centre, the Kolhos-Centre, the Cotton Grower, and two or three other such bodies, which decide how many and which machines should be ordered to supply the needs of agriculture. Another important circumstance which gives the Russian internal market a peculiar character is the fact that the producer of goods is entirely free from anxiety about the financial soundness of the buyer; for the Government controls the finances of buyer and producer alike.

And the peasants' market is not the only one. That furnished by the urban population must not be overlooked. This market is smaller, but big in possibilities of development. Here, again, not only is there a large number of buyers eager for goods, but the producer is the State itself, which controls everything, from raw materials and employment to prices, currency, wages, rates of profit and saving. Moreover, State control of the market is made absolute by the monopoly of foreign trade, which enables the producer to disregard entirely the fluctuations of the world market.

Maximum Expansion.

As far, then, as demand is concerned there is no restriction on the development of production. The only limits imposed are those due to the lack of capital equipment, of raw materials and of technical skill. Within these limits the Government policy is that of maximum expansion of production, or, as the Bolsheviks put it, to the "utmost tempo of industrialisation." The Communist use of the word "tempo" needs explaining. There is no other cant word spoken in Russia to-day so often and with so strong an emphasis. The phrase is generally heard with the epithet "storm" or "Bolshevik" attached, and has quite a complex of meanings. "Tempo" is indeed not merely expressive of a belief that Socialism permits of a rate of economic development which is impossible under capitalism; it also proclaims the conviction that Soviet industry will ultimately outstrip any other in the world. But the main doctrine or implication of "Bolshevik tempo" is a scorn-

ful denial of "pseudo-scientific" theories of gradualness in economic development and an emphatic assertion of the all-important necessity for the concentration of the workers' will-power. And the culminating expression of Bolshevik "tempo" is the Five Years' Plan. To regard the Plan as a rigid programme is to misjudge it for registers, and is meant to register, a tendency of maximum expansion. It sets forth only the goal. The actual scheme is settled by the annual tables, called the "control figures," which are proposed by the State Planning Commission and then adopted by the Government. But these control figures should be taken as a minimum only; and the tendency, as has been said, is to exceed them, if possible, and by as much as possible.

In the most general form the goal which the Plan aims at realising can be seen in the following table, which indicates the expected increases during the five years of the total population, of the number of wage earners, of the rate of production and of the national income:—

INDEX OF DEVELOPMENT OF NATIONAL ECONOMY.

(Percentages of Increases for the Five Years, 1928-33.)

Total population	11.8	Light industry	144
Wage earners	18.2	Agricultural production	151
All industry	181	National income	101.5
Heavy industry	255		

It will be noted that the Government contemplate, and ordain, a doubling of income in five years' time, and a practical trebling of industrial production—a really dazzling "tempo"! And even more dazzling if it be remembered that by 1927 Russian economic development had already nearly regained the pre-war level. But, according to the Bolsheviks, salvation can come only from activity and not from a slavish reliance on the natural development of economic forces. This latter attitude the Bolsheviks describe and stigmatise in their contemptuous use of the word *samotek*, which means "running automatically." A present-day Russian worker, who, instead of intervening actively in the true Socialist fashion, relies on *samotek* or on the operation of natural forces, will hardly escape the condemnation of being "void of lively faith"; for he violates the fundamental doctrine of Bolshevism.

Speeding up the Tempo.

It is no wonder, then, that the Five Years' Plan, which, when first promulgated, seemed a purely fantastic scheme, should have been subsequently revised—not in the sense of retardation, but in that of acceleration. The "tempo" has already been changed several times; and during the last few months a propaganda has been carried on all over the country for a complete revision of the Plan with the object of completing it in four instead of five years. The slogan "Piatiletka in Four Years" is posted up on the walls of every town, is advertised on the mural news-sheets, flashes out at night from hundreds of electric signs, and forms a pattern on the flower-beds in every park and public garden. The new industrialisation loan which is being floated is itself called "The Piatiletka-in-Four-Years Loan."

This determination to accelerate the pace may be taken, and is, of course, meant to be taken, as an indication that the Plan is certain to be completed well within the scheduled time. In some respects the progress made in industrialisation is, it may be admitted, considerable enough to warrant the expectation that speeding up is possible. But the vehement propaganda for shortening the period within which the Plan must be completed is probably inspired by political and psychological considerations. The tension and privation entailed by the execution of the Plan are tolerated only because a definite and proximate period is to be put to them. If, then, this period can be reduced to four years it will signify that the first and worst half of the workers' travail is already over. The remaining half will then seem shorter and easier. "The Piatiletka in four years" has indeed a double aim, to accelerate the "tempo" of production and to make the tension created by this "tempo" less intolerable by shortening its duration.

The Burden of the Cost.

The first estimate of expenditure under the Five Years' Plan was fixed at 76,000 million roubles. This was the programme submitted to the Government in 1928. But before it was finally accepted by the Central Executive Committee of the Union, it was revised; and the Plan finally adopted allowed for an expenditure of 86,000 millions. This total has not since been revised; but in view of the fact that the annual appropriations have been considerably augmented, it is safe to predict that when the Plan is ultimately completed it will be found to have involved an expenditure of close on 100,000 millions.

The full significance of expenditure on such a scale cannot be measured simply by the amount of money spent. It is essential to realise the proportion which this expenditure bears to the national income of the country. From this point of view there can be no doubt about the very severe burden which this financing of reconstruction is imposing on the country. Indeed, it is said to represent no less than the setting aside of half of the national income for five years. Whether this figure is correct or not, it undoubtedly means that an exceptionally large proportion of the national income is to be withdrawn from consumption and diverted to purposes of production. Even during the War years it is doubtful whether the belligerents actually withdrew such a proportion of their national incomes.

The authors of the Plan are obviously aware of the social and economic implications of their scheme. Nor do they attempt to deny that the tension and sacrifice involved in carrying it through are similar to those called for in the financing of a big war. But though they claim, with justice, that there is an essential difference in aim between a war expenditure and one for economic reconstruction, the fact remains that the expenditure on the Five Years' Plan represents an unprecedented burden on peace-time finance. On the other hand, it appears to be the case that the amount of active resistance to the Plan is small and is directed not against its general purpose, but against its growing incidence. For the finances of the Plan are indeed portentous; the amount to be spent is increasing at a greater pace than the national income itself; and a similar disproportion is seen if the expenditure is compared with any other index of national economy—the growth of production, the increase of goods in circulation, or the expansion of transport.

The Budget.

It should be appreciated, of course, that the instrument still known as the State Budget is something radically different from a normal budget. The new and complex system of Russian national finance, commonly known as the State Finance Plan, has not yet had its scope and method clearly defined. But its contours are sharp enough to give us some idea of its wide scope. Briefly described, the Finance Plan embraces all revenues which are usually included in a budget, together with those accruing from socialised industries and trade, from banking and credit, as well as from a number of other sources such as local government budgets, social insurance funds, and internal loans. Obviously the full scope of such a comprehensive system of centralised State finance can only be reached in a completely socialised State. In the Soviet Union, where the majority of the peasants still adhere to the system of private property and where not only trade but even industry is to some extent privately owned and run, such a unified instrument of finance cannot fully operate. So in this period of transition the Soviet State is formally adhering to the system of a State Budget. But the budget in operation in Russia to-day (the closed accounts for 1928-29 and the estimates for 1929-30 are reproduced in the Appendix) deviates considerably, alike in scope and method, from that of any other State.

If the budget of 1929-30 be compared with that of 1928-29 it will be seen that the income derived from taxa-

tion is growing at a smaller rate than that which comes from State domains and the socialised section of industry. In 1928-29 tax-revenue amounted to 48.7 per cent. of the total budget; while this year it is only 47.3 per cent. Loans last year constituted 8.8 per cent. of the budget; this year they provided 10.4 per cent. The total revenue increased in this one year from 8.2 to 11.6 thousand million roubles.

In this connection it is interesting to recall a controversy which was waged for some time last year in the Bolshevik Press. The Commissariat of Finance was urged to use the simple device of increasing prices for the products of State industries as a sure way of increasing State revenue. Since any increase of prices would have had to be made good by a corresponding increase of monetary wages, which would have led to inflation and so defeated its own purpose, the Government refused to employ the manoeuvre of high prices. On the contrary, the Five Years' Plan is based on the paramount necessity for bringing down prices. But at the particular time referred to the temptation to increase prices was so irresistible that a very peculiar compromise was arrived at, namely, a double scale of prices—one the fixed Government price for the stipulated "ration"; the other, often a double price, for any larger "free" quantity of the same goods. This manoeuvre, which the Bolsheviks claimed was not violating the interests of the workers, together with an increased excise duty on "goods which though of mass consumption are not prime necessities," such as beer, vodka, tobacco, scent and powder, gave the State an additional revenue of 450 million roubles. This device of "differential prices" or "class" prices has, however, been abandoned, probably because of the deficiency of supplies.

Taxation and Expenditure.

The main incidence of taxation can be seen from the budget figures for the years 1928-29 and 1929-30 in the Appendix. General taxation, it will be seen, has risen this year by 1,503 million roubles, an increase of 37.6 per cent., which is distributed fairly equally between direct and indirect taxation. The biggest single items are the tax on the turnover of industry, Excise duties, State industry, State loans and transport. The decrease in the revenue from the agricultural tax is particularly interesting in view of the concessions and rebates made by the Government to the peasants with a view to stimulating agricultural production and interest in collective farming.

Colossal as the expenditure of nearly 12,000 million roubles appears, it represents only a part of the annual expenditure on reconstruction. The full amount of expenditure is expressed by the Finance Plan which, as has been explained, embraces the local government budgets and the revenues accruing from social insurance, credit systems and all expenditure of industry and such bodies as the Co-operative and Trade Union Movement, in addition to the State Budget. The total amount of resources which are absorbed and redistributed through the Finance Plan is estimated at 19,000 million roubles for 1929-30. Of this sum, 12,500 millions are devoted to reconstruction of industry and agriculture, and 4,000 millions to social and cultural needs (Education and Health Services); 2,000 millions are earmarked for Administration and Defence, and 500 millions for all other needs. In other words 63 per cent. of the national revenue is absorbed by Industrialisation, 21 per cent. is used for the needs of what is termed the "Cultural Revolution," 10 per cent. is spent on Administration and Defence, and 6 per cent. on the remaining needs.

This brief analysis of revenue and expenditure may serve to show the scale on which reconstruction is being financed. Accumulation and redistribution of wealth on such a scale is quite unprecedented. Is this feasible? The authors of the Plan seem to have no doubts on this point, though others may not share their confidence.

Progress of the Plan.

Is the plan succeeding? And is it likely ultimately to succeed? This is a question easier to ask than to answer. All that can now be done is to record the physically measurable progress of the Plan during its first two years of operation. The first year, which began on October 1, 1928, and ended on September 30, 1929, was considered by the Government to be a signal success. The general increase in production was declared to be 23.4 per cent., or 2 per cent. above that provided in the Plan. According to the official statements, the fixed capital of industry increased by 18.7 per cent. Ninety-one new factories started production, and their output was valued at 168 million roubles. Many industries, such as those connected with oil, agricultural machinery and implements, electrical goods, rubber and non-ferrous metals turned out a larger output than that fixed in the Plan. The building and chemical trades, sugar and fertilisers were behind in their output; but the remaining industries kept more or less ahead.

Against these favourable indices, however, must be set a deterioration in the quality of the output; and this is equally true of consumers' and of producers' goods. That is to say, not only were textiles and leather and rubber goods poor in quality but rails and agricultural machines were also faulty. This deterioration was the result partly of the inferior quality of the raw materials worked up, but mainly of the excessive dilution of industry by unskilled and semi-skilled workers, and costs of production also remained excessively high.

Recent Difficulties.

The second year of the Plan's operation was generally expected to be a most onerous year. The task allotted to labour in 1930 in the original scheme was already exacting enough. But stimulated by the comparative success of the first year's operations, the Government had revised the programme and raised the increase of output for the second year from 21 to 31 per cent. The full extent of the privation consequently involved only became evident in the winter and early spring of 1930, when the lack of meat and fats became acute, and strict rationing of food had to be enforced. But hardships were not the only difficulties. Early in the spring a radical change of policy in connection with the peasants had to be hastily effected. The renewal of the class war which had contributed in no small degree to the general tension had to be called off. The unrest in the villages had affected not only the food supplies—I refer to the peasants' wholesale slaughter of cattle—but also the supplies of agricultural raw materials such as cotton and flax. The year was also remarkable for radical innovations in labour conditions. The introduction of the five days' uninterrupted week, with its two or three daily shifts, was on the whole much less favourable to the increase of production than had been hoped. The indiscriminate change of shifts would itself obviously have had a lowering effect on output; for the difficulty of adjusting the machines to the idiosyncrasies and *tempi* of each batch of workers was bound to put a very severe strain upon them. This strain proved the more damaging because the sudden increase of labour necessitated by the introduction of the second shift could only be met by the inclusion of more semi-skilled and unskilled workers.

Another and more special difficulty that occurred this year was the so-called "fluidity" of labour. Thousands of men would move from one job, and from one region, to another in search of better food conditions, or of a higher rate of pay. This fluidity of labour may, of course, only be a particular phase of that immemorial *wanderlust* which has always been a characteristic of the Russian; but it has now become so widespread that in the summer months the country gives visitors the impression of a huge camp. Touring and seeing the country have become unprecedentedly popular; but how far the fluidity of labour is a result of the general craze for movement it is hardly possible to say. The fact that it is most prevalent in the coal-mining districts, which have an evil reputation in the matter of housing, food supplies and labour conditions, must not be overlooked.

Retarded Productivity.

In any event, the increase of the general rate of production in 1930 seems to have been no larger than that of 1929. When account is taken of the enormous investments made this year in industry, of the increase in the number of workers employed, and of the new factories opened, it becomes evident that there has been a certain lowering of the *tempo*. In the case of some of the key industries, such as building, transport and coal-mining, the retardation of the rate of production has indeed been considerable; and on September 3rd the Central Committee of the Communist Party circulated an appeal, published in all the newspapers and addressed to its members, to Trade Unionists and to young Communists, calling for a fresh and increased effort. It put all the blame, for the shortcomings on the bureaucratic minds and methods of the managerial element, who were accused of lacking energy and initiative and—greatest crime of all—of being unable to realise the tremendous creative activity of the masses. The reasons given by the factory managers for their inability to realise the full rate of the prescribed increase of production can be summarised as shortage of raw materials, of capital equipment and of fuel. The validity of these reasons was and is disputed by the Central Committee of the Communist Party, which points out that in those factories which have exploited to the full extent the initiative and devotion of the workers the full programme of work has been executed.

The Central Committee also declared that the Socialist system of labour, which had demonstrated its efficiency so convincingly in the course of the execution of the Plan, was quite powerful enough to overcome the intrinsic difficulties of the situation. They claimed that if the activity of the masses had been given more scope, it would have retrieved the position. All that was wanted was to invite the masses not only to execute schemes prepared from above, but to participate in the adaptation of the Plan to the requirements of their own trades and shops.

The New Drive.

This "planning from below" is now the order of the day in Russia, and with their customary impetuosity and frenzy the Bolsheviks are throwing all their energy into the development of this particular kind of "Socialist emulation." Workers, especially young workers, have discovered a great enthusiasm in participating in the framing of plans, hitherto the preserve of the managers. They are investigating the internal resources of the factories and they are ready to *promise* to fulfil a programme of output greatly in excess even of that fixed by the Planning Commissioners. Workers in a factory who have made this promise challenge their comrades in another to compete with them in executing it. This new enthusiasm on the part of the younger workers is now being assiduously employed to arrest the "fluidity" of labour. It is now considered a patriotic duty to promise, to remain at the same factory for the duration of the Plan.

The ominous fact remains, however, that the second year's operation of the Plan has been less successful than that of the first. In no respect has the anticipated progress during the second year been realised. Yet, comparing the progress actually made in 1929 and in 1930 an observer must be struck by the close proximity of the actual achievements in these two years. In the first of these years he would notice that the output was larger than that provided for in the programme, whereas in the second year it was smaller. But he would also observe that the rate of progress in the two years was practically identical—a 24 per cent. increase on that of the previous year. If this annual increase constitutes the limit of progress attainable, then it is clear that the chances of completing the Five Years' Plan in four years are doomed.

Whether a 24 per cent. increase represents something of a norm, or whether the pace will slacken or increase, only time will show. The year 1931 is bound to be a crucial year. But the next three months, which the Bolsheviks have made an "interregnum" period, may make an important contribution to our knowledge of the productive

forces and possibilities of the Union. These three months are called "the shock period," and the word has gone forth that "Moscow expects every man to do his duty." But, when all is said, an annual increase of even 24 per cent. is so enormous that grave doubts are bound to linger whether it can be maintained.

The Key Industries.

The importance of developments in the basic industries under the Five-Years' Plan is so great as to merit brief examination in detail.

Mining and Metallurgy.

No metallurgical magnate in the capitalist world is so much preoccupied by and enamoured of iron and steel as these Marxian Socialists. To them "black metal" is the embodiment of Socialism in the making. That is why no effort is too exacting, no sacrifice too big, when iron and steel are at stake. To regain and outstrip the pre-war production of iron and steel has been the greatest ambition of the Bolsheviks.

The pre-war output of pig iron was about four million tons. The Revolution and the Civil War reduced this output practically to zero. In 1921 it was only 7 per cent. of the pre-war production. Progress in increasing production has been extremely slow; and when the authors of the Piatiletka fixed the rate of production of pig iron for the period of the Plan at four, five, six, eight and ten million tons for the series of years 1929-33, the programme seemed impossible of accomplishment. This summer, however, the Central Committee of the Communist Party declared that the output of 10 million tons stipulated for 1933 would be quite inadequate for the growing needs of agriculture and industry, which could only be satisfied by a production of at least 17 million tons. How far this new programme will prove merely chimerical will depend on the output of metallurgical works which have still to be erected. The new foundries which are under construction, the Magneto-Gorsky, the Kuznetsky and the Zaporozhsky, are to have an output of 4½ million tons. These giant foundries, supported by the smaller foundries which are now being enlarged or erected, may possibly give an output as large as that contemplated in the original draft of the Plan, that is to say, 10 million tons. The production of an additional 7 million tons appears at present to be megalomania.

If one passes from those dreams of the future to a record of actual production in the last two years, one has to record real and solid progress. Yet this progress can in no way be said to justify the fantastic estimates of expansion which are seemingly based upon it. Here are the figures:—

PRODUCTION OF THE HEAVY INDUSTRIES.

	1928-29. Thousand tons.	1929-30.* Thousand tons.	Percentage of Increase.
Pig iron	4,018	4,988	24
Rolled iron	3,878	4,439	14.5
Steel.....	4,720	5,551	17.6

* Provisional.

The following are the percentages of increase of the 1929-30 production as compared with the pre-war level: Iron, 24.7; rolled iron, 26.5; steel, 30.7.

The output of the mines has also been very satisfactory, as will be seen from the following figures:—

	1928-29. Thousand tons.	1929-30.* Thousand tons.	Percentage of Increase.
Iron ore.....	7,208	10,148	40
Manganese	1,262	1,561	23.8
Copper	777	900	15.6

* Provisional.

Although these figures represent considerable increases, they are a good deal below the increases estimated for the current year.

Coal.

The pre-war output of coal was 23 million tons. In 1927-28, the output is given as about 36 million tons, and

the Plan provided for the trebling of the pre-war output in five years. The production in 1928-29 equalled 40 million tons, and the programme for the current year has been increased from 46 million tons, as provided originally in the Plan, to 52 million tons, while the output for the third year of the Plan, which was fixed originally at 52 million tons, has now been altered to 75. So, in the revised estimate, the Five Years' programme is to be fulfilled in three years.

The actual output for 1929-30, however, was short of the revised figure, but was exactly equal to that provided in the Plan for the current year, namely 46 million tons. The fulfilment of the plan of coal production in three years is, therefore, not likely to materialise, unless the frenzied efforts which are being made to improve the situation give speedy results. The Donetz Basin has now been declared the danger spot of the front, and great efforts are being made to reorganise this field as speedily as possible. In the first place, an effort is being made to mechanise output; secondly, labour conditions are being improved and intensive propaganda is being set in motion for the application of more stringent methods in this region.

Building.

The building programme outlined in the Plan is probably the most ambitious of all its schemes. The capital investment, including that for equipment of factories and for workers' houses, amounts to 18.6 thousand million roubles, based on prices prevailing in 1928. The actual investment, it is hoped, will be less. To grasp the meaning of these figures it is enough to say that the fixed capital of the entire industrial undertakings of the country amounts only to 10 thousand million roubles. The biggest part (78 per cent.) of this fresh investment is assigned to "heavy" industries such as power stations, iron and steel foundries, tractors, motor-cars, tools, chemical industries, agricultural machines and the mining industry; and only 22 per cent. is allotted to the building and equipment of factories devoted to "light" industries. This development was planned originally to take place within the period of five years; but, in accordance with the general tendency for increasing tempo it has now been decided to complete it in three or three-and-a-half years. The expenditure for 1930 therefore, which was to have been 2,331 millions, has now been raised to 3,960 millions.

The accelerated tempo, however, proved too exhausting, and the revised programme has not been maintained this year, the causes being lack of skilled labour, and the insufficiency of building materials. This insufficiency is another instance of the effect of the tension. The production of all sorts of building materials, cement, timber, brick, glass, iron girders, has increased over 30 per cent.; and yet there has been such a virtual scarcity that a competition for securing such materials has been going on between various building syndicates to the general dismay of the Bolshevik leaders and Press. Many reasons have been put forward for this retardation. Strangely enough one of them is that only 51 per cent. of all the buildings under construction have got finally approved working plans and drawings, while the rest have to be erected from sketch drawings.

Petroleum.

Oil, electrification and agricultural engineering are the three industries which have not only fulfilled the programme of output of the original Plan, but have more than fulfilled the revised figures which have been imposed upon industry under the stimulus of success during the first year of operation of the Plan. The increase of output of oil during 1928-29 amounted to 14.4 per cent. During the second year of the Plan this rate rose to 26 per cent. The actual output in 1928-29 was 13,547,000 tons; in 1929-30, 17,066,000 tons. The original figure of the Plan for 1929-30 was 14,000,000 tons; later it was revised to 16,000,000. The actual output, therefore, was 1,000,000 in excess of this revised figure. The progress of drilling operations has been as satisfactory as that of output. In 1928-29 drilling extended to 438,000 metres; in 1929-30 it reached 551,000 metres.

Electrification.

Electric power is the pet industry under the Plan. The Bolsheviks remain true to Lenin's formula that "electrification plus Soviets equals Socialism." The progress made in the last ten years is bigger than that in any other industry, yet the disproportion between the need for power, and the actual output is hardly less to-day than it was ten years ago, a fact which throws an interesting sidelight on the rate of industrial development of the country. This progress, as well as the eagerness to develop power as quickly as possible is seen from the following investments made during the last two years:—

In 1928-29 investments amounted to 320 million roubles; for the current year the figure is 640 million roubles, and the estimate for next year is 1,180 million roubles. These figures are not at all surprising in view of the tremendous construction which is going on, including the Dnieprostroy, which, when finished in 1932, will be the biggest water power station in Europe.

Figures of the power generated for the two years under the Plan are as follows:—1928-29, 2,319,000 kilowatts; 1929-30, 3,320,000. It is stated that the progress in electrification would have been much more marked if new construction did not have to depend on foreign imports of turbines and generators. In order to increase the rate of progress of electrification of the country, attention will therefore have to be turned to engineering in general, and electrical engineering in particular.

Electrical Engineering.

This, like electrification, is practically a new industry in Russia. Even to-day, when it is still in its initial stages, comparison with pre-war figures has no validity, and the annual increase for the last few years dwarfs previous production. For instance, production in 1928-29 had a value of 272 million roubles, while in the current year it has risen to 503 million, thus nearly doubling itself in a year. The estimated increase for next year is more than a doubling of this year. But the satisfaction which engineering and electrical engineering are giving to the Soviet Government is based not only on the output but also on the fact that the Russian factories are now able to turn out machines which only a few years ago would have been beyond the range of possibility, i.e., turbines and electrical generators.

The production of machines for agriculture increased in the past year by 54 per cent., and was nearly five times as big as the pre-war output of such machines. But nothing shows more clearly the ambitious scale of the Plan and of its revision than that this increase of output of over 50 per cent. in one year is below the task allotted to this branch of industry for the current year.

Light Industries.

If we pass from the "heavy" industries, producing producers' goods, to the "light" industries, producing consumers' goods, we find that the rate of progress in output is greatly diminished. That light industry is progressing more slowly than heavy is the result of a deliberate policy, though the decrease of production in the light industries during the present year is due not only to design but also to circumstance, mainly to a lack of raw materials. But whatever the reason, it is remarkable that in many of these industries the output is actually lower than that of last year. Thus, the output of cotton goods was this year 16.7 per cent. below that of 1928-29, when it totalled 2,826,000,000 metres. In 1929-30 it was only 2,353,000,000 metres. The production of woollen and linen goods has been slightly better, but the increases were comparatively small. The output of woollen goods in 1928-29 was 115,000,000 metres, in 1929-30, 124,000,000 metres, an increase of 8 per cent. The output of linen in 1928-29 was 182,000,000 metres, in 1929-30, 205,000,000 metres, an increase of 12 per cent. The latter industry made considerable progress, and in some branches there was a rise in production of 27 per cent. The manufacture of shoes and boots increased very heavily; in 1928 production amounted to 38 million pairs, in 1929 to 62 million pairs, a rise of more than 60 per cent.; but the quality of the goods deteriorated badly.

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The Problem of Labour.

THE rise and fall of the figures of unemployment in Russia are a particularly interesting study. Up to 1929 the number of the unemployed steadily increased. It then began to fall; and at present, so it is declared, not only are there no registered unemployed, but there is a real scarcity of labour. Admittedly, the number of registered unemployed is in few countries a full and complete record of the actual state of unemployment, since some groups of the unemployed may be by law or custom refused registration. The Soviet Union is certainly no exception to this rule; on the contrary, records of unemployment among the dispossessed classes, peasants and some grades of unskilled labour are probably very imperfect. But, even so, the oscillation of the figures for registered unemployment still remains remarkable. Here are the figures:—

On April 1, 1927, the number of registered unemployed was 1,477,000. A year later it grew to 1,576,400. On April 1, 1929, it reached the maximum, standing at 1,741,100. On April 1, 1930, it had been reduced to 1,079,100. Since then it has rapidly fallen. In June it was 936,000; in July it fell to 725,000. The latest report is that registration has been totally abandoned, that unemployment benefits have ceased to be paid, and that all registered unemployed (about 300,000) have been offered the opportunity of enrolling themselves for industrial training.

The peculiarity of unemployment in Russia was that the skilled unemployed constituted only 10 or 12 per cent. of the total number. The majority of the registered unemployed were peasants settling in the towns in search of employment. The other big group consisted of women and unskilled boys and girls, who had never been employed before. In July, 1930, when 725,000 were still unemployed, 231,000 were peasants, and 415,000 were women, boys and girls. This explains the paradox that the Labour Exchanges had always a greater demand for skilled labour than they could supply. For every 100 unemployed there were vacancies in 1928 for 125, in 1929 for 142, and the first half of 1930 for 181, though it must be realised that many of these vacancies were to be filled in industrial undertakings which were being organised in the provinces. And the disparity between vacancies and the unemployment is to be explained also by the immobility of the unemployed, who often showed a reluctance to move too far from home, or to places in which labour conditions had an unsatisfactory reputation such, for instance, as the coal mines in the Donetz basin.

A year or two ago there was a considerable increase of unemployment among non-manual workers which was due to the cutting down of clerical staffs in Government offices all over the country. But the subsequent enormous demand for all kinds of such workers caused by the Five Years' Plan has abolished this unemployment. The Kolhosi (collective farms) alone employ at present no less than 200,000 book-keepers and accountants.

The problem of securing skilled labour, engineers and technicians is still very acute and is likely to be acute for some years. The number of trained men, manual workers

and technicians needed by industry and agriculture, and likely to be needed, cannot immediately be supplied. Take, for instance, the need for engineers and technicians. There are at present some 300,000 engineers in the country. The authors of the Piatiletka demand 1,200,000 such men for the execution of the Plan. The question then arises whether it is possible to train 900,000 engineers in so short a time. Obviously, the only way is to sacrifice efficiency to speed; and this is actually being done. The curriculum in all the technical middle and higher schools has been cut down from four or three years to a two years' course. But even this drastic cut in the period of training will only partly solve the problem. Another way of tackling it which is being adopted is that of sending picked young factory workers to short training courses.

Accelerated Training.

The entire technical education has become practical and utilitarian. The technical schools, even the highest, are now regularly attached to the factories; and all the new factories have special shops where workers are trained by the methods recognised by the Central Institute of Labour. The training shop, indeed, is usually the first shop in a factory to be opened. These factory training schools and shops have two functions, one to train ordinary pupils and to prepare them for an engineering career, the other to give additional training to promising factory workers with a view to their promotion to the rank of engineers. Needless to say, all technical schools are working day and night, and most of them have two shifts.

How far these speeding-up methods will succeed in solving their specific problem in turning out really qualified men it is too early to decide. The business of securing an adequate supply of skilled and semi-skilled workers is no less formidable than that of obtaining a qualified technical staff. The need for skilled labour to fill the enlarged factories and the new ones which are opening next year is estimated at 500,000 men. How formidable this task is can be gathered from the fact that at present the number of skilled workers in industry is estimated at only 1,600,000 men. This figure, it will be seen, will have to be increased in a single year by one-third. Can this be done? And how can it be done? The factory training shops are already filled to capacity, and can accept no more than probably 30,000 people. Many projects for coping with this difficulty have been suggested. But it is obvious that there is only one way of dealing with it, and that is by the dilution of labour. The steady importation of German and American workers and engineers may be prompted by the idea that an influx of highly skilled men may serve to strengthen the weakness caused by dilution.

The training of hundreds of thousands of workers for the task of industrialisation is one of the most baffling problems of the Five Years' Plan. The number, quality and devotion of these *cadres*, as the industrial army is called in Russia, will in the end decide the fate of the Industrial Revolution. The Five-Years' Plan may have succeeded in alleviating the problem of unemployment. But the problem of technical *cadres* still awaits solution.

THE PLAN IN AGRICULTURE.

THIS year no less than 40 million hectares, or nearly one-third of the whole area actually under cultivation in Russia, have been brought under the scheme of socialised agriculture, that is, have been included either in State or Collective farms, which have supplied quite half of the marketable surplus of grain. And of these 40 million hectares, 12 millions were ploughed by tractor-power and were cultivated by correspondingly mechanised implements and machines. These are two of the outstanding facts of the Russian agricultural situation, the significance of which it is difficult to exaggerate.

In order to understand the origin and character of this trend towards mechanised and large scale agriculture on a Socialist basis, it is necessary to describe the main phases of the land crisis through which post-

Revolutionary Russia has passed. If we only compare pre-war and post-war areas under cultivation, and the general yield of crops, we are forced to the conclusion that the primary cause of the persistent shortage, long after the worst of the war havoc had been made good, does not lie in the war, but must be looked for elsewhere. If we take the area under cultivation, and the gross yield of crops in 1913 as 100, we discover that the corresponding figures for the last two years are as follows: Area, 1928, = 94.7; 1929, = 98.2. Yield, 1928, = 90.8; 1929, = 94.4. These figures show clearly that the recovery of grain production has been extremely slow, and that even 11 years after the outbreak of the Revolution it was still some 10 per cent. below the pre-war level. But a drop of 10 per cent. should not in the

ordinary nature of things have assumed a menacing character, for the 1913 standard allowed an export surplus of between 12 and 15 per cent. of the gross production.

In a sense, these export figures never represented a real surplus. Russia was considered the granary of Europe rather in view of her potential than of her actual production. Considered from the point of view of what the country produced per head of population, Russia should have ranked among the grain-importing rather than among the grain-exporting nations. In fact, compared with grain-exporting countries overseas, such as the United States, the Argentine or Canada, Russia was never a really "great" producer. Canada's average production per head was nearly 5 times bigger; and that of the United States and of the Argentine 2½ times as big. In any case, however, whether Russian pre-war grain exports constituted a real or a "fictitious surplus," the cessation of such exports should have resulted in the 1927-29 supplies being adequate for the home market.

Allowance must be made, it is true, for the increase of population and for the increase of grain consumption in the villages. With regard to the first factor, the population statistics in Russia have fluctuated very remarkably. The Great War, the Civil War, famine, epidemics and the lack of provisions cut off many millions. This gap was approximately filled by the natural growth of the population up to 1925, and the net increase in population by 1928 was not much more than 10 per cent. over the pre-war level. Moreover, though the post-war peasant consumed more food, this increased appetite was less for grain than for more intensive stuffs such as meat, eggs and poultry. The level of grain production reached in 1928 should, in fact, have sufficed at least for all domestic requirements. Yet in that year Russia had to import grain from the Argentine.

The Lack of Real Surplus.

Obviously the figures representing agricultural production in general cannot in themselves sufficiently explain the situation. The fact of the matter is that what determines the amount of grain that comes into the market from any given area, is not merely the amount sown and not even the amount reaped. The marketable surplus is not merely a surplus which is left after the needs of the peasants have been satisfied, but the amount of grain *deliberately produced* for the market. In pre-war times it was the landlords and the well-to-do peasants who produced grain for the internal and external markets. Roughly estimated, the gross production and the marketable proportion of grain furnished by the three main groups of producers—the landlords, the well-to-do peasants and the multitude of small-holders—were as follows:—For the quinquennial period of 1908-13, of the total production of 5,000 million poods, the landlords furnished 600 millions, of which nearly half (47 per cent.) reached the market. Their share of the gross yield was 12 per cent.; while their share of the marketable surplus was 21 per cent. The well-to-do peasants, now a diminishing race called Kulaks, produced 1,900 million poods, of which one-third (34 per cent.) was brought to the market. The Kulaks' share of the gross yield was 38 per cent., while their share of the marketable surplus was 50 per cent. The middle and small holders, called respectively *seredniaks* and *bedniaks*, produced 2,500 million poods, of which 14.7 per cent. was intended for the market. The proportion contributed to production by these cultivators was 50 per cent.; but they only contributed 28.4 per cent. to the marketable surplus.

It will be seen, then, that the smaller the holding the bigger proportion of its produce will be retained for home consumption. When, therefore, the large estates, those belonging to the landlords and the Kulaks, were broken up and the land redistributed among millions of smallholders the production of grain for the market practically ceased. Grain was no longer brought there and offered to the consumers; the latter were compelled to take the initiative and to search for the grain themselves. The general fall in agricultural production that took place after the Revolution only accentuated a crisis which would have occurred in any case. In this anarchical situation in which consumers and their agents,

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the bagmen, were competing with one another for the favour of obtaining such grain as was available, and were offering in exchange anything from gramophones to sables, the Government soon intervened, and in the interest of the State organised campaign after campaign with a view to requisitioning the supplies from the villages. But, though the pressure exerted by the Government became more and more stringent, and the peasants were compelled to part with some of their grain, the bread war proved inconclusive, for the simple reason that a real surplus, as the peasants stubbornly insisted, did not exist.

We have seen that even in pre-war times the smallholders delivered to the market only 14 per cent. of what they produced. Subsequently, when the total number of smallholders increased from 16 to nearly 26 millions and the average area they cultivated progressively decreased, their contribution to the production of a marketable surplus became practically nil. The appearance in the villages between 1917 and 1928 of 10 million new smallholders and the consequent diminution of the average holding is, in my view, not only the most important single fact of the post-revolutionary period, but the key to the understanding of all the currents and under-currents of the present agricultural situation.

The 1928 Crisis.

The year 1928, as I have already stated, was crucial. The aggregate production of grain nearly reached the pre-war level; while the machinery for "collecting" the surplus was so perfected that by one means or another, by economic, administrative or financial pressure, the Government should have been able to extract every pood of surplus in the villages. Yet the amount of grain that came into the market from all sources represented only half the amount which used to be brought to the market. This was the more disquieting because even of this proportion a quarter was contributed by the new class of prosperous peasants who rented land, and employed hired labour. It had become quite evident that the production of grain for the market would be increasingly monopolised by this class. The rest of the 26 millions of cultivators were just able to feed themselves; and a crisis of the first magnitude had evidently arrived.

The alternatives were either to encourage that social differentiation in the villages which was a direct consequence of the new economic policy and to acquiesce in the aggrandisement of the Kulaks, or to organise a regular scheme of co-operative cultivation among the less prosperous smallholders. The choice of an alternative was, however, only possible theoretically. Aware that private ownership of the land was (in Lenin's words) "creating capitalism every day and every hour," the Bolshevik Government was already committed to a policy of collectivising and mechanising agriculture and of "liquidating" as speedily as possible the Kulaks.

The Communist Party accordingly decided forcibly to

interfere with a vigorous drive towards co-operative and mechanised agriculture as the only effective counterblast to Kulakism. But to render possible any interference with the development of Kulak agriculture, which at the moment was the main source of grain supplies, another source had to be tapped at once. The big American and Canadian farms served as a model for the new experiment and American agronomical engineers and experts were engaged to start it, while the great plains of virgin soil in the South-East of Russia, where the meteorological and soil conditions resembled those of the wheat belt in America, were chosen as the scene of the experiment. Yet, ambitious as this scheme was, it was intended originally merely as a stop gap. The real plan of the Government was the inauguration of large-scale collective peasant farms which should have the double mission of superseding individualist holdings and of producing enormous quantities of grain for the market. The consequent organisation of large-scale and highly mechanised State farms on which the Government embarked, and the lavish expenditure of money, energy and propaganda on the infinitely more ambitious plan for promoting co-operative farming, are the satient features of the great agricultural experiment.

The State Farms.

ALTHOUGH the term "Sovhos," Soviet Farm, is employed to describe other large State enterprises such as beet, flax or cotton plantations, it is now mainly applied to the immense "wheat factories" managed by "Zernotrest," the Grain Trust, a company, which, though created and financed by the Government, conducts its own business on commercial lines. The first principle on which these farms were organised was a strict understanding that they should consist of entirely fresh and uncultivated land. The Grain Trust has been assigned an area of over 12 million hectares (28 million acres) over three-quarters of which are either virgin soil or areas left derelict. Of these 12 million hectares, over 8 millions are situated in European Russia, but only a small part of the land assigned to the Trust has so far been brought under cultivation. This year the actual sown area was 1,200,000 hectares; for the coming winter and spring sowing 4½ million hectares are to be ploughed; while according to the Trust's programme the complete assimilation of the land assigned should be completed by the end of 1932.

The chief regions in which the Trust operates are in order of assignment as follows: the Northern Caucasus, the Southern Steppes of the Ukraine, the Middle and Lower Volga lands, the South-Western parts of Siberia, the Urals and the Bashkir Republic. It also manifests a tendency to move the wheat-belt as far as Kossackstan, the area between the towns of Uralsk and Semipalatensk. Meteorologically regarded, most of the districts which are the scene of the experiment belong to the semi-drought zone, which has a rainfall of 350 to 400 mm.; while the Steppes of the Ukraine and the areas in the Northern Caucasus are practically included in the drought zone, having a rainfall of only 300 to 350 mm. The districts

in the Northern Caucasus, in Kossackstan and the Ukraine suffer also not only from lack of rain but from the *Sukhovey*, or dry hot wind, which blows away the upper layer of earth. In respect of soil, however, the lands administered by the Grain Trust are on the whole satisfactory. They belong to the typical wheat zone; and most of them are Chernozem (Black Soil), which shades off into dark and light "chestnut" soil.

The natural climatic conditions sufficiently explain why these lands have remained unpopulated and uncultivated. They could never have been broken up by horse-power, and the primitive implements of the ordinary settler. Deep and rational ploughing, selected and drought-proof seed, and, most important of all, speed in ploughing, sowing and reaping to defeat the ravages of the wind—all these were required and could only be supplied by modern mechanised technique. In cultivating these domains it was decided to make no attempt to fight meteorological conditions and to adopt the American plan of wheat—bare fallow—wheat, that is of sowing the land with wheat in the spring, and of ploughing it in the autumn with a view to its accumulation of moisture. The experts of the Grain Trust seem, indeed, to have reconciled themselves to the possibility or even likelihood of periodical failures of crops; but they hope that the use of high technique and the hundred per cent. mechanisation of all processes of cultivation will make the recurrence of such failure occur at longer intervals, once, say, in five or even once in seven years.

The argument employed in justification of this policy, which the agronomists claim will prove to be the truly economical policy, is well worth following. These experts maintain that in any given year a failure of crops will never extend over the whole cultivated area, for the simple reason that this area extends from the Black Sea to Siberia. A failure in one district will be compensated for by good harvests in others. And at any rate the extensive cultivation of wheat which will take place under this system will in their opinion more than compensate for any possible loss from practical failure of crops. They point out that an experiment of the kind is only made possible by the specific character of the farms, which contain no population dependent on the yield. Here, therefore, failure of crops merely means a loss of seeds and labour, but does not involve famine.

The area of most of the State Farms varies between 30,000 and 60,000 hectares; but there are some with over 100,000 hectares and one, the "Gigant," contains 220,000 hectares. The question of the optimum size of such a farm is not quite settled; but the tendency is towards larger and larger areas on the ground that the bigger the farm, and the more tractors and machines it employs, the sounder economic basis there will be for the

upkeep of the repair shops, for warehouses, parks, fuel, and for the housing of the engineering staff. The personnel on such a farm is 90 per cent. engineers, and only 10 per cent. agronomists. The limit of size is imposed by communications.

Of the financial basis of the Grain Trust, it is difficult to furnish a complete account; one can only give the figures published in the Press or communicated by the officials concerned. The sum invested in the area actually ploughed is 70 roubles per hectare, which comprises the expenditure on machines, buildings and road-making. This, for Russia, represents a very high investment. And yet the investment is being increased; for the Government propose to extend and to intensify cultivation on these farms by investing 620 million roubles on them in 1931, as compared with an expenditure in 1930 of 234 million roubles.

The result of the first two years of work on the farms is declared to be highly satisfactory. The harvest reaped this summer was 40 million poods, or over 650,000 tons, excluding grain consumed by the 110,000 labourers employed on the farms, and that reserved as seeds. This means an average yield of 9½ centners, i.e., 56 poods per hectare, or about 16 poods more than the average yield in Russia. The cost of production on the farms managed by the Grain Trust has been published only for 1929, and is put down as 5 roubles a centner.

Life on a Sovhos.

The State Farms were started as an experiment, and the aim was to produce a moderate amount of grain so as to enable the Government to undertake the much bigger experiment of running Collective Farms. It was soon realised, however, that the State Farms had greater potentialities than was at first imagined; and to-day the State Farm is nearly as important an instrument for developing Russian agriculture as the Kolhos movement itself. This being so, when I went to Russia this summer, I gladly seized the opportunity of making first-hand acquaintance with the "Sovhosy." I inspected two of them, one styled "The Gigant," the other rejoicing in the more modest name of "Soviet Farm, No. 2." This latter, a combination of agricultural college and farm situated near the town of Rostov on the Don, in the Northern Caucasus, is designed to train special engineers for mechanised agriculture. And the college, which has at present a teachers' staff of 70 and 525 students, is called "The Institute of Engineer Mechanics of Socialist Agriculture." In the spring of 1929 the area of the future farm, comprising 115,000 hectares, was an uncultivated steppe. Of this area 41,000 hectares were sown this spring, while 60,000 hectares are to come under cultivation next

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year. At present it embraces the college buildings, a number of two- or three-storied dwellings which constitute the living quarters of the students and of the workers, and a large building containing a club-room, a library, a reading-room and a fair-sized theatre.

The whole settlement, which is about five miles from a railway station, and is electrically lighted and centrally heated, gave me the impression of something exotic and foreign. Whether this was due to the character of the buildings, to the tropical heat and the sparsely-clad figures of the workers with their wide-brimmed straw hats, or to the unfamiliar tractors and other machines which were setting off in various directions, I cannot exactly say; but it all seemed to me much more like a film of life in the Wild West than a piece of real Russia. Another thing which struck me particularly about this settlement was the youthfulness of the entire personnel. The director, the administrators, i.e., the engineers and instructors, as well as the students and workers—all were under thirty. In all the places I visited in Russia this summer, I saw nothing to approach this farm in efficiency, strict discipline, natural friendliness and camaraderie.

Can the State Farms Pay?

The question to which I tried to get an answer on my visit to these two Soviet farms was, whether mechanised large-scale agriculture in Russia was likely to pay. Can these farms produce grain more cheaply than the peasants? And can grain so produced compete in the world markets? The answer I got both at "Farm No. 2" and at "The Gigant" was a definite and emphatic "Yes." These are the figures for "Farm No. 2":—Average yield of wheat per hectare was, in 1929, 52 poods; in 1930, 70 poods. (The peasants' average yield for the two years was respectively 40 and 42.) The cost was, in 1929, 112 kopeks per pood; and in 1930, 80 kopeks. The figures of the "Gigant" farm are still more striking. The yield, in 1929, was 54 poods; in 1930, 65 poods. The cost, in 1929, was 88 kopeks per pood; and in 1930, 62 kopeks. As to the future, while M. Margolin, the director of "Farm No. 2," would not commit himself to anything save a general statement that cost of production could and would be brought down, M. Bogomolkin, the director of the "Gigant" farm, unhesitatingly declared that he could promise that by 1932 the cost would be reduced to 45 kopeks per pood.

I need hardly point out that these figures, as given to me, fail to represent the full cost of production, for items (e.g., rent and interest on capital) which would enter into the calculation in any ordinary capitalist-run farm are here left out of account. But, while the exact cost of wheat on State farms must for the present remain somewhat uncertain, one thing is, in my opinion, definitely established, namely, that grain produced on these farms is already cheaper than that produced by the peasants, and is likely in the future to be cheaper still. That the quality of the grain is considerably better is recognised by experts (native as well as foreign) and is reflected also in the price paid for it by the Khlebocentre or Grain Centre, the monopolist buyer for the Government. In the extensive tour of Russia, which I made this summer, I encountered only one farm in the Northern Caucasus, the "Seattle" Commune, a Commune started in 1921 by Finns repatriated from the United States, the wheat of which fetched a higher price than that of these two State farms. "Farm No. 2" got 175 kopeks per pood, the "Gigant" 128 kopeks; and the Seattle farm got 193 kopeks, as against an average price of 120 kopeks paid to the peasants. I may add that the grain produced on these farms is all selected and carefully graded. So far, the whole of the crop which is said to be of good weight and drought-proof is marked "not for sale," but will be

used as a "seed fund" to be distributed to the Collective farms and to the peasants in exchange for their own inferior "victualling" grain.

The general impression, however, produced on me by what I saw of the "Gigant" farm, the biggest single farm in the world, was not so favourable as that I derived from going over "Farm No. 2." I doubted whether the administration was efficient, and I disliked the general atmosphere of the place. And when later I compared my own views with those of other recent visitors to the "Gigant," I found that our common impression was that thoroughness was sacrificed to hustle, that the farm was overstaffed, and that the average breakage of machines seemed to be too high.

When, in 1928, the Sovhoses were started, they had a definite function to perform—to supply the State in three or four years' time with an amount of grain equal to that which the Kulaks produced in 1927, that is, with approximately 100 million poods. But such has been the impetus of the drive, in respect of investments, tractor-power and area of land, that by the spring of the present year the programme outlined had been outgrown; while the official estimate is that the sown area of the State farms will yield next year over 200 million poods. Apparently this success has changed the perspective of the Government, and has induced it to regard this method of purely State cultivation as an important element in the solution of the complex agricultural crisis. The result is that now the most complicated problems, such as that of repairing the deficiency of meat, milk and vegetables, and that of raising the production of cotton and flax, are all expected to be solved by the creation of State enterprises similar to the Grain Trust. Consequently, huge companies have already been formed such as the "Skotovod," the Cattle Breeder, the "Svinovod," the Pig Breeder, the "Ovzevod," the Sheep Breeder, the Flax Grower, and the Cotton Grower.

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"Collectivisation."

THE experiment of collectivising agriculture is only two years old,* and the spring sowing of 1930 was in reality the first collective effort on a large scale. And yet the experiment is already extremely rich in dramatic episodes symptomatic of its alternate ebbs and flows of popularity. Like every other section, the agricultural section of the Five Years' Plan was drafted in a spirit of complete optimism; for it contemplated the farming on co-operative lines of no less than 22 million hectares of land by the end of 1933. When this programme was promulgated it excited derision outside the party and was stigmatised as Utopian. Inside the party it was severely criticised by the Right Opposition and attacked as wildly optimistic.

The Serebniaks, or "middle-size" cultivators, it was believed, would stand aloof from the plan, because they would be naturally unwilling to sacrifice their comparative prosperity to the common good. The plan would, therefore, result merely in wasting enormous sums without either raising production or bringing nearer Socialism in the villages. Yet, contrary to all anticipations, the Serebniaks were attracted by the Kolhos movement and joined it in considerable numbers, especially in the areas of predominant grain cultivation. Whether the prospect of raising the level of production by means of tractors and machines appealed to them, or whether they were scared by the growing insecurity of their own position between the Bedniaks and the Kulaks is not quite apparent. To remain neutral in a situation in which the Bedniaks

* Attempts to organise collective farms (Kolhosi) and agricultural communes were made soon after the Bolsheviks came into power. They relied entirely on the principle of co-operation and must not be confused with the movement which started in 1928. One of these earlier collective farms would consist of not more than forty householders; and, consequently, under this system anything like large-scale cultivation was out of the question; nor of course was mechanisation possible or even attempted.

appeared as an organised force supported by the full administrative, economic and political power of the Government had become increasingly difficult and indeed dangerous. To join the Kolhosi was, at any rate, safe, and promised both economic and social advantages. By the autumn of 1929 at least half of the cultivated area of Russia was registered as belonging to the movement.

The Central Committee of the Communist Party seemed to be greatly impressed by this; for at two consecutive plenary sessions, one held in November, 1929, and the other in January, 1930, they passed resolutions expressing not only their delight in the victory of Collectivisation, but their conviction that the scheme could be speeded up. Consequently, they divided the country into three areas, (1) that of predominant grain-cultivation, (2) that of intensive crops such as flax and cotton, and (3) those parts of the country which are mainly grain-consuming. The first of these areas was to be completely collectivised by the end of 1931; the second by the end of 1933, and the rest of the country by 1935. At the same time, they declared that the "remarkable success" of the Kolhosi, and the possibility of their becoming the chief sources of grain supplies, justified a change of policy towards the Kulaks, who now, instead of being crippled financially, were to be economically and administratively destroyed or, as the phrase goes, "liquidated." This new policy was to be applied in exact proportion to the intensification of the scheme for collective farming. That is to say, from "areas of uninterrupted collectivisation" the Kulaks were to be expropriated; while in other areas they were for the time being to be left alone.

The resolutions passed by the Central Committee were promptly regarded by the local Kolhos and Communist agents as an additional encouragement to an energetic pursuit of the policy of collectivisation, which, translated into action by these ardent propagandists, became a drive for the completion of collectivisation by the end of 1931, or even earlier, not only in some of the most promising, but if possible, in all areas. Moreover, the local

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agents aimed not only at extending, but at *deepening* the drive, that is to say at giving it a deeper tinge of full-blooded Communism. They at once proceeded to violate the voluntary character, the fundamental basis, of collectivisation by treating all peasants as Kulaks who refused to join the movement; while they prosecuted the campaign against the Kulaks and all peasants whom they stigmatised as Kulaks with such vigour that, not content with confiscating their property, they arrested and banished them and deprived them of voting rights.* They went further, and converted many of the Kolhosi into Communes with the result that cows, sheep, pigs and even fowls, which in a Kolhos are recognised as individual property, were forcibly socialised; while in accordance with this new interpretation of the meaning of "uninterrupted area of collectivisation" they prohibited all private trading in the villages or between villages.

The Initial Failure.

Nor was this drive limited to the economic sphere; it involved the peasants in the full consequences of life under Communism. In such an atmosphere the closing of churches and the pulling down of church bells became epidemic; and, strangely enough, this zeal for instant collectivisation was shown not only in predominantly grain-producing areas, where mechanisation was applicable, but also in areas of highly intensive culture such as those of flax, beet and cotton, where labour is the main

* The number of Kulaks who were expropriated is obviously impossible to obtain. But there is an indirect way of forming some idea of the number. In the report made by Stalin to the last Congress of the Communist Party he stated that the confiscated property of the Kulaks which had been handed over to the Kolhosi amounted to 400 million roubles; while on the same occasion M. Yakovlev, the Commissary for Agriculture, declared that this confiscated property constituted 15 per cent. of the total capital of the Kolhosi.

factor, and not machines, and even in the backward national republics, where farming is deeply primitive and individualistic. All this created resistance on all sides, with the result that official optimism gave way to anxiety and alarm.

Secret instructions were accordingly sent to the local Communist agents to moderate their zeal and to adopt a less provocative policy; while in order to pacify and to reassure the peasants it was decided to make a public declaration of policy, which took the form of an open letter from Stalin, entitled "Dizziness from Success," in which he denounced the stupidity and arrogance of the local Communist agents, who had become so intoxicated by their triumph that they had lost all sense of reality. A strongly worded manifesto to the same effect was addressed by the Central Committee of the Party to all republican, regional, and provincial committees. And then were published a series of Government enactments in which the peasants were told that all injustices which they had suffered should be repaired, that the basis of collectivisation must remain voluntary, that if they had been compelled to join the Kolhosi they could leave them with all their possessions, while if they preferred to remain they could reclaim them.

The effect produced by Stalin's letter and by the subsequent decrees of the Government was immediate. Peasants who had been forcibly enrolled in the Kolhosi left in their thousands; while many registered Kolhosi were discovered to be "paper" Kolhosi or "dead souls." Trading, local and between village and towns, was re-established. Many churches, closed previously, were re-opened and restored to believers; and Socialised cattle and other individual property were promptly decollectivised. As a consequence of this purge the Kolhos movement suffered a drastic setback. In some areas collectivisation, which had previously incorporated 50 or more per cent. of the peasants, fell to about 3 to 7 per cent. Even in the South-East of Russia

and in other areas, where Collectivisation had been almost completed, it was reduced to 25 per cent.

For all this, Stalin's dramatic intervention must be acknowledged to have been an astute stroke which saved the situation for the movement. It cleared the air, and killed the germs of what might have been a serious revolt. But it needed to be supplemented by positive enactments in order to encourage those who adhered to the movement and still more those who were inclined to rejoin it.

Revised Collectivisation.

In a number of further decrees published early in April, the Government announced that new privileges were to be granted to all members of the Kolhos movement. These privileges were of three kinds. Taxes and fines were to be abated or remitted. Members of Kolhosi were now to pay much less taxation than individual peasants of the same category. All arrears of taxation which had accumulated, all fines which had been imposed on them by summary administrative action, or by a court of law were to be remitted. And all pending actions for the recovery of fines were quashed. Secondly, relief was to be given in aid of improvements in agriculture. All areas freshly brought under cultivation by members of the Kolhosi were to be free of taxation for two or four years. And thirdly, special efforts were made to conciliate the Serebniaks, who resented the arrangement by which the Bedniaks, who contributed little or nothing to the capital of a Kolhos, shared equally with them in the revenue. It was now decided that 5 per cent. of this gross revenue must be divided among members in proportion to their contributions to the capital of the Kolhos. At the same time it was declared that the Government had determined to credit the Kolhos Movement with the additional sum of 500 million roubles.

These lavish concessions to the peasants were prompted, of course, by the imminence of the spring sowing. The position, indeed, was menacing. Such of the Kulaks as had not been "liquidated" were naturally indisposed to sow a larger area than would suffice for their own needs. Such of the Serebniaks as had not joined the Kolhosi were probably equally indisposed. But even had they been disposed they could have done little. The enlarged area which they could have sown had not been ploughed, since all the tractors were employed on the Kolhos fields. Moreover, the Government, which had given the Collective Farms selected seeds and other economic aid, did little to encourage the sowing of the individual farmers. Consequently, when it was realised that the Kolhos movement was weakening, the spring sowing campaign, on the success of which so much depended, seemed to be in considerable danger. But the prompt and determined action of the Government in making the concessions I have enumerated retrieved the situation. In the new atmosphere created by them, the campaign for sowing started auspiciously and soon became a campaign for re-absorbing the former members of the Kolhos movement. The result of both campaigns proved decidedly satisfactory. Despite the fact that most of the Kulaks were driven out of the field, or had voluntarily reduced their holdings, the area sown increased by something like 7 per cent. The Collective Movement soon showed signs of considerable revival and now includes no less than 25 per cent. of the peasants throughout the Union. In the purely grain-producing districts, the South Eastern part of the Ukraine Steppes, the Northern Caucasus and the Volga areas, collectivisation embraces 48 per cent. of the cultivators. In the more industrialised part of the Ukraine and in Central Russia, the percentage reached is 25; while in the so-called grain-importing lands of the country, that is to say in Central and Northern Russia, it is 8.

When I visited several Kolhosi this summer during the threshing season I carried away an impression that the need for joint effort and for large-scale cultivation seems to have taken deep root in the minds of the peasants. My observations, I should add, were made in

such predominant grain-producing areas as the Southern Ukraine and the former Don Cossack lands. In one respect these areas must be considered unfavourable to an experiment in collective cultivation, for the population has a decided bias towards individualistic farming. This is especially true of the inhabitants of the Don Cossack lands, where many of the peasants used to live and to work individually on the so-called Khutor or single farm. But, technically regarded, they are most favourable for such an experiment, if devoted to the production of a single crop, wheat, rye or sunflowers. Moreover, the prairie-like configuration of the land lends itself admirably to the employment of mechanical traction.

Kolhosi and their Results.

Speaking of this part of the country, I can summarise the situation as follows: On the technical side the progress of the collectivist movement seems considerable. I mean that the industrialisation and mechanisation of agriculture seems to be accepted by the peasants, as is also the need for joint effort and the pooling of resources. How far the economic and social consequences of collectivisation are acceptable to the peasants only time can show. At present a considerable divergence of interest, mood and sympathy is quite noticeable. The questions which are to-day exciting the Kolhosniks and which are likely to continue to excite them are those connected with the division and organisation of labour and the distribution of profits. The idea with which the Kolhos movement started, that all members should be equal, has broken down. This is conclusively proved by the Government's decision, already mentioned, to permit a 5 per cent. dividend on capital. But quite apart from this, a Kolhos village is still a village composed of holders more or less prosperous and more or less industrious. Some have got cows, pigs, fowls, and some cultivate considerable vegetable gardens on which they grow melons and cucumbers. Some, too, go to the towns as seasonal workers and earn good money. But apart from the inequality in individual possessions, there is a more important inequality inherent in the constitution of a Kolhos. The basis for the distribution of profits is the quantity and quality of labour contributed. And while every effort is made to give every member an equal chance, the best-paid jobs inevitably go to the most skilled men. In general, work is organised and paid for on a five-grade tariff, the basis of which is a 10-hour "labour day."

What a "labour day" actually represents is only discovered after the harvest has been reaped, and is calculated in the following way. From the gross revenue there are first deducted debts, general expenses, seed grain, the amount of grain needed for the support of children and persons unable to work, for cultural requirements, and for the 5 per cent. bonus. The rest represents the amount available for distribution. This is divided by the registered number of "labour days." The result will express in grain the value of a "labour day" of the first grade.

The basis on which the work of a Kolhos is organised and still more the basis on which wages are calculated must inevitably give rise to a good deal of irritation and is bound to accentuate inequality. But the divergence of opinion inside the Kolhos is not only in respect of property and of the division of profits. Here, as everywhere else in present-day Russia, the real and outspoken antagonism is that between the young and the middle-aged. The older people look at the Kolhos from a purely economic point of view, and their attitude towards it will in the end be decided by its economic advantages or disadvantages. It may be assumed that the advantages of the Kolhos will have to be very considerable to reconcile them to its encroachments on their social, religious and family life. The young people, on the other hand, are mainly attracted by the changes in social and family relations which the collective movement entails. Even the economic side, in which on the whole they are less interested, is valued by them as helping to liberate them from parental control. The machine with which, for the first time, they have come into contact has

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Losers and Gainers.

The struggle between the younger and the older generation is probably only in its initial stage. All the evidence, however, goes to show that youth is determined to break with the traditional mode of village life and, incidentally, with a good many of the more irksome family ties. One of the most fruitful sources of dissension is the question whether wages should be paid in the old-fashioned way to the parents or directly to the boys and girls themselves. The young people want to receive the money and to spend it as they like; and the officials of the Kolhos are in most cases sympathetic to this demand. I remember meeting one of the employees of a Kolhos dairy farm—a man about 50—who told me that his only complaint against the new movement was that it forbade him to claim his daughter's wages. And this was a substantial grievance: he declaimed against it for quite an hour.

In all the places I visited I was told that there could be no doubt of the increase in production which the Kolhosi had effected. In the first place, the assistance of tractors has made it possible for a Kolhos to cultivate a larger area than its members would have done if they had been compelled to rely on horse traction and their individual implements. According to official statistics, in 1929 individual peasants who are now members of the Kolhosi cultivated 24 million hectares. In 1930, under the collective system, they cultivated 35 million hectares, an increase of 45 per cent. (Part of this increase is, of course, the appropriated Kulak holdings.) Still more advantageous has the adoption of the system proved if one considers the yield per hectare. On the average this is about 54 poods, or 10 poods more than was produced by the individualist holders. Apart from deeper ploughing this is due to the selection of seeds and to the better timing of all operations.

When one considers the economics of a Kolhos, a mechanised large-scale farm, one realises at once that the Bedniaks, the poor peasants, who have very scanty resources, have much to gain from its permanent success. But the gain of the Bedniaks is not in itself sufficient to assure this success. The Kolhos movement could never have attained its present dimensions without the participation of the Seredniaks, the great body of middle peasants. In the same way, it will never prove

an economic success unless the Seredniaks can feel definitely that it is improving *their* position. Whether the Seredniaks will be satisfied with their position under it, it is too early to say.

The Stock Crisis.

"The great problem—that of grain—has been solved. Now for the solution of the meat and dairy problems." Such is the current talk in Communist circles. These problems are, indeed, very urgent—probably more acute than the grain problem ever was. In the first place, the number of livestock, although increased after the Civil War, has never re-attained the pre-war level; and secondly, alike as meat producers and milk producers, the cattle have always been inferior. Moreover, since 1928 a fresh diminution of the numbers has taken place. How great this diminution was can be gathered from the following figures:—

	1928.	1929.
Horned cattle	70,667,500	67,230,600
Cows (only)	30,754,500	30,338,000
Sheep	133,592,300	132,758,800
Pigs	26,120,000	20,502,000

The present situation is hard to state, since the figures for 1930 are not available. But that these will fall very considerably below the 1929 figure is generally accepted. It is officially stated* that between March, 1929 and March, 1930, the slaughter of cattle was catastrophic. Horned cattle decreased by one-fifth, cows by one-eighth, sheep by one-third, and pigs by two-fifths.

The cause of this epidemic of slaughter is known to have been the result of the drive to collectivisation, and of the anti-Kulak campaign. The attempt to socialise livestock was met by the peasants in this way. It is obvious that the Kulaks killed off their cattle because they could not get a fair price for them in the atmosphere created by the Government's determination to "liquidate" their owners; while the poorer peasants killed theirs as a protest against the attempts to include these animals in the scheme for collectivisation. When, in March, 1930, the Government became alarmed at the situation, and made frantic efforts to save it, the destruction had already been effected. The chronic deficiency of meat and dairy produce in the country became a famine. The question now is that of re-stocking the country, and of creating new sources of meat, milk and butter.

Meat and Milk Shortage.

Generally speaking, the cattle problem is similar to the grain problem. That is to say, there is not only a deficiency of production, but a very acute deficiency of a marketable surplus. Even when the number of cattle was increasing and should have been sufficient for the regular supply of the market with meat and milk, this supply was badly organised. For instance, in the autumn, after the work on the land was over, the peasants would drive off their cattle to the market to save themselves from having to feed them during the winter. The markets would then be swamped with cattle; and this period of artificial plenty would be necessarily followed by one of artificial scarcity. The problem then to-day is not only that of raising the level of production, but of ensuring a regular supply of meat to the towns.

The Government seem to be convinced that the radical solution of the meat and dairy problem must be found in the organisation of a collective system of cattle-breeding, and in the creation of large-scale State cattle farms. But even if the best system of stock-breeding be adopted, it will take years to increase the stock of cattle to the number required. The alternative, the importation of cattle, is obviously excluded. The only way, then, of improving the meat and milk supply is to increase the quality of the existing stocks. This question is increasingly engaging the attention of the Government, which has now adopted a comprehensive plan for the increase

* By M. Yakovlev, Commissar for Agriculture, at the recent Congress of the Communist Party at Moscow.

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and improvement of fodder supplies. It is the lack of pasture land, the absence of adequate fodder, that has impoverished the stock of cattle, both in numbers and quality. Russian cattle used to be fed upon hay and straw, with a very small addition of more intensive, juicy foods. It is recognised that a change of diet is of paramount importance, and that the animals' food should be a mixture of juicy and dry fodder in the proportions of two-thirds of the former, and of one-third of the latter—an exact reversal of the conditions prevailing to-day.

This revolutionary alteration of diet will involve tremendous changes in the area under cultivation, and is bound up, of course, in the general improvement of agriculture. The doubling of the production of meat and milk—the minimum programme—can only be carried out by the devotion of at least 40 million hectares to the cultivation of special fodder crops, such as maize and potatoes, and special kinds of grass, beet and beans. Further, there is the most urgent need of a general improvement of pasture lands, which are totally wild in Russia, and have never been cultivated even in the most primitive way. But the question of a change of diet for cattle is a matter not simply of growing the crops, but of transforming them into intensive and fattening fodder. This has been best effected in the last ten years or so by the so-called Sylos process, which consists in storing a mixture of dry and juicy fodder in high cemented towers in which it is subjected to a mild fermentation. The product, a sort of pickled vegetable compost, is stimulating and intensive fodder which has been found very acceptable and fattening to cattle in Canada and the United States. Accordingly, a lightning-like campaign has been going on in Russia for the building of thousands of Sylos towers, and of tens of thousands of Sylos trenches.

Socialised Livestock Breeding.

The attempt is now being made to interest the members of the Kolhosi in adopting cattle-breeding as an important section of their economy. This is being done in two ways, by propaganda and by government subsidies. This year's appropriation for this purpose is 170 million roubles, which will be spent mainly on building pig-styes and on acquiring a stock of milch cows and pigs. But, even if the change in the fodder supply is effected immediately, the meat position of the country can only begin to improve in two or three years' time. In the search, therefore, for some immediate relief, the Government are devoting a good deal of their immediate attention to the breeding of pigs, which are much more prolific than cattle, and can be relied on to be ready for the market in about 14 months as against three years required by cattle. The pig is now regarded by the Bolsheviks as the potential meat factory; and the slogan heard on every side is "Breed pigs!"

The Russian peasants never had any instinct for breeding cattle, and whether those organised in collective farms will develop such an instinct time alone will show. Recognising this, and stimulated by the success of the State grain farms, the Government has decided to concentrate largely on the creation of State-owned and State-managed large-scale stock-breeding farms. These farms will be under the management of three trusts, called respectively "The Cattle Breeder," "The Sheep Breeder" and "The Pig Breeder." The first has been given a stock of over half a million horned cattle, to be increased during 1931 to over 3 millions. The area of this trust consists of 15 million hectares of pasture lands, mostly situated near existing State grain farms, the idea being that the trust could utilise some of their enormous stocks of straw. The Sheep Breeder has been given 11 million hectares, situated mainly in the trans-Volga regions, and in some of the Eastern Republics of the Union. The Sheep Breeders' stock is at present 2,600,000 sheep, which it is expected to raise to nearly 5,000,000

during 1931. These animals will be bred not only for meat but for wool. The State farms devoted to pig-breeding are at present the worst-off of all the State stock farms. There are 250 of these farms; but their stock is given as 85,000 only, and the area allocated to them, too, is only 500,000 hectares. At present, the activities of these State farms are being mainly confined to the erection of cow-sheds, sheep-folds and pig-styes, and to the acquisition of stocks.

Apart from a limited number of sheep imported from Australia, and of pigs imported from England, the stocking of these farms is being effected mainly by the acquisition of cattle inside the country. The decrease of stocks has rendered the acquisition of millions of head of cattle no easy task; and the consequence of such extensive stocking for breeding purposes exclusively is bound to make the meat situation still more acute for the next two years at least.

The efforts being made to improve the milk supplies of the country are mainly the business of the Kolhosi, which now possess a collective stock of over a million cows, apart from the animals belonging to individual members. This stock is regarded as the source of milk supply for the towns; and the Government is insisting on the necessity of increasing not so much the numbers of cows as the yield of milk per cow. This yield was always notoriously low in Russia, a circumstance due not so much to the low breed as to insufficient feeding and the neglect of sanitary conditions. It is hoped that the installation of cows in warmer sheds, and putting them on Sylos food will result before long in the doubling of their milk supply.

Flax and Cotton.

In reviewing the progress made by industry in the first two years of the Five Years' Plan, the most striking feature to be noticed is the discrepancy between the achievements of the two groups (A and B) into which it is divided. Group A represents "heavy" industries, such as mining, metallurgy, machine-making, transport and power, or, in other words, industry engaged in "producing means of production"; and Group B stands for "light" industries, those engaged in producing consumers' goods. This discrepancy is by no means accidental; it is part and parcel of the Plan. In a programme of industrialisation which aims above all at rendering the country's industrial development independent of that of a "hostile world," heavy industries must obviously come first; for only a sufficient supply of coal, oil, iron, tools, and machines will ensure the free and unhampered development of the light industries. Yet, conditioned as it is by the position given to them in the plan, the retardation of the development of light industries is due in no small degree to lack of raw materials. The textile industry, at any rate, is held up mainly by the lack of cotton and flax. This summer, for instance, most of the textile factories were closed for 75 days because the supply of cotton failed.

The question, then, of growing more cotton and flax is one of the most serious which the Union has to face. But this is not simply a matter of enlarging the area in which these crops are grown. As a matter of fact, this area has been considerably enlarged within the last few years. Last year the area under cotton was already 30 per cent. above the pre-War level; but the yield was only 2 per cent. above it. The area under flax has grown less quickly; but it is now at least as large as it was before the War; yet the yield is only 52 per cent. of what it was then.

These poor results are attributed by the Government to the disabilities under which the system of small cultivation labours; and consequently the remedy proposed has been the creation of large-scale cultivation of such crops by the aid of a mechanised technique. In other words, it is proposed to solve the cotton and flax shortage by the establishment of huge State plantations and by

the assembling of the small holding devoted to the cultivation of these crops into cotton and flax kolhosi.

This year, out of 1,760,000 hectares under cotton, 200,000 were cultivated by tractors; and the results are considered by the Government highly satisfactory in two respects: First, there has been a considerably greater yield on these fields; and secondly, this has stimulated the interest of the Dakhans, the Turkestan peasants, in the system of intensive cultivation. The programme, therefore, outlined for 1931 is to plough and sow over 1,000,000 hectares with the aid of tractors.

The cotton problem in Turkestan is largely involved in the general grain-growing problem. In order to give Turkestan the importance it naturally has as a cotton-growing country, it is necessary to release it from the need of growing its own supplies of wheat and rye. Since the outbreak of the Revolution and the consequent dislocation of grain supplies, the natives of the country have had to grow grain instead of cotton. The slogan now is: "No more grain-growing in Turkestan." So, the supplying of that country with a sufficiency of grain, a large programme of irrigation, under the supervision of high American experts, and the buying up in bulk by contract of the whole of the cotton crops are the chief measures which the Government's advisers are adopting in solving the cotton problem. But, apart from these measures, they are making an attempt to grow cotton on a large scale, on unirrigated areas, as a pure gamble. They attempted this year to cultivate by the aid of tractors 150,000 hectares of such land in Middle Asia; and the results of the experiment are reported to be satisfactory enough to warrant a repetition of the attempt in 1931 on double the area. For the calculation appears to be that even poor crops, produced with the aid of machines on land which requires no irrigation will be worth while.

I mention this novel experiment because it seems to shed an instructive side light on the mentality of the dictators of Russia's economic policy. The mere fact that they are dealing with vast areas of practically virgin soil seems to inspire them with an enthusiasm for expansion rather than for intensification. This trait, called "Americanism" in Russia, manifests itself in many ways, and I shall have occasion to deal later with the audacious project for moving the wheat belt to the very confines of the desert.

The measures proposed for the increase of the production of flax are similar to those to be carried out for the production of cotton. They can be summarised as follows:

- (1) Specialisation of certain areas as flax-growing lands.
- (2) Organisation of flax-growing State enterprises and of flax-growing kolhosi.
- (3) Supplying the flax growers with grain imported from other parts of the country.

Of the success of these measures it is yet too early to judge.

Tractors, Implements and Machines.

THE value of agricultural machines and implements turned out in Russia in 1930 is likely to reach 321 million roubles. This means that the present output is more than five times larger than that of pre-war times. In fact, the manufacture of such machines is far ahead of all other industries; and, if the increase continues at the same rate, the output is likely soon to become the largest in the world, even larger than that of the United States.

But quantity and quality are different things; and the poor quality of the Russian agricultural machines is due partly at least to the fact that the factories have had to be reconditioned to adapt themselves to the new demands introduced by mechanical traction. Up to 1928 all agricultural machine works were equipped to produce only peasant "equipment," that is, only horse-drawn machines. In that year only 3 per cent. of all machines produced were designed to be used with tractors. This year 24 per cent. of the machines will be tractor-drawn, while in 1931 the

percentage will be 60. This constitutes a very revolutionary and expensive change, for it means that all the equipment of the factories will have to be replaced by new and heavier models. It will also necessitate supplying the factories with different raw materials, with harder steel and stronger wood.

The "Selmash," the huge new factory at Rostov, which I visited this summer, had to be reconditioned three times while it was in the course of erection. Devoted originally to the production of horse-drawn rakes and other small machines, it has now finally been equipped for the manufacture of tractor-drawn binders and other reaping machines. In the case of this and other new factories the tractor revolution has caused only loss of money and time. But the reconstruction and the re-equipment of old factories as a preliminary to the production of the most modern models has meant also a decrease in output and very often inferior quality.

Mechanisation of agriculture involves, however, not only the production of tractors and complex agricultural machines; it necessitates a constant supply of motor lorries, repair shops, tank stations, grain elevators and machines for sorting and for grading grain, as well as telephones, wireless and a number of other services, such as trucks, caravans, field kitchens. And every day the industrialisation of the countryside is provoking new demands for commodities which cannot yet be satisfied.

The main effort of the Government is, however, the production of tractors. Three new factories for this purpose are in course of erection, at Stalingrad (Volga), Kharkov (Ukraine) and Cheliabinsk (Siberia); while the Putilov works at Leningrad are being enlarged so as to allow for an output of at least 20,000 tractors per annum. The Stalingrad factory, which has just been completed, is considered the largest and best equipped of all tractor factories. Its annual output will be thirty thousand 20 horse power tractors of the International Harvester type. The Kharkov factory, which will open early in 1932, is designed to produce fifty thousand 15-30 horse power tractors; and the Cheliabinsk factory, due for completion in the summer of 1932, is being equipped for the production of 25-60 horse power "caterpillar" tractors, and will turn out forty thousand of these a year. The "International" type of tractor is to be used on the Kolhosi; while on the State farms and for the breaking up of virgin soil the "caterpillar" kind will be used.

When these factories are ready and start production, the annual output of tractor power in Russia will amount to over 3,000,000 horse power. The question then arises whether an economic employment of such a power is possible, whether trained men can be found to drive these tractors, and whether enough machines can be turned out for them to drive. The inevitable reply to such questions is that the output, great as it may seem, will soon be inadequate to the growing needs of the country. The Bolsheviks are indeed confident that in three years' time they will have 100 million hectares tilled by mechanical power. They claim that the collective farms, the State grain farms, the need for an additional 40 million hectares for fodder crops, the cotton, flax and other technical crops, and the projected enlargement of the wheat belt by 20 million hectares of virgin soil will not only absorb the output of tractors but will render it inadequate to the country's needs.

Geographical Re-distribution of Crops.

A REVOLUTIONARY epoch is one in which everything seems possible. Theoretically, indeed, nothing is too daring or too difficult to be attempted by the Bolsheviks. If anything appears difficult, it is only because it has not been approached in "the Bolshevik spirit." If anything

goes wrong, it is at once attributed to lack of "activity." Initiative, energy and persistence are reckoned the certain creators of success.

There are many departments in which this peculiar trait is finding expression; but nowhere is it so clearly manifest as in the Commissariat of Agriculture. And of all the grandiose schemes with which this Commissariat has been identified the most daring is that of attempting to reshape the agricultural geography of the country. That mechanisation of agriculture should influence the agricultural zones of the country is natural enough. But what we are witnessing in Russia to-day is an endeavour completely to uproot century-old divisions of crops. And the most daring and the most fateful is the moving of the wheat belt up to the confines of Asia.

At present, the Ukraine, the Kuban and the Northern Caucasus constitute the main granary of Russia. But it is contended that it is wasteful to grow wheat in such areas, which could more profitably be utilised to raise more valuable crops such as soya beans and sunflowers. Wheat, on the other hand, it is claimed, can be grown on areas which are too dry to produce the more intensive crops. Hence the decision to cultivate regions in the Trans-Volga district, in Kazakhstan and in South-Eastern Siberia. The total acreage of these areas is, in round figures, 400 million hectares, of which less than 35 millions are actually under cultivation. It is now proposed to increase the area under cultivation in the next three years by at least another 20 million hectares, of which 8 millions are to be added in the Volga districts, 8 to 10 millions in Kazakhstan and 4 to 5 millions in Siberia.

Crop Redistribution.

To realise the magnitude of the enterprise which the young Commissar of Agriculture is undertaking, it is necessary to remember that most of the areas in question belong to the drought zone, are very thinly populated, and possess a most primitive agriculture. Even M. Yakovlev admits that the scheme sounds fantastic. But he is confident that with the help of tractors it can be accomplished. The argument employed by M. Yakovlev when he outlined the scheme at the Congress of the Communist Party and the enthusiastic reception given to it there are so typical of the spirit of Bolshevism that his remarks are worth quoting:

"The key to the solution of the problem," said M. Yakovlev, "consists in the fact that it must be undertaken with a minimum of men and of animals in order to obviate the necessity for keeping large stocks of grain to meet possible failures of crops. This means that the areas will have to be cultivated only by machines, which must be worked to the utmost limit of their capacity. One man will have to look after 200 hectares. That this idea is feasible was proved by our experience on the State farm, where as many as 210 hectares require only a single man. And this is not the limit. We are not going to stop here. Therefore, if that is so we can solve the wheat problem with only a slight addition to the actual population of these regions. What will be needed is to transfer the people in accordance with the requirements of the plan, and to employ every human power fifteen times more productively than it is employed at present."

"The system to be adopted will be that of tractor-stations and State farms. But the State farm must be different from those we already have. Here we need farms embracing not tens of thousands but hundreds of thousands of hectares. And here we shall have to erect very few and very simple buildings. Or rather the same buildings will have to serve a vastly larger area. Another essential difference is that the machines employed will have to be less complicated than those used on the State farms. The enlargement of the area should compensate for the low quality of the cultivation. There is obviously a risk of periodic failures of crops. Against such failures in drought zones there is at present no guarantee. But the only guarantee we need is not against occasional failures of crops, but against famine. Our only safeguard will be to increase the area under cultivation as much as possible, and to lay in a sufficient stock of food and seeds to meet such failures. These are the conditions in which this problem will be solved, and the fantasy will become a reality. By the spring of 1933 we shall have an additional 20 or 25 million hectares under wheat."

Less spectacular, but not less radical, are the other suggestions for the redistribution of crops which the

Institute of Economics and Organisation of Socialist Agriculture—a branch of the Lenin Academy—has put forward, and the Government has accepted. In accordance with these suggestions, the country will be divided into five zones.

The first, that of technical crops and intensive stock-breeding, will comprise the South-West Ukraine, the Central Black Soil Belt, the Northern Kuban, and some parts of the Far East. Here will be cultivated hemp, sugar beet, maize, soya beans, tobacco, cotton, sunflowers and kenaff.

The second, that of flax, dairy produce and market gardening, will embrace waste lands and pastures of the "grain-concerning" districts, an area extending from the Baltic through Moscow to the Urals.

The third, that of sub-tropical culture, will stretch from the Southern Crimea through the Caucasus to Middle Asia. The main crops to be grown here are cotton, tea, grapes, plums, apples, melons and oranges; and the idea is to transform the whole district into a Russian Florida and California.

The fourth, that of extensive stock-breeding, is to be situated in the mountainous parts of the Burjat Mongolian Republic and in the South-Eastern Steppes of Trans-Volga. This will be the scene of operations of the "cattle breeder" and the "sheep-breeder" trusts. (The pig-breeder's farms will be mainly confined to the first two zones.)

The fifth zone, that of forests, which extends from Archangel to the Pacific and occupies about a quarter of the country, is regarded by the Institute as a future reserve of arable land.

Conclusions.

I HAVE endeavoured to outline the trend of the ambitious and grandiose schemes which are being put in operation by the Bolsheviks with a view to socialising Russian Agriculture. Will those schemes succeed? As I have pointed out, there are two objectives in view. One is to raise agricultural production by mechanisation and by inducing the peasants to employ large-scale methods of cultivation through co-operation and pooling their holdings. This movement is still in its early stages; but I am confident myself that, where it has been tried, the mechanisation of technique can be said to have been accepted by a section of the peasants. The progress of mechanisation will depend entirely on the progress of the industrialisation of the country. That is to say, it will depend on whether the industries are able to supply the machines necessary to mechanisation. As to co-operative effort and the pooling of holdings, my view is that mechanisation makes an escape from collectivisation impossible. Once tractors and combines are used on an extensive scale, small individual holdings must disappear.

The other objective of the Five Years' Plan—the establishment of Communism in the villages—is quite a different matter. It would be unwise to dogmatise on the subject; for there is no material to start a discussion. All that is known is that the shock-methods employed last year to "deepen" collectivisation by giving it a Communist tinge proved a failure. Obviously mechanisation and even collectivisation cannot create Communism. Neither can conversion to Communism take place as the result of sheer relentless compulsion. Even the sanguine and impatient Bolsheviks admit that collectivisation is only a road and a long road to Communism. It may prove a longer and a more devious road than they expected. But while the odds seem not to favour the chances of Communism in the villages, there are some factors which make such a development less impossible than it would seem at first sight. And the main factor, in my opinion, is the idea of a new life which has been awakened among the active members of the younger generation.

STATISTICAL APPENDIX.

PRODUCTION OF PRINCIPAL CROPS.

	(In million tons.)				
	1925.	1926.	1927.	1928.	1929.
Rye	23.0	23.9	24.4	19.1	20.2
Wheat	21.3	24.9	21.1	21.6	20.1
Barley	5.9	5.4	4.5	5.5	7.4
Oats	12.2	15.5	13.3	16.5	16.6
Maize	4.4	3.3	3.5	3.3	4.2
Millet	4.7	2.3	3.4	3.1	3.7
Sunflower seed	2.6	1.8	1.8	2.6	2.1
Flax	.3	.3	.3	.2	.4
Flax seed	.6	.7	.7	.4	.7
Hemp	.4	.4	.5	.5	.5
Sugar beet	5.6	5.8	6.2	9.8	8.4

MINERAL PRODUCTION.

	(In million tons.)				
	1925-26.	1926-27.	1927-28.	1928-29.	1929-30.
Pig iron	2.2	3.0	3.3	4.0	5.0
Steel	2.9	3.6	4.2	4.7	5.6
Copper	.4	.5	.6	.8	.9
Manganese	1.2	1.3	1.2	1.3	1.6
Coal	24.4	31.9	36.3	40.6	46.0
Oil	8.3	10.2	11.8	13.5	17.1

RAILWAY STATISTICS.

	(In millions.)			
	1925-26.	1926-27.	1927-28.	1928-29.
Traffic (tons)	118.0	135.7	150.6	175.9
Passengers carried	262.7	254.2	280.8	343.2
Net profit (roubles)	177.8	227.8	355.0	470.9

EARNINGS OF WORKERS IN STATE INDUSTRIES, 1927-30.

	Average Monthly Earnings. (In roubles.)			
	1927-28.	1928-29.	1929-30.	
Average for the entire industry...	66.9	73.3	76.3	
Metal workers	80.5	80.5	94.7	
Engineering	87.1	95.0	97.2	
Electrical	101.8	110.0	111.2	
Mining	61.6	66.7	66.6	
Printers	90.3	94.1	97.0	
Textile	57.0	61.6	63.0	
Rubber	103.7	110.7	114.3	

FOREIGN TRADE.

	(In million roubles.)	
	Imports.	Exports.
1925-6	756.4	676.6
1926-7	713.7	770.5
1927-8	945.5	777.8
1928-9	836.3	977.6

TRADE WITH SPECIFIED COUNTRIES.

	(In million roubles.)			
	1927-28.		1928-29.	
	Imports.	Exports.	Imports.	Exports.
Germany	248.5	186.2	188.5	208.5
United States	187.8	28.0	152.9	38.5
Great Britain	47.5	150.8	44.3	192.5
France	35.9	40.6	30.4	43.1
Latvia	5.8	79.9	15.3	70.0
Persia	62.6	72.4	63.8	74.1

LEADING IMPORTS.

	(In million roubles.)	
	1927-28.	1928-29.
Food, drink and tobacco	108.2	72.1
Chemicals, drugs, dyes and colours	60.9	43.2
Metals and manufactures	299.3	294.5
Electrical goods and scientific instruments	65.1	49.9
Textiles and manufactures	265.8	256.9

LEADING EXPORTS.

	(Million roubles.)	
	1927-28.	1928-29.
Agricultural produce	86.2	83.1
Animals and animal products	139.7	138.4
Wood and timber	96.0	138.6
Furs	119.3	109.1
Fishing Products	133.2	124.9
Mine etc.	137.9	176.9

STATE BUDGET OF THE U.S.S.R.

	(In million roubles.)	
	Revenue.	
	Closed Accounts, 1928-29.	Estimates, 1929-30.
Direct taxation :—		
Agricultural tax	449.4	415.0
Turnover tax	1,055.9	1,814.4
Income tax	285.4	494.4
Other direct taxes	20.9	28.4
Total	1,811.6	2,752.2
Indirect taxation :—		
Excise	1,802.6	2,217.2
Customs	258.2	372.0
Total	2,060.8	2,589.2
Stamp duty and other duties	127.6	161.6
Total tax revenue	4,000.0	5,503.0
State property and enterprises :—		
Transport	2,199.7	2,798.9
Posts and telegraphs	202.5	260.6
Industry	272.4	854.1
Trade	31.2	212.2
Banks	108.5	117.0
Forests	307.6	450.2
Mines	65.6	79.3
Other State property	45.8	37.3
Total	3,233.3	4,809.6
Miscellaneous	130.8	98.4
Total non-tax revenue	3,364.1	4,908.0
State loans	724.8	1,210.0
Surplus from previous year	115.1	...
Grand total	8,204.0	11,621.0

Expenditure.

	Closed Accounts, 1928-29.		Estimates, 1929-30.
People's Commissariats :—			
People's Commissariats other than post and telegraphs and transport	1,102.6	1,327.0	
Commissariat of Transport	2,332.6	2,942.3	
Commissariat of Post and Telegraphs	193.1	267.6	
Commissariats of the Republics	599.0	798.6	
Total	4,227.3	5,335.5	
Expenditure for Economic Purposes :—			
Industry	1,002.0	1,886.2	
Electrification	175.2	310.0	
Agriculture	430.9	658.6	
Waterways	...	110.0	
Trade	247.0	407.0	
Co-operative Societies	4.3	16.0	
Communal credit and housing	61.9	120.2	
Railway building	123.2	265.4	
Various	50.5	35.0	
Total	2,095.0	3,808.4	
Special funds	248.9	373.8	
Grants-in-aid of local taxation	1,014.6	1,209.0	
State Loans Services	294.1	450.0	
Various, including expenditure of autonomous republics	222.8	444.4	
Special reserve of the U.S.S.R.	50.8	...	
Total	8,153.5	11,621.1	

* Included under agriculture.

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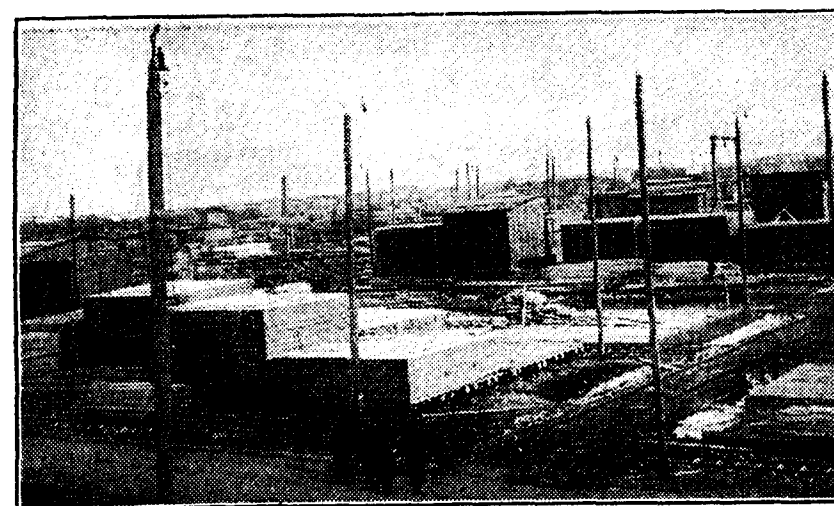
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„ Nelma

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Tomato Purée

Dried Fruit

Nuts

Fruit Pulp

Green Peas in tins

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Caucasian Carpets

Cigarette-boxes

Turkestan „

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Ukraine „

Whitewood Toys

Peasant Crash and Linen

Caucasian Silk articles

Embroidered Linen

Embroidered Leather

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China

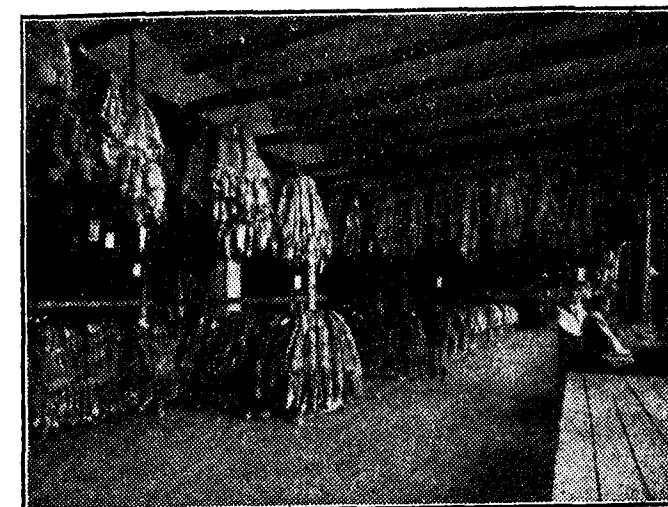
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The Economist

HUNGARIAN SUPPLEMENT.

SATURDAY, DECEMBER 20, 1930.

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POST-WAR HUNGARY.

TWELVE years ago the political and economic structure of Central Europe was profoundly modified as a result of the World War and of an attempt to apply the doctrine of nationality to this mixed racial area. A comparison between the new order thus created, and legally established in the treaty settlement which followed, and the old system which it displaced, is ever present in the thought of all politically minded people in this much-harassed part of Europe, victors and vanquished alike, and no account of the new Hungary would be complete without some reference, however brief, to this acutely controversial topic.

	Area sq. miles.	Population. 20,886,487	Population per sq. mile. 166
Pre-War Hungary (1910)	125,609		
Post-War Hungary (1920)	35,866	7,980,143	222

1920 as per cent. of 1910 28.5% 36.4% 133.7%

It is estimated that the population in the present year amounts to 8,661,787.

In the old Kingdom of Hungary, with a story stretching back a thousand years into the middle darkness of historic time, the Magyars represented the dominant and very conscious majority of the population. According to the census of 1910 approximately 54.5 per cent. of the inhabitants spoke Hungarian as their mother tongue. The leadership in politics and economics alike was in their hands. The old kingdom of St. Stephens, within boundaries long established as the result of historical and geographical, if not of racial, influences, had developed as an economic unit. It formed part, it is true, of the larger area of the Dual Monarchy, and thus enjoyed an assured market for its surplus agricultural products in the industrial areas of the Austrian Empire, but even before the end of last century the awakening national consciousness of the Magyar people had come to demand a greater share in commerce and in industry. From 1907 onwards the Hungarian Government, assured of what was virtually an independent status under the terms of the famous Compromise Agreement with the Habsburgs, concluded in 1867, did all in its power to encourage the industrial development of the lands under its sway. Budapest was the centre of this new activity, with its

banks and industrial undertakings, and with a population which, by 1910, already amounted to over 880,000 souls. Timber, salt and iron from the pasture lands of Transylvania, coal and iron ore from the mountains of Slovakia, and the rich resources of the fertile Danubian plains were the basis on which the Government endeavoured to build this industrial development. Tariff policy was settled every ten years, in theory if not always in practice, with the Austrian partner; otherwise defence and foreign policy, with the financial arrangements they necessitated, were the only common bonds which linked the two halves of the Dual Monarchy together. In the years immediately preceding the outbreak of the World War, economic nationalism was in the ascendant in Hungary, though her industries were small in scale, every possible device was used to stimulate them.

This process was rudely interrupted by over four years of hostilities and a treaty settlement disastrous to Hungarian aspirations. The new Hungarian State became, at birth, a mere fragment of the old kingdom; the area under Magyar rule was only 28.5 per cent. of that of former days, and the population was reduced to barely one-third. This was, in itself, a bitter pill to swallow, but Magyar patriotism was wounded still further by the fact that, of the thirteen and a quarter million people transferred to other allegiances, nearly three and a quarter million, or over 80 per cent., were Hungarian in speech and outlook. The political importance of this factor, even at the present day, is well known. But it is not the purpose of this Supplement to discuss the politics of Hungary. Its object is rather to consider the economic structure and possibilities of what is termed, in patriotic parlance, "Rump" Hungary.

The new State, a kingdom without a king, contains some of the richest corn-growing land in Europe, and has inherited much of the industrial equipment of pre-war days. It is, however, deficient in coal, iron ore, and timber—to mention but a few pre-requisites of industrial development—though many of its leading men are imbued with the Protectionist leanings of Habsburg times. This, as all experience proves, must inevitably lead to a divergence of interest—particularly in a country which is predominantly agricultural—between the agrarian and industrial portions of the population, and at the moment market conditions are forcing the difficulties of

agriculture to the front of the stage. What this means for Hungary is illustrated by the following analysis of the principal occupations of the people:—

OCCUPATIONS (Post-War Territory).	1910.		1920.	
	Per cent.		Per cent.	
Agriculture	56.0		55.7	
Mining and industry	21.2		20.6	
Commerce	4.6		5.1	
Transport	4.1		4.4	
Public services and liberal professions	4.0		4.7	

The growth of the distributing and professional services shown in the above table has almost certainly proceeded still further since the last census year. The proportions shown in the last group are to some extent the reflection of the unduly large proportions of the civil services—the result in part of the *morcellement* of Central Europe.

Unlike that of the pre-war kingdom, the population of modern Hungary is very nearly homogeneous in ethnic character. Approximately 90 per cent. of the total speak Magyar as their mother tongue, while, of the minorities, the Germans come first with 6.9 per cent. and the Slovaks a poor second with 1.8 per cent. For an understanding of the political situation, a consideration of the distribution of population as between the principal types of religious belief is also of interest. According to the census of 1920, Roman Catholics accounted for 63.9 per cent. of the total, Calvinists came second with 21 per cent., Lutherans

third with 6.2 per cent., and Jews fourth with 5.9 per cent.

Such, then, in brief outline, is the Hungarian State as it exists to-day. In the articles which follow our readers will find the principal features and problems of the present economic situation described by experts. It has not been easy for the Magyar nation to settle down to the rôle of a small people in a region which it had dominated for so many centuries. The difficult problem of reconstruction after years of warfare were made still harder of solution by the break-up of a well-established economic system. The Bolshevik interlude of Béla Kun, in 1919, followed by an inevitable swing to the extreme right, made social confusion worse confounded. In the countryside, although a measure of agrarian reform has already been carried out, there is still an unsatisfied demand for peasant holdings. In the sphere of national finance much solid progress has been achieved since financial reconstruction was effected under the ægis of the League of Nations and its genial High Commissioner, Mr Jeremiah Smith, six years ago. A world-wide crisis, reflected worst of all, perhaps, in the present price level of agricultural produce, naturally raises immediate problems of great magnitude in a predominantly agricultural State like Hungary, but the agricultural wealth of the country, no less than the vigour and energy of its peasant population, promise well for an economic recovery which, it may be hoped, will not be long delayed.

I.—FOREIGN TRADE AND INDEBTEDNESS.

COMMERCIAL POLICY AND FOREIGN TRADE.

By DR. JOHN DE BUD, Minister of Commerce and Economic Affairs.

HUNGARY is one of the chief victims of the economic dislocation caused by the treaty settlement in Central Europe. The old Austro-Hungarian Monarchy, with a population of 50 millions, was an ideal economic unit. This was broken up, and the Successor States at once indulged in a vigorous protectionist policy, though none of them could hope to be self-sufficing in the economic sphere. The ravages of the war resulted in a chronic shortage of raw materials, and this, in its turn, was only responsible for the introduction of close State control over economic activities, in Hungary as well as in her countries. When currency depreciation came to an end in 1924 and more normal economic conditions were established, Hungary was the first of the Central European States to do away with prohibitive restrictions on foreign trade. Import and export prohibitions were abolished, State control was relaxed by degrees, and liberty of trade was restored. Unfortunately this example was not followed by Hungary's neighbours, and the export trade of the country is still hampered by various restrictions in force in adjoining countries. As examples of this we might cite the system of contingents and the unwillingness to conclude veterinary agreements.

One of the main causes of the economic crisis now prevailing in the world in general, and in the Danubian States in particular, is undoubtedly the policy of high protection practised by all the leading industrial countries. As Hungary is above all an agricultural country, her purchasing power abroad depends upon the willingness of the industrial countries to take her agricultural surplus in exchange for their industrial products. Hungary took part in the agrarian conferences of the Eastern European States held at Warsaw, Geneva and Bucarest this autumn, and she will continue to work for concerted economic action with a view to overcoming the present crisis in agricultural exports.

After the war the old Austro-Hungarian Customs Tariff was taken over as a basis for Hungarian fiscal policy, though successive amendments were necessary to meet the radical changes in economic structure brought about by the Peace Treaties. In 1925 a new Autonomous

Tariff was passed, with a view to facilitating the negotiation of commercial treaties. A very considerable number of the items in this tariff schedule have been steadily reduced as a result of the conclusion of commercial treaties, based on the most-favoured-nation clause, with practically all countries trading with Hungary. The importance of these reductions can be shown statistically; whereas Customs receipts amounted to 15 per cent. of the value of total imports in 1925, they had declined to between 10 per cent. and 11 per cent. in 1929 and 1930.

The recommendation of the World Economic Conference, held under the auspices of the League of Nations in 1927, that tariffs should not be increased but lowered, has been faithfully observed by Hungary. Unfortunately this policy has not been applied by her industrial neighbours, Austria and Czechoslovakia, which have both raised their Customs duties on agricultural products, to the great embarrassment of Hungarian agriculturists. The negotiations for concerted economic action which took place at Geneva in March, 1930, were followed with great interest in Hungary, who, for her part, would readily have ratified the Commercial Convention but for the refusal of Austria and Czechoslovakia to do so. It is, indeed, obvious that a small country like Hungary cannot inaugurate a new commercial policy without reference to that adopted by her neighbours. An analysis of her foreign trade returns shows that more than half of the total is with the Successor States—Austria, Czechoslovakia, Roumania and Yugoslavia—in spite of the high tariff barriers they have erected. Apart from these, Germany and Italy also play a most important rôle in her foreign trade. The large table on page 3 shows the direction of trade for the first nine months of this year as compared with that of the corresponding period of 1929. It will be seen that a favourable balance existed with Austria and Italy, while Germany, Czechoslovakia and Roumania exported more to Hungary than she did to them. The expansion of exports to Italy, made up chiefly of cereals and livestock, deserves special mention. An increase in our exports to Great Britain, the principal articles being poultry, flour and vegetables, is also a welcome feature.

In spite of all the restrictions and hindrances, to which brief reference has already been made, the foreign trade of Hungary has developed fairly steadily during the past ten years, as may be seen from the next table:—

FOREIGN TRADE OF HUNGARY IN THE YEARS 1920-29.

(In million pengő.)

Year.	Total trade.	Imports.	Exports.	Balance.
1920	674.7	484.1	190.6	- 293.5
1921	898.6	604.0	294.6	- 309.4
1922	1,008.6	625.7	382.9	- 242.8
1923	882.9	490.7	392.2	- 98.5
1924	1,482.3	815.3	667.0	- 148.3
1925	1,712.6	864.6	848.0	- 16.6
1926	1,817.7	941.0	876.7	- 64.3
1927	1,989.9	1,182.3	807.6	- 374.7
1928	2,037.4	1,211.4	826.0	- 385.4
1929	2,103.0	1,062.8	1,040.2	- 22.6
First nine months:				
1929	1,484.6	806.1	678.5	- 127.6
1930	1,295.7	627.8	667.9	+ 40.1

Both imports and exports have increased considerably over this period, and, after ten years with an unfavourable balance of trade, this present year will probably show a surplus of exports over imports for the first time. From 1920 to 1922 there was a heavy import surplus, owing to the fact that stocks and implements had been sadly depleted as a result of the war, and the deficiency had to be made good at all costs. The situation improved somewhat in 1923, but it was not until two years later that the volume of foreign trade attained to something like normal proportions. The restoration of the currency was followed by a period of economic recovery, reflected in the small deficits of 1925 and 1926. In the two following years, however, the inflow of foreign funds in considerable quantities provided a great impetus to imports at a time when exports were falling off slightly. In 1929, however, the situation changed completely. Foreign funds were no longer available to anything like the same extent, and the Government did all in its power to increase exports by the granting of cheap export credits, the remittance of taxes and the reduction of railway rates. This movement was, of course, greatly facilitated by the good harvests of 1928 and 1929, and by an increased export of livestock.

Detailed results for the first nine months of the present year, which are shown in the following table, show that

Country of origin or Destination respectively.	Imports.				Exports.				Balance.	
	1929.		1930.		1929.		1930.		Imports—1929.	Exports—1930.
	Value.	%	Value.	%	Value.	%	Value.	%		
Austria	108.5	13.46	73.8	11.76	210.6	31.04	197.8	29.62	+102.1	+124.0
Czechoslovakia ...	177.0	21.96	137.0	21.82	115.6	17.04	112.5	16.85	- 61.4	- 24.5
Roumania	74.4	9.24	56.1	8.94	35.8	5.28	21.8	3.26	- 38.6	- 34.3
Jugoslavia	43.0	5.34	32.4	5.16	45.5	6.70	39.7	5.94	+ 2.5	+ 7.3
Germany	159.5	19.79	129.1	20.56	71.5	10.55	67.1	10.05	- 88.0	- 62.0
Switzerland	20.8	2.58	14.9	2.37	22.7	3.34	26.0	3.89	+ 1.9	+ 11.1
Italy	34.4	4.27	29.5	4.70	44.8	6.60	92.8	13.89	+ 10.4	+ 63.3
France	17.6	2.18	16.8	2.68	7.8	1.15	8.9	1.33	- 9.8	- 7.9
Belgium	6.5	0.80	5.8	0.92	6.7	0.98	4.2	0.63	+ 0.2	- 1.6
Holland	19.7	2.44	17.4	2.77	8.6	1.27	3.7	0.56	- 11.1	- 13.7
Great Britain, including Ireland	23.9	2.97	19.1	3.04	17.6	2.59	31.2	4.67	- 6.3	+ 12.1
Sweden	2.2	0.27	1.5	0.24	1.5	0.23	1.6	0.24	- 0.7	+ 0.1
Poland	38.1	4.73	21.4	3.41	13.0	1.92	9.4	1.41	- 25.1	- 12.0
Bulgaria	9.2	1.15	12.1	1.93	6.9	1.02	3.4	0.51	- 2.3	- 8.7
Greece	3.0	0.37	1.6	0.26	8.7	1.28	5.3	0.79	+ 5.7	+ 3.7
Turkey	3.1	0.38	5.8	0.92	8.9	1.31	3.9	0.58	+ 5.8	- 1.9
U.S.A.	33.9	4.20	29.3	4.67	7.5	1.11	3.1	0.46	- 26.4	- 26.2
Other countries ...	31.3	3.87	24.2	3.85	44.8	6.59	35.5	5.32	+ 13.5	+ 11.3
Total	806.1	100.00	627.8	100.00	678.5	100.00	667.9	100.00	-127.6	+ 40.1

FOREIGN LOANS.

By M. BÉLA DE SCHOBER, Director-General of the National Bank of Hungary.*

THE modern economic development of Hungary really began in the third quarter of the nineteenth century. The compromise made with Austria in 1867 secured her existence as an independent State within the framework of the Dual Monarchy, and made it possible, though subject to certain important limitations, for her to embark upon an

* The author has to thank Dr. Judik, of the National Bank, for verifying the statistical references in this article.

export values have been maintained at the high level of 1929, while imports have declined substantially:—

(FOR THE FIRST NINE MONTHS OF EACH YEAR.)

Items.	Imports.				Exports.			
	1929.		1930.		1929.		1930.	
	Value.*	%	Value.*	%	Value.*	%	Value.*	%
Food products ...	72,514	9.00	62,970	10.03	330,317	48.69	276,924	41.46
Live stocks	523	0.06	591	0.09	98,031	14.45	157,016	23.50
By-products (industrial and agricultural) ...	107,680	13.36	67,680	10.78	35,660	5.25	37,123	5.56
Industry	625,376	77.58	496,592	79.10	214,467	31.61	196,903	29.48
Total	806,093	100.00	627,833	100.00	678,475	100.00	667,966	100.00
Of which—								
Raw material	297,753	36.93	243,377	38.77	399,330	58.85	404,388	60.54
Semi-manufactured goods	189,730	23.54	149,822	23.86	50,275	7.42	56,693	8.48
Manufactured goods	318,610	39.53	234,634	37.37	228,870	33.73	206,885	30.98

* In thousand pengő.

The principal exports consisted of live stock, wheat, flour, sugar, poultry, eggs and machinery; while the chief imports were textiles, timber, paper, coal, oil, machinery and ironware. When we bear in mind that agricultural prices have fallen during the past year, the recent volume of exports affords a striking proof of Hungary's power of resistance in times of economic stress. The decline in imports partly reflects the fall in the prices of industrial products, though the reduced purchasing power of the country and the absence of long-term loans are also factors of the first importance in this connection.

The Hungarian Government is fully aware that the future welfare of the country depends upon whole-hearted collaboration with the rest of the world. Hungary is anxious to increase her share in international trade, and would welcome a general reduction in tariffs. She needs outlets for her surplus agricultural products because only thus can she purchase the goods she cannot produce at home and meet the service of her foreign debt.

economic policy of her own. She took up the arduous task of transforming and modernising her whole economic structure with all the vigour and enthusiasm of youth. Between 1867 and 1913 nearly 14,000 miles of railway line were built, important works of river regulation were carried through in the interests of Danube navigation, and a modern seaport was constructed at Fiume. These years witnessed a marked development in agricultural production, and great progress was made not only in the industries more directly connected with agriculture but in certain branches of the so-called heavy industries as well. A modern banking system was created and, at the time of the outbreak of the World War, the deposits of

the various Hungarian banks amounted to a total of some 4,500 million kronen.

This rapid economic transformation was only possible thanks to the co-operation of foreign capital. As a partner in the Dual Monarchy, it was natural that Hungary should borrow largely from Austria. Indeed, in pre-war days, more than half the total of her long-term foreign loans came from this source. Next in importance came Germany, which provided nearly 40 per cent. of the foreign capital invested in the country, while the balance came for the most part from France, England, Switzerland, Holland and Belgium.

Much the most important share in foreign borrowing fell to the Hungarian State, whose long-term foreign indebtedness amounted to £144,100,000 at the end of 1913; to this total should also be added the sum of £56,200,000, which was Hungary's share in the old Austrian State debt contracted prior to 1867. But other borrowers also acquired very considerable sums from abroad, and the total long-term indebtedness of the country at the end of 1913 amounted to about £350,000,000, which was made up as follows:—

	Million £
The State Debt, including Hungary's share in the Austrian Debt contracted prior to 1867.....	200.3
Foreign Debts of the City of Budapest.....	12.5
Mortgage and Communal Bonds placed abroad by Hungarian Banks.....	87.4
Railway Shares and Bonds.....	33.3
Mortgage Loans granted by foreign banks on real estate.....	20.8
Total.....	354.3

This foreign debt, of which rather over one-third was in foreign currency denominations, was naturally a charge on the whole territory of the former kingdom, which was more than three times the size of the present Hungary. In allotting the responsibility for those State debts which enjoyed no special security amongst the various Succession States, the Reparations Commission made the new Hungary liable for 45.7 per cent. of the total. Her share of the pre-war private indebtedness was, however, considerably greater, since the private debtors, who were mainly the banks, operated for the most part inside the frontiers of present Hungary. After a disastrous war, the dismemberment of the treaty settlement, a Bolshevik interlude, and foreign occupation, this total of pre-war indebtedness represented an intolerable and crushing burden, which was made all the worse by currency inflation. At the same time, depreciation reduced the value of such foreign debts as were in krone denominations and not subject to valorisation.

If the credit of the country was to be restored, it was essential that some arrangement should be arrived at with regard to the whole question of pre-war indebtedness. Individual debtors opened negotiations with their foreign creditors with the result that, in the vast majority of cases, agreements were arrived at which were acceptable to the latter. So far as State debts, in gold or foreign currencies, were concerned, provisional agreements were reached at Innsbruck in 1923 and at Prague in 1925. The Hungarian share in these debts was fixed, as we have already indicated, at 45.7 per cent., and the service of the four principal loans was regulated on a uniform basis for all the Succession States of pre-war Hungary. For the time being, interest payments are made at 32 per cent. of the original rate, calculated on a gold basis, in the case of the 4 per cent. gold loan, and at 27 per cent. in the case of the 4 per cent. (1910), 4½ per cent. (1913) and 4½ per cent. (1914) Sinking Fund loans. The final regulation of this difficult question is still pending. An agreement was also reached at Ostend, in 1925, between the City of Budapest and its foreign creditors in respect of its loans issued in 1910, 1911 and 1914. Interest payments are made on the basis of 75 per cent. of the gold value down to 1930, and thereafter in full. Sinking Fund operations are suspended down to 1934, when a new redemption scheme will come into force, according to which the three loans will be completely redeemed by January, 1934. The foreign currency indebtedness of the banks, in respect of mortgage bonds, communal obligations and the like, has been settled in almost every case by agreement with the creditors, while debts due to ex-enemy citizens and payable, according to the terms of the treaty, in the cur-

rency of the creditor's State, if not settled by agreement, have been dealt with, in a large number of cases, under the clearing procedure established for this purpose.

In the post-war period there has been a great demand for new capital to make good the ravages of the years of war and currency inflation, and also to transform the economic organisation of the new dismembered country. Down to 1924 the uncertain economic and political situation of Central Europe acted as a limiting factor, and foreign credits were largely confined to financing relief purchases of flour and the expenses incurred in repatriating prisoners of war. The issue of the Reconstruction Loan, under the aegis of the League of Nations, changed the whole situation. This loan was of the nominal value of £14,400,000, of which the greater part (£7,900,000) was issued in England. From 1924 onwards there has been a considerable influx of foreign capital into the country, though the movement received a marked setback in 1929.

Immediately prior to the Reconstruction Loan of 1924, the foreign indebtedness of Hungary amounted to some £46,700,000, or, if we valorise the pre-war State loans on the percentages agreed upon for interest payments at Innsbruck and at Prague, to approximately £25,200,000. From that date to the end of 1929, Hungary has received long-term loans to the nominal amount of £49,900,000, the actual proceeds totalling £44,100,000. During the same period, sinking fund payments have decreased the total by £4,100,000. In addition to this, £18 millions have come into the country in the form of short-term foreign loans and other capital transactions. At the end of 1929, the total foreign indebtedness of Hungary thus amounted to roughly £110,000,000, or to some £90,000,000, if the pre-war State loans are calculated on the Innsbruck and Prague percentages.

The long-term foreign loans raised between 1924 and 1929 may be grouped as follows:—

	Million £ Nominal.
For the State.....	12.6
For Counties, Towns, Communes and Churches.....	12.3
For Agriculture.....	15.5
For Urban Real-estate owners.....	3.9
For Industry.....	5.6
Total.....	49.9

Of this total about £20.2 millions came from the United States, £19.1 millions from England, £1.7 millions from Holland, and the balance of £3.9 millions from the rest of the world. More than half England's share (£10.5 millions) is made up of her quota in the League Reconstruction Loan, the \$20 millions Loan of the City of Budapest, 1927, and the Hungarian Counties Loans, 1926 and 1927, with a total nominal value of £2.3 millions. The Hungarian banks have placed mortgage bonds in England to a nominal value of £4.3 millions, while £3.6 millions have been raised for industrial purposes. The bulk of this latter sum consists of two loans of the Trans-Danubian Electricity Company, issued in 1928, and amounting to £3.3 millions.

The proceeds of some of these loans, and more especially of those raised in the earlier years by local authorities, had perforce to be employed in large measure for public utility purposes which did not result in a direct increase of production, and only about two-thirds of the capital investment programme of the State was directed to what can strictly be called economic purposes. This was in large measure inevitable after the neglect of long years of war and inflation. But almost with the first influx of foreign capital there began afresh the process of capital accumulation within the country itself, and an increasing proportion of the sums required for productive purposes were raised in the home market. Deposits in the twelve leading Budapest banks and in the Post Office Savings Bank, which were only 4.8 per cent. of their pre-war level at the end of 1924, had risen, by the end of August, 1930, to £54,400,000, or 81.4 per cent. of the pre-war figure. Even so, however, the national savings are still insufficient to satisfy all the country's needs. The amount of new capital for long-term investment remains very small, and the demands, more especially of the State and of the agricultural community in this direction cannot be satisfied in the near future without recourse being had to foreign sources of supply.

At the moment the State needs capital above all for the development of the railways and for road building. In one sense this latter form of expenditure is not a direct income-yielding investment, though it would certainly contribute greatly to the economic efficiency of the country as a whole. It is essential that roads should be built to connect the outlying districts and farms with the railway stations and with the main road arteries in order to open up these territories to trade and commerce. Moreover, any real improvement in agriculture, which is much the most important Hungarian industry, would also call for capital investments which, in the very nature of things, can only be obtained in sufficient quantities abroad.

It is the general conviction nowadays that no new foreign borrowing should be indulged in save for productive purposes. Capital so applied would be of inestimable service and would contribute in marked degree to the more efficient organisation of the economic life of the whole nation.

THE BALANCE OF PAYMENTS.

By DR. BÉLA DE IMRÉDY, Managing Director of the National Bank of Hungary, Head of the Intelligence Department.

The importance of a careful study of the various items which enter into the balance of payments of a country hardly needs stressing nowadays. Definite conclusions are, of course, hard to draw with any degree of certainty, but a study of these data over a period of years throws considerable light on the productive forces of a country and on its power to adapt itself to changing international conditions. In the case of Hungary, the modifications brought about by the Treaty Settlement led to a shortage of certain basic commodities, such as wood, metals, high-grade coal and water power, and made the country more dependent than ever before, and, for that matter, more dependent than most other countries, upon foreign sources of supply. Under these circumstances, the various problems associated with the balance of payments are of the very greatest interest to the leaders of economic policy.

For the six years or so of inflation which followed immediately after the war, the development of Hungarian foreign trade was quite abnormal. It was a period of restrictive interference with the exchange of goods and the movement of capital. Attempts have been made to establish the balance of payments during these years, but, for an understanding of present conditions, it will suffice to give the various items for the period since stabilisation was effected. The most complete picture is given in the compilations published by Dr. Julius Szigeti, of the Central Statistical Office, and originally drawn up according to the scheme recommended by the League of Nations. In the table overleaf, however, this has been somewhat simplified. The various items are divided into two main groups, those relating to current transactions—or, in other words, the balance of trade taken in its widest sense—and those showing the movement of capital. We can thus trace the changes in the foreign debts and claims of Hungary. Insistence upon the movement of capital is especially important in a country poor in capital equipment, for an adverse balance of payments is a most disturbing symptom if it is not accompanied by a corresponding growth in national wealth.

Amongst the current items it will be seen that the movements of merchandise are of dominant importance and do, in fact, determine the balance in this group. The increase of imports in 1927 and the marked rise of exports last year are most interesting for the light they throw upon the close relationship existing between the balance of trade and the influx of foreign capital. This latter has naturally led to a steady growth of payments on account of interest charges and dividends. It should be pointed out that the decrease shown under the heading of interest on State debts in 1929 was mainly due to a change in the methods of compilation: certain items which formerly figured as interest payments now appear

under the heading of amortisation of capital. It will be noticed also that while there is a permanent adverse balance in respect of tourist services, remittances from emigrants are a significant source of national income. Railway, shipping and postal services together show a surplus in Hungary's favour, but the other items of lesser importance combine to make an adverse balance. The big increase in these other entries from 1928 onwards, both on the credit and the debit side, is due to the introduction of gross figures in the estimates of insurance premiums and agents' commissions. For the future no striking change in these less important items is, at all likely, with the exception of increased receipts from the tourist traffic, since foreigners are now visiting Hungary in larger numbers than before. The general balance of current payments must perforce continue to be dominated by the very variable items of imports and exports of merchandise, and by the steadily increasing charges in respect of foreign loans and credits.

On the capital side the influx on account of long-term loans rose from 168.7 million pengő in 1926 to close on 300 millions in 1927 and 1928, though it fell back to 234 millions last year. This latter figure, however, only partially indicates the change in capital movements, since it includes two instalments of the loan contracted with the Swedish Match Trust in the previous year for the purpose of financing agrarian reform. These payments amount to over one-half of the capital imported in 1929. The figures for short-term credits are naturally based to a considerable extent upon estimates and cannot pretend to complete accuracy. They nevertheless indicate a general upward movement in 1927 and, though to a less extent, in 1928, followed by repayments in 1929. Of recent years dealings in shares have only played a relatively minor rôle in the movement of capital into the country. Foreign concerns have, indeed, participated in Hungarian enterprises, especially when the latter have increased their capital. By so doing they have played an important part in supplying capital to individual banks and business undertakings. From a national point of view, however, these items have only been of minor importance as compared with the loan transactions. It would appear, from the data available, that the same has been true of movements of securities dealt in abroad, though it is naturally most difficult to make reliable estimates of stock-exchange transactions of this type.

The influx of foreign capital down to the year 1927 led to a rise in the foreign exchange holdings of the National Bank. In 1928 and 1929, however, the adverse balance in respect of current items was made good in part, at least, at the expense of these holdings.

It is, of course, too early to do more than estimate the probable trend of the balance of payments for the current year. Statistical data are already available for the first eight months, and these can be supplemented by careful observation in competent quarters. For the period January to August, 1930, imports exceeded exports by 40 million pengő, while payments on account of interest, dividends and other smaller current items, amounted to between 140 and 150 millions. There was thus an adverse balance on current account of something over 100 million pengő. On the capital side there was an influx of about 150 millions, partly from long-term, but mainly from middle-term loans. In addition, the short-term indebtedness, excluding commercial merchandise credits, increased by some 50 millions. Share issues accounted for a further 10 millions, so that the total capital import stood at over 200 millions. Even when we allow for an increase of 30 millions in foreign exchange holdings, the total is considerably in excess of the adverse balance on current items. It is probable that outstanding commercial credits have decreased with the decline in imports, while there are reasons for supposing that Hungarian securities held abroad have been to some extent brought back by Hungarians. This repatriation of securities, together with the purchase of foreign securities by Hungarians has almost certainly been greater in amount than the advent of new foreign capital participation in Hungarian undertakings.

THE BALANCE OF PAYMENTS, 1926—1929.

Millions of pengő.

Items.	Payments from abroad (Exports, Credits).				Payments to Foreign Countries (Imports, Debits).				Balance.			
	1926.	1927.	1928.	1929.	1926.	1927.	1928.	1929.	1926.	1927.	1928.	1929.
Current Items.												
Visible current items—												
Merchandise.....	860.5	798.5	819.0	1,066.1	963.6	1,148.6	1,189.1	1,107.0	-103.1	-350.1	-370.1	-40.9
Gold and silver	...	0.2	0.1	...	0.6	1.8	5.0	4.5	-0.6	-1.6	-4.9	-4.5
Invisible current items—												
1. Interests and dividends—												
(a) Interests on state debts		3.0	1.1	0.2	56.6	68.1	64.0	47.1	-65.1	-62.9	-46.9	
(b) Interests on other long-term debts	4.6	...	...	...	21.1	32.3	51.4	65.9	-90.5	-32.3	-51.4	-65.9
(c) Interests on short-term private debts		10.3	11.2	4.2	17.4	22.8	29.3	37.7	-12.5	-18.1	-33.5	
(d) Dividends	4.6	7.7	7.7	10.2	1.5	11.1	18.0	20.7	+3.1	-3.4	-10.3	-10.5
2. Payments resulting from railway and shipping traffic	13.3	21.2	23.1	25.4	2.7	6.5	1.2	12.0	+10.6	+14.7	+21.9	+13.4
3. Service to tourists ..	2.5	7.4	20.6	21.8	13.2	39.0	38.1	52.3	-10.7	-31.6	-17.5	-30.5
4. Sums taken out of the country by emigrants, remittances of emigrants and sums brought in by immigrants.....	34.3	28.6	44.9	44.0	5.0	6.8	7.9	7.5	+29.3	+21.8	+37.0	+36.5
5. Payments resulting from the post, telegraph and telephone service.....	5.7	6.5	5.6	5.9	4.9	5.6	4.8	5.5	+0.8	+0.9	+0.8	+0.4
6. Other invisible items	7.5	11.6	54.2	59.9	11.0	31.8	80.4	91.0	-3.5	-20.2	-26.2	-31.1
Total current items	933.0	895.0	987.5	1,237.7	1,097.6	1,374.4	1,489.2	1,451.2	-164.6	-479.4	-501.7	-213.5
Movement of Capital.												
1. New foreign loans—												
(a) Sums liberated out of the proceeds of the reconstruction loan	48.4	35.4	43.8	22.2	...	...	...	...	+48.4	+35.4	+43.8	+22.2
(b) Other public loans.....	58.7	122.4	18.0	17.4	...	...	...	...	+58.7	+122.4	+18.0	+17.4
(c) Long-term private loans	61.6	136.8	238.0	194.8	...	...	...	...	+61.6	+136.8	+238.0	+194.8
2. Increase or decrease of short-term private credits (on balance)	...	229.5	88.0	...	5.2	...	...	68.0	-5.2	+229.5	+88.0	-68.0
3. Repayments and amortizations of foreign capital—												
(a) State debt	...	...	...	...	29.3	15.5	31.2	32.0	-29.3	-15.5	-31.2	-32.0
(b) Other long-term debts	1.6	0.3	2.1	0.8	...	6.8	10.6	13.0	+1.6	-6.5	-8.5	-12.2
4. Contributions of foreigners to capital increases of Hungarian Societies (+) and of Hungarians to capital increases of foreign societies (-).....	11.1	36.5	46.7	32.0	3.2	5.6	10.1	1.4	+7.9	+30.9	+36.6	+30.6
5. Sales and purchases of securities	20.8	31.2	96.0	51.2	5.8	56.9	78.6	53.7	+15.0	-25.7	+17.4	-2.5
6. Sales and purchases of landed property by Hungarians abroad and by foreigners in Hungary.....	3.5	1.2	1.3	0.3	...	1.1	0.1	0.2	+3.5	+0.1	+1.2	+0.1
7. Change in the deposits of the National Bank and in other deposits abroad (net)	...	...	99.1	57.5	15.7	27.7	...	...	-15.7	-27.7	+99.1	+57.5
Total capital items	205.7	593.3	633.0	376.2	59.2	113.6	130.6	168.3	+146.5	+479.7	+502.4	+207.9
Total capital and current items.....	1,138.7	1,488.3	1,620.5	1,613.9	1,156.8	1,488.0	1,619.8	1,619.5	-18.1	+0.3	+0.7	-5.6
Residual balance (representing errors and omissions).....	18.1	...	...	5.6	...	0.3	0.7	...	+18.1	-0.3	-0.7	+5.6
Total	1,156.8	1,488.3	1,620.5	1,619.5	1,156.8	1,488.3	1,620.5	1,619.5	...	...	...	...

We may now summarise the general movement of the last five years. An adverse balance of 150 million pengő in 1926 rose in the two following years to some 500 millions. A radical change made itself felt in 1929. The general world situation was reflected in the marked fall of capital imports into Hungary, amounting in that year to but little more than 200 millions. The balance of trade, which in the first half of 1929 was still under the influence of the abundant credit supplies of previous years, reacted suddenly in the second half of the year, with the result that, for 1929 as a whole the adverse balance had been reduced to 40 millions. This tendency has continued in an even more striking form during the present year.

The relationship between capital movements and the exchange of goods suggests some interesting questions. Is the formation of the balance of commerce a mere reflex phenomenon, in which case the large adverse balance in 1927 and 1928 appears simply and solely as the result of the heavy influx of foreign capital? Or, on the other hand, did the easy situation then prevailing in the international money market stimulate a demand for investments believed to be useful in themselves, though perhaps not entirely justified from the economic point of view, or even for goods for immediate consumption? Of more immediate importance, however, is the further question as to whether the transformation of the balance of trade, which started in 1929, can last indefinitely. It cannot be denied that the expansion of

exports was made possible to some extent by the liquidation of stocks. The abundant grain crop of 1928, for example, was not exported until quite late, and showed for the most part in the returns for the second half of 1929. With medium crop results it is hardly likely that the level of grain and flour exports reached last year could, in fact, be maintained.

Of course, the present situation in Hungary is dominated by the general world depression which is notoriously acute in the case of agricultural products. The catastrophic fall in grain prices has naturally reduced the purchasing power of Hungary abroad, and if a more adequate relationship were established between the prices of agricultural and those of industrial products this alone would go far to compensate for the fall in the import of capital. If such a price readjustment does not take place, other methods must be discovered of adapting methods of production to the changed circumstances of the world market. This task will call for great energy and no little patience, of both of which the nation has frequently given proof in the past. In developing its productive capacity, Hungary will be obliged to have recourse, for many a year to come, to foreign capital. In the lean years, however, the qualities of its people and the greater power of resistance enjoyed by an agricultural country in facing a period of general depression, will enable Hungary to attack a set of problems difficult enough in themselves though by no means impossible of solution.

II.—CURRENCY, BANKING AND FINANCE.

CURRENCY STABILISATION.

By Dr. ALEXANDER POPOVICS, President of the National Bank of Hungary.

THE policy adopted by the National Bank of Hungary was laid down in its statutes and determined by the practical problems with which it was faced at the very outset of its activities. Its foremost task was to maintain the stability of the national currency. During the negotiations which preceded the actual formation of the bank it was decided that stabilisation should be effected at the level ruling when the League of Nations Reconstruction Scheme should first come into operation. This was regarded as feasible provided that the State stopped having recourse to the printing press and re-established budgetary equilibrium by increasing taxation and, for a transition period at least, by using temporary credit facilities which the reconstruction scheme placed at its disposal. It was an essential part of the programme that a well-organised central bank, independent of State control, should be entrusted with the management of the new currency.

This plan seemed simple enough in theory, but it was by no means easy to apply in actual practice. The currency position of a country is determined by the free development of all its economic forces. When, however, stabilisation was first planned in 1924, Hungary was still suffering from the pernicious after-effects of the war period. Imports and exports were subject to prohibitive barriers, and dealings in the foreign exchanges were under State control. As the stabilisation scheme aimed at the re-establishment of normal economic conditions, the bank had to consider what would be the probable consequences of freeing trade from the prohibitive restraints then ruling, and of removing the barriers which surrounded dealings in the foreign exchanges. When, in April, 1924, the old krone currency reached its lowest level—equal to one twenty-thousandth of its nominal gold value—it seemed as though depreciation was due almost as much to psychological as to purely economic causes.

Before it began its activities, the National Bank informed the Government that the gradual removal of restrictions on trade and finance was an essential preliminary to stabilisation because, until that was done, the bank could not properly decide upon the level at which the value of the new currency should be fixed. This was all the more apparent, since stabilisation was to be effected not by deflation, but by fixing a new ratio between the paper currency and gold.

An accidental circumstance greatly helped in the solution of this problem. The principal feature of the reconstruction plan was, of course, the restoration of budget equilibrium with the aid of a Reconstruction Loan to be issued in 1924. The National Bank was also dependent upon this loan, as its own capital, and what remained of the exchange holdings of the *Devisenzentrale* would not provide an adequate metal cover for the new institution, and a portion of the proceeds of the loan itself would have to be made available for this purpose. Early in 1924 the success of the whole scheme was threatened by the refusal of the United States to participate in the flotation of the Reconstruction Loan. When matters were most critical, however, the Bank of England advanced £4,000,000 to the State Note Institute, which was to be taken over by the new National Bank, on the understanding that Hungarian currency was to be stabilised on a sterling basis. As the success of the whole scheme would otherwise have been endangered this condition was accepted by the directors of the new central bank, although the statutes prescribed stabilisation on a gold basis and the pound had not as yet returned to its gold parity.

The National Bank was able to commence activities on June 24, 1924. A few weeks later the directors stabilised the paper krone at the rate of 346,000 kronen to the pound. Favourable developments made it possible to maintain this rate in spite of the upward movement of the pound, which finally reached par in the spring of 1925. Ever since that date, Hungarian currency has remained stable in terms of gold.

The gold and currency holdings of the new National Bank increased considerably in the early months of its existence and provided a strong backing for the stabilised currency. When the bank was entrusted, by Act of Parliament, with the control of the foreign exchanges, it was, therefore, able to grant considerable facilities in this respect until the last limitations on free exchange dealings were done away with on November 20, 1925, and full liberty was restored to the money and credit markets.

As stabilisation *de facto* had now been achieved, the time was ripe for *de jure* stabilisation also. An Act passed in 1925 (No. XXXV.) introduced a new currency unit, the pengő. One kilogramme of fine gold is minted into 3,800 pengő, from which it follows that one pengő is equal to 0.863158 gold kronen, or to 12,500 paper kronen, while

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The credit policy of the bank was, at the outset, a matter of considerable difficulty. Years of currency inflation combined with the fundamental economic changes brought about by the Peace Treaty to exercise a most demoralising effect on the nation as a whole, while the depreciation of the old krone currency had destroyed the working capital of the country. People had long engaged in the disastrous practice of constant borrowing in the hope of being able to pay back in currency still further depreciated. The pressure of demand was too strong for the State Note Institute, the immediate predecessor of the National Bank, and an attempt made by the Government early in 1924 to introduce a stable nominal currency (the sparkrone), the purpose of which was to valorise advances made on the basis of the dollar and gold franc exchanges, had proved quite inadequate to check further depreciation. This temporary expedient was discontinued when the National Bank began its activities, though speculation with borrowed money for a fall in Hungarian currency also disappeared when it became clear that stabilisation had, in fact been effected.

In the changed circumstances of the post-war period, a whole series of factors, which are dealt with in other articles in this Supplement, made it imperative that the encouragement of industry should be one of the main features of government policy. This process began during the inflation period, and is still being continued, albeit on a smaller scale, with the aid of foreign capital. More rapid development is hampered by the slow rate of capital accumulation in the country, and by the heavy tax burdens imposed in order to maintain budget equilibrium.

These factors have exercised a considerable influence on the credit position of the country, and thus on the credit policy of the National Bank itself. This operates through a regulation of the volume of credit and through the rate of discount. As to the former it should be noticed that a portion of the portfolio of the State Note Institute was not taken over by the new central bank, as it was not considered an adequate backing for the creation of credit. These items increased the indebtedness of the State, which was transferred from the State Note Institute to the National Bank. Even among the bills taken over, however, there were some which, on the soundest principles of classical banking, were not sufficiently liquid to serve as cover for the note issue, and care had to be taken that these holdings should be diminished as and when possible. The difficult economic conditions prevailing at the time certainly justified the policy actually pursued.

The regulation of currency by means of the rate of discount is less effective. The shortage of capital in Hungary hampers the development of a domestic money market. Indeed, the money market is dependent, in the main, upon short-term foreign loans, as home resources are too insignificant to influence the market rate. There is thus a wide margin between the official rate of discount and the rates ruling in the country, and more especially in the provinces. The National Bank is doing all it can to lessen this margin, and a very considerable measure of improvement has already been achieved in this respect. A final solution will, of course, only be reached when the productive forces of the country are developed to the point at which they will themselves provide capital resources sufficient for the economic needs of the country. Until this objective is achieved, the discount policy of the National Bank will be only partly effective, and its influence will be confined, in the main, to the sphere of the foreign exchanges and the inward and outward movements of short-term foreign credits.

THE FINANCIAL LIQUIDATION OF THE WAR.

By BARON FREDERIC KORÁNYI, former Minister of Finance.

THE financial liquidation of the war will remain as a crushing burden in almost all civilised countries for a generation and more. The difficulties are perhaps greatest of all, however, in the countries where, as a result of the treaty settlement, economic and political institutions which had

taken centuries to build up were overthrown in a single day. Economic reorganisation after long years of hostilities was an immediate and pressing problem which merely intensified these fundamental difficulties; and a series of crises, including the interlude of Bolshevism and the Roumanian invasion which followed, combined with the closing of their frontiers by the neighbouring States and the complete dislocation of long-established commercial and financial connections to make confusion in Hungary worse confounded. Inflation was inevitable, and the krone fell to one twenty-thousandth of its nominal value. Deprived of almost all its capital resources, Hungary was faced with the enormous burdens imposed upon it by the Treaty of Peace. These were all the more disastrous in that their amount was not fixed until 1930, and this very vagueness made financial reconstruction an almost impossible task.

Down to 1924 Hungary lived as best she could from day to day. The Reparations Commission had a first lien on all the wealth of the country, and foreign borrowing was therefore out of the question. Moreover, the Reparations Commission and various inter-allied commissions compelled the Government to make many vexatious deliveries in kind. Down to 1930 deliveries of live-stock, horses and coal amounted to a total value of 30 million gold crowns, ships and river vessels to 132 millions, rolling stock and foodstuffs to 316 millions. In addition, 330,000 Hungarians who had lived in territories which were now under foreign rule, were either expelled from their homes or else migrated voluntarily to Hungary. Thousands of these were State officials or persons receiving pensions from the State, and they naturally needed assistance. This alone meant an addition of over 80 million gold crowns a year to Government expenditure. Nor should we forget the enemy holders of pre-war Government loans, who demanded interest payments in gold. In a word, disaster was staring the country in the face, and every foreign payment or delivery in kind merely added to the financial difficulties of the situation. The balance of payments became progressively worse, and foreign exchange holdings were conspicuous by their absence.

Early in 1923 the Reparations Commission was forced by the facts of the case to give up all hope of receiving thousands of millions of gold crowns from Hungary by way of reparations. This was primarily the result of a careful expert study of the situation, in which the impartial rôle played by the British representatives will always entitle them to the gratitude of the Hungarian people. It was now obvious that the vicious circle must be broken. No financial reconstruction was possible without the aid of foreign capital, and no foreign capital would be forthcoming until sufficient revenue was made available to guarantee interest payments, and this again implied a limitation of the claims of the Reparations Commission. On the initiative of the British experts, with the support of their Italian colleagues, the Hungarian question was brought before the League of Nations. The majority of the members of the Reparations Commission, however, was opposed to the Anglo-Italian plan and proposed, in return for lifting their lien on certain State revenues for twenty years, a schedule of reparations payments which would have wrecked the whole reconstruction scheme. A compromise was not actually arrived at until March, 1924. The Commission then renounced its claims for twenty years in favour of the future bondholders and, in return, was to receive an annuity of 10 million gold crowns for the same period. The reconstruction plan drawn up by the economic and financial section of the League envisaged a period of two years for budgetary reconstruction to be carried out under the control of an American High Commissioner, Mr Jeremiah Smith. The scheme succeeded beyond all expectations, thanks to the sympathetic understanding shown by the High Commissioner and to the common-sense and self-control of the Hungarian people, who accepted the most heavy financial burdens. This work of reconstruction is really the first important step in the financial liquidation of the war in Hungary. It gave her a breathing space of twenty years, and thus opened her doors to foreign capital once again. But two great problems—and many smaller ones—still awaited solution. The total debt of the country on reparations account had to be fixed once and for all, and the economic organisation

of the new territory had to be delivered from the chaotic condition in which it then was.

The new reparations policy contained in the Young Plan opens the second chapter in the history of war liquidation in Hungary. The enormous reparations payments which had once been talked of were now seen to be absolutely impossible, even at the cost of the complete ruin of the country. But even moderate demands, combined with various so-called "treaty charges" which had not as yet been discussed, acted as a disturbing factor, since they amounted to claims of upwards of one milliard of gold crowns. Of more immediate importance was the existence of the lien on her wealth and revenue which made it impossible for Hungary to contract any new loan. The Government was therefore obliged to maintain taxation at an exorbitantly high level in order to provide the necessary funds for road making, for railways and other State enterprises, the cost of which should really have been spread out over a number of years. But this method soon became impossible in its turn.

Negotiations were conducted for nearly six months at Paris, The Hague and then again at Paris. Political and economic obstacles in the way of good relations between Hungary and the countries of the Little Entente had to be overcome. The principal of these was the refusal of the Little Entente to negotiate the financial liquidation of the war until Hungary first abandoned the claims of certain of her subjects—rather inaccurately described as optants—which arose out of Article 250 of the Treaty of Trianon. These claims were the result of the expropriation of landed property, situated in certain of the ceded territories, without adequate compensation, in the interest of what was called "agrarian reform." The most eminent international lawyers of the world were divided in opinion on this question. It was long a source of great embarrassment to the League of Nations, which, for political reasons, refused to allow it to be referred to the Mixed Arbitral Tribunals specially set up, under Article 250 of the Treaty of Trianon, for disputes of this kind. She could not abandon the claims of her citizens, which amounted to a total of at least one and a half milliards of gold crowns, and insisted that the treaty should be put into force. At long last, however, the generosity of the Great Powers enabled a settlement to be arrived at which, by leaving the legal question on one side, overcame the opposition of the Little Entente and enabled the whole complex of financial questions arising out of the Peace Treaties to be dealt with once and for all. In addition to the annuities fixed for twenty years in 1924 (10 million gold crowns a year), Hungary undertakes to pay, from 1944 to 1966, an additional annuity of 13½ million gold crowns. In return for this, she is freed from all special Treaty charges. Moreover, the first charge established by the Treaty on all the assets and revenues of the country shall definitely cease to have effect, so soon as France ratifies the Agreements signed at Paris on April 28, 1930.

Such, in brief outline, has been the final solution arrived at in regard to reparations and allied problems. The regulation of Hungary's share in the pre-war debt is discussed in another article in this Supplement, and it is to be hoped that this question will soon be settled once and for all as a result of negotiations now in progress. In addition, a whole series of agreements has been arrived at with the countries of the Little Entente. They deal with the various financial problems arising out of the dismemberment of the financial, economic and administrative unity of the pre-war kingdom. In the economic sphere, war liquidation will not be complete until production is adjusted in a rational manner to meet the needs of the present sadly diminished territory of the new Hungary. This will call for foreign capital, and the immediate outlook in the international sphere naturally makes this a matter of some difficulty. But during the last ten years the Hungarian people have given proof, under conditions of almost unbelievable strain and stress, of those psychological factors of courage and of hope which cannot but lead to success.

PUBLIC FINANCE.

By Dr. ALOIS DE SZABÓKY, Under-Secretary of State,
Ministry of Finance.

THE Reconstruction Scheme, drawn up in 1924, aimed both at the financial and the economic restoration of Hungary. Financial reconstruction was essential to economic prosperity, and this, in its turn, is the only sound basis of financial stability. Great progress has been achieved during the last six years, but while financial reconstruction was accomplished even faster than was originally anticipated, economic recovery has been much more gradual.

With the restoration of budget equilibrium, the Treasury did everything in its power to further the economic rehabilitation of the country. The budget surpluses were used for a programme of capital expenditure, while reductions were granted in nearly every direction with a view to reducing the heavy burden of taxation. The major part of the proceeds of the League Loan, originally raised for the sole purpose of meeting anticipated budget deficits, was also devoted to a programme of capital expenditure. This has totalled £33,500,000 during the past five years. Not only has the neglect of the years of war and inflation been made good in this respect, but State undertakings, such as the railways and the postal service, have been improved and expanded, while help has also been given to agricultural production. Capital expenditure on social and cultural services, which were indispensable if Hungary was to keep pace with other civilised countries, has included the building of elementary schools and agricultural training schools, of hospitals, and the provision of urban and rural housing schemes.

Taxes imposed in consequence of the exceptional circumstances of the post-war period have been either abolished or reduced. Thus the share of the Treasury in house rents was given up entirely, while the general turnover tax was reduced from 3 per cent. to 2 per cent. as early as 1925, and then gradually abolished altogether on dealings in primary necessities such as foodstuffs and livestock. The house tax and the land tax have been repeatedly reduced and the excise on sugar and petrol has been lowered. The yield of Customs duties has also declined, in consequence of reduction in several items of the autonomous tariff. These tax reductions amount altogether to a total of some 220 million pengő (£8 millions) a year, and have clearly been most beneficial to trade and production. On the other hand an effort is being made to increase the yield of income tax, first introduced in Hungary during the war.

The improvement in the general economic situation, which was greatly stimulated by tax reductions and the capital investment policy of the Government, the local authorities and various private undertakings, reacted favourably, in its turn, on the public revenue. The upward movement of Treasury receipts was, however, checked first by the extension of tax reductions and later by the general economic depression. During the past three financial years public revenue has been approximately stable. It amounted to 961.4 million pengő in 1927-28, to 964.9 millions in 1928-29, and to 953.9 millions in 1929-30. The general progress of Government revenue since 1924 is shown in an adjoining table. It will be seen that the yield of taxes proper decreased in the financial year 1929-30, though this movement was counterbalanced by an increase in departmental receipts. With certain relatively unimportant exceptions, this latter rise is mainly due to the fact that departmental receipts include certain taxes which serve a special purpose such, for example, as contributions paid for the maintenance of invalids, or the motor tax, which are really in the nature of direct taxes, and show an upward tendency. Interest and amortisation payments on investment loans granted in previous years also figure under this head, and they increased during the past financial year.

The world economic crisis naturally affects Hungary, and it is, therefore, not surprising that receipts from taxation should show a falling tendency at the present time.

GOVERNMENT REVENUE SINCE 1924.

	Collected in						Estimates for 1930-31.	Collected in the first 4 months of 1930-31.
	1924-5.	1925-6.	1926-7.	1927-8.	1928-9.	1929-30.		
	Million Pengő.							
Land tax	24.6	41.0	44.9	45.2	48.3	36.1	31.0	9.7
House tax	10.5	26.2	44.1	55.6	69.5	70.2	68.0	21.3
Participation in house rents	20.0	11.7	...	...	...	...	...	...
Corporation tax	10.3	8.8	12.1	14.6	21.8	18.6	20.0	6.2
Income and capital tax	43.0	53.6	57.5	56.8	48.3	59.8	56.0	17.5
Other revenue	3.1	15.3	7.9	5.8	5.2	2.1	1.8	0.6
Total of direct taxes	111.5	156.6	166.5	178.0	193.1	186.8	176.8	55.3
Turnover taxes	177.8	135.9	141.3	140.8	131.8	104.4	111.4	25.0
Stamps and dues	72.7	85.2	106.6	109.7	111.9	112.0	103.4	33.0
Excise	69.5	83.5	86.1	97.4	102.0	95.5	101.0	30.0
Customs	119.9	120.2	141.8	148.1	124.5	96.6	108.1	29.0
Tobacco monopoly	107.1	123.0	135.2	151.2	154.4	151.8	158.0	48.0
Salt monopoly	20.1	24.2	24.7	24.8	25.0	25.1	24.2	8.0
Saccharine and lottery monopolies	0.5	0.8	1.3	1.6	1.6	2.0	2.0	0.9
Tax on railway traffic	11.9	15.4	15.2	15.9	16.2	15.4	16.0	5.0
Departmental receipts	60.8	70.0	82.4	93.9	104.4	164.3	95.8	29.8
Total	751.8	814.8	901.1	961.4	964.9	953.9	896.7	264.0

This calls for energetic measures on the part of the Government; while budget equilibrium must be maintained at all costs, help must be given in every direction in which help is possible. The crisis in agriculture is now particularly acute, but, paradoxical though it may sound, the fact that Hungary is essentially an agricultural country is actually an advantage in some respects. The agricultural community is very largely self-sufficing, while the low price of foodstuffs is of great assistance to the industrial population. Government assistance to agriculture is, however, essential. It takes the form of schemes for increasing production, facilities for marketing, and the remission of taxes. The granting of bounties (*Boletta*) should also be included under this head. Efforts are being made to provide work for the unemployed on roads, railways, river regulation and the like. To cover this exceptional expenditure, and to meet the fall in revenue, steps are being taken to reduce general expenditure in every possible direction. The administration is being simplified, and the cost of personnel and supplies cut down. The budget estimates for the year 1930-31 already show a falling tendency. Administrative expenses have been reduced to 895.7 million pengő, as against 920.8 millions in the previous year, while the expenditure on State enterprises shows at 502.4 millions, as against 507.8 millions. In consequence there is an estimated surplus of 3 million pengő, apart from the sum of 47.3 millions, earmarked for capital investment, which represents an important budgetary reserve.

The real significance of these reductions is that they help to stem the rising tide of State expenditure, and even make it possible to meet certain unavoidable increases, such, for instance, as the advance in pensions—for as old pensioners die their place is taken by others who, on the basis of their present salaries, are entitled to higher rates of pension—in treaty charges and certain other items. The estimates of the principal heads of expenditure for 1930-31 are as follows:—

	Million pengő.	
	Administration.	State Enterprises.
Public Debt and Treaty charges	101.5	3.9
Personnel	303.4	141.0
Pensions	125.6	80.6
Subsidies to autonomous bodies for pensions and personnel	55.6	—
Supplies and working expenses	284.9	254.3
Investments	24.7	22.6

Estimates now in preparation show that expenditure will be still further cut down in the Budget for 1931-32. But in view of the present economic position, which may lead to a decrease in revenue and, possibly, to an increase in expenditure, over and above the provisions of the Budget, attempts are being made to economise still further. A scheme has been adopted by which the number of officials will be reduced by 10 per cent. over a period of six years.

As dismissals would only lead to social unrest, it has been decided that vacant posts shall not be filled. In addition, immediate reductions have been effected in certain supplementary allowances of the State employees, and other economies include those made in supplies, which are greatly facilitated by the fall in prices. These measures together should lead to a reduction of at least 25 million pengő in administrative expenditure, and 20 millions in the State enterprises. This, however, will not suffice to cover the expected fall in revenue, so a special progressive tax on official salaries and directors' fees is to be introduced. This new burden may be justified by the fact that, while the income of other classes of society has been reduced owing to the unfavourable economic situation, those receiving a fixed salary have benefited by the fall in prices. The cost of living index number for a family of four now stands at 103, as against 120 eighteen months ago.

Now that the agreements of the Hague and of Paris have settled the reparations question once and for all, the last obstacles in the way of contracting a foreign loan have been removed. When the position of the international money market is such as to make possible the raising of a long-term loan, the Government will be able to proceed with its investment programme, and thus contribute still further to the improvement of economic conditions. In the meantime it has discounted Treasury Bills to a total of £3,150,000 for a period of one year to enable it to carry out urgent public works.

According to the monthly returns of the Finance Ministry, expenditure in the last four financial years has been as follows:—

	(In million pengő.)	
	Expenditure.	Surplus of Revenue over Expenditure.
1926-27	779.6	+ 121.5
1927-28	864.4	+ 97.0
1928-29	964.6	+ 0.3
1929-30	953.9	+ 0.2

According to the Budget for 1930-31, the total National Debt on June 30, 1930, excluding amounts due for Reparations (which amount to 200 million gold kronen for twenty years from 1924) amounted to 1,496.0 million pengő (£53,750,000), as against 1,516.2 millions at June 30, 1929. The amounts of internal and external debt at June 30th last were as follows:—

	Internal Debt.	External Debt.	Total.
	Pengő.	Pengő.	Pengő.
Consolidated Debt	84,582,559	1,242,397,724	1,326,980,283
Floating Debt	82,802,968	86,250,321	169,053,289
Total Debt	167,385,527	1,328,648,045	1,496,033,572

Further details of the total debt are given on p. 13.

HUNGARIAN COMMERCIAL BANK OF PEST

(Pesti Magyar Kereskedelmi Bank)

BUDAPEST

Telegrams: "COMMERZ"

Royal Charter 1841.

Oldest Bank in Hungary.

50 BRANCHES AND AFFILIATED BANKS IN HUNGARY

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CORRESPONDENTS ALL OVER THE WORLD.

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(Magyar-Olasz Bank R.T.)

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Head Office:

Budapest, V. Nádor-utca 16.

Telegraphic address: Bankunit.

Capital fully paid 20 million Pengő

Reserves about 6 million Pengő

Nine City Branches and wide network of
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throughout Hungary.

The Bank affords every facility for banking
business with Hungary.

Special attention is directed to the 7 and 7½%
Dollar and Pound Sterling Mortgage Bonds.
issued by the Bank. Particulars will be
sent on application.

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(Pesti Hazai Első Takarékpénztár-Egyesület)

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IV., Deák Ferenc-utca 5.

**THE OLDEST AND GREATEST
SAVINGS-BANK OF HUNGARY**

Established 1839.

Cable Address: TRESOR

Capital - - - **P 20,000,000.—**

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Ten Branches in Budapest.

Affiliated institutes at all important places of Hungary.

Correspondents in all important markets of Europe
and in the United States of America.

**Purchase and Sale of Securities,
Foreign Exchange Issues, U.S. \$
Sinking Fund Mortgage Bonds, 7½%**

Letters of Credit

Remittances

Mortgage Loans

Discount of Bills

DEPOSITS IN HUNGARIAN AND FOREIGN
CURRENCIES. ALL KINDS OF BANKING
BUSINESS TRANSACTED.

NATIONAL DEBT.

CONSOLIDATED DEBT.

	Amount on June 30, 1930.	Annual Service Interest and Sinking Fund.
(In pengő.)		
Pre-War Debts.		
4% Gold Rente	672,377,200	11,135,213
4% Rente, 1910*	20,633,235	331,847
4½% Rente, 1913*	18,609,986	297,386
4½% Amortisation Rente, 1914*	93,237,358	2,033,362
Smaller items	170,890	49,202
Steg Bonds	75,121,529	1,629,051
Administrative expenses	...	29,998
War Loans	752,230	42,874
Post-War Debts.		
7½% League of Nations' Loan, 1924	327,616,612	39,672,180
6% French Franc Bonds	13,512,000	898,280
6½% French Franc Bonds	25,219,248	1,780,560
3½% Clearing Bonds	16,229,995	1,995,350
5% Internal Forced Loan, 1924	63,500,000	3,194,880
Südbahn Amortisation	...	6,357,630
Administration expenses of the Clear- ing Office	...	3,737,226
Total amount of Consolidated Debt	1,326,980,283	73,185,039

FLOATING DEBT.

	Amount on June 30, 1930.	Annual Service Interest and Sinking Fund.
(In pengő.)		
Pre-War Debts.		
French Clearing	...	766,944
British Clearing	55,770,000	13,965,500
Italian Clearing	3,754,375	2,148,219
Belgian Clearing	5,596,500	953,285
Smaller items and Administrative expenses	34,112	22,748
Post-War Debts.		
Relief credits	11,018,767	397,643
Smaller items	143,206	7,079
Floating Debt with the National Bank	82,796,568	1,197,922
6% French Franc Treasury Bonds	5,886,718	3,137,850
6% Lire Treasury Bonds	4,053,043	931,512
Total Floating Debts	169,053,289	23,528,702
Total Consolidated Debts	1,326,980,283	73,185,039

Total indebtedness

* Under the Innsbruck Protocol of 1923, Succession States to the Empire of Austria-Hungary agree to provisional arrangements or apportionment and service of Austro-Hungarian pre-war debt involving the establishment in Paris of a Caisse Commune (on which various national groups of bondholders are represented) to manage the service of debt and payment, spread over twelve years, 1926-37, the arrears since the Austrian and Hungarian Peace Treaties to the end of 1924 at 32 per cent. for gold rentes and 27 per cent. for 4½ per cent. loans, and payment of current service from April 1, 1925, at same rates, these terms to be subject to revision before 1931 if the financial position of States concerned improves.

BANKING.

By PHILIP WEISS, President of the Hungarian
Commercial Bank of Pest, Member of the Upper
House.

THE Treaty of Trianon, by reducing Hungary to nearly a third of its former size, has had a most important influence on banking business, the present volume of which is naturally very much less than that in the pre-war kingdom. Every effort has been made to reduce the number of banks and savings institutions, originally created to meet the needs of a much larger country. Banking amalgamations lead to considerable economies, more especially as regards overhead charges, and thus enable the leaders of the banking world to provide cheaper credit facilities for commerce, industry and agriculture.

In 1923, at the height of the inflation period, there were 698 banks and savings banks controlled by the Central Corporation of Banking Companies. This number had decreased to 529 at the end of 1929. Thanks to the efficient control of the smaller institutes by the Central Corporation of Banking Companies no failure of importance has occurred in Hungary since the end of the war, in spite of the serious financial difficulties of the upheaval following the war and the demoralising effects of inflation.

In 1925 all financial institutes drew up gold balance sheets. Since the reconstruction of the national finances banking shows a steady development. Whereas the total resources of all financial institutes controlled by the Central Corporation of Banking Companies in 1925 amounted to 1,688.6 million pengő (£60,000,000), at the end of 1929 they totalled 4,424.1 million pengő (£159,000,000).

In order to illustrate the expanding activities of the ten principal Budapest banking institutions it will suffice to point out that their total assets have more than doubled in the last three years, totalling 2,177.2 million pengő (£78,000,000) at the end of 1929, as against 1,058.7 million pengő in 1926. Net profits rose within the same period to 34.6 million pengő (£1,250,000), as against 17.3 millions in 1926. The half-yearly balance sheets of the main banking institutions, which are summarised on page 15, reveal that their position is strong and that business, in spite of the economic depression of the present year, was satisfactory.

The substantial increase in the capital, reserves and deposits of the banking institutions is due in a considerable degree to the participation of foreign funds which were placed at the disposal of Hungary through the intermediary of the main institutions of Budapest in the form of short and long-term loans. Thus Hungarian banking has played a very important part in the financial recovery of the country. The recent trend of internationalism in banking is shown by the fact that foreign capital is interested in almost all Hungarian banking institutions of importance, and shareholders include British, American, German, Austrian, French, Swiss and Italian groups.

It is of interest to note that there is practically no difference, so far as business is concerned, between banks and savings banks, since both are not only interested in accumulating deposits and making advances to their customers, but are more or less engaged in financing and participating in commercial and industrial undertakings. The provision of mortgage loans to landed and urban property is one of their main activities.

In those States whose frontiers were enlarged by the Peace Treaties—and above all in the so-called Succession States—large new banks have been formed. The Hungarian institutions, established in what was formerly Hungarian territory and working there up to the overthrow of the old monarchy, are thus faced with very serious competition. In consequence of its geographical position, Budapest was formerly one of the international banking centres for the South-East European States—Serbia, Bulgaria, Roumania, Greece and Turkey. Prior to the outbreak of war several large Budapest banks were heavily interested in the principal banking institutions of these countries, whether by direct capital participation, by the granting of credits, or in various other ways. The financial and economic relations between Budapest and the Balkans were becoming closer and more intense each year. Budapest was marked out as an intermediary between the East and the West, not merely by its geographical position, but also by the fact that Hungarian bankers, with many years of experience behind them, have very wide first-hand knowledge of financial and economic conditions in the Balkan countries.

As railway and air connections, together with the telegraph and telephone, bring the Balkan countries each day nearer to the financial markets of the West, the leading bankers of these countries will come to realise more and more that it is in their own interest that advantage should be taken of the exceptional facilities offered them by the well-conducted and experienced banking institutions of Budapest and Vienna. These latter, thanks to years of close business relations, know the outlook of the Western banking centres, more particularly as regards credit business, better than do their colleagues further East, and are thus in a position to assist them in a whole variety of ways. In Hungary, Austria, Serbia, Bulgaria, Roumania, Turkey, Greece and even Albania, Western capital could find a most profitable field for investment, both in finance and in industry, and there can be no doubt as to the value and importance of the rôle which leading Hungarian bankers could play in any activity of this kind.

Hungarian Discount and Exchange Bank

(Magyar Leszámitoló- és Pénzváltó-Bank)

INCORPORATED BY
ROYAL CHARTER
IN 1869

FORMERLY:

C. J. MALVIEUX

ESTABLISHED IN 1829

Accounts in pengő and other currencies, bearing interest, also opened. Foreign Exchange and Banking Business of every description undertaken. Drafts and documents on Hungary collected on most advantageous terms. **Mortgage and Bonds Department. Money Order Department. Merchandise Department. General Warehouses.**

10 Branches in Budapest

Branches and Affiliations in Hungary:

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Békéscsaba	Mezőkovácsháza
Debreczen	Miskolc
Gyöngyös	Nagykanizsa
Győr	Nagykőrös
Igal	Nyiregyháza
Kaposvár	Orosháza
Kecskemét	Pápa
Kiskunhalas	Sárvár
Makó	Szarvas
Mátészalka	Szeged
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HUNGARIAN GENERAL CREDITBANK

Magyar Általános Hitelbank
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Share Capital and Reserves
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Eight Branches in Budapest.

Branches in Baja, Debreczen, Eger, Győr, Kecskemét, Miskolcz, Nyiregyháza, Pécs, Sátoraljaújhely, Sopron, Székesfehérvár, Szekszárd, Braszov, Oradea, Timisoara, Fiume.

**Banking Business of all
Descriptions transacted**

Correspondents throughout the world.

7 and 7½% Gold Mortgage Bonds

in
U.S.A. Currency
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HUNGARIAN GENERAL CREDITBANK

The Mortgage Bonds are issued on the Basis of loans granted in conformity with the existing Laws and the By-laws of the Bank and covered by mortgages upon agricultural and urban properties.

The Mortgage Bonds give a high yield conformably to the situation of the money market.

SUMMARISED BALANCE SHEETS OF PRINCIPAL BANKS AT JUNE 30, 1930.
(In thousand pengő.)

	Cash in hand and with banks.	Bills discounted.	Debtors.	Government and other securities.	Participations.	Mortgage loans.	Guarantee funds.	Real property.	Pension funds.	Sundry.	Capital and reserves.	Creditors.	Mortgage loans assign.	Outstanding mortgage bonds.	Transfer account and sundry.
Hungarian General Creditbank	28,432	96,011	208,872	17,364	34,171	43,405	1,270	10,996	7,250	563	73,315	333,614	12,202	23,793	6,836
Hungarian Commercial Bank of Pest	42,260	109,612	104,941	5,721	47,892	70,573	2,556	6,120	9,227	...	63,727	266,950	34,854	29,069	4,303
British and Hungarian Bank	9,628	66,037	72,735	11,605	13,347	18,050	1,058	5,478	3,237	...	44,297	136,377	5,395	11,193	3,913
First National Savings Bank Corporation.	26,290	105,636	40,700	3,977	8,828	12,173	1,264	8,800	3,478	312	37,563	183,617	25,705	19,847	4,726
Hungarian General Savings Bank Co.	12,394	68,330	36,225	2,769	6,818	42,715	1,351	3,626	1,763	23	35,103	102,920	5,818	27,006	5,166
Hungarian Italian Bank	9,179	69,010	42,442	2,225	5,149	57,359	2,384	2,372	2,000	39	28,879	110,375	9,170	43,218	547
Hungarian Discount and Exchange Bank	10,413	52,173	46,345	5,426	14,648	57,166	2,043	2,400	3,657	1,335	25,834	112,521	19,359	35,296	2,986
National Central Savings Bank of Hungary	17,799	53,055	49,619	4,392	13,085	27,305	1,068	2,384	...	...	22,707	127,385	...	17,285	1,330
National Banking Corporation, Ltd.	3,763	22,683	26,956	2,552	5,744	...	...	1,372	651	100	19,050	44,239	...	...	532
The City Savings Bank Co.	3,811	21,867	17,465	1,412	3,983	32,228	2,426	2,810	539	48	15,587	41,149	...	29,675	178
Hungarian Land Mortgage Institute	17,000	27,978	36,591	2,744	608	106,053	5,342	1	...	3,904	10,822	82,144	...	106,821	434
Farmers' National Mortgage Institute	14,330	21,317	14,434	1,073	...	32,399	1,331	597	199	...	10,855	40,075	10,298	24,353	99

THE CO-OPERATION OF BANKS AND INDUSTRY.

By Dr. TIBOR DE SCITOVSZKY, former Minister of Foreign Affairs, General Manager of the Hungarian General Credit Bank.

The principal Hungarian banks have, from the very beginning, taken a leading part in the industrial life of the country. This is due, above all, to the fact that Hungary was always short of funds and that private individuals with adequate supplies of capital were not forthcoming in sufficient numbers to take the lead in establishing industrial undertakings. The principal banking institutions, however, had greater capital resources and were in a much better position to market the shares of the leading industrial undertakings. This situation was, of course, very similar to that prevailing in Austria and in Germany. In consequence, the large Hungarian banks became both shareholders and creditors, a combination which implied a very wide measure of influence and control in the nascent industrial undertakings of the country. Moreover, in establishing this close co-operation in the organisation and development of industry, they were actuated not merely by their own immediate interests, but also by economic considerations of a more general character. The need of encouraging industrial development had long been felt, though, so long as the Dual Monarchy remained, this policy was hard to carry through to a successful issue in face of the keen competition of the older-established Austrian industries. Even in pre-war times, however, certain Hungarian industries had succeeded in achieving a remarkable measure of success.

The Treaty of Trianon dislocated the economic structure of Hungary and made the need for industrial development still more apparent. A country so densely populated as the new Hungary, with 93 inhabitants to the square kilometre, as against 65 in the old kingdom, was obviously compelled not merely to adapt its agriculture to the new conditions, but also to promote industrial production in every possible way, in order to afford an outlet for so dense a population. Industrialisation would make the country less one-sided, by diminishing its exclusive dependence on agriculture—a factor of the very greatest importance in view of the unfavourable world outlook for agricultural produce—it would strengthen the home market, improve the trade balance, and reinforce the very basis of the public revenue. Moreover, this course was further dictated by the general movement towards self-sufficiency in all the surrounding countries.

Under these conditions, it was most fortunate that the banking organisation of the country was both ready and able to meet the needs of industry. Indeed, the rôle of the banks became even more marked than it was before the war, since the period of hostilities and of general inflation had reduced the working capital of industry to the merest fraction of its former self. The banks not only helped with their own assets and with the resources placed

at their disposal by people living within the country itself, but also obtained foreign credits with which to increase the working capital of the various industrial undertakings, then so sadly depleted. They came to participate more and more in industrial companies and also placed industrial shares, both at home and abroad. Their support was all the more valuable since Hungary, now independent in the economic sphere, was able to adopt a Customs and trade policy of its own, with a view to encouraging home industries. Even though the present network of commercial treaties has somewhat relaxed this protectionist system, Hungarian industrial life has undergone a considerable transformation during the past decade and many branches have progressed in a truly remarkable manner, in spite of adverse trade conditions. This is in itself a proof that the foundations have been well and truly laid. A favourable factor is, of course, that, with one or two exceptions, Hungarian industries produce for the home market: at the present volume of production, exports play only a subordinate rôle. The relative smallness of the industrial equipment has the further advantage that works carried out for the State, the municipalities and other public bodies are proportionately of greater importance than in other countries where governmental activities are of similar magnitude, but where industrialisation has gone much further. Moreover, this fact accounts for the low rate of unemployment, which is only really of importance since the general world crisis has become more acute. Even to-day the number of unemployed registered by the trade unions amounts to no more than some 23,000. This is obviously an important consideration when assessing the present standing of the principal Hungarian banking institutions.

As the industrial participations of the banks were often of long standing, they were estimated on a very conservative basis when gold balance sheets were introduced. Indeed, the decline in share quotations has affected the banks relatively little, and this has made them the more willing to continue their financial support to the industrial undertakings in which they are interested. By helping the transition from agriculture to industry, the banks have rendered great service to the economic life of the country. They have also profited by the extension of credit business which has naturally followed.

The wisdom of this policy of co-operation between banks and industry has been confirmed by the endeavours recently made in Great Britain and France with the same end in view. Even in these highly developed countries, where development has been on entirely different lines, the need for the banks to take a more active interest in industry has been recognised in these hard times.

The future of Hungarian industry is full of great possibilities, and the prospects facing the banks are most promising. It is, therefore, highly desirable that the intimate co-operation of banking and industry, which has been so beneficial in the past, should continue in the future.

III.—HUNGARY'S ECONOMIC ACTIVITIES.

AGRICULTURE.

By OUR BUDAPEST CORRESPONDENT.

HUNGARY is predominantly an agricultural country. More than half of its population is directly dependent on the products of its soil. It is natural, therefore, that the world-wide agricultural depression should be keenly felt. The export of surplus products is being made more and more difficult by the low export prices and the protective duties of the importing States. Hungary is unable to protect her agriculturists by the imposition of Customs duties because, since she is an exporting country, her prices adjust themselves to the extremely low export prices of the world market.

The Hungarian farmer who, in pre-war times, enjoyed the protected market of the Austro-Hungarian monarchy, is hardly hit by the changed conditions. In addition, Hungarian agriculture is adversely affected by the discrepancy between industrial and agricultural prices. The protective duties accorded to domestic industries inflict a heavy burden on agriculture. Whereas the price of cereals and live-stock is below pre-war level, both wholesale and retail prices of industrial commodities needed by farmers are far above pre-war prices. The Government is endeavouring to help the farmers by bounties, tax remissions, cheap export credits and freight reductions, but no effective aid could be given by national action in a world-wide agricultural depression like the present. Only a concerted action of the agricultural States could materially improve the situation.

In consequence of the land reform carried out after the war, 70 per cent. of the arable land of the country is owned or rented by small holders. It is true that land reform in Hungary was less ambitious in scale than in the South-Eastern European States, but the good effect of its moderate character is demonstrated by the fact that total Hungarian production was not only maintained but even increased, whereas in the neighbouring countries, where the reform was more violent, the consequences were a serious reduction of the sown area and production. This proves that Hungary, while realising the social and political urgency of agrarian reform, did not carry it to extremes but carefully observed the economic and financial aspects of the problem. The compensation for the land "allotted" was financed out of the \$36 millions loan granted by the Swedish Match Trust on satisfactory terms. A considerable part of that loan, not absorbed by the financing of land reform, is being used to aid with cheap credits the small holders.

The most important problem of Hungarian agriculture besides low prices and marketing difficulties is the provision of credit. In the absence of sufficient domestic resources, recourse had to be made to foreign borrowing in order to enhance the productive capacity of the soil. But credit facilities, especially for rural districts, are far from being satisfactory. Whereas in pre-war times land mortgage bonds were placed on the principal foreign markets at 4 and 4½ per cent., long-term loans issued in recent years bear interest of 7 and 7½ per cent. Hence, the debts contracted by farmers are far more onerous than in pre-war days, both for long- and short-term loans. The cost of mortgage loans is around 10 per cent., and 14-15 per cent. is often paid in rural districts for short-term credits. As a considerable portion of the farmers' debt is not consolidated, it is highly important that these should be converted into mortgage loans at the earliest period.

The provision of credit for agriculture is in the hands of the big banks of Budapest and the small but well-established provincial institutions. There are also certain credit institutions working on a non-profit-making basis with Government control and participation, whose aim is to help the farmers with cheap credits, to finance land allotments, settlements, etc. Although the indebtedness of agriculture is by no means great, it amounts to

about 1,428.7 million pengő (£50,500,000) at the end of 1929, as against 3,000 million pengő (£108,000,000) in 1913, its annual burden amounts to 170 million pengő (£6,000,000), as against 160 million pengő in 1913, as a result of the higher rate of interest.

The Government has recently appointed an independent commission to acquire the land of the heavily indebted large holdings on satisfactory terms for allotments to small holders. This plan is sound, because in times of agricultural depression the small holders cultivating their own land are better placed to withstand the crisis than the big landowners dependent on expensive credit and labour. The fact that two-thirds of the small holdings are free from debt and only one-third moderately indebted affords good evidence of the sound basis of our agriculture. The indebtedness of the medium-sized and large holdings is proportionately greater than that of the small holdings, but none the less more than half of these holdings are entirely free of debts. The following tables show the sown area and the crops harvested in the last ten years, and demonstrate that after the collapse of the war and the chaos caused by revolution and inflations the average production of pre-war years has been attained and even surpassed in the last few years. Yet agriculture is far from being in its full development, and with ample credit resources and better marketing conditions Hungary's economic position may be considerably improved.

SOWN AREA IN THOUSAND CADASTRAL ACRES.*

	1911-15.	1920.	1921.	1922.	1923.	1924.	1925.	1926.	1927.	1928.	1929.
Wheat	2,661	1,863	2,022	2,467	2,323	2,534	2,510	2,630	2,835	2,894	2,740
Rye	1,197	1,033	929	1,164	1,155	1,187	1,199	1,223	1,159	1,149	1,125
Barley	924	836	829	781	756	734	728	716	706	709	794
Oats	606	562	619	577	565	514	512	483	452	455	503
Maize	1,512	1,412	1,517	1,701	1,721	1,735	1,872	1,868	1,848	1,846	1,900
Potatoes	426	439	459	445	452	434	457	439	452	458	479
Beet Sugar	104	54	73	73	90	119	116	112	112	114	130
Vineyard	379	329	363	374	382	384	382	382	384	384	374

* 1.421 acre = 1 cadastral acre.

CROPS IN 1920-1930.

(In Million Quintals.)

Year.	Wheat.	Rye.	Barley.	Oats.	Maize.	Potato.	Beet Sugar.
1911-15.....	19.9	8.0	7.1	4.4	15.1	19.4	...
1920	10.3	5.1	4.7	3.2	12.7	20.7	6.4
1921	14.3	5.9	4.7	3.2	8.1	12.5	5.4
1922	14.9	6.4	4.8	3.3	12.4	13.2	7.1
1923	18.4	7.9	5.9	4.0	12.5	13.3	8.6
1924	14.0	5.6	3.2	2.3	18.8	15.4	12.7
1925	19.5	8.3	5.5	3.7	22.3	23.1	15.3
1926	20.4	8.0	5.6	3.6	19.4	18.7	14.4
1927	20.9	5.7	5.2	3.3	17.4	20.0	14.6
1928	27.0	8.3	6.7	4.0	12.6	14.7	14.4
1929	20.4	8.0	6.8	4.1	17.9	21.7	16.1
1930*.....	20.0	6.7	5.4	2.2	13.3	16.2	13.4

* Provisional figures.

HUNGARY'S LIVE STOCK IN 1,000's.

	1911.	1922.	1923.	1924.	1925.	1926.	1927.	1928.	1929.	Spring, 1930.
Horned cattle	2,150	1,828	1,819	1,896	1,920	1,847	1,806	1,812	1,819	1,785
Horses	896	717	815	850	876	855	903	918	892	860
Pigs	3,322	2,473	2,133	2,458	2,633	2,520	2,387	2,652	2,582	2,362
Sheep	2,406	1,352	1,587	1,814	1,891	1,804	1,611	1,566	1,573	1,463

The greater part of Hungary's national wealth is the land, and the main item of its national income is the produce of its land. It is therefore of paramount importance for the welfare of the country that agriculture should receive every assistance from the Government, and from the credit institutions, as the excellent quality of the soil and the energy of the farmers will always be the economic backbone of Hungary. The cost of production of agriculture must be reduced by all means and all fiscal measures ought to be taken to secure that end.

INDUSTRY.

By M. HENRY FELLNER, President of the Federation of Hungarian Industries, Member of the Upper House.

THE industries of Hungary date back to the middle of the nineteenth century. At that time there were steam mills, distilleries, hemp mills, all of which worked up the raw materials of agriculture, and, in addition, a few iron-foundries and machine shops. In course of time, these developed into large-scale undertakings, around which there sprang up representatives of almost every type of industrial production. This expansion was favoured by a plentiful supply of coal and a sufficient reserve of iron ore, by cheap labour, by the steady growth of credit institutions and, finally, by the existence of a relatively large home market. These factors would, indeed, have led to an even greater measure of industrial development, but for the fact that the existence of the large free-trade area of the old Dual Monarchy, of which Hungary formed a part, acted as a limiting factor. The industries of Austria proper and of Bohemia were of much older standing, and Viennese industrialists were sufficiently influential at Court and in Government circles to prevent the establishment of an independent Hungarian tariff administration, which was ardently desired by Hungarian political and economic opinion. Hungary thus turned her attention primarily to agricultural production, in which she was favoured by her geographical and climatic position, and neglected her resources in coal and minerals generally.

The failure to satisfy Hungarian aspirations in the industrial sphere led, in 1907, to the passing of an Act for the encouragement of industry. Under its protection the industrial life of the country developed steadily, in spite of certain temporary setbacks. This upward process was only checked as a result of the World War and the Treaty

of Trianon. Important raw materials and the greater part of the former home market passed under the control of the neighbouring States. The difficulties of the situation were enhanced by the fact that factories had sprung up above all in the neighbourhood of Budapest, and the treaty settlement thus left an overwhelming proportion of the industrial undertakings inside the frontiers of the new Hungary, while of the total consuming population, which stood at some 22 millions before the War, approximately 13½ millions were lost to Hungary.

The country as now constituted was thus over-equipped in the industrial sphere. To solve this difficult problem, superfluous factories in one line of production have, so far as possible, been re-equipped for the production of other industrial products and if, even at the present day, many factories are compelled to produce at well below their actual capacity, it is none the less true that the situation has much improved in this respect, since the termination of hostilities twelve years ago.

This development has been made possible thanks to the internal consolidation of the country, to the financial reconstruction carried through under the ægis of the League of Nations, and to the introduction of a policy of protection. It is true that the duties laid down in the autonomous tariff of 1924 have been modified in practice by the conclusion of a number of commercial treaties, and even these reduced duties have not always come into full play on account of changes in the general economic situation. Nevertheless, this measure of Protection has enabled industrial production to advance to such an extent that, in 1928, the last year for which statistics are available, it accounted for 2,847 million pengő, or 46 per cent. of the total national output of 6,174 million pengő. The share of the principal branches of industrial production was as follows:—

	Million Pengő.
Industries producing foodstuffs, &c.....	1,106
Textiles	440
Iron and metals	317
Machinery	236
Chemicals	203
Stone, porcelain and glass	148
Leather, brushes, &c.	101
Timber	92
Paper.....	29

It will be seen that foodstuffs still hold the first place, but the progress effected in certain other branches, and notably textiles, has been quite remarkable of recent years.

As foreign trade is dealt with elsewhere in this supplement, it will suffice here to remark that the export of industrial products has been increased. Thus, partly-manufactured goods stood at 72 million pengő in 1929, as against 64 millions in the previous year, while the export of wholly manufactured goods amounted to 345 million pengő, compared with 285 millions in 1928.

Of course the general depression under which the whole world is now suffering has naturally had a profound effect upon Hungarian industries. The great falling off in the purchasing power of the consumers, which, in Hungary, is due above all to the catastrophic fall in the value of agricultural products, and the acute agricultural crisis, which is its natural outcome, is a source of constant uncertainty. At the moment, indeed, a retrograde movement has made itself felt in the output and the price-level of most branches of industry. Although the index numbers of industrial products are lower in Hungary than in many European States, it cannot be denied that there is to-day a certain opposition between industry and agriculture which comes to the fore more especially in the question of Customs tariffs. But there is no reason why Hungarian industrialists should not look forward with confidence to the future. The important part they play in the total output of the country combines with fiscal, financial and general considerations, and more particularly, their ability to create new opportunities for their various activities, to bind their future very closely with that of the nation as a whole. The limiting factors that are making themselves felt at the present moment may delay, but they cannot possibly prevent the future development of industrial life in Hungary.

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BALANCE SHEET AS OF JUNE 30th, 1930.

ASSETS		LIABILITIES	
	Pengő		Pengő
Cash in hand	1,403,051.33	Capital	23,000,000.—
Balances at call at National Bank of Hungary and banks	8,225,110.80	Capital reserve fund	5,563,636.—
Bills	66,037,194.—	Reserve fund	10,821,000.—
Debtors	72,734,264.01	Pension reserve fund	1,675,000.—
Government and public bonds and other securities	11,605,244.45	Pension fund	3,236,778.51
Share interest in affiliated banks and other companies	13,346,586.98	Deposits	100,664,799.48
Mortgages in cover of our mortgage bonds	18,050,112.77	Other Creditors	35,741,405.59
Security fund of mortgage bonds	1,057,819.58	Assigned mortgage loans	5,394,960.—
Real estate property	5,478,408.23	Mortgage bonds outstanding	11,193,486.25
Pension fund assets	3,236,778.51	Transitory items	3,883,504.83
Liabilities of customers for guarantees and other obligations as per contra	25,503,943.30	Guarantees and other obligations as per contra	25,503,943.30
	P 201,174,570.66		P 201,174,570.66

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TRANSPORT.

By Dr. GÁZA DE TORMAY, Under-Secretary of State,
Ministry of Commerce.

Railways.

The total railway network of post-war Hungary, amounts to 5,539 miles, of which 2,024 miles (or approximately 37 per cent) are owned by the State. The other lines are owned privately, though they include 2,465 miles of local line, managed and operated by the State Railway Administration. The network as a whole was in a very bad state at the end of the war, and the following years of revolution and currency inflation made reconstruction work impossible. With the restoration of the currency, however, a new period began; considerable sums were made available out of the proceeds of the League Loan, as well as from internal sources, for the re-equipment of railway plant and rolling stock. In the five financial years 1924-25 to 1928-29, a total of 127.3 million pengő has been spent on capital investments and, as a result of this, the railway system has been restored to the standard of pre-war days. Further improvements will be financed out of the proceeds of the proposed State Loan in order to increase the efficiency of the railway system still further. Passenger rates are below those ruling in most other countries, and are not much above the pre-war level. Goods rates are drawn up with a view to encouraging the export of agricultural products. Substantial freight rate reductions have already been granted to this end, and still more are now under consideration.

The expansion in railway traffic of recent years can be seen from the following table:—

Year.	Goods Traffic (in million tons).	Passenger Traffic (in millions).
1924-25	35.4	92.8
1925-26	33.5	104.9
1926-27	39.1	111.3
1927-28	40.6	121.0
1928-29	40.7	125.4

In the present year the goods traffic has somewhat declined owing to the general economic depression now prevailing.

The geographical situation of Hungary is favourable to the development of transit traffic, which increased by over 20 per cent. between 1926 and 1929. Everything is being done to facilitate the expansion of international railway services, like the Orient Express, which was resumed in 1921, through Hungarian territory. It is worth noting, in this connection, that the shortest and quickest route from London, Paris, Berlin, Prague and Vienna to the capitals of South-Eastern Europe—Belgrade, Bucharest, Sofia, Athens and Constantinople—passes through Budapest. Both passenger and goods services are reliable, and the trains are as punctual in Hungary as they are in the States of Western Europe.

The main railway line which connects Budapest with Vienna and the West will be electrified in the course of the next few years. A huge power station has already been erected, with the aid of British capital, to provide electric current for the 123 miles of line from Budapest to the Austrian frontier. When this work is completed it is hoped that considerable economies will be effected in operating what is much the most important stretch of line in the country. The current will be generated from Hungarian low-grade brown coal. This will reduce the imports of high-grade coal and thus help to improve the balance of trade.

Waterways.

The most important navigable waterway in the country is, of course, the Danube. It is open to navigation for about ten months, on the average, each year, and carries a considerable proportion of Hungarian imports and exports. Ships and barges, flying the flags of many nations, maintain services on this main arterial waterway of Central Europe.

The total length of navigable waterways in post-war Hungary amounts to 1,052 miles, as against 1,795 miles

in the old kingdom. Vessels flying the Hungarian flag include 137 ships, with a total tonnage of 11,839 tons, and 296 barges, totalling 139,937 tons. Last year they carried 790,532 tons of goods and 2,690,000 passengers. The Government pays annual subsidies to the shipping companies to enable them to maintain regular services for passengers and for goods.

The Free Port of Budapest, which has recently been completed at a cost of 26½ million pengő, is undoubtedly the largest and most up-to-date harbour on the Danube. Its turnover last year amounted to 185,000 tons, consisting mainly of cereals, timber, coal and iron, while the total turnover of the commercial port of Budapest as a whole was 390,000 tons, of which shipping traffic accounted for 340,000 tons. The Trianon Treaty deprived Hungary of direct access to the sea, but by an agreement arrived at with Italy in 1927 she obtained a free port on the Adriatic at Fiume, which was formerly Hungarian territory.

Roads.

The state of the roads is unsatisfactory and, with but few exceptions, they are not yet fit for motor traffic. A big road construction scheme has, however, been worked out by the Ministry of Commerce, and special attention has been paid to those districts where transport facilities are still very backward. Last year a sum of 24.8 million pengő was devoted to the building of new roads and to the maintenance of existing ones. A Motor Vehicle Tax was instituted in the budget of 1928. Its proceeds are paid into a special Road Fund, which is intended to finance the upkeep of the roads. As motor traffic is developing very slowly, the income of this fund is far from sufficient to meet the expenditure called for by the road schemes of the Government, and recourse will have to be had to home and foreign borrowing until such time as the fund becomes adequate.

The modernisation of the road system is a matter of the greatest importance in an agricultural country, more especially for the marketing of perishable goods such as fruit and vegetables. Hungary has been seriously handicapped in the past by the absence of satisfactory means of transport in the outlying parts of the country, but these defects are now being slowly remedied. The main arterial roads are being rebuilt with a view to the needs of international motor traffic, and a modern road has just been completed which links up Budapest with Vienna. The Hungarian sector of the proposed road from Calais to Constantinople will be entirely reconstructed during the course of the coming year.

At the end of 1929 there were 29,417 motor vehicles of all types in the country. This total included 11,582 cars, 4,400 lorries, 690 buses and 10,865 motor cycles—of which 4,060 were of British make. The improvement of the road system has already led to an increase in tourist traffic, and this should expand still further in the future. It will certainly be helped by the reasonable charges made at the principal summer and winter resorts of the country.

Airways.

During the summer season London, Paris, Rome, Berlin and Constantinople can each be reached from Budapest by air in one day. The London-Egypt-India service of Imperial Airways calls regularly at the Budapest aerodrome, and Hungarian aeroplanes, piloted by Hungarian pilots, maintain a regular service to Vienna, where they link up with the Luft Hansa lines to the rest of Europe.

The Ministry of Commerce exercises supreme control and supervision over all means of transport—by rail, road, water and air—within the country. Transport facilities have improved enormously during the course of the last ten years, and have done much to stimulate the economic recovery of the country. There is, therefore, every reason to believe that the improvements now under consideration, for the realisation of which the co-operation of foreign capital is essential, will lead, in the fullness of time, to still further progress in the economic equipment of the country as a whole.

PRICES AND WAGES.

By OUR BUDAPEST CORRESPONDENT.

DURING the war prices were inflated; indeed, inflation was one of the main characteristics of the economic and financial chaos prevailing in Hungary from 1919 to 1924. With the currency stabilisation carried out in 1924, thanks to application of the League's Reconstruction Scheme, prices have become stable. Prices were considerably above the gold parity of world prices in 1924, but they have subsequently receded, as the population's confidence was restored in the national currency.

The index prices from 1924 on are as follows:—

1913 = 100.

	Wholesale Index.	Cost-of-living Index. Without Rents.	With Rents.
1924, December 31.....	100	116	149
1925, ".....	130	109	119
1926, ".....	126	105	119
1927, ".....	135	113	115
1928, ".....	135	117.6	120
1929, ".....	107 (a)	112.5	110
1930, March 31.....	100	111.4	119
1930, June 30.....	94	106	112
1930, September 30.....	92	105.3	110
1930, October 30.....	94	102.7	108

(a) From 1929, weighted index.

It will be seen from the above table that wholesale prices fell considerably during 1925, the fall of 30 points in that year representing an adjustment to world prices. In 1926 and in 1927 prices increased slightly owing to the economic recovery stimulated by foreign funds. In 1929, however, the economic depression and the heavy fall of agricultural prices caused a general recession of wholesale prices which was continued throughout the present year. It is worth while to note that in 1929 a weighted wholesale index was worked out by the Statistical Department in order to show the discrepancy existing between the various groups of commodities.

According to the new, weighted, wholesale index, on September 30, 1930, the index for agricultural products is returned at 80, and that of industrial products at 122. But even these figures do not reflect sufficiently the existing discrepancy between the protected industrial and the unprotected agricultural products. The fact that the wheat index on October 31st is shown at 58, and that of rye at 88, will better demonstrate the extent of the diminished purchasing power of the farmer. Owing to the high prices of coal, machinery, textiles, artificial fertilisers, he is compelled to give twice, in many cases, and even three and four times, more in quantity of cereals and livestock in exchange for industrial products than was the case in pre-war years. It is of paramount importance that the inflated prices of the staple industrial commodities should adjust themselves to the general fall of world prices, because the whole economic system of the country will be paralysed if the present highly injurious discrepancy is maintained by artificial means.

The cost-of-living index, which is based on the needs of a working class family of four, does not reflect the true position. There is little doubt that the real increase in the selling price of manufactured goods is understated; and the actual rise in the cost of living of the working classes, as well as the middle classes, is, to-day, much greater than the increase of 2.7 per cent. indicated by the Statistical Department. The differentiation between the index with and without rents is due to the fact that rents for old tenants are regulated at 86 per cent. of the pre-war level by the Rent Restriction Act, but the rents of new houses are about 40 per cent. and even more above 1913.

Wages compare unfavourably with those in Western countries. The agricultural labourers' standard of living is very low and generally they receive the major part of their wages in kind. The industrial working class is somewhat better off, but their wages, both skilled and

unskilled, are far behind those of the neighbouring industrial countries. An illustration of the comparatively low wages is the fact that in 1928 out of a total industrial production valued at 2,847 million pengő (£108,000,000) only 366.6 million pengő (£13,200,000), that is less than 13 per cent., were paid out in wages to 241,305 employees. This means that the average income of the artisans is about £1 per week, and even fully-skilled artisans do not earn more than £2 10s. per week. Considering the protective duties accorded to industry it appears that either such low wages are not justified or that the high tariffs are reacting unfavourably on the standard of living of the whole population.

Another difficult problem of post-war Hungary is how to deal with the tens of thousands of the educated classes, from the lost territories, who took refuge in the country, and for whose services there is no economic demand. Accordingly, they are a heavy burden on the whole community, either by keeping salaries and wages low or by receiving pensions at the charge of the Treasury. This fact accounts for the substantially reduced standard of living of the middle classes as the refugees were mostly State employees or came from the professional class.

The development of social services was delayed by the economic chaos and the scarcity of means in the period of inflation, when help was most urgently needed. With the restoration of public finances and the economic recovery experienced in 1926 and 1927, considerable sums were devoted to the building up of social services. Large sums were spent on education, housing, hygienic services, perhaps on too ambitious a scale. A compulsory insurance scheme against sickness and old age has been introduced, covering about one million people, though agricultural workers are not yet included. Provision has also been made for orphans and widows. The heavy burden of the insurance system and its expensive management is not unjustly criticised by the workers as well as by the employers.

There is no compulsory insurance against unemployment, an omission resented by the industrial workers, who are organised and aided while not employed by their trade unions. It is difficult to give a correct estimate of the number of unemployed in Hungary, because there are no trustworthy figures in respect to agricultural labourers, of whom a considerable number—perhaps 100,000—are workless in the winter. The number of industrial unemployed registered by the trade unions amounted in November, 1930, to 23,000, or about 10 per cent. of the total.

The National Income in 1924 at the outset of the Reconstruction Scheme was estimated at 3,600 million pengő and private estimates range from 4,400 to 5,500 million pengő in 1927 and 1928, when the economic recovery of the country was reflected in the increased volume of production and trade. In 1929 and in 1930, however, owing to the serious decline in the agricultural prices, the National Income in money value has certainly diminished, although the volume of production and trade shows only a comparatively slight decrease. The fact that more than half of the population living in the rural districts is practically self-sufficient, consuming mainly its own products, makes it extremely difficult to give a correct estimate of the National Income in money value. An average of 500 pengő (£45) per capita income for the present year is perhaps on the safe side. This is more than the average income per capita in the South-Eastern European agricultural States, but considerably less than that of the Western countries.

The total tax burden on the National Income is about 20-22 per cent. per annum on the average in the last five years. The distribution of the National Income leaves very much to be desired. Although the situation has considerably improved since the currency stabilisation, wages are still very low, and considering that the cost of living has not fallen to anything like the extent warranted by decrease in wholesale prices, the purchasing power of the population, especially in the agricultural districts, has greatly diminished.